

# EBOOK

## 1776 – Association Management Principles

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## Foreword

The purpose of this eBook is to celebrate the rich history of the expansion of nonprofit organizations in the USA --- combined with a review of four modern-day, rock-solid management principles.

From the history of nonprofits to a focus on mission, principles and manuals, this paper offers a fresh perspective for management excellence in associations, chambers and the other 1.8 million nonprofits.

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## Introduction to 1776

### Rich History of Nonprofits

The Declaration of Independence was signed on July 4th 1776, declaring independence from Britain. The freedoms expressed in the document have had a great influence on the growth of nonprofit organizations.

The framers drafted the document inside Carpenters Hall. Carpenters Hall was built by a Philadelphia trade guild. Trade guilds, groups of self-employed skilled craftsmen, are precursors to modern associations.

There is a rich history in North America for exempt organizations (associations, chambers and other nonprofits.)

### 1800s

Nonprofit organizations established themselves on the American landscape throughout the 1800s<sup>1</sup>. Chambers were forming early in the century. By the mid 1800s many national, state and local associations were established, including the American Institute of Architects, the American Medical Association, American Bankers Association, and the American Dental Association.<sup>2</sup>

Two developments surely had an impact on the formation of national associations in the late 1800s. The railroad and the telephone facilitated communications from coast to coast.

Not surprisingly, as associations got together, the first antitrust law was adopted in 1890 – The Sherman Act.

By 1840, Frenchman aristocrat Alexis de Tocqueville visited the US and Canada and published his perceptions in the book, Democracy in America.

He described a place where people come together as groups and associations --- for common purposes. Citizens began to think of one nation ---rather than self-interests.

These associations were politically active and self-governing, relying less on the state to achieve their goals.

### 1900s

By 1900 there were about 1,000 associations. In 1908, President Theodore Roosevelt seemingly commented on the growth of associations with this statement:

“Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere.”

In 1913, Congress adopted the system of federal income tax laws, and so began tax exemptions<sup>3</sup>. By 1950, the IRS reported the existence of 50,000 exempt organizations. Also in 1950, the first Unrelated Business Income Tax law (UBIT) was adopted and tested.

Towards the turn of the century, scrutiny increased on exempt organizations. One result was public record requirements of IRS documents.

Shortly thereafter, Congress passed the Public Company Accounting Reform and Investor Protection Act of 2002, also known as Sarbanes Oxley. Eventually many of the requirements of for-profit corporate boards impacted exempt organizations by including elements in the 2008 revised IRS Form 990.

### 21st Century

Today there are nearly 1.8 million exempt organizations; approximately 155,000 of them being 501(c)(6) associations and chambers. Canada has comparable numbers<sup>4</sup>.

<sup>1</sup>It should be noted that the earliest association of continuous existence in North America is identified as the Order of Good Cheer (L'Ordre de Bon Temps), founded in 1604 in Nova Scotia.

<sup>2</sup>When communicating a 30-second “elevator speech” about your association or chamber, you should always know the year it was founded.

<sup>3</sup>For example: 501(c)(3) charitable, religious organizations; 501(c)(6) – business league, association, chamber of commerce; 501(c)(5) agricultural organizations, etc.

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The growth of nonprofits offers a vast array of staffing opportunities. The American Society of Association Executives (ASAE) reports that associations have 260,000 full-time employees and another 35,000 part time positions.

## Management Principles

Building on the year the USA was established – 1776 – the same numbers are used herein to promote solid management principles for maintaining a successful nonprofit.

From the importance of the purpose statement to the creation of a policy manual, each numeral represents an aspect of association management:

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<sup>4</sup>The Canadian Society of Association Executives reports approximately 70,000 associations registered in Canada.

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## One Mission

The statement of purpose or mission is the single most important declaration in a nonprofit. To be exempt from federal income tax, the IRS requires the filing of Form 1023 or 1024. The form calls for an explanation of exempt purpose. Generally the exempt purpose translates into the organization's mission statement. Recent revisions to Form 990, the Annual Return for Exempt Organizations, emphasizes the purpose statement by requiring disclosure on page one.

In 2008, the IRS issued a Good Governance Practices paper with six recommendations for 501(c) (3) organizations. One can surmise that the recommended practices would eventually apply to all exempt organizations.

The document reads, "The Internal Revenue Service encourages charities to establish and review regularly the organization's mission. A clearly articulated mission, adopted by the board of directors, serves to explain and popularize the charity's purpose and guide its work. It also addresses why the charity exists, what it hopes to accomplish, and what activities it will undertake, where, and for whom."

### Mission Drift

When an organization loses focus – it might be called "mission drift." The leadership and/or staff forget the purpose and wander into activities outside its exempt purpose.

Working outside the mission statement may result in the payment of Unrelated Business Income Tax. Consistent streams of advertising, rental or royalty income may trigger UBIT<sup>5</sup>. Avoid mission drift by continuously highlighting the mission statement. Here are some ways to promote the mission --- disarming the adage, "Out of site, out of mind."

- Printed on the back of name table tent cards.
- On the back of staff business cards.
- At the bottom or reverse side of meeting agendas.
- Framed on the conference room wall.
- Imprinted on coffee cups.
- On the back of conference name badges.
- In every newsletter.
- On the cover of the leadership manual.

### Missing Mission<sup>6</sup>

If the organization has "lost" its mission, finding it should be a priority. Start by reading IRS Form 1023 or 1024, the Application for Exemption.

If that is missing, review the most recent IRS Form 9907 to determine what has been submitted as the statement of purpose. Then check the preamble of the articles of incorporation, and the description of purpose in the bylaws.

### Mission, Vision and Values Statements

While the mission is the most important statement in the organization, it can be supplemented with vision and values statements. The organization's image or brand is composed of the mission, vision and/or values statements (in addition to its name, logo and tagline.)

### Mission Statement

The mission should identify the organization, who it serves and what it offers. Contemporary statements are often just one sentence; have a public relations; and can easily be articulated.

<sup>5</sup> The concept of UBIT was created in 1950 as nonprofit organizations delved into for-profit endeavors.

<sup>6</sup> The appendix includes a reference to nearly every document and tips for creating and maintaining (pg. 17)

<sup>7</sup> Public records for 501(c) organizations include Form 1024 or 1023, Form 990 for up to three years, and the IRS Letter of Designation.

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A paragraph starting with the association history is probably not the mission statement. For instance, “We were founded in 1952 and have 750 members. Our office is located on Main Street.”

A good statement might read, “The mission of the [ABC] association is to serve licensed professionals by advancing and protecting the practice through advocacy, education and standards.”

A shorter example reads, “[ABC] - Ensuring the success of our members.” The mission statement should serve the organization for many years. It may be analyzed and amended at the strategic planning retreat held every few years.

## Vision Statement

A vision should be inspirational and future oriented – the organization’s aspiration. Consider what success would look like if the mission and goals were achieved.

For instance, a vision might read: “The association shall be the preeminent resource to the profession and a significant value to the consumer.” A medical association vision might read, “Improving the health of our state’s citizens.”

Since the failure of many corporations in recent years, the media and government have posed the question, “Do boards have values?”

Values are the guiding principles for the leadership and staff. Though a values statement is optional, adopting and promoting values ensures that future leaders remain true to the principles when making decisions and taking action.

Values may identify a key word followed by a description, for example:

“**Diversity** – The organization respects and promotes diversity and inclusion in the profession, leadership and staffing.”

Or appear as a bulleted list:

- Transparency
- Excellence and Integrity
- Environmental Stewardship
- Member Driven
- Promote the trio of the mission, vision and values on the homepage of the website, in newsletters, and framed in the office foyer or at the annual meeting. Some organizations print them on cardstock or laminate it and insert it the front pocket of the leadership manual.

## The Brand Platform

Promote the trio of the mission, vision and values on the homepage of the website, in newsletters, and framed in the office foyer or at the annual meeting. Some organizations print them on cardstock or laminate it and insert it the front pocket of the leadership manual.

## Summary

In closing, the (1) in 1776 is a commitment to understand, articulate and achieve the mission – the most important declaration in the organization.

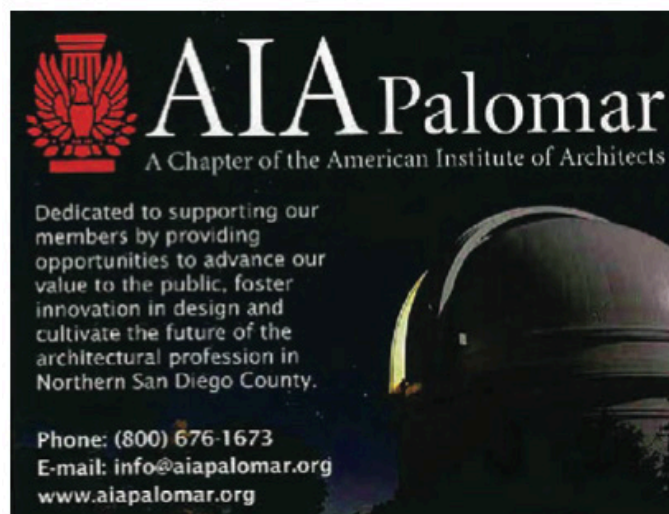
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Mission, vision and values expressed in a strategic plan.

NORTHEAST FLORIDA ASSOCIATION OF REALTORS Strategic Plan			
MISSION "To Serve as Your Advocate and Resource for Real Estate in Northeast Florida"		VISION "To be the Association of Choice for the Real Estate Professional"	
<b>Strategic Goal #1</b> <b>The Voice and Advocate of Realtors®</b> Government Relations and Public Awareness <b>Strategies</b> <ol style="list-style-type: none"> <li>1. Government Affairs                             <ul style="list-style-type: none"> <li>• Collaboration with Northeast Florida Political Chambers and Associations</li> <li>• Create Member Public Awareness of Economic Impact of Politics to Provide RPRC</li> <li>• Local, State, National Monitoring and Influence</li> <li>• Affordable Housing Policies and Role</li> <li>• Create Relationships with Speaker Boards</li> <li>• House Selection Legislation</li> <li>• Monitor &amp; Support National Health Insurance Benefits in Congress</li> </ul> </li> <li>2. Communications/Public Relations                             <ul style="list-style-type: none"> <li>• Primary Voice for Membership</li> <li>• Create a Long Range Marketing Communications/Public Relations Plan on the Role and Value of Realtors® and RPRC</li> </ul> </li> </ol>	<b>Strategic Goal #2</b> <b>The Realtor® Knowledge Center</b> Education, Professional Development, Resources and Knowledge in Real Estate <b>Strategies</b> <ol style="list-style-type: none"> <li>1. Annual Future Forecast Report</li> <li>2. Real Estate &amp; Real Estate Existing Content</li> <li>3. Deliver Education Services to other Boards</li> <li>4. Prepare Intellectual Rights</li> <li>5. Communication Technology</li> <li>6. Develop Real Estate Housing Institute as a Consumer Public Service</li> </ol> <p><b>ENAR - Project 2009-2014</b>                      ENAR to take a leadership role in the community by offering assistance to homeowners and members of the public who are experiencing foreclosure, short sales, bankruptcy or other real estate concerns due to their economic situation. ENAR shall create a "Young Member" as a public service to give new consumer education and assistance</p>	<b>Strategic Goal #3</b> <b>Successful Realtor® Operations</b> Member Growth, Benefits and Services <b>Strategies</b> <ol style="list-style-type: none"> <li>1. Increase Member Involvement</li> <li>2. Leadership Development Academy- Developing Future Leaders Desiring to Move Up</li> </ol>	<b>Strategic Goal #4</b> <b>The Model Association</b> Leadership, Staff, Resources and Structure <b>Strategies</b> <ol style="list-style-type: none"> <li>1. Review of Area Control Structure, Funding and Operations</li> <li>2. Leadership Succession and Training with Input to Govern &amp; Advance It</li> <li>3. Staff Professional Succession Plan</li> <li>4. Headquarters Office &amp; Location</li> <li>5. Maximize Use of Past Presidents</li> </ol>
<b>VALUES</b> <ul style="list-style-type: none"> <li>• Future Focused</li> <li>• Instill Excellence</li> <li>• Customer Focused</li> <li>• Promote Diversity</li> <li>• Encourage Ethics/Integrity</li> </ul>			

Postcard promoting the association's mission statement.



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 A Chapter of the American Institute of Architects

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## Seven Organizational Skills

Managing a nonprofit is a noble profession requiring a unique set of organizational skills. In smaller associations and chambers, the executive director finds him or herself being the champion, heading up marketing, lobbying, maintaining the computers, writing newsletters, serving as ambassador to members, selling advertising, keeping the books and cleaning the office – among a list of other duties. In nearly every case, the staff can be credited with managing a corporate entity that demands a professional, entrepreneurial approach.

One of my favorite stories is the executive director who accepted the job based on the board's job description written on the back of a napkin.

Looking back, she says her responsibilities are nothing like the napkin, "there isn't a napkin large enough to describe what I do."

This section of the white paper appeared as Seven Ways to Dig Yourself out of Association Overload. It has circulated the globe to help staff stay organized. In the current economy of cut backs and being asked to "do more with less," it still has relevance.

The seven skills promote efficiency. A well-organized office can lead to a better environment, improved work product and enhanced confidence.

1. Clean Out (storage)
2. Centralize (files)
3. Throw Out (record retention and destruction)
4. Systemize (processes)
5. Document (in manuals)
6. Outsource (staffing)
7. Think Strategically (big picture)

### Clean Out (Storage)

Organizations process and manage an abundance of paperwork. From membership applications to convention receipts to personnel records, their handling is influenced by the requirements of local, state and federal laws, a parent or organization, and possibly the need to respect confidentiality. If file cabinets have reached capacity, don't buy more storage files or rent off-site storage --- take time to clean out.

You'll be surprised at what is stored in the cabinets: From hundreds of drink coupons from the 1983 convention to every hotel proposal received in the past decade.

Plan an annual day to clean out files, cabinets and closets. Bring in a 90- gallon garbage can, document shredder and recycling bin. Have a similar plan for maintaining and deleting computer hard drives.

Include all the staff to make the task a fun, casual project. (Weigh and measure how much you toss.) Instead of buying more storage units, you'll probably free up space and feel the comfort of room-to-breathe.

Remember to check those out-of-sight storage closets and top shelves. Don't be surprised if you find that missing box of 500 membership directories from 10 years ago!

### Centralize (Files)

The files and documents are property of the organization. Staff members are the responsible managers of the stewards of the organization's property. Set up a central file system where everybody has knowledge of the contents and access. A centralized system begins by identifying the major working files, such as public records, governing documents, committee folders, etc. Maintain a master list of shared files.

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Discourage staff from setting up duplicate folders and creating their mini- file kingdoms. Everything (with exception of confidential and/or personnel records) may be accessible in the central files. Clearly label every drawer and storage space.

Reminder! Be sure to systematically backup information and data. Imagine the cost to replace a week or month of data if a virus infected computer data or the office was destroyed.

## Throw Out (record retention and destruction)

Determine what information and files must be kept, either for legal reasons or reference, and what can be tossed. An accountant and/or lawyer can provide a recommended retention schedule<sup>8</sup>.

Adopt a record retention and destruction board policy --- and incorporate it into the staff's procedures manual. By making it a policy and developing the resulting procedures, the staff will have authority to maintain clean files and destroy unnecessary hard copies and digital files.

## Systemize (processes)

Identify the events and activities that recur on a weekly, monthly, quarterly and annual basis. For example, weekly staff meetings, monthly financials, quarterly board meetings and annual nominations. Analyze the steps for successful completion of every task. Can it be improved? Is there a checklist that identifies each step of an activity?

Checklists eliminate errors and omissions, and promote best-practices -- similar to the checklist used by pilots and co-pilots.

For example, before leaving for the annual conference, use the checklist to be sure nothing has been forgotten. Or, when creating a new membership application, follow the checklist so as not to omit required disclosures and key information. If each staff person is committed to documenting steps or best practices, by year-end the lists can be combined to create a comprehensive manual of procedures.

## Document (In Manuals)

Documentation and manuals should be a standard operating practice. The opposite is an executive director who tries to remember everything and commits nothing to writing.

As checklists and best practices are developed, they combine to form an organization's procedures manual. There are six manuals that are common in every nonprofit. These include procedures, personnel, policies, leadership, style and emergency manuals. Though it may seem daunting to create manuals, the reward is a sustainable organization with consistent customer- member service. They promote smooth operations, easy staff training and improved management.

## Outsource (staffing)

Many board members don't know much about the unique requirements of nonprofit management; yet nearly every meeting adds more work to the staff.

If staff have reached capacity or overload, and find themselves doing everything from publishing a newsletter to selling the trade show, consider outsourcing jobs on a short or long-term basis.

Outsourcing frees up time and supplements the staff's creative talents. An organization can outsource menial tasks (applying labels and postage to mailings, deliveries) to the most important efforts (capital fund raising, lobbying, board training.)

Outsourcing helps determine the real costs of projects. One may not be so quick to assign a new project when the real cost of a meeting planner is charged against the event after a request for proposal (RFP) is distributed and pricing is received.

<sup>8</sup> IRS Form 990 specifically asks if the organization has a policy on record retention and document destruction.

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## Think Strategic (big picture)

Distractions are frequent in nonprofits with so many members requests ---- combined with the ever-changing leadership.

Volunteers are quick to toss a good idea on the table. The idea takes on a life of its own as it enters the committee process, development, implementation, closure and evaluation. It's easy to be distracted by "good ideas." Staff members can also be part of the problem as they squeeze in new projects to an already overloaded schedule. The hospitable nature of working in a nonprofit often equates with wanting to be helpful to every member and seldom saying, "No we can't do that for you...."

Being guided by a strategic plan helps all parties to stay on course. It identifies board priorities and serves as a road map for leadership, committees and staff.

Everything in the plan should fit under the umbrella of the mission statement. Most organizations have 3 to 7 broad goals and a number of specific strategies under each goal.

When new tasks are suggested, if you rely on the strategic plan it is ok to ask, "If we add this task, what should we drop?"

## Summary

The 7 in 1776 represents the approaches and skills to organize to avoid staff overload and drowning in paperwork. The results will be a better-managed nonprofit.

## Seven Guiding Principles

Commercial businesses often display a customer-service pledge. It communicates the staff's commitment to customers (members) and dedication to a set of principles. Unlike the values statement described previously, the intent here is to communicate a set of principles that guide the member-staff relationship.

The primary reason for working in an association or chamber is to serve the members. A staff member who gripes, "If the members would quit calling I could get my work done," is probably in the wrong work setting.

Values are principles or precepts. They describe how the staff will interface with customers/ members to maintain excellent service. A precept is defined as a principle prescribing a particular course of action or conduct.

### At Ritz Carlton hotels, employees communicate a guest promise:

- At The Ritz-Carlton, our Ladies & Gentlemen are the most important resource in our service commitment to our guests.
- By applying the principles of trust, honesty, respect, integrity and commitment, we nurture and maximize talent to the benefit of each individual and the company.
- The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton mystique is strengthened.

At the American Dental Association, precepts are integrated into departments and positions, as evidenced on the back of employee business cards and posted on the website. 9

- Members are the purpose of our work.
- We take personal responsibility.
- We take pride in our work.
- Attitudes are contagious.
- We thrive in a supportive organization.

### Silent Values

As I visit thousands of organizations, I note that most principles come from the heart. To me they are obvious but seldom documented or communicated.

If principles have not yet been identified, have staff discuss what the precepts or employee promise should be in the organization.

These sample principles appear to be universal among associations:

The Staff Adheres to Principles to Best Serve our Members and the Organization:

### Determination

A commitment to the organization and to fulfilling the duties that serve the members and advance the mission. We are loyal to the organization.

### Transparency

We work in an environment of openness; avoiding secrecy and individual over organizational interests.

### Accountable

We are responsible for all aspects of our organization's success, from a member calling with a simple question to getting the conference planned and implemented. Follow-through and teamwork are essential.

### Members First

We know the organization exists to serve the members and their needs. Their satisfaction is our priority.

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## Team Work

We are stronger as a team than working as individuals. We support each other to advance the mission and goals.

## Stewardship

We work in an organization that has a history and future. While we are employed in the organization we will be its best stewards and leave it in better condition than when our jobs began.

## Courtesy

The staff and leadership teams are respectful of each person's beliefs and ideas. Diversity in our organization makes it stronger.

## Summary

The 7 guiding principles of staff will differ in every organization. If your association or chamber considers their adoption, make it a staff project to decide what precepts are most important to customer-member service. Many organizations have staff sign and date the principles before framing for display.

### Framed Staff Pledge

**Member Service Pledge**

As a professional, I understand that it is my purpose, pleasure and responsibility to create favorable memorable experiences for every member contact. To achieve this, I agree to these six-principles, by:

- Applying the “3-ring/24-hour rule” --- answering phones within 3-rings and serving members’ needs within 24 hours.
- *Thanking members* for belonging to the organization; recognizing that *membership is a choice*; and by realizing that my *attitude* can influence their decisions to renew.
- Using *members’ names* as often as possible and asking about their needs and satisfaction with the organization.
- Finding ways to offer assistance at every opportunity, and by asking “*Is there anything else I can help you with?*”
- Treating *inquiries from prospective members* as opportunities to convince them to join and participate.
- Expressing a *positive attitude* that is noticeable in my phone conversations, my correspondence and my personal contacts with members.

Pledged: \_\_\_\_\_ Date: \_\_\_\_\_

Robert C. Harris, CMAA, CMPP, www.yourmembership.com

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## Six Operating Manuals

Operating manuals ensure that an organization delivers consistent customer- member service based upon best-practices. Manuals are used by leadership and staff for training and reference.

An organization without manuals is at a disadvantage. Time is wasted on figuring out how the event was last accomplished and files are scattered in an office with time required to find them.

How were events held in the past? What policies have been adopted? What do I tell the board about their responsibilities? Similar to the highly efficient franchise business, the manuals and templates save time and increase confidence in the organization.

There are six manuals common to associations and chambers of commerce.

### The Franchise Model

Across the country, frequently the most successful businesses are franchises (as opposed to independent businesses.)

Two elements of a franchise that drive success are 1) a strong brand or logo, and 2) a set of operating manuals, templates and checklists for employees.

In the book, E-Myth Revisited, author Michael Gerber suggests that all businesses consider an informal franchise model<sup>10</sup>.

Specifically, the tasks and activities that are recurring or cyclical are identified. Staff members document how each activity is carried out. (For example, how is a new member processed, step by step? Or what are the steps for successfully selling sponsorships or advertising.)

The lists are maintained in one of six association manuals.

- Personnel
- Procedures
- Policy
- Leadership
- Style
- Emergency

### Six Manuals

#### Personnel Manual

Also known as the HR manual, it details, formalizes and communicates employee expectations and regulations. It covers items such as sick leave, vacation time, issuance of office keys, overtime, dress code, sexual harassment, credit cards, and filing complaints, for instance.

Personnel manuals are based on state and federal laws and should be prepared by a labor-law specialist and/or attorney<sup>11</sup>. Do not consider borrowing a personnel manual from a colleague in another state, as the HR laws are different. Do not combine the personnel manual with any other manual.

#### Procedures Manual

The procedures manual describes what the organization believes is the best way of conducting every process. It documents every activity through bulleted or enumerated lists. A new executive director, and staff members, quickly understands the purpose and value of the written steps.



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<sup>10</sup> Not the legal definition, rather the model of a well managed franchise.

<sup>11</sup> A quick way to determine if the personnel manual is up-to-date is to check for a Whistle Blower clause; a policy question on the new IRS Form 990.

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It is entirely staff driven and not a responsibility of the board. The manual insures consistent operations, quality controls, and standardized procedures, while reducing risk. It might also be called an operations manual, standard operating procedures (SOP) or best-practices manual.

One way to create a procedures manual is by drafting a table of contents of all major responsibilities (guided by job descriptions and the annual calendar).

Document processes or steps as they occur in the office in a consistent format (template) for adding to the manual. (For example, the meeting planner sold, billed and processed sponsorships today – what were the steps?) Within months the operating manual will be assembled and serve as the most valued document for organization<sup>12</sup> sustainability.

## Policy Manual

Policies represent the wisdom of the board for current and future governance needs. The manual archives the board-approved policies. Without the manual, the policies tend to exist only as motions in prior minutes --- or get buried in the bylaws, (which should remain broad in scope; not littered with policies.)

Policies may arise spontaneously in a board discussion, “We need to adopt a policy on that....” or be directed to a committee or staff to research and recommend a policy. All policies are recorded as motions in the board minutes.

If no policy manual exists, take the last five years of minutes, highlight the motions that read as policies, create a table of contents, add the policies, and then present the manual to the board for adoption.

If the bylaws are cluttered with policies, review them with the intent of moving policies into the policy manual. When entering new policies, annotate the date of adoption so that the board meeting minutes can be referenced. Be sure to include the policies referenced in the IRS Form 990<sup>13</sup>.

It is best not to combine a “Policies and Procedures” manual. The procedures manual is staff driven and focuses on operations. The policy manual is board driven and focuses on governance.

## Leadership Manual

Also known as the board book, it is a guide for volunteers. It is distributed at board orientation or upon installation. Sections may include history, bylaws, strategic plan, committees, org-structure, budget, responsibilities, staffing and calendars, for example.

Some organizations maintain a leadership manual as a virtual document on their website, protected by password. Others distribute it as a CD or memory stick. Staff members should be familiar with the contents of the leadership manual.

## Style Manual

The style manual or communications guide is used to describe the appropriate (and inappropriate) uses of the organization’s logos, key words, PMS color, preferred typeface, etc. Its purpose is to maintain a consistent image and brand.

It may include sections on appropriate communications, lines of authority, and who speaks for the organization. It should serve as a guide for staff, chapters, webmaster and printers.

## Emergency Manual

The emergency notebook protects the documents of the organization, recommends a communications plan and promotes business continuity if the office is damaged or destroyed. It contains the critical documents that would take months to replace and has a communications plan for staff and leadership. It may take the form of a virtual document so long as it is stored on a server outside of the office. If it is created as a notebook or CD, be sure it stored off-site and all parties know where it can be found in case of a disaster (i.e. at the office of the attorney, CPA or a bank safety deposit box.)



<sup>12</sup> For the 1-page framework of the mandatory, primary and secondary documents and systems in an association or chamber, email bob@rchcae.com with the subject line, “Operating Framework.”

<sup>13</sup> Visit [www.irs.gov](http://www.irs.gov) for the current Form 990.

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## Summary

The 6 manuals promote understanding and efficient operations. In smaller associations, six manuals may be too large a task and unnecessary – possibly combining manuals (i.e. the Leadership Manual could be combined with the Policy Manual.) Prioritize the most pressing needs for improvement and sustainability; then begin to create or update the set of manuals.

In larger, more complex organizations, there may be additional manuals such as a conference planner's manual or a business affairs/accounting manual. In all cases, their purpose is to promote management excellence, consistent operations, and succession of the organization as boards and staff transition.



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## Sources of the Referenced Documents

Document – Reference	Development Tips <sup>14</sup>
Mission Statement	Review the most recent IRS Form 990 to determine what was submitted last year as the statement of purpose. Review the application to the IRS (Form 1023 or 1024). Review the bylaws and articles of incorporation's preamble. Amendments to the mission should occur at the strategic planning retreat.
Vision Statement	What is the long-range desired outcome of the organization? Is it inspiring? What will success look like? Reviewed and adopted at the strategic planning retreat.
Values Statement	The guiding principles of the leadership and staff (not to be confused with a membership code of ethics.) Developed at the strategic planning retreat.
Staff Precepts/Principles	Communicating the principles that guide the staff-member relationship. Priorities for staffing the organization. Adopted at a staff meeting where each precept is offered and discussed.
Leadership Manual	The documents necessary for volunteer leaders to fully understand and execute their roles and duties.
Policy Manual	The wisdom of the board adopted as motions and transcribed into a policy manual. May be sunset if overloaded, through a committee review. Should be reviewed at least every 5 years to be sure it is current and understood by volunteers.
Procedures Manual	A commitment by staff to document the steps and best-practices for every activity, event and process. Developed each staff member based on his or her job responsibilities.
Style Manual	Often provided by a parent organization. Indicates the preferred method of communicating and branding the organization.
Emergency Manual	The key documents protected away from the office, as well as communications and business continuity plan. Local and state emergency management officials may provide resources.
Personnel Manual	The employee handbook communicating job details and responsibilities. Created by an HR specialist or labor lawyer. Templates may be available from SHRM15; state chamber or state department of labor.
IRS Form 1023 or 1024	The application to determine qualification for exemption from federal income tax.
IRS Form 990	Filed annually and maintained as a public record. Be sure it is at the headquarters office should a visitor request a copy for any of the last three years.
Letter of Determination	Issued by the IRS to the organization indicating tax exempt status. A public record. The IRS helpline is 877/829-5500.
Articles of Incorporation	Issued by state government and indicating corporate status, i.e. not-for-profit.
Bylaws	The document describing the relationship between the organization, the leadership and the membership.

<sup>14</sup> Be absolutely certain to rely on legal, accounting and insurance counsel in developing and managing these documents.

<sup>15</sup> Society of HR Managers.

# 1776 – Association Management Principles

EBOOK

## Rich History of Associations and Chambers

Much of the greatness of the USA is due to the influence of associations and chambers of commerce.

- There are 1.8 million nonprofit organizations in the US according to the IRS. Of those, about 155,000 have the 501(c)(6) designation as “business league.”
- Of the 155,000 business leagues, it is estimated that 150,000 are associations and
- 7,000 are chambers of commerce. About 1,000 new associations form each year; roughly 3 a day.
- Chambers and associations have a rich history in America. They are older than the country itself --- credited with serving communities, setting standards, providing services, offering education and coordinating volunteer efforts.

**1604** Order of Good Cheer founded in Nova Scotia, Canada; exists to this day.

**1735** Oldest association of continuous existence founded by Benjamin Franklin – the American Philosophical Association.

**1768** The New York State Chamber founded by 20 merchants.

**1773** The New Haven (CT) Chamber founded.

**1774** Carpenters Hall – a guild of tradesmen – was used by the country’s founding fathers to draft the Declaration of Independence.

**1776** Continental Congress adopts the Declaration of Independence.

**1800** The Philadelphia Chamber founded.

**1830–1835** Frenchman Alexis deTocqueville visits US to determine what makes America so great. Authors “Democracy in America” with many significant quotes about communities and associations constantly forming to serve the needs of people:

“Americans of all ages, all conditions, all minds constantly unite. Not only do they have commercial and industrial associations in which all take part, but they also have a thousand other kinds: religious, moral, futile, very general and very particular, immense and very small.”

“Americans use associations to found seminaries, to build inns, to raise churches, to distribute books, to send missionaries ... in this manner they create hospitals, prisons, schools.”

### About America’s Women

“If I were asked what singular factor do I attribute the prosperity and growing strength of the American people, I should reply it is the superiority of their women.”

1800-1850 Chambers form in Mobile, AL; Cincinnati, OH; Galveston, TX; Columbus, GA; Nashville, TN; and San Francisco, CA.

Civil War Most associations were local until the Civil War years of 1860-1866. Railroads and industry created new markets and the formation of many new trade associations.

1886 First association management company founded in Philadelphia – Fernley and Fernley.

1900 About 100 associations existed at the national level to influence federal and state legislation, to create standards and to education members.

1908<sup>16</sup> Pres. Theodore Roosevelt recognizes the value of associations:

“Every man owes part of his time and money to the business or industry to which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere.”

<sup>16</sup> In 1899, the Commissioner of the US Patent Office proclaims, “Everything that can be invented has been invented,” recommending no further need for the patent office in America.

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**1911** President Howard Taft suggests the need for a central organization to represent the interests of business.

**1912** US Chamber founded in response to the suggestion of Pres. Taft.

**1913** The IRS provides exemptions for business leagues, as many associations were known at that time. The 1913 Act also provided exemptions for charitable, scientific, and educational organizations.

Congress first gave associations favored tax treatment largely in recognition of the benefit the public derives from their activities. In simple terms, associations earn their exempt status by meeting many of the needs of their members and the general public that the government would otherwise have to meet.

**1914** National Association of Commercial Organization Secretaries founded, now known as the American Chamber of Commerce Executives (ACCE).

**1920** The American Trade Executives Association was founded, now known as the American Society of Association Executives (ASAE).

Institute for Organization Management founded by NACOS as the National School for Business Secretaries – starting as a two-week long program and existing today as a one- week learning experience over four years.

**1925** Price fixing, territorial agreements and controls of supplies became the norm thus Supreme Court upheld antitrust laws that competitors may not form agreements on prices, etc.

US Chamber building completed at 1615 H Street across from the White House on property formerly owned by statesman Daniel Webster.

1950 IRS reports there are 50,000 nonprofit organizations in U.S. Congress mandates UBIT in 1950 to minimize unfair competition between taxable and tax exempt businesses.

**1951** The Institute of Canadian Trade Association Executives was founded and became the Canadian Society of Association Executives in 1987.

**1960** CAE program founded to stand as a mark of excellence among association managers. 1960s In mid-60s IRS notes dramatic jump in number of nonprofits to 250,000.

**1980s** IRS reports more than 1 million nonprofit organizations.

**1997** IRS public records laws adopted for exempt organizations.

**2002** Adoption of Public Company Accounting Reform and Investor Protection Act of 2002, aka Sarbanes Oxley, with eventual influence on associations and chambers and the IRS incorporate aspects into Form 990 effective 2008.

**2009** Three new associations forming every business day in US.

- 7,200 chambers of commerce
- 150,000 501c6 organizations
- 1.8 million exempt organizations

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## About Bob Harris, CAE

Bob Harris, CAE, offers free management tools and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). Bob visits with nearly 4,000 associations and chambers annually. His career started in Washington, DC with Presidential Classroom. Later he built an association management company in Tallahassee, Florida.

He is on the faculty for the US Chamber of Commerce. He has authored books on association management. To evaluate organizations he created the Association Self- Auditing Process, which has been used by 20,000 organizations.

He has visited Amman, Jordan in the Middle East to work with King Abdullah's Center for Excellence to develop associations.

He has worked for Hyatt Hotels of Florida for 25 years. He can be contacted at [bob@rchcae.com](mailto:bob@rchcae.com) and his website is [www.nonprofitcenter.com](http://www.nonprofitcenter.com) where free tips and templates are posted monthly.