



**GOVERNANCE PRACTICE STATEMENTS
AND POLICIES OF THE ASSOCIATION OF
LEGAL ADMINISTRATORS**

Updated April 2022

TABLE OF CONTENTS

GOVERNANCE PRACTICE STATEMENTS	1
Introduction	1
Terms Defined.....	1
Governance Structure.....	3
Roles, Duties and Relationships of the Board, Executive Director and Staff	3
Committees, Project Teams and Task Forces.....	5
Strategic Governance and Planning	6
Fiduciary Responsibility	7
Conflicts of Interest	7
Annual Budget.....	7
Asset Management	8
Compensation and Benefits	8
Association and Chapter Relationships	8
Association and Foundation Relationship.....	8
Whistleblower Policy	9
<i>Handling of Reported Violations</i>	9
<i>Records</i>	10
<i>Confidentiality</i>	10
GENERAL ASSOCIATION POLICIES	11
Business Partner/Value in Partnership (VIP) Sponsored Member Benefits Programs	11
Disaster Response Policy	11
Legal Services Policy	11
Media Policy.....	12
Membership and Dues Policies	12
Member Disciplinary Actions and Fair Hearing Policy	13
Member-to-Member Nonsolicitation Policy	17
Use of Membership Mark	17
Evaluation of Partnership Proposals	17
Record Retention Schedule	18
Volunteer Travel Policy	20
CHAPTER-RELATED POLICIES	24
60-Day Window Policy	24
Definition of a Chapter	24
Chapter Affinity Programs	24
Chapter Review of Provisionally Approved Member Applications	24
Inactive/Provisional/Discontinued Chapters	25
CONFERENCE-RELATED POLICIES	26
Copyright Release.....	26
Site Selection for the Annual Conference & Expo	26

Speaker Engagement Policy.....	26
Speaker Honoraria and Reimbursement Policy.....	27
FINANCIAL AND ADMINISTRATION POLICIES	28
Access to Records by Members	28
Accounting Method	28
Amortization	28
Annual Leave Accrual	28
Bank Reconciliations.....	28
Bid Requirements.....	28
Budget Development Process	28
Capitalization Cutoff Points	29
Chart of Accounts.....	29
Disbursement of Funds.....	29
Check Signers/Approvers	29
Contract-Signing Authority	29
Contributions to the Foundation of ALA	29
Control Over Checks and Cash	30
CPA Firms.....	30
Credit Cards	30
Depreciation	31
Employee Benefits	31
Finance Committee	31
Financial Reserves Policy	31
Financial Statement Preparation and Distribution	31
Investment Policy	32
IRS Forms	35
Leasehold Improvements.....	36
Leases.....	36
Lock Box	36
Logo Use on Forms.....	36
Petty Cash Fund Disbursements	36
Postage Log	36
Prepaid Expenses	36
Public Access to Records	37
Quid Pro Quo Contributions.....	37
Refunds.....	37
Requests for New Policies and Procedures	38
Revisions to Financial and Administration Policies.....	38
Salaries and Employee Benefits Accruals	38
Separation of Duties.....	38

Time Sheets	38
Travel Advances	38
Travel Expense Policy for ALA Staff	38
Unrelated Business Income Tax (UBIT)	39
LEADERSHIP-RELATED POLICIES	39
Board of Directors Composition	39
Nonrenewable Committee Terms	39
Nomination/Selection Procedures.....	40
Details of the Process	41
Serving in Multiple Volunteer Roles	42

GOVERNANCE PRACTICE STATEMENTS

Introduction

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

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

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

Terms Defined

ALA or Association:	Association of Legal Administrators
Board:	Board of Directors of the Association of Legal Administrators and the governing body of ALA.
Board Officers	As defined by ALA’s Bylaws, the officers of the Board are the President, President-Elect, Secretary/Treasurer and Immediate Past President.
Budget and Reporting Task Force:	Comprised of the Treasurer and two additional Board members, none of whom are on the same Board term cycle to preserve continuity.
Committees:	Board-approved groups comprised of members, business partners or other interested parties whose knowledge, skills and expertise are deemed useful to the work of the Association.
Compliance Officer:	The Compliance Officer is a Board member selected by the Executive Committee and ratified by the Board. The Compliance Officer chairs the Inquiry Task Force and oversees the annual Governance document review process.
Ends:	Vision, policy, direction and desired outcomes.
Executive Committee:	President, President-Elect and Immediate Past President of ALA’s Board of Directors, with Executive Director as ex-officio, nonvoting member.
Executive Director:	The salaried person charged with the responsibility of the administrative and day-to-day operation of the Association, as further defined in the Bylaws.
Executive Limitations:	Boundaries of prudent behavior and judgment within which the Executive Director and staff must operate.
Executive Management Team	Executive Director plus staff designees.
Finance Committee:	The Finance Committee consists of the President, President-Elect, Immediate Past President and the Treasurer. The Treasurer is appointed by the President at the Annual Meeting. The Executive Director will serve as ex-officio, nonvoting member.
Foundation:	The Foundation of the Association of Legal Administrators
Inquiry Task Force:	Appointed by the Executive Committee as part of the Annual Conference week meeting. The Inquiry Task Force will consist of five ALA members: the

Compliance Officer, who serves as Chair of the Task Force and will preside at meetings of, and at any hearing held by, the Inquiry Task Force; two members of the Chapter Resource Team; and two at-large members.

- Means: Programs, services and processes executed to achieve the defined *Ends*.
- Plan of Work: Annual statement of initiatives, projects and goals that substantiate budgetary or other resource allocations.
- Project Team: Board-approved group comprised of ALA members, business partners and/or other interested parties whose knowledge, skills and expertise are deemed necessary and useful to a specific project.
- Statements: Practices and policies guiding the Board and Executive Director.
- Staff: Employees of the Association of Legal Administrators.
- Task Force: A temporary group comprised of ALA Board members assigned to work on a specific task.
- Team: Board-approved team comprised of ALA members whose knowledge, skills and expertise are deemed useful to chapter leadership and ALA members.

Governance Structure

ALA is governed by its Articles of Incorporation and Bylaws.

As the governing body of ALA, the Board has full and final authority over the affairs of the Association. This includes:

- Establishing the mission, vision, goals, objectives and strategic direction.
- Creating internal and public policy.
- Providing legal and fiduciary oversight.

The Board and Executive Director are responsible for ensuring organizational structures and processes comply with all:

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

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

BOARD

The Board serves as the link to all ALA members. The Board keeps members well informed of the strategy and vision of the Association by providing communication to volunteer leaders and members. The Board is committed to ethical and businesslike conduct and appropriate decorum as a group and individually when acting as Board members. ALA Board Directors hold a fiduciary duty of honesty, integrity, loyalty, respect and care for the Association and the members. Each Director agrees to be accountable to all members for their conduct while serving in this capacity.

The Board and its individual Directors will embody the following values:

Integrity. The Directors are open and honest with one another, the community, and ALA constituents. Directors conduct the business affairs of ALA in good faith and with integrity, due diligence and reasonable competence. They encourage the highest possible standards of conduct and ethics.

Respect for All People. The Board and individual Directors, in all work on behalf of ALA, shows graciousness and respect to all people, recognizing the dignity, individuality and intrinsic worth of every person. The success of ALA depends on seeking out and listening to the ideas and advice of others.

Impartiality. The Board and individual Directors demonstrate fairness and impartiality in all phases of their work, fostering and rewarding the best in ideas and efforts.

The Board's role is to identify:

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

The Board consistently performs its responsibilities under the duties of care, loyalty and obedience.

The **duty of care** requires a Board member to act in good faith, in a manner they reasonably believe to be in the best interests of the organization, and with the care an ordinarily prudent person would exercise in a like position under similar circumstances. Board members are expected to attend all meetings, devote appropriate time to studying meeting materials and remain properly informed about ALA's business and affairs, as well as perform

the duties outlined in ALA's bylaws.

The **duty of loyalty** requires a Board member to act in the best interests of the organization rather than their interests or in the interests of their associates. It also encompasses maintaining appropriate confidentiality and requires the Board member to avoid or fully disclose potential conflicts of interest by complying with the organization's conflict of interest policy.

The **duty of obedience** requires a Board member to comply with applicable laws and to act in conformity with the organization's governing and policy documents.

In addition to the above, the Board must respond to internal and external circumstances and provide timely communication to members and constituents.

The President's role is to:

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

The President may:

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

EXECUTIVE DIRECTOR

The Executive Director is accountable to the Board through its vision, mission, strategic direction, Plan of Work, budget and policies.

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

In the case of Board members, committee members or project team members requesting information or assistance without Board authorization, the Executive Director will evaluate such requests regarding the associated resources to respond, and may decline such requests that, in the Executive Director's judgment, require a material amount of staff time or funds or is disruptive. Alternatively, the Executive Director may refer such requests to the full Board for further direction.

Executive Limitations

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

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

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

and members.

- Senior staff and the Executive Committee are familiar with executive issues, plans and processes to ensure continuity absent the Executive Director.

Performance Review

As the Board's official link to the operating organization, the Executive Director's performance is synonymous with organizational performance as a whole.

Within the bounds of *Executive Limitations*, the Executive Director has the authority to use reasonable judgment to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities to achieve the Ends.

The Executive Committee leads an annual evaluation and assessment of the Executive Director's performance. The Executive Director's performance consists of two parts: a) an assessment of the Executive Director's achievement of mutually agreed upon objective goals, and b) an evaluation of the Executive Director's performance measured against clearly defined knowledge, skills and abilities required of the position, including detail in the Executive Director position description.

The performance review is conducted and documented in accordance with procedures mutually agreed upon by the Executive Committee and Executive Director.

STAFF

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

The Board directs the Executive Director to implement and execute the strategic direction and policies established by the Board. The Executive Director establishes the methods, processes and procedures for staff to conduct and develops activities, programs, products or services to support the execution of the strategic direction.

CONFIDENTIALITY

The Board, Executive Director and staff do not disclose confidential Association information.

Committees, Project Teams and Task Forces

See also Section VIII.1 of the [ALA Bylaws](#) and Nonrenewable Committee Terms policy.

Committees, project teams, teams or task forces are created to help the Board execute specific projects or tasks or, where appropriate, implement strategy and policy. Committees are used as a resource for the Board and to ensure consistent, efficient and timely development of Association strategy and policy.

Task forces and project teams address short-term needs or projects of the Board and disband upon the completion of those tasks or projects. Committees exist to address ongoing or longer-term need of Board. All committees are reviewed annually to determine the ongoing need. Teams are an ongoing commitment to ensuring implementation of the strategic direction and operate continually unless altered by Board initiatives.

The President appoints the chair and the members of the committees and project teams subject to a majority vote of approval by the Board. Only members may serve as chair or chair-elect of committees unless otherwise determined by the Board. Committee chairs and members serve one-year terms, which commence at the Annual Meeting or July 1, whichever occurs first, and end at the following Annual Meeting. Any committee chair or member may be removed before the expiration of the term of office by majority vote of the Board.

The Board:

- Identifies the intent, expectations and authority of each committee, team or task force.
- Grants a committee the authority to speak or act for the Board for a specific and time-limited purpose.

Committees:

- Focus their work on implementing Association strategy and policy, rather than overidentification with organizational parts.

- Serve as a resource to staff, but do not direct or exercise authority over staff.

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

Project teams and task forces:

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

Strategic Governance and Planning

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

The process for strategic governance and planning must:

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

The Board will:

- Ensure strategic planning and review are a focus of discussion at each Board meeting.
- Review the strategic direction for goal achievement quarterly.
- Update the strategic direction goals and tactics annually.
- Operate in all ways mindful of its trusteeship obligation (duty of care, duty of loyalty, duty of obedience) to the ALA membership. Individual directors, the collective Board and committee members must be committed to this obligation.
- Govern with excellence, accountability and discipline as it applies to matters such as attendance, preparation, active engagement, policymaking principles, decision-making, respect of roles, speaking with one voice and ensuring the continuity of governance capability. The continual redevelopment includes orientation of new members in the Board's governance process and periodic Board discussion of process improvement.
- Lead and inspire the organization through the careful establishment of organizational policies, programs and services reflecting forward-looking values and perspectives. The Board's primary focus is the long-term impacts outside the operating organization (Ends), not on the administrative or programmatic Means of attaining those effects.
- Cultivate a sense of group responsibility. The Board, not the staff, is responsible for excellence in governing. The Board is the initiator of policy, not merely a reactor to staff initiatives. The Board uses the expertise of individual directors to enhance the capability of the Board as a body, rather than to substitute their personal judgments for the Board's values.
- The Board ensures ALA provides accurate and relevant information to members and stakeholders and responds in a timely fashion to reasonable requests.
- The Board ensures ALA's financial, organizational and program reports are complete and accurate in all material respects.

No Director will use any information provided by ALA or acquired because of the Director's service to ALA in any manner other than in furtherance of their directorial duties. Further, no Director will misuse ALA property or resources and will at all times keep ALA's property secure and not allow any person not authorized by the Board to have or use such property.

Fiduciary Responsibility

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

Conflicts of Interest

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

The following are examples of potential conflicts of interest:

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

All potential conflicts of interest are disclosed to the Board to determine whether there is a conflict. If a conflict is determined, resolution is one of three ways:

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

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

Each Board member completes an annual disclosure statement to disclose actual or potentially conflicting interests. The Disclosure will include lists of the business and professional activities of the individual and their immediate family, including:

1. Ownership interests in any private business
2. Public companies stock owned, directly or beneficially (other than mutual funds)
3. Other Board or staff positions held

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

If a potential conflict becomes apparent after the annual disclosure statement is submitted, notice of the potential conflict is made immediately.

Annual Budget

- Each year, the Board approves an annual budget supporting the short- and long-term Ends priorities set in the mission, strategic direction and Plan of Work and provides the Means to execute the operational

tactics.

- Except as approved by the Board, annual budget revenues exceed or equals to annual budget expenditures.
- The budget contains enough information to accurately project revenues and expenses, separation of capital and operational items, and cash flow.
- The Board seeks appropriate information to understand and question the budget, maintaining the fiscal health of Association.
- Programs, services or products incurring two consecutive years of loss will be evaluated and approved to continue through the budget process.
- Board members review monthly and annual financial statements and operating reports conscientiously, ensuring the Association is operating in a fiscally responsible manner in pursuing its mission, strategic direction and Plan of Work.

Asset Management

- The Association's assets are protected adequately and monitored as stated in the Association's Investment Policy.
- Limit the exposure to claims of liability.
- Segregation of duties ensuring that no one person has access to material funds or assets.

Compensation and Benefits

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

The Executive Committee establishes the compensation for the Executive Director subject to Board approval. Benefit plans are established and approved by the Board. The Executive Committee is responsible for annually reviewing and verifying Association compensation and benefits practices and reports annually to the Board.

Association and Chapter Relationships

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

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

Association and Foundation Relationship

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

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

- Executive Director and/or the Board.
- The Association may assist the Foundation with its marketing or other efforts, upon the request of the Foundation and the approval of the Board.

Whistleblower Policy

General

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

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

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

Reporting Responsibility

Each director, volunteer and employee of ALA must report in accordance with this Whistleblower Policy a) questionable or improper accounting or auditing matters, and b) violations and suspected violations of ALA's code.

Acting in Good Faith

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

Authority of Compliance Officer

All reported concerns are forwarded to the Compliance Officer per procedures set forth herein. The Inquiry Task Force is responsible for investigating and making appropriate recommendations to the Board of Directors, with respect to all reported concerns.

No Retaliation

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

Reporting Concerns

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

Members and business partners should submit concerns in writing directly to the Compliance Officer.

Handling of Reported Violations

The Inquiry Task Force addresses all reported concerns. The Compliance Officer shall immediately activate the Inquiry Task Force and notifies the President and the Executive Director of any such report. The Compliance Officer notifies the sender and acknowledges receipt of the concern within five business days, if possible. It is not possible to acknowledge receipt of anonymously submitted concerns.

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

In the instance where the Compliance Officer is named in the report, the Executive Committee will name a temporary Compliance Officer for that investigation. Should the Compliance Officer be found in violation, the temporary Compliance Officer will step into the role for the duration of the term.

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

Records

The Compliance Officer remits all documentation on a strictly confidential basis to the Executive Director for safekeeping. Records relative to investigations are retained for a period of seven years or otherwise as required under the ALA's record retention policies. Records are physically retained by the Association's general counsel.

Confidentiality

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

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

GENERAL ASSOCIATION POLICIES

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

The Association collaborates 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 be made on a case-by-case basis by the Board of Directors.

Disaster Response Policy

1. ALA emphasizes and promotes 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 ensuring 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 retains 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 are to 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 select members of ALA headquarters staff (as determined by the Executive Director) 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 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) are to 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 establishes procedures to handle media inquiries and to implement the ongoing media relations/public relations programs carried out by the Association.

Media inquiries are directed to the Executive Director (or their designee). The Executive Director (or their designee) will handle routine media matters such as requests for 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 Executive Director (or their designee) 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, are 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 makes 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

All membership applications are 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 receives for its approval the recommended dues adjustment for the coming membership year. Any adjustment to the dues rate is made at the sole discretion of the Board of Directors and takes 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 is recommended for the next membership term. The Board renders a decision regarding the dues rate of the coming membership year by no later than August 31 of the current year.

Chapters

In alignment with the international Association, chapters are to 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 are 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

ALA recognizes that unplanned circumstances, including unemployment and medical considerations, impose undue hardships on members from time to time and 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 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 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 year within each three-year membership period. For example, if a member receives dues forgiveness in one year, the member would not be eligible for another due's 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 Executive Director (or their designee).

Member Disciplinary Actions and Fair Hearing Policy

The Board of Directors 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 are 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 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 is sufficient cause for removal, suspension or disciplinary action.

Nonpayment of Dues

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

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. They 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) that are not subject to immediate removal as described herein. Filing a complaint under this policy is not to 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 Compliance Officer who will review the complaint within two business days to determine whether it meets the requirements of Paragraph 3 (Complaint Requirements). If it meets those requirements, the Compliance Officer 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 is to 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 is generally expected 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: the Compliance Officer, who serves as Chair of the Task Force and presides at meetings of, and at any hearing held by, the Inquiry Task Force; two members of the Chapter Resource Team; and two at-large members.
5. Preliminary Factual Investigation. The Inquiry Task Force conducts 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 determines 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 30 calendar days from the date of receipt of the notice.
- b. The notice gives 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 also gives the member the opportunity to submit additional evidence and/or a written statement of the member's position at least seven calendar days prior to the hearing date. It will also include a copy of this Fair Hearing Policy.
- c. The notice states that a member who does not respond in writing within 10 business days after receipt of the notice, or who chooses not to have a hearing, waives the right to a hearing. The notice further states that any member who has waived the right to a hearing 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 10 business days after receipt of the notice, or who chooses not to have a hearing, waives the right to a hearing.
- d. If the member waives the right to a hearing, the Inquiry Task Force makes 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 30 minutes in duration and 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 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 days' written prior notice.
 - d. All expenses incurred by the member in connection with the hearing is 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 will consider the Task Force's recommendation.
- a. Suspension: The period of suspension will be no less than 12 months. The suspension period will 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 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 will within three 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's 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 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 notifying the Executive Director, in writing, within 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 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 is limited to a determination of whether in its sole discretion a material and/or procedural error has contributed to the Inquiry Task Force's decision, or if in its determination, the Inquiry Task Force's decision is arbitrary or capricious.
- b. Imposition of a sanction against a member requires the affirmative vote of two-thirds 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 the Inquiry Task Force, within 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, 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 nonmembers 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 are 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 that 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 always remain the property of ALA. The right to use the ALA membership mark is granted only to members in good standing, and the right is automatically and immediately terminated 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 are 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 will 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 a 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 funds currently available in the approved annual budget to support this opportunity? Only funds 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 considers the following additional criteria in making its final determination.

- Priority and focus 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 electronic¹) 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 is suspended, and all records related to the matter are 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

¹ Digital or electronic records having no retention requirement are 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 — consider 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 if they fall or take place within the official travel/meeting period² 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. Reimbursement requests must be submitted within 45 days of the event or by the calendar year-end, whichever occurs first. Requests not submitted within the requisite time frame may be denied.

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 are 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 are 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

Per 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, Essential of Chapter Leadership (held virtually) and Chapter Leadership Institute.

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

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

² 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.

STANDING COMMITTEES

All standing committees are limited to one in-person meeting per calendar year. These meetings should occur in conjunction with the Annual Conference (when Annual Conference is held in the spring). Exceptional circumstances are 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 provides one night's complimentary lodging for standing committee members to participate in committee meetings held during the Annual Conference.

CONFERENCE AND RETREAT PLANNING COMMITTEES

Planning Meetings

The Annual Conference Committee meets in-person at the prior year's and current year's conferences. All other conference planning committees meet via electronic means. Exceptional circumstances are 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 provides 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 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 funds 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 pays or reimburses 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. Round-trip 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 are 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 round-trip 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 round-trip 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 Executive Director before making the change. Reimbursement for resulting charges is at the discretion of the Executive Director or the President, providing written authorization for the exception/reimbursement.

Ground Transportation

Except for car rental charges, ground transportation (e.g., limousine, taxi, airport parking) is 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 reimburses for actual mileage based upon the current IRS business allowance rate plus tolls and parking expenses. Total auto reimbursement for intercity 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 reimburses 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 are 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 is 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 are to refrain from scheduling major or unique 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 are to 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 are 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 notifies the chapter president or designated chapter representative of the provisional approval of each application for membership, provides a copy of the provisionally approved member profile and notifies 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 Executive Director (or their designee) consults with the chapter president or designated chapter representative prior to making a provisional approval decision.

PROCEDURES

1. Provisionally approved, new ALA member notifications are sent by email to the nearest geographical chapter upon final member application processing and consists 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, provisional new member notifications are 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, a list of all available chapters in proximity will be provided, including 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 has 10 calendar days to respond to ALA of any objection to the membership of the provisionally approved member, and submit a detailed narrative describing the objection, directed to *membership@alanet.org*. Objections received are confirmed by ALA membership staff by email to 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 acknowledges receipt of the objection and submit for consideration to its Membership Development Committee. The Membership Development Committee reviews the objection and issues a determination consistent with the Bylaws and facts presented within 10 calendar days after receipt and communicates 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 is the binding resolution of the matter in question.
7. If the chapter does not submit an objection to the provisionally approved member, provisional status expires upon 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 & Expo

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, academics, 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 overuse 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. Academics, 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 but not limited to the 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.³
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; therefore, there is no royalty arrangement between the 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 honorarium. 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

³ 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.

Speaker Reimbursement Form within one month of the event *with original receipts attached*.

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, ride share, 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 uses the accrual basis of accounting that recognizes revenues when they have been earned and expenses when they have been incurred.

Amortization

ALA individually amortizes 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 budgets for and accrues the value of the annual leave liability for the Executive Director.

Bank Reconciliations

Bank statements are addressed to the headquarters staff (or their designee), who 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 is distributed with the internal financial statements and will include documentation of voided checks.

Bid Requirements

Three bids are required for expenditures relating to services performed by CPA firms and law firms. Bids will be evaluated every five years by the Finance Committee, and requests for proposals will be prepared and sent to qualified firms in the same field. At least 30% of proposals will be solicited from qualified firms that are classified as diverse or have minority ownership.

Budget Development Process

Each year, the Executive Director develops a budget for the Association based on the strategic direction. Below is a general timeline followed by the organization for developing the budget. Please note that the Board of Directors are asked for their ideas and input into the Association's budget and the Board of Directors utilizes the Budget and 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 and Reporting Task Force for feedback to ensure it aligns with the Board's directed strategic direction 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 are expensed in the period purchased if these assets cost \$2,500 or less individually. Assets costing in excess of \$2,500 individually are capitalized and depreciated in accordance with the organization's depreciation policies.

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

Chart of Accounts

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

Disbursement of Funds

Unused check supplies are safeguarded in a locked cabinet or drawer.

All disbursements 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 are secured at the end of each day.

Check Signers/Approvers

ALA gives authority **for signing checks and approving electronic disbursements** to the following positions:

1. Executive Director
2. President, Immediate Past President and President-Elect
3. Deputy Executive Director (or Executive Director designee) for under \$1,000

Checks issued for payment of the organization's debts require the signature/approval of an individual not associated with incurring the debt. Checks for amounts greater than \$10,000 require two signatures **or written approval from two authorizers**. All checks are 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 grants authority to sign contracts to the Executive Director and Deputy Executive Director (or designee).

Contributions to the Foundation of ALA

ALA sends 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 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 detailed 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 distributes the audited financial statements to the Board of Directors. A summary of the consolidated financial statements is made available upon request to the membership following the audit.

The authority to distribute the statements to other individuals or firms requesting them is left to the discretion of the Executive Director or the Deputy Executive Director (or designee).

The Engagement Letter

The engagement letter is reviewed by the Finance Committee and then will 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 year-end audit. If no recommendations are made, this is stated in the letter.

The Finance 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 is 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 contracts 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 Finance Committee, with the assistance of staff, interviews a minimum of three CPA firms specializing in auditing not-for-profit organizations and makes 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 are 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 sign a Credit Card Issuance Form, and a Credit Card Holders Log is maintained. Individuals incurring expenses via credit cards are required to complete a monthly expense report to include all transactions. The Staff Expense Report is approved by the individual Directors/Managers for staff and by the President and/or Treasurer for the expenses of the Executive Director. (Also see Travel Expenses Policy for ALA Staff section of this manual.)

Depreciation

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

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

Capitalized repairs and improvements are 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 remain on the organization's statement of financial position until they are disposed of or otherwise deemed worthless.

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

Employee Benefits

ALA distributes 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 consists of the President, President-Elect, Immediate Past President and the Finance Committee Chair, who is appointed by the President by the Annual Meeting. The Executive Director will serve as ex-officio, nonvoting member of the Finance Committee.

The Finance Committee reviews the annual audit of the Association's books, meets with the Association's independent auditors, and carries out such other duties as are typical responsibilities of audit committees in nonprofit individual member professional associations. The Finance Committee annually presents 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 strives to maintain reserves of no less than 50% of the annual budgeted expenses. The Executive Director notifies the Treasurer if at any time reserves fall below 50% of annual budgeted expenses.

In the event reserves fall below 45% of the annual budgeted expenses for a period of three consecutive months, the Treasurer notifies the Board of Directors of the variance and continues to provide regular updates until the desired 50% threshold is reached.

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

Financial Statement Preparation and Distribution

ALA prepares and distributes 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 are included with these documents. These statements are prepared and distributed within 10 working days after the close of the month.

The statements are distributed to the Board of Directors, the Executive Director and the Deputy Executive Director. 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 is 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 U.S. 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 may seek investment guidance from the ALA Executive Committee. The Executive Director directs investment program operations consistent with this policy and identifies those staff positions to 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 is responsible for all transactions undertaken and establishes a system of controls to regulate the activities of other ALA staff members.

Management responsibility of the Executive Director or their designee includes the timely preparation of cash flow projections. These cash flow projections are used to identify all cash requirements and project opportunities for investment placement that 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 prepares written cash management procedures that will include, but not be limited to, the following:

1. Receipts: All monies due ALA is collected as promptly as possible. Monies that are received are 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 are 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 provided each month). Disbursements exceeding this amount are 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 are 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 staff directors.
2. \$1,000 to under \$10,000 requires any two signatures of the President, President-Elect or officially designated Board Director; or one from the President, President-Elect or officially designated Board Director, and one staff director.
3. \$10,000 and over requires any two 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 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 has overall day-to-day responsibility for the investment of Association funds. The Board uses its reasonable best efforts to ensure that at least one member of the committee has experience with respect to asset management and investment policy.

The Investment Committee 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) that 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 & 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 & Poor's and A3 or higher by Moody's.
- Money market funds with daily liquidity.
- Short-term funding arrangements

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

Diversification and Maturities

Maturities of investments of ALA are determined to provide ALA with 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 uses their 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 is not 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 establishes a system of internal controls, which is documented in writing. These internal controls and this Investment Policy are reviewed by an independent, certified public accountant in conjunction with the annual examination of the financial statements of ALA. The controls are 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 submits 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 are 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 is 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 that 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 are 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 their designee. 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 completes IRS Form 1099 for all individuals and vendors receiving \$600 or more from the organization.

Leasehold Improvements

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

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

Leases

ALA records 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 copies the checks and forwards the copies, deposit slips and all materials sent with the checks, including the envelopes, to the accounting department.

Accounting maintains a Daily Lock Box Batch Listing, which is retained with the bank deposit slips.

Logo Use on Forms

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

Petty Cash Fund Disbursements

ALA maintains a petty cash fund of \$300. The Deputy Executive Director, or Executive Director designee, ensures the petty cash is in a secure location at all times.

Disbursements from petty cash are made for approved expenditures only. 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 is replenished as needed and at the end of every month. The petty cash fund replenishment check is made payable to the individual primarily responsible for maintaining the fund. The expenses are reviewed, and the resulting check is signed by the Executive Director.

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

Postage Log

ALA uses 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 treats 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 are maintained by the accounting department and the originating project and will be budgeted for accordingly.

Public Access to Records

ALA allows 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 are 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 informs 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 publishes 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 are 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 code, 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 are made after 30 days from receipt of annual dues payment.

Conference Registration

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

General Purchases

Full refunds for other goods and services are 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 encourages 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 must 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 accrues unpaid salaries and employee benefits in the financial statements of the organization, according to function.

Separation of Duties

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

Time Sheets

ALA ensures 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 is 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 reimburses 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 can 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 are 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 midsize 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 checkout, 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 nonbusiness 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 is composed of between 9 and 12 Directors from the membership at large and 3 Executive Committee Members (President-Elect, President and Immediate Past President). The Executive Director serves 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, task forces 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 President-Elect (nonvoting member), President, 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 President serves as chair of the committee. Under no circumstance is the committee to 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 nonrenewable and members cannot 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 cannot serve 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 confirms that all applicants have been notified of their status either by phone or in writing. Upon completion of the notifications, the chair provides the Board of Directors with a full committee roster to publish for viewing by the full membership no later than September 1.

Meetings. The committee's work begins with a conference call meeting scheduled by the chair to review the procedures and to discuss due diligence assignments and research. Candidate information is available to the committee at that time and due diligence assignments are made prior to the call.

Due Diligence Research. After the initial conference call meeting, committee members conduct diligence research on their assigned candidates and complete a tracking form of their contacts. The ALA President, Immediate Past President and President-Elect typically do 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 also selects 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 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 are provided to the Board at that time. An individual appointed to fill a director vacancy serves the balance of the unexpired term.
- *Chapter Resource Team Members.* During the in-person meeting, the committee selects individuals for the positions that are 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 provides 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 are 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 are 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 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 ratification of the committee selections, members of the Nominating Committee 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 are 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 conducts 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 seek due diligence information from several individuals per candidate. A few individuals are "required contacts" and their names and contact information are provided with the candidate's forms and materials. Committee members are not 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 headquarters 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 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 Association's 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 direction.

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 or 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.