



## American National Standard

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Published by:  
**AMC Institute**

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Printed in the USA

**Foreword** (This Foreword is not a part of the Standard.)

Members of AMC Institute have developed a Standard of Good Practices for the Association Management Company industry. The purpose of this Standard is two-fold: (1) to collectively enhance management practices across Association Management Companies (AMCs) and (2) to assist AMCs in the establishment of internal quality service systems.

AMCs that conform to the Standard communicate to present and prospective association clients, as well as the marketplace at large, a commitment and ability to deliver the highest quality of services to clients as demonstrated in their performance, policies, and procedures.

Further, AMC Institute offers an AMC Accreditation Program closely linked to this Standard. AMCs that can demonstrate the adoption and good use of internal quality service systems, from policy statements to clearly outlined performance requirements and procedures, are eligible to apply for AMC Institute Accreditation.

AMC Institute will take into consideration the request for appropriate revisions to this Standard. Requested changes will be vetted through AMC Institute Accreditation & Standards Committee and through a public review process per AMC Institute's Standard Developer Procedures and ANSI's Essential Requirement Procedures. AMC Institute's Accreditation & Standards Committee will also review any requests for interpretations or appeals related to the Standard.

*The first two sections (Scope and Definitions) are meant as background information to serve as a guide for sections 3 through 12.*

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## **1. Scope**

- 1.1. This Standard establishes requirements that provide a measurement for practices that are utilized by all sizes and types of Association Management Companies (AMCs) to enhance the performance of the AMC and its staff.
- 1.2. This Standard establishes requirements that each individual AMC is to use to create its own measurable outcomes. An AMC's compliance with this Standard will depend on its adoption and implementation of its own definitions, procedures, and policies as they relate to each element in this Standard.

## **2. Definitions**

- 2.1. Association Management Company (AMC): A for-profit professional service company that manages two or more associations, societies, foundations, or other types of organizations.
- 2.2. Client Team: Employees of an AMC who work together with a particular client or clients.
- 2.3. Performance Policy Statement: A compilation of documents adopted by an AMC containing the procedures it has in place, which will cause it to be in conformance with this Standard.
- 2.4. Performance Service Systems are internal processes (described in sections 3 through 12 of this document) that must be developed, documented, and implemented by an AMC. When these systems are in place, an AMC:
  - 2.4.1. Ensures that a client's needs are identified and the services to be provided by the AMC are agreed upon by the AMC and the client;
  - 2.4.2. Requires regular feedback from clients;
  - 2.4.3. Provides a prompt response to clients' needs and requests;
  - 2.4.4. Establishes a staff personnel training and development program;
  - 2.4.5. Fosters an organizational culture embracing professional performance attributes; and
  - 2.4.6. Controls costs, improves efficiency, and promotes prompt performance of quality services to the client.

## **3. Client Contracts: Review Procedures and Requirements**

- 3.1. AMCs shall maintain written agreements with their clients.
- 3.2. AMCs shall adopt client contract review procedures, which shall ensure that all contractual requirements are acceptable to the client and the AMC before the AMC agrees to provide services to the client. This includes written service commitments ensuring that the service and service delivery processes meet the client's needs and expectations.
- 3.3. AMCs shall adopt and document internal procedures to coordinate the periodic review of client contracts and their amendments.
- 3.4. AMCs shall adopt procedures specifying how client contracts are amended and ensuring that changes in the contract are communicated throughout the AMC organization.
- 3.5. AMCs shall establish transition procedures that at a minimum include the following:
  - 3.5.1. A timetable to include the closing or transferring of all documents, shipment of client materials (in an organized manner, with clearly marked files), and notification to members.
  - 3.5.2. A list of clearly defined responsibilities for current management, volunteer leaders, and new management.
  - 3.5.3. Disclosed fees and charges for agreed upon services that may be rendered during the transition and following termination.
  - 3.5.4. The methodology to be used for timely notification of the change in management to all vendors.
  - 3.5.5. An external, independent, qualified third party (CPA or outside the USA equivalent) shall conduct an asset and liability verification (audit or agreed upon procedures engagement) immediately prior to or immediately after the transfer of financial responsibilities to new management; if a verification is not authorized by the client, this fact shall be recorded in writing.
- 3.6. AMCs shall address in writing, whether in contracts or other documentation, the

respective intellectual property rights (e.g. copyright, trademark, patents) of the client and the AMC including:

- 3.6.1. Materials and software systems developed and customized specifically for the client.
- 3.6.2. Materials and software systems of the AMC adapted for use with the client.

#### **4. Servicing the Clients and Service Delivery Procedure**

- 4.1. AMCs shall establish service policies and service delivery systems that include the following characteristics:
  - 4.1.1. Quantity and types of services to be provided;
  - 4.1.2. Competence and knowledge of staff servicing the client;
  - 4.1.3. Service accessibility and availability;
  - 4.1.4. Service speed and accuracy;
  - 4.1.5. Ability to increase and expand services for the client with appropriate staff;
  - 4.1.6. Assurance that the client is the focal point of the policy;
  - 4.1.7. Emphasis on the importance of customer satisfaction;
  - 4.1.8. Provision if an internal communication policy that emphasizes performance of service;
  - 4.1.9. Performance measurement of the service and services delivery processes against established objectives;
  - 4.1.10. Methods to improve performance.
- 4.2. AMCs shall establish responsibilities owed to the client and assign authority to staff for implementation.
- 4.3. AMCs shall establish a system of internal communications including as appropriate, briefings, meetings, memos, email, reports, and telephone conversations with staff on the client team.
- 4.4. AMCs shall establish a system of communication with clients, including staff communication and interaction, reaction to client expectations and comments, and information about the AMC and the services being provided.
- 4.5. AMCs shall establish procedures to correct or prevent failures to perform as they are identified by the client or the AMC.
- 4.6. AMCs shall establish policies and procedures for advising existing clients in the protection of their intellectual property (e.g., copyright, trademark, patents.)
- 4.7. AMCs shall evaluate and develop an internal policy and client policies for external communications, including but not limited to press releases, newsletters, and social media.

#### **5. Evaluation of Services**

- 5.1. AMCs shall adopt methods for clients to use to evaluate the performance of AMC services, including methods for measuring client satisfaction, to be conducted at least annually.
- 5.2. AMCs shall adopt an internal measuring system that evaluates service performance.

#### **6. Financial Management and Internal Controls**

- 6.1. AMCs shall establish procedures that ensure that the most recent year-end financial statements for each client present fairly, in all material respects, the financial position and changes in net assets, and that cash flows at year-end are in conformity with the generally accepted accounting principles as determined by the American Institute of Certified Public Accountants or corresponding organization<sup>1</sup> for internationally based AMCs, unless otherwise authorized in writing by the client.
- 6.2. AMCs shall establish adequate internal controls, policies, and procedures which are designed to safeguard client assets and facilitate accurate financial reporting.
- 6.3. AMCs shall adopt a written policy that prohibits co-mingling of any and all client assets

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<sup>1</sup> International Financial Reporting Standards (IFRS) as defined by the International Accounting Standards Board (IASB), the Generally Accepted Accounting Practice (new UK GAAP) as defined by the Financial Reporting Council (FRC), etc.)

- with AMC or any other client's assets.
- 6.4. AMCs shall adopt written policies and procedures addressing the acquisition, privacy, integrity, and use of client proceedings, records, and data.
- 6.5. AMCs shall adopt policies to ensure disclosure to clients of all income received from commissions, finder's fees, and other sources directly attributable or related to such clients.
- 6.6. AMCs shall propose to Client Boards the need for an outside independent review or audit of all financial transactions and records by a qualified third party (CPA or outside the USA equivalent.) The recommendation shall be made in writing.
- 6.7. AMCs shall propose to Client Boards the need for General Liability, Association Professional Liability Insurance (APLI), and Cyber insurance policies; if declined, this fact shall be recorded in writing.

**7. Insurance Coverage**

- 7.1. AMCs shall have in place a comprehensive insurance program that provides the following minimum coverage where such coverage is available.

	<b>Minimum Amount or Recommendation for AMCs to determine amount based on the suggested criteria</b>
7.1.1 Commercial General Liability	\$1,000,000
7.1.2 Property (including property in transit)	Full value of property
7.1.3 Valuable Papers	Full value to reconstruct
7.1.4 Employee Dishonesty	For both AMC and client property and funds
7.1.5 Money and Securities	For both the AMC and client funds, maximum amount of cash on hand, including convention receipts
7.1.6 Computer Equipment and Data	Full value of equipment and reconstruction of
7.1.7 Non -Owned and Hired Auto Liability	\$1,000,000
7.1.8 Worker's Compensation	Minimum amount based on local regulations
7.1.9 Errors and Omissions	\$1,000,000
7.1.10 Cyber Liability	\$1,000,000

**8. Employee Recruitment and Selection**

- 8.1. AMCs shall adopt a procedure for creating, reviewing, and updating employee job descriptions.
- 8.2. AMCs shall adopt procedures for interviewing and assessing candidates for positions within the AMC.
- 8.3. AMCs shall adopt a procedure for exit interviews with departing employees.

**9. Employee Training and Professional Development Procedures**

- 9.1. AMCs shall adopt an evaluation procedure for all employees covering competencies, performance assessment, and professional development.
- 9.2. AMCs shall provide periodic internal/ external professional development to ensure functions of association management are completed professionally with use of current best practices. These functions include but are not limited to:
  - 9.2.1. Process monitoring and control;
  - 9.2.2. Data collection and analysis;
  - 9.2.3. Performance improvement and corrective action;
  - 9.2.4. Teamwork, interaction, and communication;
  - 9.2.5. Financial management, meetings management, membership development, marketing, non-profit legal issues, and other functions basic to association management and services.

## **10. Subcontracting and Purchasing Requirements**

- 10.1. AMCs shall adopt procedures to ensure that due diligence is exercised when purchasing products or services for clients and that they meet all service requirements.
- 10.2. AMCs shall adopt procedures to ensure that due diligence is exercised when preparing purchase or service orders and bid/quote documents for clients.
- 10.3. AMCs shall adopt procedures that permit the AMC or clients to verify acceptability of products or services purchased.
- 10.4. AMCs shall adopt procedures for evaluating the hiring of subcontractors, including the following:
  - 10.4.1. The subcontractor's service procedures and facilities;
  - 10.4.2. Samples of the subcontractor's products or services;
  - 10.4.3. Customer reference, if available.
- 10.5. AMCs shall adopt procedures to track and record the use of products and services provided by subcontractors and used by the AMC to service clients.
- 10.6. AMCs shall disclose conflicts of interests when contracting or making a purchase for the benefit of the client from related entities (e.g. partnerships, subsidiaries, family members, etc.).

## **11. Record Keeping Requirements/Continuity of Operations**

- 11.1. AMCs shall adopt a records retention policy that identifies and defines the information and records that are to be retained (electronic or hard copy).
- 11.2. AMCs shall adopt procedures to maintain and control a record-keeping system to:
  - 11.2.1. Collect and record information (create records);
  - 11.2.2. File, index, store, and maintain records, both hardcopy and electronic;
  - 11.2.3. Remove, archive, or destroy old records on a predetermined time basis;
  - 11.2.4. Prevent records from being altered without approval of a designated authority;
  - 11.2.5. Safeguard records from damage or deterioration;
  - 11.2.6. Protect records from unauthorized access.
- 11.3. AMCs shall adopt a business continuity plan that will include, at a minimum:
  - 11.3.1. Procedures for the management of electronic back-up of software and electronic records;
  - 11.3.2. Communications to inform staff, members, vendors, etc. about the recovery plan;
  - 11.3.3. Building evacuation plan;
  - 11.3.4. Options for temporary workplaces in the event that the AMC's usual workplaces are not available.

## **12. Internal Quality Control Requirements**

- 12.1. AMCs shall adopt a schedule of internal quality control verification procedures to:
  - 12.1.1. Determine whether performance complies with the AMCs written plans, procedures, and programs;
  - 12.1.2. Validate the effectiveness of the AMC's corrective actions;
  - 12.1.3. Confirm that activities are appropriately planned;
  - 12.1.4. Ensure internal reviewers are independent of the procedures, client, and people being reviewed and external reviewers are recognized independent entities;
  - 12.1.5. Demonstrate that quality control results, corrective actions, and corrective action results and consequences are appropriately recorded;
  - 12.1.6. Verify that quality control conclusions are discussed with the people whose activities and results are being reviewed, and that deficiencies are corrected;
  - 12.1.7. Affirm that copies of quality control reports are kept on file for future reference in accordance with the records retention policy, but for not less than four years.