

## Risk Management in Your Chapter

Bob Harris, CAE  
www.nonprofitcenter.com

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Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .	46		
1b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	46		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .			No
6	Did the organization have members or stockholders? . . . . .			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .			No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: . . . . .			
8a	The governing body? . . . . .		Yes	
8b	Each committee with authority to act on behalf of the governing body? . . . . .		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .			No

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

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	organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No
<b>Section B. Policies</b> (This Section B requests information about policies not required by the Internal Revenue Code.)				
			Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes	

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## Most Common Risks

- Public Records
- Antitrust
- Apparent Authority – Speaking for...
- Financial Audit-Diversion, Theft
- Conflict of Interest

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## A Reminder to Trade Association Members: "No-Poaching" Codes of Ethics Can Cause Antitrust Problems

posted on: Thursday, August 28, 2014

Trade associations are a collection of competitors and, as such, can raise potential antitrust risks. In particular, an association's code of ethics might effectively be an agreement between members not to compete among themselves. Recent **Federal Trade Commission (FTC)** enforcement actions serve as reminders to associations and their members that antitrust authorities take seriously any such antitrust violations.

On August 22, 2014, the FTC accepted for public comment separate consent orders with the **National Association of Residential Property Managers (NARPM)** and the **National Association of Teachers of Singing (NATS)**. Each association supports its thousands of members and their customers in numerous legitimate ways. Unfortunately, each association also had a code of ethics that contained provisions the FTC considered agreements not to compete. NARPM's code made it unethical for a property manager to "knowingly solicit competitor's clients." NATS's offending provision read,

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## 2009 FTC

Trade assoc. should have a measure of antitrust avoidance.

The consent decree offers key guidance on antitrust compliance for trade associations and their members. The decree makes clear that the FTC expects trade associations to adopt clear antitrust compliance measures and to enforce them rigorously. The decree required an appointment of antitrust legal counsel for NAMM, annual antitrust training for the board of directors and staff, the presence of antitrust counsel at all association events and meetings, and the review and approval of agendas and materials prior to distribution at meetings.

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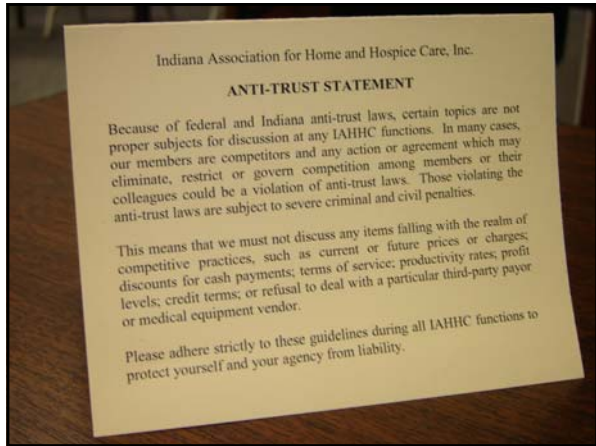
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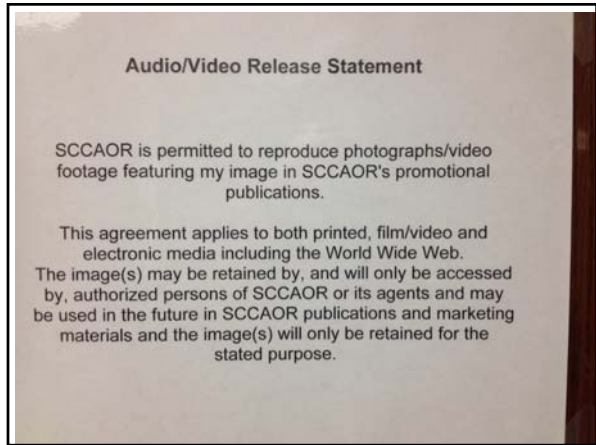
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**“I cannot speak  
for the board  
but I can give  
you my  
*personal*  
*opinion.*”**

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**Policy on Spokesperson**

No one shall act as the official spokesperson for the association except the elected president or a person or persons so designated.

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### Risks

- Dues Notices (2)
- Copyright Infringement
- Voting on Members, Denying Access
- Sexual Harassment
- Alcohol Service
- Committee Asset or Liability

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### Risks

- Endorsements
- Bylaw Amendments
- Minutes/Recordings
- Chapters, Districts
- Software
- Social Media, Listserv, Bulletin Board
- Unrelated Business Income Tax

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THAGS, hch@jackson.com for more info on strategic planning, board content and staff training

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**Welcome**

With 25+ years experience with associations, chambers and other non-profit entities. His seminars are interactive, focused on core knowledge and practical needs. He offers case studies, trends and handles board orientation, planning, strategic planning, staff training and consulting. He is the author of Association Management 101 (DeliberC), creator of the Association Self-Building Process® and co-author of "Building an Association Management Company".

He is known around the world for sharing best practices and promoting sustainability of associations and chambers.

"Your Association Efficiency Symposium was the most practical, idea generating, light & fun meeting that I've been to in a long while!"

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"Your session is the most practical I have ever attended"

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"You've made major differences in our association, and the ripple effect just keeps multiplying the benefits! It's nice to see that your commitment is recognized by your peers as well as your clients!"

**My philosophy is to provide the association management profession and share the tools of business.**




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