

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 comprised of members, business partners or other interested parties whose knowledge, skills, and expertise are deemed useful to the work of the Association
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 <i>Ends</i>
Plan of Work:	Annual statement of initiatives, projects and goals which substantiate budgetary or other resource allocations.
Project Team:	Board approved project team comprised of ALA members, business partners or other interested parties whose knowledge, skills, and expertise are deemed useful to a specific project.
Statements:	Practices and policies which guide the Board and Executive Director
Staff:	Employees of the Association of Legal Administrators
Task Force:	A temporary group comprised of ALA Board members assigned to work on a specific task.

Governance Structure

ALA is governed by its Articles of Incorporation and Bylaws.

As the governing body of ALA, the Board:

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

The Board and Executive Director are responsible for ensuring 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; and
- 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 members. 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, obedience, 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;
- Obedience requires the Board to be faithful to ALA's mission and to act in a way that is consistent with the central goals of the Association;
- 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, committee members or project team members are not binding on the Executive Director except when the Board has authorized such exercise of authority.

In the case of Board members, committee members or project team 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 committee members or project team 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.

Performance Review

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.

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*.

The Executive Committee shall lead an annual evaluation and assessment of the Executive Director's performance. The Executive Director's performance shall consist of two parts: a) an assessment of the Executive Director's achievement of established mutually-agreed-upon, objective goals, and b) an evaluation of the Executive Director's performance measured against clearly defined knowledge, skills and abilities required of the position.

The performance review will be conducted in accordance with procedures mutually agreed upon by the Executive Committee and 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, Project Teams and Task Forces

Committees, Project Teams or Task Forces are created to help the Board execute specific projects or tasks or, where appropriate, 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 and Project Teams will address short-term needs or projects of the Board and are disbanded upon the completion of those tasks or projects. 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, Project Team or Task Force.
- May grant a committee the authority to speak or act for the Board for a specific and time-limited purpose.

Committees:

- Focus their work on implementation of Association strategy and policy, rather than over-identification with organizational parts.
- 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, 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.

Project Teams and Task Forces are intended to:

- Focus their work on a discrete projects or tasks as assigned by the Board.
- Serve as a resource to staff, but not direct or exercise authority over staff.

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 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 and 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 should such a situation arise, 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.

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.

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.

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

Association and Chapter Relationships

The Association and Chapters shall work together to develop and implement the mission of the Association. ALA shall:

- Facilitate the governance of the Association;
- Facilitate communications with and among 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 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 may 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.

Whistleblower Policy

General

The ALA Code of Ethics (the code) requires members, business partners and employees to observe high standards of business and personal ethics in the performance of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The objectives of the Whistleblower Policy are to establish policies and procedures for the following:

- The submission of concerns regarding questionable accounting or audit matters by employees, directors, officers, volunteers, and other stakeholders of the organization, on a confidential and anonymous basis;
- The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters;
- The protection of directors, volunteers, and employees reporting concerns from retaliatory actions

Reporting Responsibility

Each director, volunteer, and employee of ALA has an obligation to report in accordance with this whistleblower policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of ALA's code.

Acting in Good Faith

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of the code. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense. It may also result in discipline, up to and including dismissal from the volunteer position or, in the case of employees, termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

Authority of Finance Committee

All reported concerns will be forwarded to the Finance Committee in accordance with the procedures set forth herein. The Finance Committee shall be responsible for investigating and making appropriate recommendations to the Board of Directors, with respect to all reported concerns. The Chair of the Finance Committee shall serve as the Association's Compliance Officer.

No Retaliation

This whistleblower policy is intended to encourage and enable members, business partners and employees to raise concerns within the organization for investigation and appropriate action. With this goal in mind, no member, business partner, or employee who, in good faith, reports a concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a member or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from a volunteer position or termination of employment.

Reporting Concerns

ALA encourages complaints, reports, or inquiries about illegal practices or serious violations of the code, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies.

Members and business partners should submit concerns in writing directly to the chair of the Finance Committee.

Handling of Reported Violations

The Finance Committee shall address all reported concerns. The chair of the Finance Committee shall immediately notify the Finance Committee, the President, and the Executive Director of any such report. The chair of the Finance Committee will notify the sender and acknowledge receipt of the concern within five business days, if possible. It will not be possible to acknowledge receipt of anonymously submitted concerns.

All reports will be promptly investigated by the Finance Committee, and appropriate corrective action will be recommended to the Board of Directors, if warranted by the investigation. In addition, action taken must include a conclusion or follow-up, or both, with the complainant for complete closure of the concern.

The Finance Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations.

Records

The Finance Committee will retain on a strictly confidential basis for a period of seven years (or otherwise as required under the ALA's record retention policies in effect from time to time) all records relating to any reported concern and to the investigation and resolution thereof. All such records will be considered privileged and confidential. Records will be physically retained by the Association's general counsel.

Confidentiality

Reports of concerns, and investigation pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Disclosure of reports of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.