



# **POLICIES OF THE ASSOCIATION OF LEGAL ADMINISTRATORS**

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# GENERAL ASSOCIATION POLICIES

## **Business Partner/Value in Partnership (VIP) Sponsored Member Benefits Programs**

The Association will collaborate with business partners to create programs that provide direct benefits of value to its members and the members' employer organizations. The Association supports but does not generally endorse or sponsor the products or services of another association, customer or business partner. Such endorsement or sponsorship by the Association or a chapter will be made on a case-by-case basis by the Board of Directors.

## **Disaster Response Policy**

1. ALA will emphasize and promote disaster preparedness using appropriate educational techniques and opportunities. These may include webinars, printed materials, workshops, seminars, conference tracks or programs, peer consulting, etc.
2. At staff discretion, and following consultation with one or more chapter officers, a distribution of appropriate disaster recovery materials may be made to the affected parties.
3. When made aware of a disaster that has affected ALA members, a representative of the Board or Chapter Resource Team will serve as the communication conduit between the members in the affected location and ALA headquarters to ensure the appropriate steps are being taken to provide assistance.
4. When a disaster creates personal hardship or loss for members of the legal community, an email from the Executive Director (or designee) will be sent to appropriate ALA leadership outlining details for donations and/or assistance.
5. Contributions to disaster relief funds, if any, by members of the Board of Directors, other leadership and/or staff will be made individually and/or in conjunction with their employer organization. Organizational donations, while uncommon, require individual consideration by the Board of Directors in connection with current association, non-profit and tax law considerations.
6. At the discretion of the headquarters staff, Association publications may provide coverage of major disasters affecting ALA members and/or their employer organizations.
7. ALA headquarters also has a disaster plan in place. See Executive Director for details.

## **Legal Services Policy**

ALA has retained legal counsel to provide legal services and advice. These services for ALA are billed to and paid by the Association. It is the purpose of this policy statement to control costs. Many questions, concerns and problems can be resolved by in-house, professional staff. The membership is encouraged to make use of the staff for their expertise in all matters affecting the Association. As in all associations, legal questions arise that need to be addressed. These questions should be brought to the attention of the counsel in a controlled fashion so as to utilize the accumulated expertise of the staff to control costs and to limit the expense for legal counsel to new or unique issues and questions.

It is the policy of the Association that:

1. The members of the Board of Directors, and ALA headquarters Executive Management Team (Executive Director and Senior Directors) will have unlimited access to the Association's legal counsel as required.
2. It is the goal of this policy to make the ALA headquarters Executive Management Team the first line of any inquiry by the membership. In the event legal counsel is contacted by someone other than those individuals, counsel should proceed to answer the inquiry simply and easily after which the person making the inquiry should be requested to refer additional questions or inquiries to the Executive Director.
3. In the event counsel receives written communication from someone other than those identified in number one above, they will refer the correspondence to the Executive Director for disposition.

4. Projects of any duration (longer than two hours) will be preapproved prior to initiation. Approval will come from the Board President or Executive Director.

### **Media Policy**

The President (or their designee) is authorized to speak on behalf of the Association. The Executive Director will establish procedures to handle media inquiries and to implement the ongoing media relations/public relations programs carried out by the Association.

Media inquiries should be directed to the Senior Director of Marketing and Strategic Initiatives. The Senior Director of Marketing and Strategic Initiatives will handle routine media matters such as requests for factual information about ALA and its services, events and products, and about legal management practices. They may refer requests to staff and/or members who have the appropriate experience and expertise. The Senior Director of Marketing and Strategic Initiatives will follow up to determine that the information was provided.

Media inquiries that are not "routine," including inquiries that relate to sensitive Association matters or controversial legal management issues, should be referred to the Executive Director for appropriate review or disposition. On matters where the statement of a position by the Association is required, necessary or advisable, and where no formal position or policy exists, the Executive Director will make a recommendation to the Board President, the Executive Committee, or the Board of Directors as appropriate to the issue and the timing involved.

### **Membership and Dues Policies**

ALA recognizes and values the cultural, demographic and geographic diversity of the organization. Accordingly, all membership applications will be considered without regard to race, color, religion, gender, gender identity/expression, sexual orientation, age, national origin, disability or any other legally protected status, and assigned to the appropriate membership class as outlined in the Bylaws.

#### *Annual Dues Increase Based on Rate of Inflation*

On an annual basis the ALA Board will receive for its approval the recommended dues adjustment for the coming membership year. Any adjustment to the dues rate will be made at the sole discretion of the Board of Directors and take into account the previous 12 months' average inflation rate as determined in August of each year, prior to the start of the ALA annual budgeting process and the launch of membership renewal efforts for the coming membership term. If the rate of inflation is at zero or demonstrates deflation, no increase will be recommended for the next membership term. The Board will render a decision regarding the dues rate of the coming membership year by no later than August 31 of the current year.

#### *Chapters*

ALA recognizes and values the cultural, demographic and geographic diversity of its chapters. Like the international Association, chapters should consider all membership applications without regard to race, color, religion, gender, gender identity/expression, sexual orientation, age, national origin, disability or any other legally protected status. Additionally, ALA chapters are required to conform their bylaws with those of the Association except in areas not requiring conformity, which will be specifically stated.

#### *Dues*

Membership dues will be determined by the Board of Directors. It is ALA's policy to prudently manage its resources, provide value and parity with respect to membership benefits and dues structure, assure the ongoing financial health of the Association, and establish a strong and diverse economic foundation to further its mission and goals. Accordingly, ALA's dues structure will factor economic conditions, benefits and services provided, and the best interest of the Association and its members.

#### *Financial Hardship Policy*

The Association of Legal Administrators recognizes that unplanned circumstances, including unemployment and medical considerations may impose undue hardships on members from time to time and may make timely payment of continuous association dues difficult or impossible.

To enable ALA members to retain and benefit from membership during these transitional situations, two dues accommodations may be available to current members in good standing. The following policies have been established:

- A. ALA offers a special hardship consideration to members who are unemployed or experiencing other financial circumstances that make it impossible to maintain membership through a single, timely dues payment by allowing the division of unpaid annual membership dues into three (3) equal installments spread over the course of the year. Typically these three payments take place 1) upon ALA approval of the agreement, 2) June, and 3) September. This hardship option is available upon approved application to any current member in good standing. Membership status, join date and access to benefits will be maintained in accordance with ALA Bylaws and Policies.
- B. ALA members experiencing financial hardship and in good standing with three (3) or more consecutive years of membership are eligible to apply for a complete waiver of dues for a single annual term of January 1–December 31. This forgiveness is available to a member whose dues are not subsidized by the employer for one (1) year within each three (3)-year membership period. For example, if a member receives dues forgiveness in one year, the member would not be eligible for another dues forgiveness term until three paid membership terms have subsequently ended. This hardship option is available to eligible members only and subject to approved application. Membership status, join date and access to benefits will be maintained in accordance with ALA Bylaws and Policies.
- C. Unforeseen Catastrophic Circumstance: In response to major, unforeseen regional, national and/or world events that impact ALA and its members, the ALA Board of Directors may implement a temporary, one-time dues payment postponement, dues reduction and/or dues forgiveness. This may be offered:
  - 1) on an individual case-by-case situation.
  - 2) based on need.
  - 3) implemented during a specified term, as approved by the ALA Board.

Dues are considered earned upon receipt. Unless specifically approved otherwise by the ALA Board of Directors, all dues waivers, postponements and reductions will not retroactively generate any refunds of dues previously paid to the Association.

If a member becomes re-employed or reinstated following leave during the period of forgiveness, or if the member's circumstances change in any other way to allow for payment of dues, the member will contact ALA membership staff to determine a reasonable and fair prorated dues amount for the remainder of the membership term.

Financial hardship policies and applications are reviewed and administered by the ALA Senior Director, Member Experience.

### **Member Disciplinary Actions and Fair Hearing Policy**

The Board of Directors has established these policies that define the approved member disciplinary procedures of the Association. The Association may suspend or revoke the membership of any member for good cause, including failure to meet or adhere to the standards, policies or procedures of the Association, as defined by its Bylaws, which state:

*Article II, Section 2.8 Termination of Membership/Disciplinary Action. The Association may discipline a member for any of the reasons set forth in the Association's Member Disciplinary Actions and Fair Hearing Policy, as may be amended from time to time by the Board of Directors, and all disciplinary matters shall be conducted in accordance with the policies and procedures set forth therein.*

#### *Immediate Removal and/or Disciplinary Action*

The Board may expel, suspend or otherwise discipline any member for just cause following a two-thirds (2/3) vote of the members of the Board present at the meeting at which such action is considered. Conduct deemed to be of immediate harm and potential threat to members, partners or the reputation of the Association shall be sufficient cause for removal, suspension or disciplinary action.

### *Nonpayment of Dues*

A member shall be considered lapsed after failure to pay dues within 90 days following the last day of the most recent active term, shall be dropped from the active roster of ALA, and access withheld to membership benefits and services.

### *Disqualification for Membership*

A member who becomes disqualified for membership as defined in the Bylaws of the Association will be dropped from the active roster of ALA and staff will exercise best efforts to notify the individual of such action.

### *Policy Violations, Noncompliance and Other Causes*

A member may be disciplined, suspended or expelled for other good cause including but not limited to Code of Ethics violations, Nonsolicitation Policy violations, other ALA policy violations including failure to adhere to procedures and other serious noncompliance actions, and will be handled in accordance with the Complaint Process and Fair Hearing Policy.

### *Complaint Process and Fair Hearing Policy*

1. Purpose. The purpose of this Fair Hearing Policy is to set forth the procedures for reviewing allegations of member misconduct and disciplining members for cause(s) which are not subject to immediate removal as described herein. Filing a complaint under this policy shall not be construed as a legal remedy.
2. Initiation of Inquiry Proceedings. An inquiry proceeding may be initiated by the filing of a complaint against an ALA member by a chapter, a committee, a volunteer, another member, a staff member or any other interested person or entity. Upon the filing of a complaint with the Executive Director, the Executive Director will notify the Chair of the Finance Committee (who serves as the Association's Compliance Officer). The Finance Committee Chair will review the complaint within two (2) business days to determine whether it meets the requirements of Paragraph 3 (Complaint Requirements). If it meets those requirements, the Finance Committee Chair will notify the Executive Director and present the complaint to the Inquiry Task Force.
3. Complaint Requirements. Complaints must be in writing and signed by the complainant(s). Complaints must specify in reasonable detail the alleged violation by the member of the Bylaws and/or Policies, and/or established Laws/Statutes. If warranted, reasonable and appropriate, (for example, a complaint by a chapter against a member violating the Nonsolicitation Policy in a discussion forum), complaints must also describe all actions taken by the complainant to first resolve the issue through reasonable discussion, warnings and escalating discipline and/or sanctions, if appropriate, and describe how these efforts have failed. Initiating this complaint process should be considered a final step toward a remedy.

Complaints must specify who, what, where and when, and include evidence, documentation and all knowledge the complainant has of the alleged violation including dates, locations, corroboration, description and impact of the violation(s).

A complainant should generally expect to have the complainant's identity disclosed to the accused member if the complaint is presented to the Inquiry Task Force to investigate the matter. However, at the request of the complainant, the Inquiry Task Force may decline to disclose the identity of the complainant to the accused member if the need for confidentiality is determined compelling and sufficient by the Inquiry Task Force.

4. Appointment of Inquiry Task Force. The Inquiry Task Force is appointed by the President as part of the Annual Conference week meeting. The Inquiry Task Force shall consist of five ALA members: one shall be the Finance Committee Chair, who will serve as Chair of the Task Force and shall preside at meetings of, and at any hearing held by, the Inquiry Task Force; two shall be members of the Chapter Resource Team; and two shall be at-large members.
5. Preliminary Factual Investigation. The Inquiry Task Force will conduct a preliminary factual investigation of the allegations. In connection with its investigation, the Task Force may, in its discretion, request additional information from the complainant or conduct other due diligence.

Following completion of the preliminary factual investigation the task force will determine whether there is sufficient preliminary evidence of conduct in violation of ALA policies to warrant further proceedings.

- a. If the Inquiry Task Force determines that the complaint does not allege sanctionable conduct or that there is insufficient evidence to proceed, it will report this determination to the Executive Committee, and the inquiry will be terminated. In this situation, the documents and other materials relating to the inquiry proceedings will be maintained by ALA as confidential documents for a period of three (3) years. The complainant will be notified of the Task Force's decision.
  - b. If the Task Force determines that there is sufficient evidence to proceed with an inquiry, it will do so in accordance with this Fair Hearing Policy.
6. Notice of Right to Hearing
- a. If the Inquiry Task Force determines that there is sufficient evidence to proceed with the inquiry, it will send written notice, by certified mail or other comparable means, to the accused member. Unless determined by the Inquiry Task Force as outlined in Section 3 above, the notice will disclose the complainant's name, the accused's alleged misconduct, the preliminary findings of the Task Force, and the possible disciplinary action that may be imposed. The Inquiry Task Force will offer the accused member an opportunity to appear, at the member's expense, at a hearing to take place at a time and location to be set at the discretion of the Task Force. The notice should further state that a hearing, if requested by the member, will not take place less than thirty (30) calendar days from the date of receipt of the notice.
  - b. The notice will give the accused member the option to have the hearing take place in person or by video or conference call on the specified date. The notice will also give the member the opportunity to submit additional evidence and/or a written statement of the member's position at least seven (7) calendar days prior to the hearing date. It will also include a copy of this Fair Hearing Policy.
  - c. The notice will state that a member who does not respond in writing within ten (10) business days after receipt of the notice, or who chooses not to have a hearing, will waive the right to a hearing. The notice will further state that any member who has waived the right to a hearing will be deemed to have waived the right to an appeal to the Board of Directors.
7. Response from Member; Waiver
- a. The member shall advise the task force in writing within ten (10) business days after receipt of the notice whether they request a hearing.
  - b. If the member chooses to have a hearing, the member must specify their preference for the hearing to take place in person, by video or conference call. The member must also advise the Executive Director and the Task Force Chair whether the member will have legal counsel present at the hearing.
  - c. A member who does not respond in writing within ten (10) business days after receipt of the notice, or who chooses not to have a hearing, shall waive the right to a hearing.
  - d. If the member waives the right to a hearing, the Inquiry Task Force shall make its findings and recommendations based on the material available to it.
8. Hearing Procedures
- a. At the hearing, the accused member may make a presentation explaining their actions or providing additional information relevant to the complaint and explaining why disciplinary action, or a particular form of disciplinary action, should not be imposed. The presentation may be no more than thirty (30) minutes in duration and shall take the form of an oral statement supplemented by such additional relevant evidence or written material that the member may choose to provide. Written material presented by the member must be provided to the committee at least seven (7) calendar days prior to the date of the hearing.
  - b. The member may choose to have legal counsel present, but the Inquiry Task Force will decide whether and to what extent the member's legal counsel may address the Task Force directly.



- c. The Inquiry Task Force may document the hearing either by electronic notation or by other form of recording. The member may choose to record the hearing at their own expense and with at least seven (7) days' written prior notice.
  - d. All expenses incurred by the member in connection with the hearing shall be borne exclusively by the member.
  - e. Any member of the Inquiry Task Force may question the member under investigation during the hearing. Questions may be asked during the presentation or following it but not outside the forum of the hearing.
9. Disciplinary Action Following a Hearing. The Inquiry Task Force may recommend any of the sanctions described below against a member it has found to have violated the standards of conduct set forth in ALA policies. The Board of Directors shall consider the Task Force's recommendation.
- a. Suspension: The period of suspension will be no less than 12 months. The suspension period shall commence on the date determined by the Board of Directors.
  - b. Expulsion: The period of expulsion will be no less than three years. The expulsion period will begin and end on the dates determined by the Board of Directors.
  - c. Any other remedy deemed appropriate by the Inquiry Task Force and Board of Directors.
10. Inquiry Task Force Findings and Recommendations
- a. Within thirty (30) calendar days after the member's hearing or the Task Force's receipt of the member's written response, as applicable, or the expiration of the time to request a hearing or submit a written response, as applicable, the Inquiry Task Force shall submit to the President and Executive Director, or their designees, a written report of its Final Findings and Recommendations to the Board along with any dissenting opinion(s). Any recommendation to impose disciplinary action against a member shall require the affirmative vote of a majority of the Task Force.
  - b. The Executive Director or their designee shall within three (3) business days of receipt of the report of the Inquiry Task Force transmit a copy of the Final Report, by certified mail or other comparable means, to the member under investigation.
11. Notice of Right to Appeal; Appeal Procedures
- a. If the Inquiry Task Force Final report contains a recommendation for disciplinary action against the member, the Task Force will give the member notice of the right to submit a written appeal to the Board of Directors within thirty (30) calendar days following the date of receipt of the Final Report. However, any member who was entitled to a hearing but waived their right to a hearing shall be deemed to have waived the right to an appeal to the Board of Directors.
  - b. The member may exercise the right to appeal by so notifying the Executive Director, in writing, within ten (10) calendar days after receiving the Final report of the Inquiry Task Force.
  - c. If the member does not timely exercise the right to appeal, the Board may adopt the recommendation of the Inquiry Task Force or may modify it in accordance with the procedures specified below in Paragraph 12.
  - d. If the member timely exercises the right to appeal, the Executive Director shall give the member not less than thirty (30) calendar days to submit a written explanation of the basis for the member's appeal.

## 12. Decision of the Board of Directors

- a. The Board of Directors' review of an appeal will be limited to a determination of whether in its sole discretion a material and/or procedural error may have contributed to the Inquiry Task Force's decision, or if in its determination, the Inquiry Task Force's decision was arbitrary or capricious.
- b. Imposition of a sanction against a member requires the affirmative vote of two-thirds (2/3) of the Board of Directors present at the meeting at which the action is taken. The Board may: (i) remand the matter to the Inquiry Task Force; (ii) adopt the Final Recommendation of the Inquiry Task Force; (iii) reject the Final Recommendation of the Inquiry Task Force and exonerate the member; or (iv) modify the Final Recommendation of the Inquiry Task Force. The Board of Directors will set forth in writing its decision and the reasons for the decision.
- c. A copy of the decision of the Board will be sent by the Executive Director or their designee to the member by certified mail or other comparable means to the complainant, the accused, and to the Inquiry Task Force, within ten (10) calendar days after the decision is issued.
- d. A decision by the Board of Directors to impose, or not to impose, disciplinary action will constitute the final decision of ALA relating to the matter under investigation and is not subject to any further appeal.

13. Reapplication to ALA. Unless the member is permanently expelled, nothing in this Fair Hearing Policy precludes a member that is expelled from reapplying for ALA membership following the conclusion of the expulsion period. ALA will consider such applications in accordance with applicable membership criteria in effect at the time of the new application.

14. Responsibility for Notification of Address Change. Members are solely responsible for providing timely notification of changes of address for purposes of receiving notice, requests, or other written materials related to membership or any ALA affiliation, including under this Fair Hearing Policy. If the member does not receive notice(s) related to a disciplinary review or action due to their failure to provide timely notification of a change of address, that lack of notification will not be considered as the basis for an appeal or reconsideration of any decision in the matter.

### **Member-to-Member Nonsolicitation Policy**

In order to ensure confidence, privacy and promote collaboration and an open exchange of information to be enjoyed by all members, the Association of Legal Administrators (ALA) maintains a policy of nonsolicitation of fellow members. Overt solicitation, misuse of the Member Directory for business development or marketing, or sharing of member information with non-members without the prior approval of the association is strictly prohibited. Violations are subject to immediate cancellation of membership, without refund, and loss of all rights and privileges. Guidelines and examples of appropriate and inappropriate activities (in question/answer format) are available on the [ALA website](#).

### **Use of Membership Mark**

Members in good standing will be eligible to use the official ALA membership mark or marks (as adopted from time to time by the Board of Directors) solely for the use and purpose of identifying their membership in ALA, provided that members will comply with all policies and usage guidelines which may from time to time be adopted by the Board of Directors. Reproducible artwork depicting the ALA membership mark may be made available, on request and in ALA's discretion, to members in good standing and for purposes and uses that will be approved in advance by the Executive Director (or designee) acting on behalf of the Board. The ALA membership mark will remain at all times the property of ALA. The right to use the ALA membership mark will be granted only to members in good standing, and the right will automatically and immediately terminate upon termination of membership.

### **Evaluation of Partnership Proposals**

Following are guidelines for review and consideration of proposals for potential alliances/sponsorships, attendance invitations, etc. on behalf of ALA.

- All requests/proposals will be submitted to the ALA Executive Director for initial consideration. After consultation with the Executive Management Team, the Executive Director will deliver the proposal, along with a recommendation, to the Executive Committee for final review and approval.

- When considering invitations from organizations, the following criteria shall be evaluated:
  - **Strategic Focus Alignment (answer must be ‘yes’ in order to move on)**  
Does the opportunity empower leaders and managers to lead the business of law?
  - **Member Benefit**  
Does this opportunity provide clear benefit to our members?
  - **Brand Alignment**  
Does this partnership fit with the ALA brand?  
Are there limits (e.g., niche appeal) to scope of potential interest or relevance to our members?
  - **Resources**  
Is the opportunity clearly defined? Meaning, what is the ask — e.g., inclusion or use of the ALA logo as a sponsor of an event, marketing and communication support, etc.  
  
What ALA resources are required? The resource of ALA member and staff time must be a component of consideration.  
  
Are any necessary funds currently available in the approved annual budget to support this opportunity? Only funds currently designated in the annual budget shall be used for travel (domestic or international) of ALA members or staff.
  - **Conflict**  
Could this partnership result in a conflict with an existing business partner or other strategic alliance partner?

International Event Response

*When considering invitations from other international professional legal management organizations (e.g. ALPMA, Fenalaw), the Executive Committee will consider the following additional criteria in making its final determination.*

- Priority and focus shall be on virtual attendance and presentations when the resulting ease of accessibility supersedes the benefit of in-person attendance.
- Should a requesting organization offer to cover all travel expenses for in-person attendance, ALA’s general policy of not providing reciprocity will be clearly communicated.
- Consideration of international travel by ALA members or staff must consider travel conditions in the country to be visited and will not be approved if deemed unsafe for any reason by the U.S. State Department or other governmental entity.

**Record Retention Schedule**

The record retention schedule is the guide for determining how long records should be retained and maintained. This schedule applies to all records (hard copy, digital or electronic<sup>1</sup>) maintained by the Association both on-site (active records) and those records maintained at off-site storage (inactive records). The schedule applies to all records for which there is legal and regulatory retention requirements. Inactive records marked for destruction will be destroyed at ALA’s off-site storage facility. In the event of an investigation, audit or legal process, such as subpoena or summons, this record retention schedule will be suspended, and all records related to the matter will be preserved.

Accounts payable ledgers and schedules	7 years	Invoices	7 years
Accounts receivable ledgers and schedules	7 years	Journals	Permanently
Audit reports	Permanently	Minute books of directors, bylaws, and charter	Permanently

<sup>1</sup> Digital or electronic records having no retention requirement should be promptly deleted.

Bank reconciliations	2 years	Notes receivable ledgers and schedules	7 years
Bank statements	3 years	Payroll records	7 years
Capital stock and Bond records	Permanently	Personnel files (terminated)	7 years
Cash books	Permanently	Petty cash vouchers	3 years
Charts of accounts	Permanently	Physical inventory tags	3 years
Checks (canceled)	7 years	Property appraisals by outside appraisers	Permanently
Check register	Permanently	Property records	Permanently
Contracts, mortgages, notes and leases (expired)	7 years	Purchase orders	1 year
Contracts, mortgages, notes and leases (still in effect)	Permanently	Receiving sheets	1 year
Correspondence (general)	2 years	Retirement and pension records	Permanently
Correspondence (legal)	Permanently	Requisitions	1 year
Deeds, mortgages, bills of sale	Permanently	Sales commission reports	3 years
Depreciation schedules	Permanently	Sales records	7 years
Duplicate deposit slips	2 years	Stenographers notebooks	1 year
Employment applications	3 years	Stocks and bonds certificates (canceled)	7 years
Expense analyses	7 years	Subsidiary ledgers	7 years
Financial statements	Permanently	Tax return and worksheets	Permanently
Garnishments	7 years	Timebooks/cards	7 years
General/private ledgers, year-end trial balance	Permanently	Trademark registration and copyrights	Permanently
Insurance policies (expired)	3 years	Training manuals	Permanently
Insurance records, current accident reports, claims, policies, etc.	Permanently	Union agreements	Permanently
Internal audit reports	3 years	Voucher register and schedules	7 years
Internal reports (misc.)	3 years	Vouchers for payments to vendors, employees, etc.	7 years
Inventories of products, materials, and supplies	7 years	Withholding tax statements	7 years

## **Volunteer Travel Policy**

On occasion, the volunteer leaders of the Association are asked to travel for ALA business. These policies are designed to provide guidance and — to the most reasonable extent possible — take into account the demands that volunteers face in their jobs, their personal obligations, and travel realities that may vary depending upon an individual's home city and the meeting location. Expenses related to transportation, lodging at the meeting location, and away-from-home meals in connection with travel on ALA business will be reimbursed as indicated below as long as they fall or take place within the official travel/meeting period<sup>2</sup> designated in advance for each ALA leadership group meeting.

This policy applies to volunteers appointed by ALA's Board of Directors that are designated to carry out the business of the Association. Receipts must accompany reimbursement requests for individual expense items.

Certain incidental expenses are not reimbursable, including entertainment, travel agency fees, personal long-distance phone calls and other items primarily personal in nature. Charges incurred because of changes in travel (including airline travel/tickets) and hotel arrangements made on the basis of personal choice, incorrect bookings or other reasons unrelated to ALA business will be the responsibility of the individual. This includes canceling or making changes in restricted tickets, failure to cancel guaranteed hotel reservations either with ALA or directly with the hotel, and room upgrades. Exceptional circumstances will be reviewed on a case-by-case basis by the Executive Director or the President, who may authorize reasonable additional reimbursements.

Questions should be directed to the Executive Director or the President.

## **REIMBURSEMENT ALLOWANCES**

### **BOARD OF DIRECTORS**

In accordance with ALA's bylaws, the Board of Directors "may take action to set the time, date, and place for the holding of a regular annual meeting of the Board of Directors and additional regular meetings of the Board of Directors without other notice than such action." These meetings may be held independently, virtually or in conjunction with another ALA event and each member of the Board is expected to attend. In addition, members of the Board of Directors are expected to be present at the Association Leadership Institute, Chapter Leadership Institute and Annual Conference. Attendance at other conferences may also be expected, based on assignment by the President and Executive Director.

ALA will fund all allowable registration, travel, lodging and meal expenses related to attendance at each of these events.

### **CHAPTER RESOURCE TEAM**

Members of the Chapter Resource Team (CRT) are expected to be present at the Association Leadership Institute, Chapter Leadership Institute and Annual Conference (when Annual Conference is held in the spring).

ALA will fund all allowable registration, travel, lodging and meal expenses related to attendance at the Association Leadership Institute for Incoming and Continuing team members.

Outgoing (when Annual Conference is held in the spring) and Continuing team members can expect complimentary registration and reimbursement of one night's lodging expenses for their attendance at Annual Conference.

ALA will fund all allowable registration, travel, lodging and meal expenses related to attendance at the Chapter Leadership Institute.

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<sup>2</sup> *As a general guideline*, the official travel/meeting period will usually begin: (a) 24 hours prior to the scheduled start of any ALA leadership group meeting that begins at or before 1 p.m. and (b) on the morning of the day of any meeting that begins after 1 p.m. ALA recognizes that convenient, or even possible, travel schedule options can vary depending on the traveler's home city and the meeting location, and at times may not fit within these general guidelines and in such cases reasonable exceptions will be granted — contact the Executive Director or the President.

Attendance at other conferences is optional and at the individual's expense.

### **STANDING COMMITTEES**

Certification Committee, Diversity, Equity, Inclusion and Accessibility Committee,  
Large Firm Administrators' Caucus Steering Committee, Membership Development Committee, Product and Service Review Committee,  
Professional Development Advisory Committee and Standards Review Committee

All standing committees are limited to one in-person meeting per calendar year. These meetings should be scheduled to occur in conjunction with the Annual Conference (when Annual Conference is held in the spring). Exceptional circumstances will be reviewed on a case-by-case basis by the committee's Board Liaison, the Executive Director and the President, who may authorize additional or alternative arrangements.

ALA will provide one night's complimentary lodging for standing committee members to participate in committee meetings held during the Annual Conference.

### **CONFERENCE & RETREAT PLANNING COMMITTEES**

Annual Conference Committee, Intellectual Property Conference for Legal Management Professionals Planning Committee and Large Firm Principal Administrators Retreat Planning Committee

#### **Planning Meetings:**

The Annual Conference Committee meets in person at the prior year and current year's conference. All other conference planning committees meet via electronic means. Exceptional circumstances will be reviewed on a case-by-case basis by the Executive Director and the President, who may authorize additional or alternative arrangements.

#### **Site Visits:**

Any site visit required for a given event must be approved by the Executive Director and the President. Attendance at a site visit is limited to the committee chair, local liaison and headquarters staff. ALA will fund one night's allowable lodging, travel and meal expenses for approved site visits.

#### **Event Attendance:**

Current year conference and retreat planning committee members can expect complimentary registration for their respective event (limit one event per year).

Current year conference and retreat planning committee Chairs can expect reimbursement of all allowable lodging and travel expenses.

#### **Annual Conference Attendance:**

ALA will provide one night's complimentary lodging for current year Annual Conference Committee members to participate in committee meetings held during the Annual Conference.

Incoming/following year Annual Conference Committee members will receive one night's complimentary lodging for participation in committee meetings held during the Annual Conference.

### **NOMINATING COMMITTEES**

The Nominating Committee meets in person every fall. ALA will fund all allowable travel, lodging and meal expenses related to attendance at any nominating committee meeting.

## **REIMBURSEMENT EXPECTATIONS**

### **TRAVEL EXPENSES**

#### ***Airfare***

In accordance with the allowances provided for below, ALA will pay or reimburse for round-trip coach airfare costs incurred in attending ALA meetings or in conducting authorized ALA business. Unless otherwise approved by the ALA President or Executive Director, travelers are required to book travel at least 45 days prior to the start of the meeting and to use the most reasonably cost-effective tickets, regardless of carrier preference. Roundtrip fares exceeding \$500 USD in base ticket cost require advance approval and must be justified as representing the lowest or best comparable fare available at the time of booking.

Covered air travel expense typically includes the most direct route to and from the meeting location. Additional air

travel expense that results from delayed ticketing, use of a travel agent, booking business or first-class airfare, or booking more expensive travel solely for the purpose of using particular carriers for personal reasons will be the responsibility of the individual.

Reimbursable air travel expenses include the cost, if any, of checking one piece of luggage. The cost of checking a second bag or of paying overweight fees on checked luggage will be reimbursed only: (a) in the case of extended, continuous travel on ALA-related business covering at least six consecutive nights or (b) where, regardless of trip length, a second checked bag or additional weight is required/due to the need to transport ALA business-related materials and items. ALA does not reimburse for other types of "personal choice" or extra fees that may be charged by airlines — for example seating in particular sections or fees for aisle or window seating.

When ALA travel is combined with personal travel in ticketing, resulting in additional travel legs unrelated to ALA business, the individual traveler in requesting reimbursement for the ALA-related portion of the ticket cost must submit (a) comparable ticketing information to support/show the reimbursable cost of what would have been the roundtrip airfare for the ALA-related trip only, OR (b) proof that the addition of an extra leg on personal business actually resulted in a lower cost for the entire combined ALA/personal ticket than a direct ALA-related only roundtrip ticket.

ALA contracts with certain airlines to receive complimentary air tickets based on group usage. When cost and airline schedules are similar, please utilize the official airlines so ALA can receive credit. Refundable or no-penalty tickets may be purchased when the cost is no more than \$100 greater than a nonrefundable or other ticket with a change or cancellation penalty.

The need to cancel or change a ticket that involves additional fees or penalties should be communicated directly to the President or to the Executive Director, before making the change. Reimbursement for resulting charges will be at the discretion of the Executive Director or the President, who shall provide written authorization for the exception/reimbursement.

### ***Ground Transportation***

Except for car rental charges, ground transportation (e.g., limousine, taxi, airport parking) will be reimbursed at actual cost so long as (a) costs incurred are reasonable and necessary, and (b) the reimbursement request is accompanied by receipts or other written documentation.

If use of a personal automobile is required for ALA business, for example for travel to and from a meeting site by a person who resides within the metropolitan area where the meeting is held, ALA will reimburse for actual mileage based upon the current IRS business allowance rate plus tolls and parking expenses. Total auto reimbursement for inter-city travel may not exceed the cost of coach airfare.

Car rental fees are not normally reimbursable for travel within the metropolitan area of an ALA meeting site. If air transportation is not available to a meeting location or use of a rental car upon arrival at the location is otherwise necessary in connection with the meeting (as opposed to purely personal use or preference), ALA will reimburse for rental car fees and expenses with the advance approval of the President or the Executive Director.

## **LODGING EXPENSES**

Lodging expenses during the official travel/meeting period will be reimbursed as reasonably necessary for attendance at ALA meetings. Reimbursement of hotel expenses for the night of the last day of a meeting (for example, Saturday night for a meeting concluding on Saturday) will be made if (a) return travel on the following day results in an airfare savings greater than the cost of the additional lodging OR (b) return travel on the last day of the meeting would necessitate arrival at the individual's ultimate destination after 8 p.m. on that day. The Executive Director or the President has the discretion to authorize an additional overnight stay under other circumstances if appropriate.

## **MEAL EXPENSES**

Meals and other group functions scheduled and provided as a part of the official meeting will be paid for by ALA. Other reasonable meal expenses incurred during the official travel/meeting period designated by ALA for each meeting will be reimbursed. ALA has established maximum meal reimbursement amounts for individual meals consumed during the travel/meeting period but which are not part of the meeting proper:

Breakfast: \$25/person/day  
Lunch: \$25/person/day  
Dinner: \$50/person/day

Volunteers should use good judgment when submitting reimbursement for food and beverage expenses. ALA reserves the right to refuse reimbursement for excessive alcohol purchases.

### **REGISTRATION EXPENSES**

ALA may waive or discount registration fees for event attendance based on assignment by the President and Executive Director. See reimbursement allowances below for specific details.



## CHAPTER-RELATED POLICIES

### **60-Day Window Policy**

To encourage maximum member attendance and business partner support at ALA in-person conferences, chapters should refrain from scheduling major or special educational programs to be held within 100 miles of any ALA conference location during the period 30 days preceding and following the ALA conference.

During the same 60-day window, chapters should also refrain from scheduling major or special activities that generate chapter revenue from, or are substantially funded by, business partner dollars. Chapter events held at or surrounding ALA in-person conferences should be coordinated with ALA headquarters to avoid scheduling conflicts. Routine chapter or section meetings are not impacted by this policy.

### **Definition of a Chapter**

A group of ALA members organized and chartered on a state, provincial, local or other basis to advance ALA's mission and goals in a manner consistent with the policies of the international Association and which is established and operates in accordance with ALA's bylaws and its guidelines, standards, and performance objectives for chapters.

### **Chapter Affinity Programs**

An ALA chapter that wishes to enter into an agreement with a benefit provider should obtain written approval from the Executive Director. In most cases, chapters can obtain approval when the proposed agreement complements, rather than competes with, existing or proposed contracts of ALA. Chapter leaders should refer business partners interested in establishing nationwide and/or international benefit programs to the Executive Director.

### **Chapter Review of Provisionally Approved Member Applications**

In alignment with the approved bylaws governing the Association, ALA recognizes and supports the need to work with its chapters to provide a consistent, harmonious and positive member experience for all applicants who desire to apply for, and receive, membership in ALA and its chapters. Toward that objective, ALA will notify the chapter president or designated chapter representative of the provisional approval of each application for membership, provide a copy of the provisionally approved member profile and notify the chapter of the process to respond if it questions the new member's eligibility under ALA Bylaws.

Further and as a matter of procedure, when applications for membership are received from individuals who fall within a perceived ambiguous area of interpretation of the Bylaws, the ALA staff Senior Director, Member Experience will consult with the chapter president or designated chapter representative prior to making a provisional approval decision.

### **PROCEDURES**

1. Provisionally approved, new ALA member notifications will be sent by email to the nearest geographical chapter upon final member application processing and will consist of the email communication (example below) and a copy of the provisionally approved member profile record.
2. When there is only one chapter in the state or country (Mile High, Nutmeg, First State, Atlanta, Hawaii, Gem State, Chicago, Wichita Area, Kentucky, New Orleans, Downeast, Maryland, Boston, Minnesota, Mississippi, Big Sky, Nebraska, Las Vegas, Granite State, New Jersey, New Mexico, Oregon, Utah, Puget Sound, Wisconsin, South Carolina and Mexico), provisional new member notification will be provided to that chapter.
3. When it is not immediately apparent which chapter is in closest proximity, the chapter to be notified is determined using the following methods:
  - a. Google maps or similar geographic mapping resources are utilized by entering the new member address, and the address of the chapter contact/office(s) nearby. The closest chapter as determined by distance is selected.
  - b. If a new member is not within 50 miles of a chapter, the new member information is sent to the Cyber Chapter.

4. Special circumstances are in effect related to notification procedures for provisional new members in Brazil, as notifications are sent to the Greater Los Angeles Chapter.
5. The chapter shall have ten (10) calendar days to respond to ALA of any objection to the membership of the provisionally approved member, and will submit a detailed narrative describing the objection, directed to *membership@alanet.org*. Objections received will be confirmed by ALA membership staff by email and shall include a copy of this policy. Representative(s) of the Chapter Resource Team (as assigned) may be copied on the confirmation.
6. If a chapter does submit such objection, ALA will acknowledge receipt of the objection and submit it for consideration to its Membership Development Committee. The Membership Development Committee shall review the objection and issue a determination consistent with the Bylaws and facts presented within ten (10) calendar days after receipt and communicate this decision to the chapter. Representative(s) of the Chapter Resource Team (as assigned) may be copied on the decision. The decision by the ALA Membership Development Committee shall prevail as the binding resolution of the matter in question.
7. If the chapter does not submit an objection to the provisionally approved member, provisional status shall expire upon thirty (30) days following the date of provisional approval notification.

### **Inactive/Provisional/Discontinued Chapters**

1. Inactive Chapters. Chapters become inactive by (a) majority vote of the current active chapter membership or (b) action by ALA's Board of Directors to place the chapter on inactive status for lack of activity, failure to comply with ALA bylaws and/or to meet the established chapter performance objectives. An inactive chapter may not meet or hold itself out to be a chapter or as being in any other way affiliated with ALA, and upon becoming inactive must return its charter to ALA and escrow its existing treasury with ALA.
2. Provisional Status. As a potential interim step, chapters may be placed on provisional status by the Board of Directors for periods of up to six months and with monitoring of the chapter's activities in ways designed to assess the chapter's viability. Chapters on provisional status are deemed to be active chapters and may continue to operate as such, subject to any particular restrictions or requirements imposed by the ALA Board. During or at the end of the six-month period, the provisional status may be removed, provisional status may be extended for another period of time, or the chapter may be moved to Inactive status (see above).
3. A chapter may be on inactive status for up to 12 months. A chapter may petition ALA to remove inactive status if there are at least 10 chapter members and all other infractions have been resolved. If the Board is satisfied with the chapter's renewed viability, the chapter may be restored to active status and its charter and treasury returned.
4. If a chapter remains inactive for a period exceeding 12 months, its charter will be deemed conclusively revoked and the escrowed treasury held by ALA will be distributed in accordance with the dissolution provisions in the chapter's bylaws. If a group of ALA members later seeks to form a new chapter in the same area, that chapter formation will proceed under the same requirements and guidelines that apply to all new chapter formations and without regard to the former chapter.
5. As opposed to placing a chapter on inactive or provisional status, the Board of Directors may immediately and conclusively revoke the charter of a chapter and terminate its existence and relationship to ALA for failure to comply with ALA bylaws and/or to meet the established chapter performance objectives.

# CONFERENCE-RELATED POLICIES

## Copyright Release

Copyright releases must be secured from the presenters at the ALA conferences as applicable.

## Site Selection for The Annual Conference/Exposition

Conference sites are selected with consideration of these criteria:

1. Geographic diversity (avoid consecutive conferences in the same geographic area)
2. Attendance potential
3. Business factors — costs of facilities, services, etc.
4. Image — is it appropriate for a law-related group
5. Dates as related to potential calendar conflicts (international, national and local holidays and events, as well as applicable local Chapter scheduled events)
6. Amenities (busing required, destination appeal, etc.)

## Speaker Engagement Policy

Many qualified speakers are engaged to speak, lead workshops or participate on panels at the Annual Conference and other conferences or retreats. Some speakers may be members of ALA while others are legal consultants, business partners, academicians, journalists or other professionals with a message of significance to those involved in legal administration.

- A. Purposes of Policy: The Speaker Engagement Policy provides for the fair review of presentations and engagement of speakers. It has been created as a planning tool to:
  1. ensure consistent, fair and equitable treatment for speakers in the same category
  2. provide a mechanism for accurate financial planning and cost control by limiting uncertainty and unpredictability
  3. ensure quality speakers are available to conference attendees through application of speaker evaluation criteria, avoiding speaker “burnout” and staleness of topics, in addition to the over-utilization of the same speakers
  4. avoid the appearance of favoritism within any category of speakers
- B. Categories of Speakers: Speakers at conferences and retreats may be grouped into four general categories:
  1. ALA members
  2. Legal consultants and business partners who spend the majority of their time providing consultation services, goods, products or agency services to the legal profession, or who work for organizations with operating units that market such goods or services to the legal profession.
  3. Academicians, journalists, other professionals and consultants who provide services to a wide variety of businesses and whose consulting is not integrally connected to the legal profession.
  4. ALA’s partner organizations, including and not limited to Legal Marketing Association (LMA), International Legal Technology Association (ILTA), International Practice Management Association (IPMA), and American Association of Law Libraries, (AALL).
- C. Speaker Selection: The various planners of each committee should be proactive in an effort to increase sensitivity to diversity within ALA and the legal management community and review presentations and select speakers without regard to gender, race, religion, ancestry, national origin, physical disability, age, or sexual orientation.

An effort should be made to spread program exposure among organizations competing with each other for consulting services and/or business partner products. Headquarters staff will arbitrate subject matter and/or speaker conflicts.

Speakers should meet the following criteria or standards:

1. The speaker is fully knowledgeable on the topic, including recent developments in the field.
2. The speaker can maintain an air of professional detachment and objectivity regarding the topic.

3. The speaker will not unfairly degrade specific services and products, nor imply that ALA endorses any particular services or products.<sup>3</sup>
4. The speaker will commit to advance preparation, including the production of a session description, quality handout materials, and a biography to be provided by established deadlines.
5. The speaker will agree to work in advance of any educational program/conference with the various conference committee planners and/or ALA staff to ensure a quality review of program and materials.
6. The speaker is sufficiently adept at public speaking to deliver an educational and interesting address.
7. The speaker has sufficient reputation to draw a broad spectrum of participants from the group at which the topic is aimed.
8. License
  - A. The speaker will grant to ALA a nonexclusive, perpetual, irrevocable, worldwide license to capture, live stream, record, use and archive Speaker's presentation and handout materials (collectively "Speaker Property") in any manner ALA deems appropriate including, but not limited to, the reproduction, translation, distribution, creation of derivative works, and display on the internet of all or any excerpt of Speaker Property, with ALA retaining the proceeds derived from such distribution and use of Speaker Property.
  - B. The speaker will also agree to work directly with the company performing these services for ALA, if any.
  - C. The speaker understands that the sale of Speaker Property by ALA is primarily for the educational benefit of ALA's membership and not for monetary gain; and therefore, there is no royalty arrangement between Speaker and ALA.

### **Speaker Honoraria and Reimbursement Policy**

#### *Annual Conference*

ALA may provide honoraria and travel expenses for Keynote and General Session Speakers.

Concurrent session speakers will generally not be given honoraria or travel expenses. Exceptions to this policy may be made by ALA staff or its designees.

#### *Other Conferences*

Generally, speakers may receive an all-inclusive honoraria. All speaker honoraria, and, in exceptional circumstances, expense reimbursement and registration fee waivers must be:

- 1) agreed upon in advance.
- 2) in accordance with the program's approved budget.
- 3) approved by the ALA headquarters staff.

Each speaker approved for honorarium or reimbursement of expenses must sign the Speaker Agreement in advance of the conference.

Requests for reimbursement of approved travel, hotel and per diem expenses must be submitted using the Speaker Reimbursement Form within one month of the event *with original receipts attached*.

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<sup>3</sup> Speakers who are consultants or business partners are specifically prohibited from "selling" their company or product during their presentations and must agree to abide by the following statement prior to final, formal engagement as a speaker:

Professional Responsibility & Ethics of Presentation: Any speaker who sells or promotes their product or service, in or out of the classroom, or denigrates a competitor, whether implied or in fact, is precluded from speaking at future ALA-sponsored events. A speaker who wishes to market their product must purchase official exhibit space, when available.

The speaker will draw upon broad experience with competitive services and products and will not speak exclusively about a narrow range of services and product lines, unless requested to as part of their presentation.

Honoraria amounts are variable and subject to the program's approved budget and approval by ALA staff.

Reimbursement of travel expenses when approved shall not exceed the following:

- one night of lodging at the single room rate in a conference hotel without incidentals such as movies or use of the health club.
- meals and reasonable ground transportation (taxi, shuttle, rideshare, but generally not rental car).
- airfare to the conference city at the coach or lowest discounted rate available or reimbursement of automobile transportation to the conference site at current approved rate per mile.

## **FINANCIAL AND ADMINISTRATION POLICIES**

### **Access to Records by Members**

ALA will allow members to inspect the following records of the organization:

1. IRS Form 990 (IRS tax return form for organizations exempt from income tax)
2. Audited financial statements
3. Governing documents
4. Board meeting minutes

### **Accounting Method**

ALA will use the accrual basis of accounting that recognizes revenues when they have been earned and expenses when they have been incurred.

### **Amortization**

ALA will individually amortize leasehold improvements exceeding \$2,500 over the remaining length of the lease term.

See the Capitalization Cutoff Point Policy in this manual.

### **Annual Leave Accrual**

In the last month of the year, ALA will budget for and accrue the value of the annual leave liability for the Executive Director.

### **Bank Reconciliations**

Bank statements will be addressed to the Controller, who will prepare the bank reconciliation within 72 hours of receipt, or a reasonable time following receipt considering vacations or other time out of the office.

The bank reconciliation will be distributed with the internal financial statements and will include documentation of voided checks.

### **Bid Requirements**

Three bids will be required for expenditures relating to services performed by CPA firms and law firms. Bids will be evaluated every five years by the Audit Committee, and requests for proposals will be prepared and sent to qualified firms in the same field.

### **Budget Development Process**

Each year, the Executive Director develops a budget for the Association based on the strategic plan. Below is a general timeline followed by the organization for developing the budget. Please note that the Board of Directors will be asked for their ideas and input into the Association's budget and the Board of Directors will utilize the Budget & Reporting Task Force to assist with the budget development process.

#### *General ALA Budget Development Timeline*

August	Summer Board of Directors Meeting
August/September	Review six-month financials and develop a high-level first draft of the subsequent year's budget; Provide draft budget to Budget & Reporting Task Force for feedback to ensure it aligns with the Board's directed strategic plan and mission.

October	Second Budget Draft is due for staff review
Late October	Second Budget Draft and Board meeting material due for distribution to the Board of Directors
Early November	Fall Board of Directors Meeting
Early December	Final Budget Draft due based on input from the Board of Directors Final Budget is approved

### **Capitalization Cutoff Points**

Assets will be expensed in the period purchased if these assets cost \$2,500 or less individually. Assets costing in excess of \$2,500 individually will be capitalized and depreciated in accordance with the organization's depreciation policies.

Leasehold improvements will be capitalized if they cost in excess of \$12,500 individually.

### **Chart of Accounts**

ALA will maintain a chart of accounts. All employees involved with accounting coding responsibilities or budgetary responsibilities will be issued a chart. The chart of accounts must be reviewed and updated by the Executive Director or assignee, as applicable on a routine basis.

### **Check Disbursements**

Unused check supplies will be safeguarded in a locked cabinet or drawer.

All check disbursements will require department manager-approved invoices, expense vouchers or a check request form. In addition, the Executive Director needs to approve expenses that exceed \$10,000.

Signed checks that have not been mailed or distributed will be secured at the end of each day.

### **Check Signers**

ALA will give check-signing authority to the following positions:

1. Executive Director
2. President, Immediate Past President, and President-Elect
3. Senior Directors for under \$1,000

Checks issued for payment of the organization's debts will require the signature of an individual not associated with incurring the debt. Checks for amounts greater than \$10,000 will require two signatures. All checks will be signed in accordance with the Cash Management Policy in the Investment Policy section below.

Additionally, individuals involved with check preparation and bank reconciliations are prohibited from having check-signing authority.

### **Contract Signing Authority**

ALA will grant authority to sign contracts to the Senior Directors and the Executive Director.

### **Contributions to the Foundation of ALA**

ALA will send thank you letters on the organization's letterhead acknowledging all contributions, regardless of the amount. This is a requirement of the Internal Revenue Service. The letters will indicate the dollar amount contributed and note that no goods or services were received in return. See the Quid Pro Quo Contribution section of this manual.

### **Control Over Checks and Cash**

Checks are received from U.S. and Canadian lockbox deposits and include detail backup of payment. Once received similar items are grouped together and batches created in the iMIS Database using the designated Cash Accounts. These batches are distributed to the appropriate department for data-entry and returned to the

Accounting Department for approval and posting of cash into the database. Once posted, Accounting maintains the posted batches and the Transaction Journal and backup copies are retained until the annual audit. The batch log copy included with the checks will also be retained until the annual audit.

## **CPA Firms**

### *Audited Financial Statements*

The Executive Director will distribute the audited financial statements to the Board of Directors. A summary of the consolidated financial statements will be made available to the membership following the audit.

The authority to distribute the statements to other individuals or firms requesting them will be left to the discretion of the Executive Director or the Controller.

### *The Engagement Letter*

The engagement letter will be reviewed by the Audit Committee and then be presented at the Board of Directors' meeting immediately before the audit commences. Board approval is required before the President, Treasurer or Executive Director are given authority to sign the document.

### *The Management Letter*

The auditing firm is required to issue a management letter on an annual basis following the fiscal yearend audit. If no recommendations are made, this should be stated in the letter.

The Audit Committee will discuss the CPA management letter with representatives of the auditing firm and to direct staff as to the appropriate action required to correct deficiencies addressed. A copy of the Management letter will be provided to the Board of Directors. Distribution of the management letter to individuals or firms other than those entitled to a copy is left to the discretion of the Executive Director or the Board President.

### *Selection of Firm*

ALA will contract with the CPA firm selected to audit the organization for a period of three to five years. At the end of this period the organization's Audit Committee, with the assistance of staff, will interview a minimum of three CPA firms specializing in auditing not-for-profit organizations and make a recommendation to the Board of Directors for final selection. Re-awarding the contract for auditing services to the existing auditing firm is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost effective.

Additionally, the contract awarding the audit to the CPA firm for a three- to five-year period will have a clause allowing the organization to contract with another firm before the end of the contract period if the current firm provides unsatisfactory service or if the financial condition of the organization prohibits the expense of a full audit.

## **Credit Cards**

Credit cards will be issued to the following individuals:

1. Executive Director
2. President, Immediate Past President, President-Elect (optional)
3. Department Directors
4. Staff who travel regularly on association business

Individuals receiving a credit card will sign a Credit Card Issuance Form, and a Credit Card Holders Log will be maintained. Individuals incurring expenses via credit cards are required to complete a monthly expense report to include all transactions. The Staff Expense Voucher is approved by the individual Directors for staff and by the Controller for the expenses of the Executive Director. (Also see Travel Expenses Policy for ALA Staff section of this manual.)

## **Depreciation**

ALA will depreciate fixed assets other than real property and electronic equipment using the straight line method over a five-year period.

Electronic equipment will be depreciated using the straight line method over a three-year period.

Capitalized repairs and improvements will be depreciated using the straight line method based on an analysis of the time the repair or improvement is expected to improve the property.

Fully depreciated fixed assets will remain on the organization's statement of financial position until they are disposed of or otherwise deemed worthless.

Assets will be capitalized in accordance with the organization's capitalization cutoff point policy.

## **Employee Benefits**

ALA will distribute employee benefits to the functions of the organization based on actual salaries charged to the functions.

Employee benefits include FICA taxes, unemployment taxes, employee insurance premiums, and 401(k) payments.

## **Finance Committee**

The Finance Committee will consist of the President, President-Elect, Immediate Past President, and the Finance Committee Chair, who is appointed by the President at the Annual Conference Board meeting. The Executive Director will serve as an ex-officio, nonvoting member of the Finance Committee.

The Finance Committee will also review the annual audit of the Association's books, meet with the Association's independent auditors, and carry out such other duties as may typically be the responsibilities of audit committees in nonprofit individual member professional associations. The Finance Committee shall annually present the audit report to the Board of Directors.

## **Financial Reserves Policy**

The Association maintains financial reserves for two purposes:

- To ensure adequate funds are available in the event of an unanticipated catastrophic event or business situation that threatens the financial viability of the Association.
- To support special projects in the event a strategic initiative surfaces outside of the annual budgeting process.

## **Maintenance of Reserves**

The Association shall strive to maintain reserves of no less than fifty percent (50%) of the annual budgeted expenses. The Executive Director shall notify the Treasurer if at any time reserves fall below fifty percent (50%) of annual budgeted expenses.

In the event reserves fall below forty-five percent (45%) of the annual budgeted expenses for a period of three (3) consecutive months, the Treasurer shall notify the Board of Directors of the variance and continue to provide regular updates until the desired fifty percent (50%) threshold is reached.

In the event reserves fall below forty percent (40%) of the annual budgeted expenses, the Executive Director (or designee) will recommend to the Board of Directors corrective actions to reach the desired fifty percent (50%) threshold. Additionally, the Board of Directors may direct the Executive Director to suspend new project or special initiative funding through the reserves.

## **Financial Statement Preparation and Distribution**

ALA will prepare and distribute monthly financial statements that will include the Revenue and Expense by project and account and a Balance Sheet. In addition, a cover memorandum summarizing the financial statements and explaining variances of \$10,000 or greater will be included with these documents. These statements will be



prepared and distributed within 10 working days after the close of the month.

The statements will be distributed to the Board of Directors, the Executive Director, and the Controller. In addition, they will be made available to staff via an online file.

## **Investment Policy**

### *Purpose of an Investment Policy*

The investment of funds is a major responsibility. The purpose of this investment policy is to indicate a conscious, formal effort by ALA officials to develop, implement and monitor the investment of all ALA funds. It will be considered an important means of communicating ALA's policy views on management of cash assets.

### *Investment Objectives*

The overall direction of ALA's investment program may be found in the following objectives, which have been prioritized and explained to clearly identify the results expected.

1. Safety of principal is considered of greatest priority to ALA. Each investment that is made will seek to ensure that capital losses are avoided, whether they be from securities defaults or erosion of market values.
2. Liquidity is an important objective. ALA's investment portfolio will remain sufficiently liquid to enable ALA to meet all operating requirements, which may be reasonably anticipated. Investments with a maturity greater than 180 days should account for no more than 50% of the total market value of the portfolio.
3. Maximum rate of return. ALA's investment portfolio will be designed with the purpose of regularly exceeding the average return of three-month United States Treasury Bills. The investment program will seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.
4. Diversification. In order to further guarantee asset safety, ALA will diversify investments to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types, industry types, fund types, etc.
5. Member confidence in the investment program is imperative. ALA will seek to avoid any transaction that might impair its members' confidence. Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs. Emphasis is to be placed on the probable safety of capital rather than the probable income to be derived.

### *Responsibility*

Management responsibility for the investment program of ALA is hereby delegated to the Executive Director. The Executive Director will seek investment guidance from the ALA Executive Committee. The Executive Director will direct investment program operations consistent with this Policy and will identify those staff positions that will assist in carrying out the investment responsibility. No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures developed by the Executive Director. The Executive Director, or their designee, will be responsible for all transactions undertaken, and will establish a system of controls to regulate the activities of other ALA staff members.

Management responsibility of the Executive Director, or their designee, will include the timely preparation of cash flow projections. These cash flow projections will be used to identify all cash requirements and project opportunities for investment placement which will earn the maximum rate of return, based upon current market conditions.

### *Cash Management*

ALA's policy regarding cash management is based upon the realization that there is a time value to money. Temporarily idle cash may be invested for a period of one day to an excess of one year depending upon the cash flow projections. Accordingly, the Executive Director, or their designee, will prepare written cash management procedures that will include, but not be limited to, the following:

1. Receipts: All monies due ALA will be collected as promptly as possible. Monies that are received will be

deposited no later than the next business day after receipt by ALA. Amounts that remain uncollected after a reasonable length of time will be subject to any available legal means of collection.

2. Disbursements: Any disbursement to suppliers of goods and/or services or to employees for salaries and wages will be contingent upon an available budget amount or upon a budgetary exception approved by the Executive Director. Budgeted disbursements under \$10,000 require the approval of the appropriate ALA departmental manager. Disbursements greater than \$10,000 require the advance approval of the Executive Director.

The Executive Director has the authority to sign all checks on behalf of the Association up to the amount of \$10,000 (check register will be provided each month). Disbursements exceeding this amount will be signed by the Executive Director and one officer of the Association.

In the absence of an Executive Director, the Executive Committee has set forth the following appropriate approval policies.

All checks, drafts and orders for the withdrawal or payment of money both verbal and written drawn against an ALA account or accounts will be signed and/or ordered within the following signature authority:

1. Under \$1,000 requires the signature of the President, President-Elect or officially designated Board Director, or two (2) staff directors.
2. \$1,000 to under \$10,000 requires any two (2) signatures of the President, President-Elect or officially designated Board Director, or one (1) from the President, President-Elect or officially designated Board Director, and one (1) staff director.
3. \$10,000 and over requires any two (2) signatures of the President, President-Elect or officially designated Board officer.

To borrow money and to obtain credit for ALA, to grant security interests in and to assign, pledge or deliver any property of any nature and description held by or belonging to this Association, the following signature authority is in place:

1. Any two (2) signatures of the President, President-Elect, Immediate Past President or the Executive Director.

#### *Accounting*

ALA's accounting system is organized so that each year may be evaluated independently. The assets, liabilities, revenues and expenses of each year are maintained as separate entities on the modified accrual basis.

Accounting principles will include:

1. Investments will be reported at market value.
2. Any premium or discount will be amortized over the life of the investment.
3. Gains or losses of investments in all funds will be recognized at the time of disposition of the security.

#### *Financial Institutions*

It will be ALA's policy to select financial institutions on the following basis:

1. Security: ALA will maintain funds in a financial institution only if that institution is a member of the FDIC or FSLIC systems, except that this requirement will not apply in the case of necessary accounts in foreign banks.
2. Size: Total assets of the institution or money manager will exceed \$500 million.
3. Statement of Condition: Any institution named as a depository will be required to file the last two annual audited statements of condition with the Executive Director's office, to be used for evaluating its size and capital to assets ratio. The Executive Director's office will maintain for Board and managerial inspection

these statements of condition until subsequent statements are received. If, for any reason, the information furnished is considered by the Executive Director or Executive Committee to be insufficient, ALA may request additional data.

4. Location: ALA will maintain a depository relationship with an institution in the Chicago Metropolitan area, which exhibits the ability to meet all requirements as established in this Policy. Similar depository relationships may be established with institutions in other geographic areas, including foreign countries.
5. Services and Fees: Any financial institution selected by ALA may be requested to provide cash management services, including, but not limited to: checking account, wire transfers, purchase and sale of investment securities and safekeeping services. Fees for banking services will be mutually agreed to by an authorized representative of the depository institution and the ALA Executive Director or authorized member of the ALA staff.
6. Board of Directors Authorization: Once the Executive Director has verified a potential depository's ability to meet the criteria established in the Policy, a financial institution will be named only upon authorization of the ALA Board of Directors through a formal resolution.

#### *Investment Committee*

The Executive Committee also serves as the Association's Investment Committee. The Association's Executive Director will serve as an ex-officio member of the committee and shall have overall day-to-day responsibility for the investment of Association funds. The Board shall use its reasonable best efforts to ensure that at least one member of the committee shall have experience with respect to asset management and investment policy.

The Investment Committee as a whole is not intended to be an investment monitoring group or to make collective specific investment decisions. Its responsibilities are:

1. To be familiar and conversant with the Association's Investment Policy — including objectives, management, standards and selection criteria — as approved by the Board of Directors, and to periodically review that Policy and make recommendations to the Board with regard to changes to that Policy.
2. To review investment reports and statements to ensure compliance with the Investment Policy and to report at least annually to the Board in that regard.
3. To meet independently from time-to-time with the Association's institutional investment advisers, to assess the performance of those advisers, and to make recommendations to the Board concerning the retention of investment advisers and managers.

#### *Investment Selection*

ALA may invest in any type of security allowed for under law, provided that such securities are either (a) guaranteed by the full faith and credit of the United States Government; or (b) state or local government securities (or securities issued by subdivisions thereof) which are rated A- or higher by Standard & Poor's and/or A3 or higher by Moody's Investor Services; or (c) obligations of banks or savings and loan associations that are insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC); or (d) long-term investment grade obligations (commercial paper) of United States Corporations that are rated A or higher by Standard & Poor's and/or A3 or higher by Moody's; or (e) short-term obligations (commercial paper) of United States corporations that are rated A-2 or higher by Standard & Poor's and/or P-2 or higher by Moody's; or (f) such other approved investment vehicles as are specifically approved from time to time by the Board of Directors via amendment to and incorporation in this Policy. Approved investments as of January 1, 2007 include the following and any other investment vehicles which meet the criteria of (a) to (e) above:

- Securities of the U.S. Government, its agencies and instrumentalities.
- Demand Master notes.
- Domestic commercial paper, public and private.
- Bank obligations — Direct obligations of banks (e.g., certificates of deposit, time deposits, banker's

acceptances) which are organized and operating in the United States and are members of the FDIC; obligations of foreign branches of such banks (Eurodollar CDs, time deposits and deposit notes).

- Dollar-denominated foreign bank obligations (e.g. CDs, BAs, TDs) of the domestic branches of foreign banks.
- Repurchase agreements collateralized by the securities of the U.S. Government, its agencies, and its instrumentalities.
- Domestic corporate securities (including CMOs) issued by agencies of the U.S. Government.
- Mortgage-backed securities (including CMOs) issued by special purpose vehicles rated AAA by Standard and Poor's and Moody's.
- Asset-backed securities.
- Auction rate or money market preferred stock.
- Dollar-denominated Supranational Securities.
- Yankee bonds.
- State or local government (or subdivisions thereof) securities rated A- or higher by Standard and Poor's and A3 or higher by Moody's.
- Money market funds with daily liquidity.
- Short-term funding arrangements

Investments will be placed with the institution that best exhibits the ability to meet the investment criteria and objectives in this Policy. The investment/money manager will be a nationally recognized money manager.

#### *Diversification and Maturities*

Maturities of investments of ALA will be determined to enable ALA to have available sufficient cash for all purposes. Funds invested will be maintained at the highest return possible with the basis for liquidity. In managing the investment program, the Executive Director will use his/her discretion in diversifying maturities to safely maximize returns under current and changing market conditions, as balanced by the need to meet current cash flow requirements and financial obligations. In exercising this discretion, and in recognition of changing market conditions, the Executive Director will not be required to formulaically allocate or limit investment of specific percentages of the total portfolio to specific maturities (e.g., "at least 20% in investments maturing in 120 days or less") except that no more than 50% of the total market value of the portfolio may be invested in securities with fixed maturities of 180 days or more.

#### *Internal Controls*

Where deemed necessary, the Executive Director, or their designee, will establish a system of internal controls, which will be documented in writing. These internal controls and this Investment Policy will be reviewed by an independent, certified public accountant in conjunction with the annual examination of the financial statements of ALA. The controls will be designed to prevent losses of ALA funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees of ALA.

#### *Reporting*

The Executive Director will submit a monthly investment report to the ALA Executive Committee for information purposes. From time to time, the Executive Director will suggest policies and improvements that might be made in the investment program. If deemed worthwhile, these policies will be incorporated into the written internal controls or this Investment Policy, upon approval of the ALA Board of Directors.

#### *Standards of Prudence*

The standard of prudence to be used by ALA officers and employees responsible for the investment of funds will be the “prudent person” standard, subject to the foregoing limitations, which states:

*Investments will be made with judgment and care, under circumstances then prevailing, which persons knowledgeable of investment practices, and persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.*

The above standard is established as the standard of professional responsibility and will be applied in the context of managing ALA's overall portfolio. This Policy recognizes that there are circumstances beyond the control of even the most prudent investor which impact the return obtained. However, officials and employees of ALA acting in accordance with this Investment Policy and written procedures as may be established and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

### **IRS Forms**

#### *Form 990*

Requests for copies of Form 990 may be denied and Form 990 will not be mailed under any circumstance without the approval of the Executive Director or the Controller. See the Public Access to Records sections of this manual.

#### *Form 990-T*

ALA will deny requests to inspect IRS Form 990-T, the income tax return form for declaring unrelated business income, because it is confidential information. See the Unrelated Business Income Tax section of this manual.

#### *Form 1099*

ALA will complete IRS Form 1099 for all individuals and vendors receiving \$600 or more from the organization.

### **Leasehold Improvements**

ALA will capitalize leasehold improvements costing \$2,500, or more. Expenditures under this amount will be considered ordinary repairs and expensed in the period paid. Capitalized leasehold improvements will be amortized over the remaining lease term.

See the Amortization Policy and Repairs and Improvements Policy included in this manual.

### **Leases**

ALA will record leases as either capital leases or operating leases in the financial records, based on appropriate qualification criteria.

### **Lock Box**

Checks mailed to ALA will be mailed to the lock box at the Association's bank of choice.

The bank will copy the checks and forward the copies, deposit slips and all materials sent with the checks, including the envelopes, to the accounting department.

Accounting will maintain a Daily Lock Box Batch Listing, which will be retained with the bank deposit slips.

### **Logo Use on Forms**

ALA's logo will be included on all forms used by the Association.

### **Petty Cash Fund Disbursements**

ALA will maintain a petty cash fund of \$300. The Controller will ensure that the petty cash is in a secure location at all times.

Disbursements from petty cash may only be made for approved expenditures. A receipt must accompany every disbursement. The receipt must be signed by the person receiving the cash and the person disbursing the cash.

The petty cash fund will be replenished as needed and at the end of every month. The petty cash fund

replenishment check will be made out to the individual primarily responsible for maintaining the fund. The expenses will be reviewed and the resulting check will be signed by the Executive Director.

Outside photocopying expenses will be charged to the project responsible for incurring the expense.

### **Postage Log**

ALA will use the meter's program coding system to charge the appropriate functions for actual postage used. Monthly reports are printed by the production department and expenses are recorded to the separate projects. Employees are allowed to use the organization's postage meter for personal mail. They are required to fill out a postage ticket and are billed monthly.

### **Prepaid Expenses**

ALA will treat payments of expenses that have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period.

Records of prepaid expenses will be maintained by the accounting department and the originating project and will be budgeted for accordingly.

### **Public Access to Records**

ALA will allow the public access to Form 990. This access will be at the organization's headquarters at a mutually agreed upon time. A responsible employee of the organization will remain in the presence of the individual(s) requesting access to this information. Individuals will be allowed a reasonable amount of time to review the form, but access to copying machines and the like may be denied as will securing an electronic image of the form. The original of Form 990 will remain at the organization's headquarters without exception. See IRS Forms Policy included in this manual.

### **Quid Pro Quo Contributions**

ALA will inform contributors in writing of a good faith estimate of the nondeductible portion of any quid pro quo contributions made for any fundraising activity of the organization.

### **Refunds**

ALA will publish the organization's Refund Policy on order forms, invoices, dues statements and so forth.

#### *Membership Dues*

Membership dues are earned upon receipt and are not refundable except in limited circumstances. Requests for refunds will be reviewed on a case-by-case basis in accordance with the following guidelines.

1. Membership cancellation requests by an individual within 30 days of receipt of initial dues payment:

Membership cancellation requests received within 30 days of membership application approval notification will be reviewed on a case-by-case basis and may be approved for a dues refund at ALA discretion, less a 25% administrative fee.

All refund requests must be made or agreed to by the individual listed as the primary contact on the membership.

Written refund requests must include name of the member, company name (if applicable), address, city, state, zip, member number if known, amount of dues paid, date dues paid, method of payment and the reason the refund is being requested.

ALA reserves the right to withhold a 25% administrative fee and/or deny the request for a refund.

Email requests should be directed to: *membership@alanet.org*.

Mail requests should be directed to:  
Association of Legal Administrators  
Attn: Sr. Manager, Membership  
8600 W Bryn Mawr Ave, Suite 400N  
Chicago, IL 60631-4600

If approved:

- A. Refunds, less administrative fee, will be processed within four weeks of refund request and refunded by the original method of payment whenever possible.
- B. All benefits and incentives received by participant must be canceled/returned to ALA. If purchases were made at a discounted member rate, ALA will issue an invoice for the difference between member/nonmember rate.

2. Membership cancellation requests by an individual after 30 days of receipt of initial dues payment:

No refunds will be made after 30 days from receipt of annual dues payment.

*Conference Registration*

Refunds for meetings will be granted pursuant to the published refund policy included in the promotional meeting materials. Meeting refunds will be processed within 21 days of the last meeting date.

*General Purchases*

Full refunds for other goods and services will be granted if the customer or member requests the refund within 30 days of their receipt of the invoice requesting payment.

Refunds issued will reduce the corresponding revenue account accordingly.

**Requests for New Policies and Procedures**

ALA will encourage employee involvement in keeping the Accounting and Financial Policies and Procedures Manual up to date. Employees requesting existing policy changes, addition of new policies, and elimination of existing policies should submit written requests and forward them to the Executive Director.

**Revisions to Financial and Administration Policies**

Any revisions to the current policies must be approved by the ALA Executive Director.

**Salaries and Employee Benefits Accruals**

ALA will accrue unpaid salaries and employee benefits in the financial statements of the organization, according to function.

**Separation of Duties**

ALA will work with the organization's independent CPA firm to ensure adequate segregation of duties exist. Suggestions on improving controls through duty segregation will be given serious consideration, and employees will be required to participate in the interest of both the organization and the employee.

**Time Sheets**

ALA will ensure that all employees complete time sheets for every pay period, accurately recording all regular hours, overtime and leave hours. All employee time sheets must be approved by their Director before being paid. Employee time will be charged to the various projects based on the actual hours worked.

**Travel Advances**

ALA does not issue cash advances to individuals for business travel expenses incurred while on assignments away from the normal work location.

**Travel Expense Policy for ALA Staff**

ALA will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in writing in advance by a Director. No arrangements for travel may be made without signed approval for the travel from a Director (i.e., employees may not purchase plane tickets, make reservations, pay registration fees, etc.).

When approved and directly related to accomplishing business objectives, the actual costs of travel, meals, lodging, and other expenses will be reimbursed by ALA. Employees are expected to limit expenses to reasonable amounts.

Expenses that generally will be reimbursed include the following:

- Fares: Air or train fare for travel in coach or economy class or at the lowest available fare.
- Fees: Car rental fees, for compact or midsized cars only. (Car rental must be approved in advance by a Director.)
- Ground transportation: The actual cost of cabs or buses between the employee's home or office and the airport/train station of departure will be reimbursed upon presentation of receipts after the assignment. Where available, hotel shuttle buses and airport buses should be used when such means are more economical than taxi service.
- Tolls and Parking: Actual costs of tolls/parking incurred while traveling to and from the employee's home and the airport/train station or to and from the meeting site will be reimbursed upon presentation of receipts.
- Lodging Expenses: The cost of a single occupancy room at the meeting will be billed directly to ALA or will be reimbursed following the meeting. Lodging expenses are covered through the night of the last day worked. Additional nights are the responsibility of the employee. At the time of check out, the employee pays for any incidental charges on the hotel bill, such as the difference between single and double occupancy, video rental, spa use, golf fees, etc.
- Meals: Actual cost of meals will be reimbursed within reasonable amounts. The employee is expected to participate in planned meal functions. Receipts should be retained for all meals purchased while traveling to and from, as well as on-site.
- Telephone/Internet: Charges for business telephone calls, internet and similar services required for business purposes. Charges for a daily personal telephone call of a reasonable length.

Any employee who is involved in a motor vehicle accident while traveling on business must promptly report the incident to their immediate supervisor.

With prior approval, a family member or friend may accompany employees on business travel, when the presence of a companion will not interfere with successful completion of business objectives. Employees are also permitted to combine personal travel with business travel, as long as time away from work is approved. Additional expenses arising from such non-business travel are the responsibility of the employee.

If not on a master account, all travel expenses are to be charged to the traveler's personal credit card, then put on the appropriate expense report and reimbursement form. If the employee has been issued a company credit card, no personal expenses may be charged to the card under any circumstances. If personal charges are made to the card, the employee will be required to reimburse ALA within a reasonable amount of time. If reimbursement is not made, the reimbursement will be taken out of the employee's paycheck or deducted from reimbursement due to the employee.

When travel is over, employees should submit completed travel expense reports within 30 days. Expense reports for charges incurred by the Executive Director must be submitted to the Association Treasurer for approval. Failure to do so will result in any advance monies due the ALA to be deducted from the employee's paycheck. Receipts are required for all travel expenses exceeding \$20.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

#### **Unrelated Business Income Tax (UBIT)**

ALA will pay UBIT on the excess of revenues over expenses on taxable activities, if any. These activities will be clearly classified and designated in the financial records to provide adequate documentation in the event of an IRS audit.

The organization will file IRS Form 990-T to report unrelated activities. Form 990-T is considered confidential and



is not available for public inspection (see Form 990-T Policy in this manual).

# LEADERSHIP-RELATED POLICIES

## **Board of Directors Composition**

The Board of Directors shall be composed of between nine (9) and twelve (12) Directors from the membership at-large and three (3) Executive Committee Members (President-Elect, President and Immediate Past President). The Executive Director shall serve as an ex officio nonvoting member of the Board.

## **Nonrenewable Committee Terms**

The Board of Directors is responsible for appointments to all ALA standing committees, project teams and conference/retreat planning committees. Terms of office vary from committee to committee and from conference planning committee to conference planning committee. In order to increase volunteer opportunities within the Association, while maintaining continuity on committees and project teams from year to year, all appointments are for a single term of office.

Being appointed as Committee Chair or Vice Chair does not extend an individual's term of service unless the Board of Directors expressly approves an extension.

If an individual is appointed to fill a committee or project team vacancy that has 16 months or less remaining in the term, they are eligible to run for another term.

## **Nomination/Selection Procedures**

Overview. The Nominating Committee is charged with selecting individuals to fill upcoming vacancies on the ALA Board of Directors in accordance with Article V of the Association bylaws. The Committee is also charged with selecting individuals to fill upcoming vacancies on the Chapter Resource Team.

Composition. The Nominating Committee is comprised of the ALA President-Elect (non-voting member), ALA President, ALA Immediate Past President, and up to 12 members-at-large for a total of up to 15 Committee members. Per Article VI, Section 6.2 of the Association bylaws the ALA President serves as Chair of the committee. Under no circumstance shall the committee be comprised of fewer than seven individuals.

Term. Staggered terms of two years to allow for continuity, excluding the members of the Executive Committee. Terms are non-renewable and members shall not have served on the Nominating Committee in the two years prior to appointment.

Eligibility. Except for the currently seated President, President-Elect and Immediate Past President, committee members cannot be currently serving on the Board of Directors or the Chapter Resource Team, nor can they be considered candidates for President-Elect, the Board of Directors or Chapter Resource Team positions during their term on the committee.

Except for the currently seated President, President-Elect and Immediate Past President, committee members shall not have served on the Board of Directors during the four years prior to appointment to the committee.

The staff liaison to the Nominating Committee is responsible for ensuring all applicants meet these eligibility requirements and are members in good standing prior to forwarding applications on to the committee for review.

Standard Committee Selection Process. Apart from the currently seated President, President-Elect and Immediate Past President, all committee vacancies are filled by appointment. Appointments are made by the returning members of the Nominating Committee (exclusive of the Executive Committee).

All ALA members are invited to submit an application to serve on the Nominating Committee annually, usually in the summer. Applications are reviewed by the committee members returning from the prior year. Among the factors considered during the review process with an objective of achieving a diverse representation are:

- Years as a legal management professional and ALA member
- Member's geographical location
- The size of the applicant's legal organization
- Chapter size (if applicable)

- Prior ALA volunteer service (at either the chapter and/or association level)

Applicant interviews are conducted, after which individuals are appointed to fill the vacancies and alternates are identified.

Notification of Committee Appointment. Within seven business days of appointment the Chair shall confirm that all applicants have been notified of their status either by phone or in writing. Upon completion of the notifications, the Chair shall provide the Board of Directors with a full committee roster, which will be published for viewing by the full membership no later than September 1.

Meetings. The Committee's work will begin with a conference call meeting scheduled by the Chair to review the procedures and to discuss due diligence assignments and research. Candidate information will be available to the committee at that time and due diligence assignments will be made prior to the call.

Due Diligence Research. After the initial conference call meeting, Committee members will conduct diligence research on their assigned candidates, and they will complete a tracking form of their contacts. The ALA President, ALA Immediate Past President and ALA President-Elect will typically not perform due diligence.

Formal Meeting. The Nominating Committee meets in November to select individuals for applicable openings.

*President-Elect.* During the in-person meeting, the Committee selects an individual for the position of President-Elect. If a currently serving Director with time remaining on their term is selected to fill the President-Elect opening, the Committee will also select an individual to serve the balance of that person's unexpired term as Director. Typically, President-Elect candidates travel to the Committee meeting for an in-person interview with the Committee.

*Director.* During the in-person meeting, the Committee selects individuals for the open Director positions. The Committee will also select one or more alternates for each Director position in case an individual cannot complete their term of office. ALA's Bylaws authorize the Board of Directors to fill Director vacancies, so if a vacancy occurs during the coming year, the alternates' names would be provided to the Board at that time. An individual appointed to fill a Director vacancy will serve the balance of the unexpired term.

*Chapter Resource Team Members.* During the in-person meeting, the Committee selects individuals for the positions that will be open. They also select alternates to fill any midyear vacancies that arise, or to step in if one of the selected candidates cannot go forward.

Committee Report. Following the Committee meeting, the Chair will provide the committee's selections to the designated ALA headquarters staff liaison.

Association Selection. Individuals selected by the Committee for the President-Elect and Director positions will be deemed elected upon certification by the Executive Director that they (a) are members in good standing of the Association and (b) meet the eligibility requirements of ALA's bylaws. This "confirmation process" and a Committee report to the Board of Directors occurs within one to three business days following the Committee meeting, after which all members are notified of the election results. The selected candidates and alternates for the Chapter Resource Team positions will be ratified by the ALA Board of Directors.

Candidate Notifications. Individuals under consideration by the Committee are notified verbally and/or in writing of the outcome of their candidacy. The President, President-Elect and/or Immediate Past President will contact all President-Elect and Director candidates to notify them of the outcome of the Committee selection process within three days following the formal meeting of the Committee. Following Board of Director ratification of the Committee selections, members of the Nominating Committee will contact the selected Chapter Resource Team candidates to confirm their selection and contact the candidates not selected. Once all candidates have been notified, the results will be published on the ALA website.

## **Details of the Process**

Solicitation of Candidates. Annually, usually during the summer months, all members of ALA are invited to recommend individuals or apply themselves for President-Elect, Director or Chapter Resource Team positions

within the Association.

Correspondence with Candidates. Members are notified they have been nominated for President-Elect, Director and/or Chapter Resource Team Member and the appropriate forms and materials are obtained for further consideration by the appropriate committee(s). This correspondence is conducted by the Committee staff liaison.

Due Diligence Research. The Committee will conduct research on all candidates for President-Elect, Director and Chapter Resource Team member prior to the formal meeting. Committee members should note each person contacted for due diligence on a given candidate and the date of that contact.

Committee members should seek due diligence information from several individuals per candidate. A few individuals are "required contacts" and their names and contact information will be provided with the candidate's forms and materials. Committee members will not be assigned due diligence on candidates from their own chapter or law firm/legal organization. In order to learn more about individual candidates' interests in serving, Committee members are asked to contact the candidates for whom they have been assigned due diligence responsibilities for a get acquainted call. Note: Due diligence calls are only to be made to ALA members, unless specifically noted otherwise.

Due diligence feedback from ALA HQ staff should be requested through ALA's Executive Director, who will route the inquiry to one or more staff members for a direct response to the requesting Committee member.

Terms of Office. The President-Elect serves one year in that capacity and moves successively into the President and Immediate Past President positions. The Directors selected by the Committee will serve three-year terms that commence at the Annual Meeting. In the event an individual is appointed to fill a Director vacancy that has 16 months or less remaining, they are eligible to run for another term. Chapter Resource Team Members serve a two-year term, which can be renewed once. (Applications for renewal are considered in the same manner as original applications.) In the event an individual is appointed to fill a Chapter Resource Team member vacancy that has 16 months or less remaining, they are eligible to run for another term. Terms begin and conclude at ALA's Annual Conference (usually held in April or May).

Staff Responsibilities. The Committee staff liaison is responsible for ensuring the timely completion of these activities:

1. Solicitation of Candidates. Candidates for President-Elect, Director and Chapter Resource Team, are sought via a Call for Volunteers posted on ALA's website and published through the Associations many communication vehicles.
2. Correspondence with Candidates. Candidates to be considered for all open leadership positions are provided the appropriate forms and materials to be completed for further consideration by the Committee Staff Liaison.
3. Liaison to Committee. Information needed for the Committee to perform its work will be compiled and provided to committee members in late September. This will include due diligence assignments, some required due diligence contacts and each candidate's photo, application and answers to the ALA President-Elect and/or Director Candidate Questionnaire as applicable.
4. Candidate Profiles. A brief profile and photo of the individuals who are selected to serve in the coming year will be published in *Legal Management*.

Committee Member Responsibilities. As mentioned earlier, Committee members are responsible for ensuring the selection of individuals for each vacant position on the Board of Directors and Chapter Resource Team in the coming year. In doing so, it will be helpful to review:

1. each candidate's application.
2. each candidate's response to questions posed.
3. the governance methods utilized by the ALA Board of Directors.

4. job descriptions for Directors and Chapter Resource Team members.
5. the Association's current Strategic Plan.

In addition to attending the initial conference call and performing due diligence on candidates to whom they are assigned, Committee members are responsible for attending the in-person meeting in November, providing oral due diligence reports on candidates for whom they were assigned research and interviewing President-Elect applicants.

### **Serving in Multiple Volunteer Roles**

ALA has numerous activities, committees and leadership opportunities for volunteer members. To encourage a growing leadership pipeline and give members opportunities to serve, the following guidelines are established:

1. Typically an individual serves in only one ALA leadership position at a time. The Board of Directors has the discretion to allow an individual to serve in more than one leadership position at the same time.
2. For purposes of the policy, "leadership positions" are defined to include (but are not limited to) service as a member of the ALA Board of Directors, Chapter Resource Team, Committee Chair, Project Team Leader, Committee or Project Team member, Foundation Trustee or as a member of any special task force or committee. This policy does not apply to service in chapter-level positions.