

ASSOCIATION OF LEGAL ADMINISTRATORS GOVERNANCE PRACTICE STATEMENTS

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Introduction

The Governance Practice Statements (“Statements”) of the Association of Legal Administrators (“ALA”) serve as a foundation for the work of the Board of Directors, Executive Director, volunteer members, and staff.

Historically, these Statements are grounded in a modified version of the Carver Model of Governance. The Statements reflect a distinction between the development of vision, policy, direction, and desired outcomes (“*Ends*”) by the Board, and responsibility for development and execution (“*Means*”) of those *Ends* by the headquarters staff.

The Board reserves the right to modify these Statements at any time, with changes effective immediately or at a future time designated by the Board.

Terms Defined

- ALA or Association: Association of Legal Administrators
- Board: Board of Directors of the Association of Legal Administrators; the governing body of ALA
- Committees: Board approved committees comprising ALA members, consultants and business partners
- Ends*: Vision, policy, direction, and desired outcomes
- Executive Committee: President, President-Elect and Immediate Past President of ALA’s Board of Directors, with Executive Director as nonvoting member
- Executive Director: Chief executive officer of the Association of Legal Administrators
- Executive Limitations: Boundaries of prudent behavior and judgment within which the Executive Director and staff must operate
- Foundation: The Foundation of the Association of Legal Administrators
- Means*: Programs, services, and processes executed to achieve the defined *Ends*
- Plan of Work: Annual statement of initiatives, projects and goals which substantiate budgetary or other resource allocations.
- Statements: Practices and policies which guide the Board and Executive Director
- Staff: Employees of the Association of Legal Administrators
- Task Force: Board approved temporary task force comprising ALA members, usually ALA Board members, to work on a specific task.

Governance Structure

ALA is governed by its Articles of Incorporation and Bylaws.

The Board is the governing body of ALA, and:

- Establishes vision, mission and goals, and strategic direction;
- Creates internal and public policy;
- Provides operational, legal, and fiduciary oversight.

The Board and Executive Director are responsible to ensure organizational structures and processes comply with all:

- Applicable federal laws and regulations;
- Applicable laws and regulations of the state and local jurisdiction in which ALA is based;
- International laws, regulations, and conventions legally binding on the United States, if programs are conducted outside of the United States;
- Statements and General Association Policies.

Roles, Duties, and Relationships of The Board, Executive Director, and Staff

BOARD

The Board serves as the link to all ALA members. The Board will keep members well-informed of the strategy and vision of the Association by providing communication to ALA leaders, committees and member. The Board expects, from itself, a commitment to ethical and businesslike conduct and appropriate decorum as a group and individually when acting as Board members.

The Board's role is to identify:

- *Ends* which include ALA's products, services, programs, benefits, outcomes, recipients, and their relative worth (what good, for which needs, at what cost).
- *Executive Limitations* which identify the constraints on executive authority, including the fiduciary and ethical boundaries within which all activities and decisions of the Board and Executive Director are made.
- *Governance Process* which specifies how the Board conceives, carries out, and monitors its own work.
- *Board-Executive Director Relationship* which addresses how authority is delegated and monitored.

The Board will consistently perform its responsibilities under the duties of timeliness, care, loyalty, and compliance.

- The Board has a duty to respond to internal and external circumstances, and to provide timely communication to members and constituents;
- Duty of care requires the Board to act in a manner in which a reasonably prudent person in a similar position would use under similar circumstances;
- Loyalty requires the Board to place the interests of ALA over their own personal interests and to not use their position of trust to further their own personal goals;
- Compliance requires the Board to perform their duties under applicable statutes and with ALA's Articles of Incorporation, Bylaws, Statements and Policies.

The President's role is to:

- Ensure the integrity of the Board's process;
- Represent the Board and Association to internal constituents and outside entities;
- Ensure Board meeting content is focused on *Governance Process* and *Ends* and decisions charged to the Board;
- Ensure deliberations are fair, open and thorough, but also efficient, timely, orderly, and focused.

The President may:

- Make decisions detailed within Board and Association policy, process or practice;
- Chair Board meetings using commonly accepted approaches (e.g. Robert's Rules of Order);
- Speak for the Association or designate others to do so;
- Collaborate with the Executive Director to develop Board meeting agendas, with due and timely regard for the present and future business of the Association.

EXECUTIVE DIRECTOR

The Executive Director is accountable to the Board acting as a body, and his or her authority is delegated by the Board through its vision, mission, strategic plan, Plan of Work, budget, and policies.

Decisions or instructions of individual Board members, representatives, or committee members are not binding on the Executive Director except when the Board has authorized such exercise of authority.

In the case of Board members, representatives, or committee members requesting information or assistance without Board authorizations, the Executive Director can refuse such requests that, in the Executive Director's judgment, require a material amount of staff time, or funds, or is disruptive.

Executive Limitations

These Statements, where applicable to the Executive Director, embody the *Executive Limitations* by which he or she must operate.

The Executive Director is accountable for the additional *Executive Limitations* noted below, which ensure:

- ALA business is conducted ethically and through commonly accepted business practices;
- Information and counsel is provided to the Board in a complete, concise, timely, and accurate manner;
- The Board knows of relevant trends, anticipated adverse media coverage, and/or material external and internal changes or assumptions upon which Board strategy or policy had been established;
- The Board is dealt with as a whole except when:
 - a) fulfilling individual requests for information, or;
 - b) responding to representatives or committee members duly charged by the Board;
- All staff, volunteers, and members are treated professionally and fairly;
- Channels to handle ethical violations or grievances are available and communicated to staff, volunteers, and members;
- Senior staff and the executive committee are familiar with executive issues, plans, and processes to ensure continuity absent the Executive Director.

STAFF

All Board authority delegated to staff is delegated through the Executive Director. The authority and accountability of staff is under the direct authority and accountability of the Executive Director.

The Board will direct the Executive Director to implement and execute the strategic plan and policies established by the Board. The Executive Director may establish the methods, processes, and policies for staff to conduct and develop activities, programs, products or services to support the execution of the strategic plan.

CONFIDENTIALITY

The Board and Executive Director shall not disclose confidential Association information.

Committees and Task Forces

Board committees or task forces will be created to help the Board develop and implement strategy and policy. Committees will be used sparingly as a resource for the Board, and to ensure consistent, efficient, and timely development of Association strategy and policy.

Task forces will address short-term needs or projects of the Board, while committees will exist to address ongoing or longer-term needs of Board. All committees will be reviewed annually to determine ongoing need.

The Board:

- Will identify the intent, expectations, and authority of each committee or task force.
- May grant a committee the authority to speak or act for the Board for a specific and time-limited purpose.

Committees and task forces are intended to:

- Focus their work in Association strategy and policy, rather than over-identification with organizational parts.
- Provide policy alternatives, recommendations, and implications for Board deliberation.
- Serve as a resource to staff, but not direct or exercise authority over staff.

In keeping with the Board's broader focus on strategy and policy, Board committees will normally not have direct dealings with current staff operations. However, in collaboration with staff and/or at the direction of the Board, committees may be delegated responsibility for execution of specified tasks or *Means* related activities.

Strategic Governance and Planning

The Board and Executive Director will govern the Association with a broad and forward-looking strategic perspective, with an emphasis on outward vision rather than an internal preoccupation. Governance and planning will be done through: a diversity of viewpoints, strategic leadership, a clear distinction of Board and Executive Director roles, a collective rather than individual decision, a future-focus rather than an over emphasis on the past or present, and an approach that is proactive rather than reactive.

The process for strategic governance and planning must:

- Focus on the continual evolution of values, vision, and needs within the domestic and global legal management and leadership communities;
- Provide for the development and delivery of innovative and timely products, programs, and services;
- Create meaningful and satisfying value for all members, volunteers, business partners, consultants, and customers:
- Streamline decision making;
- Increase the number of volunteers;
- Create leadership development and succession.

The Board will:

- Ensure strategic planning and review is a focus of discussion at each Board meeting;
- Review the strategic plan for goal achievement annually;
- Update the strategic plan goals and tactics annually;
- Operate in all ways mindful of its trusteeship obligation to the ALA membership. Individual directors, the collective Board, representatives, and Board committee members must be committed to this obligation;
- Govern with excellence, accountability and discipline as it applies to matters such as attendance, policymaking principles, decision making, respect of roles, speaking with one voice, and ensuring the continuity of governance capability. Continual redevelopment will include orientation of new members in the Board's governance process and periodic Board discussion of process improvement;
- Lead and inspire the organization through the careful establishment of organizational policies, programs, and services that reflect forward looking values and perspectives. The Board's major focus will be on the intended long term impacts outside the operating organization (*Ends*), not on the administrative or programmatic *Means* of attaining those effects;
- Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be an initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual directors to enhance the ability of the Board as a body, rather than to substitute their individual judgments for the Board's values.

Fiduciary Responsibility

The Board has a fiduciary responsibility to the Association to ensure exceptional fiscal, ethical, and legal management for all Association business.

CONFLICTS OF INTEREST

The Board has a responsibility to demonstrate loyalty to the interest of the Association and its members. This loyalty supersedes any conflicting loyalty such as to advocacy or interest groups, membership on other Boards or staffs, familial or financial involvement in organizations where the Association does or proposes to do business. Each Board member has an affirmative duty and obligation such a situation arises, to disclose actual or potential conflicting interests, including the material terms of such conflicts and the Board member's interest.

The following are examples of potential conflicts of interest:

- Private business or personal services between any Board member and an outside organization, where access to "inside" information could impact the openness or competitive opportunity of the process;
- Consideration for employment which would lead to a conflict of interest with the Board or Association;
- Use of Board position to obtain employment in the organization for themselves, family members, or close associates.

All potential conflicts of interest must be disclosed to the Board to determine whether there is a conflict. If a conflict is determined, it may be dealt with one of three ways:

1. Disclosure Sufficient: The Board may determine the disclosure itself, and the Board's awareness of the disclosure, corrects for any bias, and the Board can consider the information as the Board member making the disclosure participates in decision-making.
2. Recusal: to avoid even the appearance of any impropriety, the Board may decide the Board member making the disclosure should have no further access to information relating to the subject on which he or she has a conflicting interest and must be recused when the subject is discussed and/or acted upon.
3. Resignation: The Board may determine that the conflict relates to a pervasive and important Board function, or to the general progress and well-being of the Association, and not to an easily isolated program, agenda item, or practical matter. The Board member making the disclosure should be asked to resign and should immediately submit their resignation.

All proceedings and disclosures under this Policy shall be treated with full confidentiality, unless, in the opinion of a majority of the Board, the conflict is of such a nature it has already impacted Association decisions and business to such an extent that it must be drawn to the attention of the membership in exercise of the Boards' fiduciary responsibilities.

ANNUAL BUDGET

- Each year the Board will approve an annual budget that supports the short and long-term *Ends* priorities set in the mission, strategic plan, and Plan of Work and provides the *Means* to execute the operational tactics.
- Except as approved by the Board, annual budget revenues should exceed or be equal to annual budget expenditures.
- The budget will contain enough information to accurately project revenues and expenses, separation of capital and operational items, and cash flow.
- The Board is charged with seeking appropriate information to understand and question the budget, to maintain the fiscal health of Association.
- Programs, services or products incurring two consecutive years of loss must be evaluated and approved to continue.
- Board members will review monthly and annual financial statements and operating reports conscientiously, ensuring the Association is performing under its mission, strategic plan, and Plan of Work.

ASSET MANAGEMENT

- The Association's assets shall be protected adequately and monitored as stated in the Association's Investment Policy.
- Caution will limit the exposure to claims of liability.
- Duties will be segregated to ensure no one person has access to material funds or assets.

COMPENSATION AND BENEFITS

The Executive Director is responsible for the employment, compensation, and benefits to employees, consultants, and contract workers, based on local market conditions and in consideration of the fiscal integrity of the Association.

The Executive Committee establishes the compensation for the Executive Director subject to Board approval.

Benefit plans are established and approved by the Board.

Association, Region, and Chapter Relationships

Regions and chapters shall be agents to develop and implement the mission of the Association. ALA shall provide assistance to regions and chapters to:

- Facilitate the governance of the Association;
- Facilitate communications with and among regions, chapters, and members;
- Assist in creating new chapters and developing current chapters, which includes providing high quality educational opportunities to the members;
- Develop and train leaders from among its members at all levels of the organization;
- Seek new members of the Association;
- Assist in development and distribution of ALA products and services;
- Assist in development and implementation of ALA strategies and policies.

Association and Foundation Relationship

The Foundation was established as a separate corporate entity from the Association, with the Association being the sole member of the Foundation. The separate identities of both organizations must be preserved and their activities carried out consistent with their individual status. There are certain situations where the Association can establish control over the Foundation, typically through the rules and structure of the Foundation's structure and policies.

- The Board has the authority to appoint Foundation Trustees, remove Trustees, and/or approve amendments to the Foundation's Articles of Incorporation.
- The President-Elect and Executive Director of the Association shall serve on the Foundation's Board of Trustees.
- The Association and Foundation may share revenue and/or expenses when involved in joint projects such as fundraising for the Foundation or a project completed by the Foundation for use by the Association.
- The Association and Foundation might share internal resources upon occasion and as approved by the Executive Director and/or the Board.
- The Association may assist the Foundation with its marketing or other efforts, upon the request of the Foundation and the approval of the Board.

Monitoring and Compliance

The Board and Executive Director must respectively ensure each complies with the Statements and must timely advise the other of exceptions to compliance.

Annually, the Board and Executive Director will evaluate the performance of itself and each other, relative to these Statements. An Exception Report and the respective corrective action will be documented as a part of the Board minutes and reported on in subsequent meetings until the exception is resolved.

TREATMENT OF STAFF

External Monitoring

Regarding the treatment of staff, the President-Elect shall serve, with another Board member and the President-Elect-Elect, as monitors to report to the Board.

At the summer Board meeting of the Association year the President-Elect shall recommend to the Board another Director of the opposite gender who will assist him/her in monitoring. The third member President-Elect-Elect will be identified following the conclusion of the Association nominating process. The monitoring visit to Headquarters to interview staff will take place annually.

The external monitoring information will be in an "exception report" which certifies either (a) that the semi-annual reports of the Executive Director are correct; or (b) that a report of the Executive Director is correct except for specified violations reported to the Board with all facts as found by the monitors.

External monitoring reports shall be provided to the Board at the first Board meeting following the monitoring visit.

Internal Monitoring

The Executive Director shall serve as an internal monitor to report semi-annually to the Board. Such internal monitoring reports shall either:

- a) Appropriately and completely specify alleged violations, or;
- b) Certify that no known violations have occurred.

BUDGET AND ASSETS

External Monitoring

The Board will appoint an auditor to work with the Executive Director to report to the Audit Committee and Board. The auditors are responsible for annually reviewing and verifying the Association's financial standing and practices, including asset protection, maintenance and risk.

Internal Monitoring

The Executive Director shall serve as an internal monitor to report monthly to the Board. Such internal monitoring reports shall identify and detail variances or exceptions to standard practices.

CONFLICTS OF INTEREST

Each Board member will complete an annual disclosure statement to disclose actual or potential conflicting interests. The Disclosure will include lists of the business and professional activities of the individual and his/her immediate family, including:

- i) Ownership interests in any private business;
- ii) Public companies in which stock is owned, directly or beneficially (other than mutual funds); and,
- iii) Other Board or staff positions held.

Disclosure statements are submitted to the President and Executive Director. In the event the disclosing party is the President, such disclosure shall be given to the Immediate Past President and the Executive Director.

If a potential conflict becomes apparent after the annual disclosure statement has been submitted, notice of the potential conflict must be made immediately.

COMPENSATION AND BENEFITS

The Executive Committee is responsible for annually reviewing and verifying Association compensation and benefits practices and shall report annually to the Board.

EXECUTIVE DIRECTOR

As the Board's single official link to the operating organization, the Executive Director's performance will be synonymous with organizational performance as a whole, including detail in the Executive Director position description, which position description will be reviewed and possibly modified annually by the ALA Board. The Executive Director's performance is evaluated against organizational accomplishment of *Ends* as established and directed by the Board. Within the bounds of *Executive Limitations*, the Executive Director has the authority to use reasonable judgment to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the *Ends*.

Monitoring determines the degree to which Board *Ends and Executive Limitations* are being fulfilled. Monitoring will be ongoing, using a minimum of Board time so meetings can create the future rather than to review the past.

Ends and Executive Limitations will be monitored or evaluated via:

- Internal report: Disclosure of information to the Board from the Executive Director.
- External report: Discovery of information by a disinterested, external auditor, inspector or judge selected by and reports directly to the Board. Such reports must assess executive performance only against *Ends and Executive Limitations* of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
- Direct Board inspection: Discovery of information by a Board member, a representative, a committee member, or the Board as a whole. This is a Board inspection of documents, activities, or circumstances directed by the Board which allows a "prudent person" test of compliance.

An annual evaluation will be done each December/January. However, upon the choice of the Board, monitoring or evaluations may occur by any method at any time. The Executive Committee shall provide an annual evaluation report to the Board. This report will note accomplishments and exceptions relative to *Ends and Executive Limitations*.