

Client Termination and Transition

Background

Transition can often be a confusing and irritating time for both the AMC and the client. Able Management's staff know the importance of ensuring smooth transitions conducive to undisturbed, uninterrupted management continuity.

Client Termination and Transition — Professional Standards

The following guidelines are important to the assurance of a well planned and well organized transition in which neither party, i.e., neither the AMC nor the association client, is harmed in any way:

Able Management has developed a transition plan defining all steps in the transition process.

Once Able is notified that the client is terminating the relationship, Able develops an agreement with the client that clearly establishes the specific details, deadlines, and final payment terms (if any) associated with the transition. The agreement sets forth the responsibilities of Able Management, volunteers and the new AMC or directly employed staff.

Able Management will meet all of its obligations to its outgoing clients, especially during the last few months of the relationship. Our standard agreements with our clients require that we perform specific tasks and provide specific services.

Consequently, Able Management will extend full professional courtesy and cooperation to the newly selected AMC or directly employed staff. We will transfer to the client any and all association-owned property including data and "intellectual property."

For the mutual protection of both Able Management and the client, we recommend the client arrange to have an independent CPA firm perform a review or audit of client financial statements as of the date of termination.

Prior to the transition of a client, any contracts with vendors that extend beyond the date of termination should be reworked and signed by an authorized client officer, thereby eliminating any further obligation by Able Management.

Able Management will maintain a good relationship with vendors after a client leaves and ensure that the outbound client meets all its financial obligations to its vendors. Prior arrangement for a financial transition will eliminate the need for a vendor to pursue either the former client or the AMC for bills in arrears, thereby eliminating any friction among the three parties.

Able Management also advises all appropriate vendors of a client's intention to leave our care and provides the client's new address in the event that a vendor wants to continue doing business with that client.

Able Management works with the outbound client to establish guidelines, as well as fees and charges (if any), for consulting services that will likely be rendered after the date of termination as a result of the transfer of information from our management firm to the new one.

We also conduct periodic followup in the form of surveys and evaluations to ensure our transition policies and procedures have been performed consistently and satisfactorily.

Transition Schedule

Assuming the association will be ready to begin the transition to its new home within 10 days to two weeks following the board’s decision, we have established a six-month transition schedule (90 days to wrap up by current management, followed by a 90-day acclimation period by new management), which covers the initial inventory and physical transition of ABCA’s books, records and other assets, ensures uninterrupted service to members during the transition, provides notices of the transition underway and addresses other aspects involved with an association’s transition to new management.

DESCRIPTION	TIME FRAME ; ASSIGNED FIRM or STAFF RESPONSIBILITIES
Prepare FAQ Sheet (frequently asked questions) about the association	First week; Able
Print copy of ABCA work program from Able’s master task log	First week; Able
Determine activation date of client’s phone(s)	First week; New Mgt
Provide client’s website source code, along with a complete copy of the website database and other files	First 1-6 weeks; Able
Confer with staff to ensure association’s day-to-day routine actions are being handled satisfactorily during the transition phase	End of first month; Able & New Mgt.
Refresh “To Do” list for upcoming events and activities	Second month; Able & New Mgt.
Review ABCA’s contracts to ensure compliance and observation of deadlines	Second month; Able
Transfer data files to New Mgt’s systems	Within first 5-12 weeks; Able
Set up ABCA’s accounting functions on New Mgt.’s computer systems	Within first 6-12 weeks; New Mgt.
Prepare and mail farewell notice/introduction of new management to membership	Third month; Able
Brief staff, order additional phone line(s), and distribute change of address notices	Before end of third month; New Mgt
Obtain updated signature cards, corporate resolutions from banks	Before end of third month; New Mgt.
If appropriate, open bank account and order checks	Before end of third month; New Mgt.
Provide electronic file(s) of Client’s database(s), as well as comma delimited format with a printed copy of field descriptions	By end of third month; Able
Set up ABCA’s inventory of working, resource and archived files in main office	By end of third month; New Mgt.
If feasible for new management, visit current management offices to take inventory of items or take inventory as these items are delivered to new address	End of third month; Able & New Mgt.
Provide hard copies supplied by former AMC of last year’s Financial Statements, General Ledger thru last fiscal year, Chart of Accounts, Annual Budget (by month) for last year and current year, last year and current year Statement of Activities showing monthly totals with a year-to-date column, current Statement of Financial Position.	By end of third month; Able
Provide progress report of transition to ABCA leadership and new management	End of third month; Able
Copy Transition Checklist from client’s profile file (see Appendices for sample) and report progress to board	Sixth week; Able
Prepare and mail first communication with membership	Fourth month; New Mgt.
Conduct Audit of Operations and report to board	At conclusion of six months; New Mgt.
Membership Survey	Mailed within 120-180 days; New Mgt.
Membership Survey results tabulated and reported to board	Within first three months under new management; New Mgt.
Board evaluation of Management	At end of first 6-12 months; New Mgt.

Able Management Solutions, Inc.
Transition Checklist* for the ABC Association, Inc.

To ensure a smooth transition to your new association headquarters, we have provided the following checklist.

Key Volunteer Contact: _____
 Phone: _____ Fax: _____ E-mail: _____

Liaison at national headquarters _____
 Phone: _____ Fax: _____ E-mail: _____

Fiscal Year end: _____ State of Incorporation: _____

FINANCIAL INFORMATION

Previous Accountant:
 Name: _____
 Address: _____
 City/State/Zip: _____
 Phone: _____ Fax: _____ E-mail: _____

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Accounts payable—detail list <input type="checkbox"/> Accounts receivable—detail list <input type="checkbox"/> Amortization and depreciation schedules (if applicable) <input type="checkbox"/> Assets—list of <input type="checkbox"/> Audits: <ul style="list-style-type: none"> <input type="checkbox"/> Accountant’s audit, compilation or review for last three years <input type="checkbox"/> Final audit of association’s financial records <input type="checkbox"/> Bank reconciliation(s) from prior month <input type="checkbox"/> Certificates of Deposits or any other investment Instruments—list of Federal ID Number _____ | <ul style="list-style-type: none"> <input type="checkbox"/> General ledger detail for current fiscal year—printout <input type="checkbox"/> Investments—list of <input type="checkbox"/> Taxes: <ul style="list-style-type: none"> <input type="checkbox"/> State sales tax exemption (if 501(c)(3)—copy of <input type="checkbox"/> State tax returns for the last three years <input type="checkbox"/> Tax-Exempt Status from the IRS—Federal and Letter of Determination <input type="checkbox"/> Trial balance (last) including income/budget statement and balance sheet <input type="checkbox"/> Other: <ul style="list-style-type: none"> <input type="checkbox"/> _____ <input type="checkbox"/> <input type="checkbox"/> _____ |
|--|---|

INSURANCE POLICIES

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Convention cancellation <input type="checkbox"/> Directors & Officers <input type="checkbox"/> General liability <input type="checkbox"/> Workers Compensation | <ul style="list-style-type: none"> <input type="checkbox"/> Other: <ul style="list-style-type: none"> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ |
|--|---|

CONTRACTS WITH OUTSIDE VENDORS

- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Accountant <input type="checkbox"/> Attorney <input type="checkbox"/> Authors <input type="checkbox"/> Conference facilities <input type="checkbox"/> Internet provider <input type="checkbox"/> Lobbyist | <ul style="list-style-type: none"> <input type="checkbox"/> Printer(s) <input type="checkbox"/> Resellers’ permits <input type="checkbox"/> Speakers <input type="checkbox"/> Surveys <input type="checkbox"/> Other: <ul style="list-style-type: none"> <input type="checkbox"/> _____ <input type="checkbox"/> _____ |
|---|--|

* Adapted from "Transition Checklist" developed by the American Society of Association Executives

GENERAL DOCUMENTS

- Articles of Incorporation
- By-laws—hard copy plus disk or e-mail of text
- Calendar of upcoming meetings, with locations
- Corporate Seal
- Databases:
 - Hard copy, plus a disk or e-mail of databases
 - List of fields to be included in membership/other databases
- Documents used on a regular basis—hard copy plus disk or e-mail:
 - Agendas and minutes from last two board meetings
 - “Drop” letter
 - “Thank you for your interest” in the association letter
 - “Welcome” to the association” letter
- Frequently asked Questions (FAQs). Have prior management firm develop a list from the administrator of the 20 most commonly asked questions
- Membership brochure and application
- Officers/committees:
 - Board of directors roster
 - Committee chairs and members’ roster
 - Officer/committee charges, position descriptions and plan of work
- Policy manual—hard copy plus disk or e-mail
- Postal permits
- Strategic plan—hard copy plus disk or e-mail
- Other:
 - _____
 - _____

ARTWORK

- Letterhead
- Membership applications
- PMS ink color number(s)
- Stat of logo—disk and camera ready artwork
- Other:
 - _____
 - _____
 - _____

FILES

- Meetings, conventions, trade shows, and other events held over the past three years
- Membership directory, sample and file
- Minutes from all board and committee meetings
- Newsletters and other publications (all)
- Nominations and Elections from the past three years
- Perpetual plaques
- Photo files
- Proclamations, awards
- Other:
 - _____
 - _____

INVENTORIES

- Audio and video tapes
- Membership certificates
- Membership pins
- Publications
- Other:
 - _____
 - _____
 - _____

TRANSITION ACTIVITIES

- Assets—Dispose of or relocate
- Change of address notice to:
 - Allied organizations
 - Media
 - Members
- Post office
 - Vendor list
- Dovetail industry’s meetings calendar for conflict check
- All other files, inventories or items not listed above.
- Investment strategies—review with leadership
- Signature cards (new), corporate resolutions from bank(s)
- Telephone:
 - Add association name to telephone directory _____ listing
 - Order/change dedicated phone lines
- “To do” list for upcoming events and activities
- Other: _____

I verify the items checked on both sides of this Checklist are in good condition and have been satisfactorily transferred to ABCA.

 Authorized Association Board Member or Representative Date

ABLE/CL FORM #0100:1/1/02

[Date]

[Name of New Management Company Contact, Staff and/or Board Rep.]

[Title]

[Street Address], [Suite #]

[City], [State] [Postal Code]

Re: [Name of Client]

Dear [Name]:

In accordance with the transition clause in the association's contract with us, the Able Management team will make a concerted effort to ensure a smooth transition.

Toward that end, we've prepared a brief overview of our transition process, designed to: 1) preserve complete and accurate books and records; and 2) ensure the continuation of routine tasks and the delivery of essential services to client's members proceed without interruption.

What we need from you:

Commitment to stick to agreed-upon time lines; also, coordination and cooperation during the transition phase, so that we can provide you with the information you need quickly and cost-effectively.

What you will get in return:

An association profile folder, containing general information to help get you started on transition activities for which you will be responsible. The folder will contain the following:

Inventory list of active and archived records and files

Roster of key contacts and board leadership, including affiliates and service providers

Contact info for current accountant

Accounts payable—detail list

Accounts receivable—detail list

A list of the association's routine work schedule of meetings, events and routine, administrative tasks

Association facts, such as fiscal year, incorporation data, etc.

This association-at-a-glance profile should provide most of the answers to your immediate questions. The active files also contain much pertinent information to help you in your new role as association steward. The balance of pertinent information is stored electronically and will also be supplied to you.

ABCA Transition

DATE

Page 2

We will make a conscientious effort to ensure these files are accessible to you for viewing, despite the incompatibilities that inevitably occur between computer platforms, if you provide us with an accurate inventory of your hardware and software, including version, at least four weeks prior to the mutually agreed-upon date when all materials are to be transferred to your office. Among the paper and electronic files you will receive are the following: Tax returns, insurance policies; financial reports; bank statements; contracts with service providers and suppliers; and general documents, such as articles of incorporation, bylaws, membership promotional materials, committee reports and board minutes.

What you will need to do next:

Ask questions now. Between now and (DATE), you may consult with our staff, (list of names) on ABCA-related questions. If extensive, lengthy consultation is needed after (DATE), we may find it necessary to bill for the additional time but will notify your office in advance should this prove necessary.

Order phone line transfer or new line, so that activation is timed to coincide with startup date at new office.

Oversee steps involved with move to new location, including change-of-address notices, new letterhead, etc.

Get updated signature cards, etc. from bank

Arrange for pick and delivery of files and inventory. We will do our best to have everything ready at a time that is convenient for you and the client, which means we can have all materials ready for transfer as early as two weeks from today (DATE) but no later than the close of business day, (DATE).

Oversee transfer of inventory and have authorized representative sign Able's delivery receipt forms.

This should help us all get started with the important but straightforward task of completing ABCA's transition.

If you have any questions or concerns about the transition process itself, please don't hesitate to contact me. I remain,

Sincerely,

Sammi Soutar, CAE
President

[Date]

[Name of Executive Officer]

[Title]

[Name of Client]

[Street Address], [Suite #]

[City], [State] [Postal Code]

Dear [Name]:

It has been a pleasure serving your organization. As we complete the steps to implement a smooth termination and transition for you, we would appreciate some feedback on our work.

Enclosed are four items: 1) a copy of our Client Termination and Transition policy and procedure; 2) A breakdown of transition tasks and schedule for completion; 3) a copy of your original Transition Checklist noting items we have maintained on your behalf and are now preparing to transfer back to you or your new management; and 4) a copy of our Transition Evaluation. Please review these documents and let us know by [date deadline] if you have any questions or concerns. If we do not hear from you, we will assume you understand and accept the transition schedule without modifications.

Please note that additional charges may result if work is requested that falls outside the specifications of the Transition Plan that is described in your service agreement. Also, please help us by providing meaningful feedback on our followup survey. In this way, we can ensure that as we work together to wrap up your organization's affairs under the care of Able Management, there are no loose ends and, more importantly, that services to members proceed without interruption throughout and following the transition to your new home.

In advance, we thank you for providing this feedback.

Sincerely,

Sammi Soutar, CAE
President