Risk Management Discussion

1. You paid an artist to create a great logo for 2009 convention. You want to use it the second year with some minor changes – who owns the logo?

2. The board chairman appoints a convention planning committee. Does the committee keep minutes or not?

3. You ask the committee to help you sell $40,000 in sponsorships. They write in the minutes, "we have to get advertisers totaling $40,000." What's the problem?

4. Outside the trade show you hear 3 members talk about charging higher prices. One of them says she's raising her rates and the other two are nodding in agreement. What should you do?

5. One of your chapters brings t-shirts to sell at the convention. Are they collecting sales tax?

6. You create a Facebook page to hype the convention. You post the dates and schedule. Someone adds a comment about last year's show and an exhibitor who "ripped her off." Somebody else takes a handout from last year (copyrighted) and puts the entire text on your Facebook page. What's the problem?

7. The Weather Channel says the hurricane *may* strike in 5 days. Your keynoter cancels and 23 exhibitors pull out. Members are calling about refunds. Cancellation seems likely. What type of insurance do you rely on to keep the association whole?

8. To market the convention you buy a list of other professionals (not members) with fax numbers. You fax them all a convention brochure. Any problems?

9. You announce at the podium that the association is the respected expert and therefore you're glad to report the Board has endorsed a new product. Any concerns?

10. You ask members to pay their dues by stopping by the registration desk. You pass out their dues invoices. What disclosures are required?

Bonus Question – Identify at least 3 steps you take to *reduce liquor liability*.

#1 – intellectual property, transfer of ownership, copyright, registration; #2 - IRS policies, minutes; #3 – UBIT; #4 – antitrust avoidance; #5 – sales tax collection/reporting; #6 – social media, antitrust, copyright infringement, apparent authority; #7 – convention cancellation insurance; # 8 Fax – junk, opt-out, #9 – FTC on endorsements; #10 – IRS dues notices.

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Risk Management
Associations, Chambers
NonProfits

Federal
IRS
FTC

- **IRS**
  - Letter of Determination
  - Forms 990, 1023, 1024, 13909
  - Dues Notices
- Public Records
  - Agency Audit
  - Policies
  - Amending Gov Docs
- **FTC**
  - Antitrust Avoidance
  - Endorsements
  - FAX/Email Consent
- Credit/Red Flag

State/Local
Communications

- **State**
  - Articles of Incorporation
  - Sales Tax Collections
  - Charitable Solicitation
- **City/County**
  - Occupational License
  - **Communications**
  - Intellectual Property
- Transfer of Ownership
  - Software Licenses
  - Listservs
  - Social Media
- Copyrights/Trademarks
  - Apparent Authority
  - Logo Use
  - Disaster Preparedness

Workforce
Board, Volunteers
Staff, Chapters
Finances

- **Board of Directors**
  - Insurance/Volunteer Immunity
  - Minutes
  - Executive Sessions
- Orientation
  - Legal Principles (3)
  - **Staffing**
  - 1099s
- Independent Contractor
  - HR Manual
  - Whistleblower
- Harrassment
  - Alcohol
  - **Finances**
- Audit, Review, Compilation
  - Audit Committee
  - Compensation Policy
  - UBIT
- Subsidiaries
  - **Chapters, Components**
  - Liabilities, Insurance
  - Filing Requirements

Risk Management

Duty of Care requires directors to act in good faith and in a manner that he or she reasonably believes to be in the best interests of the organization. Directors must discharge their duties "with the care that a person in a like position would reasonably believe appropriate under the circumstances."
(Reference ABA Model Nonprofit Corp. Act.)