

Yellow highlights = New Information

Strikethrough = Words removed

## American National Standard

Current proposed 2018 changes

### 3. Client Contracts: Review Procedures and Requirements

3.5.5 An outside independent CPA shall conduct an asset and liability verification (balance sheet only audit or agreed upon procedures engagement) immediately prior to or immediately after the transfer of financial responsibilities to new management; if a verification is not authorized by the client, this fact shall be recorded in writing.

~~3.5.6 An outside independent CPA shall conduct an independent verification (audit or agreed upon procedure engagement) immediately prior to or immediately after the transfer of financial responsibilities; or if no audit or asset and liability verification is authorized by the Board, a written release that they will accept financial records as transferred will be obtained.~~

3.6 AMCs shall address in writing, whether in their contracts or other documentation, the respective intellectual property rights (e.g. copyright, trademark, patents) of the client and the AMC including:

3.6.1 Materials and software systems developed and customized specifically for the client.

3.6.2 Materials and software systems of the AMC adapted for use with the client.

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### 6. Financial Management and Internal Controls

6.4 AMCs shall adopt written policies and procedures addressing the acquisition, to protect the privacy, and integrity and use of client's proceedings, records and data.

6.7 AMCs shall propose to Client Boards the need for General Liability, Association Professional Liability Insurance (APLI) and Cyber Policies; if declined, this fact shall be recorded in writing.

~~6.7 AMCs shall propose to Client Boards the need for /General Liability and Association Professional Liability Insurance (APLI) Policies; if declined, this fact shall be recorded in writing.~~

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## 7. Insurance Coverage

### Minimum Amount or Recommendation for AMCs to determine amount based on the suggested criteria

|  |   |
|--|---|
| 7.1.1 Commercial General Liability             | \$1,000,000   |
| 7.1.2 Property (including property in transit) | Full value of property  |
| 7.1.3 Valuable Papers                          | Full value to reconstruct   |
| 7.1.4 Employee Dishonesty                      | For both AMC and client property and funds                            |
| 7.1.5 Money and Securities                     | For both the AMC and client funds, maximum amount of cash on hand, in |
| 7.1.6 Computer Equipment and Data              | Full value of equipment and reconstruction of data                    |
| 7.1.7 Non –Owned and Hired Auto Liability      | \$1,000,000   |
| 7.1.8 Worker’s Compensation                    | Minimum amount based on each state’s regulations                      |
| 7.1.9 Errors and Omissions                     | \$1,000,000   |
| 7.1.10 Cyber Liability                         | \$1,000,000   |

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## 12. Internal Quality Control Requirements

12.1 AMCs shall adopt a schedule of internal **review** ~~audit~~ quality control verification procedures to:

12.1.1 Determine whether performance complies with the AMCs written plans, procedures, and programs.

12.1.2 Validate the effectiveness of the AMCs corrective actions.

12.1.3 Confirm activities are appropriately planned;

12.1.4 Ensure internal reviewers are independent of the procedures and people being reviewed and external ~~auditors~~ **reviewers** are recognized independent entities;

12.1.5 Demonstrate quality control results, corrective actions, and corrective action results and consequences are appropriately recorded;

12.1.6 Verify quality control conclusions are discussed with the people whose activities and results are being reviewed, and deficiencies are corrected;

12.1.7 Affirm copies of the quality control reports are kept on file for future reference in accordance with the records retention policy, but for not less than four years.

**Reference** – this is what we currently had on the AMCI Accreditation page regarding the last round of changes:

<https://www.amcinstitute.org/page/ANSIStandard>

## The AMCI Standard Of Good Practices

Members of AMC Institute have developed a Standard of Good Practices for the Association Management Company industry. The purpose of this Standard is two-fold: (1) to collectively enhance management practices across Association Management Companies (AMCs) and (2) to assist AMCs in the establishment of internal quality service systems.

The AMCI Standard of Good Practices for the Association Management Company Industry can be found **here**.

[Download the Standard](#)

Please contact Erin Carter at [ecarter@amcinstitute.org](mailto:ecarter@amcinstitute.org) for additional information.

### What has Changed?

Below is a list of important changes to the Standard.

- 3.1: Written contract with clients is now required: not just whenever feasible
- 3.6: Client contract must address client and AMC –intellectual property rights regarding materials and software systems
- 4.6 AMC must have a policy for advising clients regarding protection of client Intellectual Property
- 4.7: AMC must have written social media policies for AMC and clients
- 6.7: If AMC recommendation to client board regarding CGL and APL insurance is declined, must be recorded in writing.
- 10.6: AMC must disclose conflicts of interest regarding purchases with client funds
- 11.1: Record retention policy specifically applies to electronic records as well as hard copy documents.

Not a change but very important:

- 11.3 AMC must have a written business continuity plan (data back-up; communication plan; alternate site)