



State Affiliation Handbook

Last Update June 2013

NAMSS State Affiliation Handbook

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Introduction

Dear State Association Leader,

The National Association Medical Staff Services is a non-profit professional association whose mission is to enhance the professional development and recognition of individuals responsible for medical staff and credentialing services in the diverse healthcare industry.

NAMSS' vision is to advance a healthcare environment that maximizes the patient experience through the delivery of quality services. The NAMSS membership includes more than 4,500 medical staff and credentialing services professionals from medical group practices, hospitals, managed care organizations, and CVOs.

This *State Affiliation Handbook* published by NAMSS is *not* meant as a substitute for legal advice or as a means for NAMSS to exercise supervision or control over the State Associations. It is instead, intended to serve as a guide to define the relationship between NAMSS and the State Associations and as a tool to assist officers and leaders in managing their State Association operations.

We recognize collectively and would like to express appreciation for the effort of the Board of Directors, the State Affiliation Task Force, State Association Leadership and NAMSS staff who worked together to define the relationship between NAMSS and the State Associations, and to develop this resource guide.



Kate Conklin, BS, CPCS, CPMSM
2011 NAMSS President



Constance E. Riedel, BS, CPMSM, CPCS
2011 NAMSS President Elect
Chair, State Affiliation Task Force

About NAMSS

1. NAMSS' History

Charlotte Cochrane and Joan Covell Carpenter, two far-sighted medical staff secretaries, each had the vision to create a section of medical staff secretaries under the sponsorship of the Association of Western Hospitals. Working in different counties in California, the pair was connected by the Executive Director of the Association of Western Hospitals after each had separately contacted the organization regarding their vision.

An inaugural meeting was held in June 1971 and so was established a California-based medical staff secretaries organization (today known as CAMSS). The goals of the association were to standardize medical staff office support services, promote educational workshops, foster standards of excellence nationwide, and to bring medical staff secretaries together for professional and personal development, information exchange and career development.

In February 1973, the California Association of Medical Staff Secretaries (CAMSS) published the first edition of *OVERVIEW* with Pat Petrone serving as the first editor. A few years later, the association radiated from the western states and the first national conference was held at the American Hospital Association in Chicago, October 13-14, 1977. Thirty-one people attended this conference. The theme was "Helping the Medical Staff Get it All Together."

At this meeting, Mary Harryman and Arlene Ellis Camp were appointed co-chairmen of an Extension Committee to develop plans for a national organization. The committee met in Chicago in May 1978, and developed plans for the national organization and for the Second Annual National Conference held in Chicago on October 25-26, 1978. Two hundred sixty people attended the conference.

Arlene Ellis Camp from Pasadena, CA, was elected the first national president. Under her remarkable and energetic leadership, the organization prospered. Arlene developed the first bylaws, policies and procedures. Arlene, Betsy Kennedy (CAMSS President), and Charlotte Cochrane (CAMSS co-founder) met with Harlan Huebner, an attorney, in Los Angeles and presented the national bylaws. They developed Articles of incorporation and NAMSS officially was established as a nonprofit incorporated organization.

Arlene appointed the first committee to establish a certification program, which was chaired by Cindy Orsund-Gassiot (first president of the Texas Society for Medical Services Specialists and NAMSS 1980-1981 President). NAMSS administered the first exam in 1981 at the annual conference in San Francisco with testing sites also offered in New York, Atlanta, Chicago and Dallas. There were many "firsts" in those days, and Arlene inspired, motivated, coerced, influenced, swayed, lured, and wheedled the best out of her board members. Together, they set the course for the continued prosperity of this new national organization. Through the past 30 years, NAMSS has accomplished many goals from education and certification to special recognition from various health-related agencies.

In 1992, President George Bush signed Congressional House Joint Resolution #399 proclaiming the first week in November as *National Medical Staff Services Awareness Week* – a salute to our profession.

On June 11, 2008, the National Commission for Certifying Agencies (NCCA) granted accreditation to the CPMSM and CPCS Exams of NAMSS for demonstrating compliance with the *NCCA Standards for the Accreditation of Certification Programs*. NCCA is the accrediting body of the National Organization for Competency Assurance (NOCA). Today the certification programs have approximately 3,600 certificants. NAMSS has expanded into a very solid organization and today offers its 4,500+ membership tremendous educational opportunities including more than 35 online and live courses and various books and tools focusing on certification preparation, professional development and industry updates. NAMSS continues to invest in

education to meet the needs of all members from those new to the field to those who hold executive and leadership positions within their facilities.

NAMSS continues to attain additional recognition for our profession through our ever-increasing advocacy initiatives. Leaders in the healthcare field from organizations such as the Centers for Medicare and Medicaid Services, The Joint Commission, American Board of Medical Specialties, and the Federation of State Medical Boards have incorporated input from NAMSS on standards and policies, recognizing our unique and important role as the “gatekeepers to quality patient care.”

NAMSS is looking forward to the future and building upon the successes of the past 30 years as we seek to enhance the professional development and recognition of individuals responsible for medical staff and credentialing services in the diverse healthcare industry.

Compiled from articles written by Joan Covell Carpenter and Mary Ann Dunn and published in OVERVIEW in 1990.

NAMSS would like to thank the California Association Medical Staff Services for their efforts in establishing NAMSS.

2. NAMSS’ Mission and Vision

Our Mission: To enhance the professional development and recognition of the medical services profession through education and advocacy.

Our Vision: Ensure healthcare quality and patient safety.

3. NAMSS’ Goals

Education: We will provide Education that is practical, provides best practices and solutions, is competitively priced, is tangible and specific and shares ideas for different settings.

Partnerships: We will partner with other regulatory, professional and state organizations to influence decisions that will impact our profession.

Certification: We will advocate for recognition of NAMSS professional certification by regulatory bodies, accrediting organizations and employers to influence the importance of defining competencies of the Medical Services Professional (MSP).

Recognition: We will strive to be recognized as the experts in the modernization of medical staff/provider organizations.

State Affiliation

1. Statement of Affiliation

NAMSS and each State Association are similar organizations with many common interests and goals, but they are separate legal entities. Their common interests and goals do not create any legally-binding association, joint venture, partnership, or agency relationship of any kind between them.

Many, if not most, State Associations have determined to pursue a closer connection with NAMSS by becoming “Affiliates,” which fosters greater collaboration between the entities and also permits these State Associations to take advantage of the additional benefits noted below. However, even “Affiliate” status does not affect or change the underlying legal relationship described in the first paragraph.

Specifically, unless expressly agreed to in writing by both NAMSS and any particular State Association, neither entity is authorized to incur any liability, obligation, or expense on behalf of the other or to represent to any third party that the State Association is an agent of NAMSS or that NAMSS is an agent of the State Association.

Despite the fact that NAMSS neither supervises nor controls any State Association activities, it is nevertheless very pleased to provide resources and assistance to State Associations, and to collaborate on all mutual objectives of the organizations.

2. Requirements of State Association for NAMSS Affiliation

To become a NAMSS Affiliate, State Associations must meet the following requirements:

- The President and President-Elect must be current members of NAMSS,
- The State Association bylaws should include the following statement “The [State Association] supports the mission and activities of the National Association Medical Staff Services”,
- The State Association will provide to NAMSS, on an annual basis, its membership list. NAMSS shall use this list for its own information and purposes, but shall not sell or provide the mailing list to any other party,
- The State Association bylaws must be sent to NAMSS upon affiliation and each time revisions are made to ensure the State and National bylaws are not in conflict.

3. Benefits and Services for all State Associations

NAMSS will provide the following benefits and services to all State Associations regardless of affiliation:

- Access to NAMSS' materials for distribution at State Association meetings, including brochures and giveaways (as available).
- Access to a NAMSS liaison to the State Association to serve as a point of contact for the purpose of keeping State Leadership informed of NAMSS activities and to solicit input and feedback from State Leaders.
- NAMSS review of State Association bylaws to provide recommendations when needed; however, NAMSS will not have authority to approve or insist on bylaws changes.
- Access to a separate State Leadership-maintained website area on the NAMSS site until January 1, 2013 for unaffiliated State Associations; ongoing for affiliated State Associations.
- When available, option to participate in the NAMSS Cooperative Membership Program.
- Access to a State Leaders' discussion forum.

- Ability to apply for NAMSS continuing education credits for State Association meetings when the educational program meets approved requirements at the Non-Affiliate rate. Please see policy on “Application for Approval of Continuing Education Credits”.

4. Additional Benefits and Services for State Associations Affiliated with NAMSS

NAMSS will provide the following benefits and services to State Associations affiliated with NAMSS:

- Access to “State Resources” section of the NAMSS website.
- Ability to purchase discounted insurance through NAMSS. Coverages available include Directors & Officers Liability/Employment Practices Liability and General Liability.
- Access to an Annual Leadership Conference.
- Access to a separate State Leadership-maintained website area on the NAMSS site.
- Access to NAMSS’ database of state and local speakers, upon request.
- On an annual basis, access to the NAMSS’ member list within the geographic area represented by the State Association provided that the State Association provides its own membership list to NAMSS. The State Association shall use this list for its own information and purposes, but shall not sell or provide the mailing list to any other party.
- Discounts on NAMSS continuing education credits for State Association meetings when the educational program meets approved requirements. Please see policy on “Application for Approval of Continuing Education Credits”.

5. Confidentiality

NAMSS and the State Associations shall maintain the confidentiality of all shared information and data, i.e. mailing lists. NAMSS will not distribute information shared by the State Associations to any third party without the consent of the respective State Association. The State Associations will not distribute information shared by NAMSS to any third party without the consent of NAMSS. Any confidential information (mailing lists, etc) provided to NAMSS by the State Association will remain the property of that State Association. Any confidential information provided to the State Associations by NAMSS will remain the property of NAMSS.

6. Indemnification

As a condition of affiliation with NAMSS, State Associations shall indemnify and hold harmless NAMSS, its partners, officers, directors, employees, members, attorneys, and other agents, from and against any and all claims, lawsuits, demands, losses, damages, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind (a "Claim"), which may arise by reason of any act or omission by the State Association or any of its officers, directors, employees, members, attorneys, and other agents. The State Association shall promptly notify NAMSS upon receipt of any Claim (lawsuit).

State Association Administration

1. Managing Association Operations

NAMSS does not exercise supervision or control over the State Associations, but assists the State Associations by providing certain benefits and services designed to meet our mutual goals. The below items are recommended best practices for managing the operations of a non-profit organization. State Associations are encouraged, but not required to comply with these recommendations.

- A. Board Meetings –It is recommended that your State Association Board of Directors hold at least one official meeting each year, either in person or via conference call, as outlined in your Association’s bylaws and/or policies. Your State Association may choose to have the Board meet prior to each State Association annual or membership meeting. You may also decide to have the officers of the association and others, as delineated in the State Association’s Bylaws, serve as the Executive Committee and meet more often to implement the policies and recommendations of the Board.
- B. Director's Responsibilities - Directors perform essentially a fiduciary/policy making function for the State Association:
 - 1. Set the overall policy of the organization.
 - 2. Determine the goals through an approved long or short-range plan.
 - 3. Provide adequate funds to do the job through the annual budget.
 - 4. Establish the dues structure.
 - 5. Ensure the election of officers in accordance with the Bylaws.
 - 6. Fill all vacancies occurring on the Board in accordance with the Bylaws.
 - 7. Recommend changes in the Bylaws.
 - 8. Meet as required by the Bylaws, by call of the President, or on its own motion.
 - 9. Ensure that State Association is operating in conformity with its Bylaws and applicable laws.
 - 10. Oversee the financial and operational aspects of the association.
- C. Duties - As Individuals, each Director is expected to serve in the following capacity for their State Association:
 - 1. Have a duty of care and loyalty.
 - 2. Prepare for and attend all meetings of the Board of Directors.
 - 3. Consult frequently with the membership of the association in order that he or she may be truly representative in their legislative function or to explain Board actions.
 - 4. Counsel, advise and make suggestions.
 - 5. Serve on or chair committees when requested.
 - 6. Perform such duties, within his or her capabilities, as the President may request.
- D. Committees - Your association may have standing committees that are always operating and it may have ad hoc committees, created to address one issue or tackle one project. Typically, associations have committees to address issues of membership, programs, governmental affairs, technical issues, and more. See the sample Bylaws in the appendix for more information about committees.
- E. Code of Professional Conduct and Ethics Policy– It is recommended that your state association develop a policy with respect to matters of ethics that applies to all members. See the Appendix for the NAMSS’ Code of Professional Conduct Policy.

2. Financial and Legal Status of State Associations

Associations, as not-for-profit organizations, exist to serve the profession and its members, not for turning a profit as with commercial entities. A prudent Board of Directors will want to have a financial surplus to provide an additional fund and for future operations. It is important to note that, because an association may operate as a nonprofit or have a nonprofit status under applicable state law, does not mean it automatically has a federal tax exempt status.

We will focus on 501(c)(6) associations in this section and throughout the handbook as most professional societies fall under Section 501(c)(6) of the Internal Revenue Code, the provision for "business leagues." Organizations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals are eligible to file Form 1023 to obtain recognition of exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. As NAMSS and many of the State Associations operate as professional societies, existing to advance the profession and educate their members, most State Associations will fall under Section 501(c)(6).

- A. **Deductibility** - Associations are typically exempt from federal income taxation under Internal Revenue Code section 501(c)(6). Contributions made to such associations are not deductible as charitable contributions. Dues paid may be deductible as business expenses – the exception is the extent to which dues support political or lobbying activities. Nevertheless, 501(c)(6) associations are not prohibited from engaging in political activities and are not subject to limits on lobbying expenditures. You can ask the IRS to formally recognize the organization's tax exemption. For information on how to apply for recognition of tax exempt status, please see Section 4, "Tax Issues".
- B. **Disclosure** - Associations that are exempt as 501(c)(6) association, are required to conspicuously state that contributions (including dues) are not deductible as charitable contributions for U.S. federal income tax purposes.
- C. **Association Incorporation** - Corporate status offers numerous advantages for a State Association. In most cases, it provides a liability shelter against individual financial responsibility for corporate officers and directors of the State Association. If a State Association does not incorporate it is acting as an "unincorporated association" in legal parlance, in which all participants share potential liability. Meaning, should the association go into debt or be sued, the individuals involved in the organization would be personally liable. In order to obtain corporate status, the Board of Directors must file Articles of Incorporation with the Secretary of State (or comparable official) in the state where the association is located. Nonprofit organizations may also be subject to additional state or local government requirements. Local attorneys can guide you through the process. Many state corporation authorities also have information on incorporation requirements.

In order to help State Associations incorporate, the IRS has compiled a list of state government websites: <http://www.irs.gov/charities/article/0,,id=129028,00.html>

- D. **Registered Agent** - If you are incorporated, you must also designate a person in the State Association to serve as Registered Agent – to receive legal service of process and other legal papers on behalf of the State Association. The registered agent for may be an individual member of the association who resides in the state, or (more often) a third party, such as the organization's lawyer or a service company. NAMSS uses [Corporation Service Company](#) as its registered agent as they can serve as a registered agent in most states. For more information on designating a registered agent in your state, contact your Secretary of State.

3. Managing Association Funds

- A. Financial Statements and State Association Annual Reports - A key responsibility of an Association Treasurer is preparing and/or overseeing the preparation of financial statements for State Leadership. Reports should be prepared either monthly or quarterly. There are two basic financial statements that should be prepared.
1. Income Statement -this statement indicates the sources and amounts of revenue, the expenditures amounts and accounts, and the amount of any surplus or deficit for the period covered.
 2. Balance Sheet -the balance sheet shows the value of association assets, the amounts of liabilities, and the difference (net worth) as of the end of the period.

For simplification, we recommend that the fiscal year align with the calendar year (January 1 – December 31). Sample Financial Statements are included in the Appendix and on the State Resources pages on the NAMSS website.

- B. The Budget Process - The Board of Directors establishes policies to achieve the mission of the association and is responsible to obtain the necessary resources, oversee operations, and plan for the future. The board should create an annual plan that includes the association's short and long range goals. A budget is then developed to accomplish the goals. There are five steps to the budgeting' process:
1. Prepare the list of objectives for the upcoming year.
 2. Estimate the cost of each objective, or goal.
 3. Estimate the expected income of the association.
 4. Compare expected income to the cost of achieving the objectives.
 5. Prioritize and submit proposed budget to the board for approval.
- C. Handling Money - Over time, even a small association may receive, handle and expend large sums of money. As a result, each association should develop and follow a simple system of financial management that adheres to generally accepted accounting principles. A number of inexpensive software programs, such as Quicken or Quick books come with charts of accounts and can be used for this purpose. Income in the form of cash and checks should be recorded in a cash receipts journal. Payments made to creditors should be supported with vouchers or invoices and recorded in the check register. Miscellaneous transactions should be recorded in a general journal. Most associations will want to choose the cash method of accounting except for large bills that are incurred. Using the cash method of accounting, revenue and expenses are recognized when cash changes hands. Using the accrual method revenue is recognized when earned and expenses are recognized when incurred. The accrual method better matches revenue and expenses to the period where services were performed but does require additional entries and a deeper understanding of accounting principles.
- D. Internal Controls - A significant loss of assets through theft or fraud could jeopardize association programs. The State Association's board is expected to exercise reasonable diligence, care, and good judgment in safeguarding the association's assets. Sound internal controls should be established to allow for a system of policies and procedures that minimize the likelihood of misappropriation of funds. Sample policies and procedures can be found on the NAMSS website at <http://www.namss.org/AboutUs/NAMSSResources/tabid/125/Default.aspx>. A listing of recommended policies is included in the Appendix.

Every association should have a bank account. Depositing funds into an account belonging to an individual associated with the association constitutes poor financial management and places undue

financial responsibility on that person. Two signatures check policy is recommended for checks over a benchmark level. Be sure to change signature cards at the bank when new officers are elected. To open a bank account, an association needs its own Employer Identification Number (EIN). This nine-digit number assigned for IRS filing and reporting purposes, established a unique identity for an organization much like a social security number identifies and individual. A State Association can obtain an EIN within four or five weeks by mail; or immediately by telephone or online. There is no application fee. Apply for an EIN online: <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

An investment policy should be adopted and recorded in the minutes. Funds should be invested in a reasonable manner; avoid "risky" investment vehicles. It is a good a good idea to invest reserves only in instruments that are insured by the federal government. This avoids taking unnecessary risks with membership funds in your fiduciary capacity.

- E. In accordance with general accounting principles, association leadership may want to perform an annual audit to review the financial records. One option is to hire an audit firm; however, this can be expensive. Other less expensive options include:
- Seek a financial officer/accountant from a hospital or managed care organization or an association member with financial experience to perform the audit
 - Form an ad hoc audit committee of association members with financial experience to review the financials, or
 - Seek a local accounting firm, tax service or accountant that would do the audit pro bono

4. Tax Issues – IRS Filing

Do not assume that your State Association is exempt from paying US Federal income taxes because it operates as a non-profit organization.

Note: Copies of IRS forms are easily obtained by downloading them from the IRS website at www.irs.gov

- A. Applying for Tax Exempt Status (Form 1024) - Tax-exempt status is a privilege, not a right, conferred on an association that meets certain requirements of the Internal Revenue Code. To ensure federal tax-exempt status, associations must first be organized under section 501(c)(6) or 501(c)(3) of the Internal Revenue Code (IRC) Most professional societies fall under Section 501(c)(6) of the Internal Revenue Code, the provision for "business leagues." Although formal recognition by the IRS is not required, it is recommended. Organizations organized as charitable or educational organizations under Section 501(c)(3) of the Code must obtain recognition from the IRS. Organizing as a business association that may be exempt from federal income taxation under Internal Revenue Code section 501(c)(6) requires that the association be:
1. An association of persons having a common business interest;
 2. The purpose of the association must be to promote that interest;
 3. Activities must be directed towards the improvement of business conditions of one or more lines of business rather than to provide services;
 4. Cannot be engaged primarily in a regular business for profit; and
 5. No part of the earnings of the association may inure to the benefit of any individual.

IRS Form 1024, Application for Recognition of Exemption under Section 501(a), requests recognition of tax exemption and documents an association's organization and operation. The form requests information such as the association's purpose and activities, articles of incorporation, bylaws

(constitution), and details of financial activity. Although Form 1024 is not difficult to complete, an accountant or attorney specializing in services to tax-exempt organizations should review the document before it's filed with the IRS, to ensure it includes all the required information.

The filing fee for submitting the application for tax-exempt status ranges from \$150 to \$500 and the IRS takes about 8 to 12 weeks to respond. A favorable response comes in the form of an IRS Determination Letter, which indicates in writing the IRS approval of tax-exempt status. The association should provide a copy to NAMSS at info@namss.org and keep the original in a safe, secure place.

As mentioned earlier in this handbook, we do not cover the topic of 501(c)(3) requirements as many State Associations will fall under Section 501(c)(6). For more information on 501(c)(3) requirements please visit the [IRS Website](#).

- B. IRS Reporting (Form 990 and 990-EZ) – Previously to 2008, small non-profits were exempt from any IRS filing requirement if they had average revenue or assets below \$25,000. The IRS now requires all tax-exempt organizations to file an annual Form 990-N, (Electronic Notice [e-Postcard]).

The new law effects associations that were not previously required to file a 990 tax form at the end of the year, whether incorporated or unincorporated, and provides that failure to file the return for three consecutive years will result in the nonprofit's tax exempt status being revoked by the IRS. The IRS has developed an electronic filing system (there is no paper form) for the e-Postcard. For more information regarding this requirement go to <http://www.irs.gov>. The annual electronic notice is due by the 15th day of the 5th month after the close of the tax year. For example, if your tax period ends on December 31st, then the annual electronic notice filing is due the May 15th of the following year.

Associations with gross receipts of \$25,000 or more are required to file Form 990, (Return of Organization Exempt from Income Tax). This can be filed electronically.

- C. Unrelated Business Income Tax (UBIT) - Some associations sell certain items or advertising to members and to nonmembers and have other fund raising activities that are not directly related to the associations tax exempt purpose. That income may be considered "unrelated business income," and, as such, may be subject to federal income tax. Examples include payments from vendors to actively market their products or services (as opposed to royalties for simply endorsing the services), advertising revenues and fees received for managing other unrelated groups. Also sales of some items may be subject to state sales tax. State Associations must consult with legal and tax professionals to determine specific requirements in their area. IRS Form 990-T, "Exempt Organization Business Income Tax Return," must be filed by any such organization that has more than \$1,000 in gross income from unrelated trade or business activities.

5. Tax Issues - State and Local Filing

State Associations need to consult with tax professionals at the state and local levels to determine reporting requirements and tax liability. For example some states require that a copy of the organization's federal tax returns be filed with the state. For more information on requirements within your state, visit <http://www.irs.gov/charities/article/0,,id=129028,00.html>.

- A. State Sales Tax – The sale of some items may give rise to the obligation to collect sales tax on those items sold within your state. You may be required to secure a vendors license, which registers you to pay that tax. Check with your state tax department for more information.
- B. Personal Property Tax -Very few nonprofits are exempt from paying personal property taxes in states

that collect such a tax.

- C. Disclosure of Tax Returns - Be aware that you may be asked to produce copies of your last three years of Federal Income Tax returns to anyone upon request; however, you may charge a reasonable amount for copying.
- D. Payroll (Employees or Independent Contractors) – State Associations are subject to all the normal payroll taxes for employees, but some people who provide services to a State Association may not be considered employees (i.e. Speakers), particularly if that work does not constitute their chief source of income - or if they work under minimal direction from the association. These workers are considered independent contractors; and they pay their own employment taxes. Consequently, associations must obtain the name, address, and taxpayer identification number or social security number for every independent contractor hired so they can report compensation to the IRS. The easiest way to handle this is to ask the independent contract to complete a form W9 available for download at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.

6. Legal Matters

- A. Liability & Risk Management – State Association officers and directors may be personally liable for activities that occur within the scope of association activities. Having the proper insurance will provide some protection from liability in addition to the protections afforded by incorporating. In addition, the association should be diligent in safeguarding against the risk of loss or liability by properly managing the association's funds and activities and ensuring safe practices at its meetings.
- B. Minutes - The official set of Minutes are important legal documents, reflecting the official acts of the incorporation. Each State Association should be keeping a set of minutes especially of Board meetings, which should not be transcripts of the proceedings of the Board, but instead, they should operate as a summary of the motions made and "action" taken.
- C. Conflict of Interest and Disclosures - Directors owe a duty of loyalty to their association and may not use their positions to profit personally at the expense of the organization. Potential conflicts of interest should be disclosed. Potential conflicts include having a direct or indirect business relationship with the association, having a family member who has a direct or indirect business relationship with the organization, serving as an officer, director, trustee, key employee, partner, or member of an entity doing business with the association, or having a family or business relationship with at least another officer, director, or key employee of association. See the Appendix for the NAMSS Conflict of Interest and Disclosure form.

7. Insurance Protection

An incorporated association exists as a legal entity separate from the people who volunteer to serve as its officers and directors. As such, an incorporated association generally shelters association volunteers from personal financial liability.

Still, in today's litigious society, directors, officers, and other association volunteers may be liable for some association decisions and activities that go awry. To protect State Association assets and assure volunteers that their personal assets are also protected, it is essential to understand the scope of insurance available.

It is recommended that State Associations purchase a liability policy to cover directors, officers, and committee members. Coverage should include losses from claims made against the insured for Wrongful Acts,

Employment Practices, and Personal Injury.

NAMSS Affiliate Insurance Program Information

Affiliates can purchase discounted insurance through NAMSS' insurance broker. The following policies are available:

A. Directors & Officers Liability/Employment Practices Liability (D&O/EPL)

General Definition – D&O: Insures corporate directors and officers against claims, most often by members and employees, alleging financial loss arising from mismanagement and improper employment decisions. The policies contain two coverages: the first reimburses the insured organization when it is legally obligated (typically by corporate charter or state statute) to indemnify corporate directors and officers for their acts; the second provides direct coverage to directors and officers when the organization is not legally obligated to indemnify them. D&O forms are typically written on a claims-made basis, generally contain an explicit duty to defend the insureds, and typically exclude intentional/dishonest acts and bodily injury and property damage.

General Definition - EPL: A form of liability insurance covering wrongful acts arising from the employment process. The most frequent types of claims alleged under such policies include: wrongful termination, discrimination, and sexual harassment. The forms are written on a claims-made basis and generally exclude coverage for large-scale, companywide layoffs.

B. General Liability (GL)

General Definition: Coverage for an insured when negligent acts and/or omissions result in bodily injury and/or property damage on the premises of a business, when someone is injured as the result of using the product manufactured or distributed by a business, or when someone is injured in the general operation of a business. For Affiliate Groups/Associations, the most prevalent exposures are event-related.

State Affiliates Only: To apply for insurance coverage, request the insurance application from NAMSS at info@namss.org. For specific insurance questions, contact:

Marianne Alejandro

Mesirow Financial

P: 312-595-7162

F: 312-595-4339

E: malejandro@mesirowfinancial.com

8. Lobbying and Political Activity

In recent years, there has been a flurry of lobbying and political activities by tax-exempt organizations. The following are highlights of regulations regarding 501(c)(6) organizations. State Associations should carefully review any activities that may qualify as lobbying or as political in nature and obtain legal advice to ensure compliance with current regulations.

- A. Lobbying Allowances for 501(c)(6) Association - There is no restriction on the amount of lobbying activity that 501(c)(6) organizations may conduct. However, federal tax regulations limit the business expense deduction for dues used to support an organization's lobbying activities. In general, no deduction is allowed for any amounts paid in connection with:

- 1. Influencing legislation

2. Participation or intervention in a political campaign on behalf of a candidate
3. Attempts to influence the general public with respect to elections, legislative matters, or referendums
4. Direct communications with certain executive branch officials in an attempt to influence the official actions or positions of the official. Research, preparation, planning, coordination of any of the activities above is also included in the determination of non-deductible lobbying expenses.

Associations may either pay the corporate tax rate on expenditures for these activities or insert in dues invoices a notice that contains a reasonable estimate of the amount of their dues that can be allocated to the association's qualified lobbying expenses -in other words, the amount of their dues that their members may not deduct as a business expense. Consult your tax accountant or attorney on how to proceed with this requirement.

- B. Political Activities - Although recent Supreme Court decisions have expanded the scope of a corporation's right to engage in political activity, including general advocacy of political candidates, there are still prohibitions on corporations making direct contributions to such candidates unless made through a political action committee ("PAC"). Political activities are regulated by the Federal Election Commission, the IRS and the House and Senate. Your attorney should be consulted as to applicable restrictions and requirements.

9. Professional Association Management Services

Depending on the size of your association, you may want to consider professional association management services through an Association Management Company (AMC). AMCs are for-profit businesses that provide professional management and administrative services to associations. AMCs provide a centralized office that serves as an association's headquarters while allowing for overhead costs to be shared by multiple client associations. AMCs can provide an array of services including administrative and strategic staff support, accounting and financial services, meeting and conference management, marketing, communication and services, advocacy/legislative outreach, and program and education development services.

AMCs can range in size from very small companies serving as the headquarters for less than five associations to very large companies serving over three hundred associations. NAMSS is managed by SmithBucklin, a larger AMC that typically manages associations with budgets of over \$1 million.

If you are interested in an AMC, you can submit a Request for Proposal (RFP) through AMC Institute: http://member.amcinstitute.org/select/rfp_select.cfm. You can choose to submit an RFP for full service management, meaning that the AMC would serve as your headquarters, or project specific management, such as accounting services.

For more information on Association Management Companies visit <http://member.amcinstitute.org/aboutAMCs/index.cfm>.

10. Document Retention

It is recommended that an association adopt a records retention policy outlining the predetermined length of time that accounting, legal, corporate, insurance and other pertinent records be retained. This ensures continuity between officers and directors and compliance with the Form 990 referenced in section 4, letter b above. The purpose of a record or document retention policy is to allow an association to identify, retain, store, and dispose of the Association's records in an appropriate, legally sound, and orderly manner. For a sample Record Retention policy, please see the NAMSS Record Retention Policy located within our [Financial Policies](#).

APPENDIX

1. Process for Review of State Association Bylaws by NAMSS

NAMSS provides an optional bylaws review service to the State Associations. Review of State Bylaws is not required, nor must a State Association accept all recommended revisions. To submit your bylaws for review, please follow the below process:

1. The State President or State Bylaws Chair should electronically forward a copy of the new or amended bylaws for review to the NAMSS Executive Office AND a “cut and paste” of their bylaws into the Bylaws Review Grid in the “State Language” section. The Bylaws Review Grid is available in the [State Resources](#) section of the NAMSS website. When pasting bylaws into the review grid, please be sure to copy over the section numbering to allow for an easy comparison with the new or amended bylaws.
2. NAMSS Bylaws Committee will use the “compatible”, “not compatible” and “NAMSS Bylaws Committee Recommendations” columns when reviewing the Bylaws. The grid will be returned to the State President or State Bylaws Chair. The Bylaws Committee will either provide recommendations and/or ask for further clarification with their response. Please allow 30 - 60 days for a response to your bylaws.
3. When the grid is returned, you will have the opportunity to comment on NAMSS’ recommendations in the “State Response to Recommendations” column. Your state can either explain why your bylaws are written in such a way that you do not want to incorporate NAMSS’ recommendations, or can note that the recommendation has been incorporated into the bylaws and provide the updated language in the “State Language” column. Please show all changes to the state language by way of ~~red strikethrough~~ for deleted text or **blue font** for added text. Please also provide initials and a date next to each response in the “State Response to Recommendations” column.
4. The NAMSS Bylaws Committee will review the state’s response to our recommendations and ask for additional clarification if necessary.
5. Once finalized, the State President or Bylaws Chair shall forward a clean copy of the bylaws that incorporates the amendments to the NAMSS Executive Office. The NAMSS Bylaws Chair will place the following language on the last page of the State Association Bylaws:

The [State] Association Medical Staff Services Bylaws have been reviewed by the NAMSS Bylaws Committee and all recommendations were incorporated and/or addressed.

Bylaws Chair

Date

2. Sample Bylaws Template

ARTICLE 1 NAME

The name of the association shall be the _____ [fill in name of the state] Association Medical Staff Services, (herein referred to as the State Association) governed by these Bylaws.

ARTICLE 2 PURPOSE

The purpose shall be to provide a forum for educational activities at a local level. (*States may also include their mission statement*). The [State Association] supports the mission and activities of the National Association Medical Staff Services; and its members are encouraged to become members of the National Association Medical Staff Services (NAMSS).

ARTICLE 3 STRUCTURE

The State Association shall be nonprofit, nonunion, nonpartisan and nonsectarian and shall have the right to establish and control its activities through its elected Board. Organized local chapters shall petition the State Board of Directors for recognition. The purpose shall be to provide a forum for educational activities at a local level. Bylaws for Chapters of State Associations shall not be in conflict with the Bylaws of the State Association.

ARTICLE 4 MEMBERSHIP

Members are to adhere to the State Association code of ethics and refrain from conduct injurious to the association or its purposes. (In the absence of a State code of professional conduct policy, the NAMSS code of professional conduct policy may be followed). No individual shall be denied appointment on the basis of sex, race, creed, religion, disability or national origin. The Board of Directors shall, at its discretion, create membership categories in addition to those set forth below.

4.1 Active

Active members shall consist of individuals actively involved in credentialing, privileging, practitioner or provider organizations and/or regulatory compliance in the healthcare industry. Active members shall pay dues. They shall be eligible to vote and hold office as defined within these bylaws.

4.2 Affiliate/Associate [optional: state association to decide which term is preferred]

[Affiliate or Associate as determined by State Association] members shall consist of former active members who no longer meet the criteria for active membership, who support State Association, or are full time students enrolled in a health related field. Affiliate members pay dues but are not eligible to vote or hold office; however, they may serve in an advisory position.

4.3 Honorary Members

Honorary members shall consist of members deemed deserving of membership by virtue of their outstanding reputation, noteworthy contributions to [State Association], or their previous long-standing service to [State Association], and who continue to exemplify high standards of professional and ethical conduct.

Honorary membership is determined and approved by the Board of Directors. Honorary members do not pay dues and are not eligible to vote or hold office or chair a committee; however, they may serve in an advisory position to a committee.

4.4 Termination of Membership

The Board of Directors may, by affirmative vote of ___ [fill in percentage] voting members of the Board, expel a member for conduct injurious to the State Association or its purposes. Any member who has been recommended for such action shall be entitled to reasonable advance notice of the basis for same and the

opportunity to submit a response to the Board prior to the Board's action on the matter, all in accordance with procedures adopted by the Board.

4.5 Reinstatement

Upon written request of a former member whose membership was terminated pursuant to Article 5, Section 5.3, the Board of Directors may, by affirmative vote of ___ [fill in number] voting members of the Board, reinstate such former member to membership upon such terms as the Directors deem appropriate.

4.6 Transfer of Membership

Membership in [State Association] is not transferable or assignable.

ARTICLE 5 MEMBERSHIP MEETINGS

Meetings of the membership shall be held at least annually at such time, date and place as determined by the Board of Directors. Notice of the meeting shall be provided to the membership not less than thirty (30) days prior to the meeting. ___ [fill in number] members shall constitute a quorum.

ARTICLE 6 DUES

Annual dues for membership are due and payable at an amount set by the Board of Directors and in accordance with the Dues Policy, and shall not be higher than NAMSS dues. (*The dues policy can be outlined in the Policy Manual.*)

ARTICLE 7 LOCAL CHAPTERS

7.1 A local chapter may not limit the size of its active membership.

7.2 A local chapter must agree to abide by the Bylaws of the State Organization.

7.3 Local chapters shall provide their minutes to the State Chapter for recordkeeping once they have been approved by their local membership [or mechanism as determined by the State Association, i.e. annual, monthly or quarterly reports either verbal or written].

ARTICLE 8 OFFICERS

8.1 Definitions

The Officers shall include the President, President-Elect, Immediate Past President, and Secretary/Treasurer. The duties of each Officer are outlined in the Policies and Procedures of the State Association.

8.2 Eligibility

Any Active member is eligible to serve as an Officer in the State Association. It is recommended that Officers be CPMSM and/or CPCS certified. The President and President Elect must be current members of the National Association Medical Staff Services (NAMSS).

8.3 Election

All officers, except for the Immediate Past President and the President shall be elected annually by the voting membership in accordance with State Association policy on nominations and election. The President and President-Elect, upon completion of their one year terms, shall automatically succeed to the offices of Immediate Past President and President respectively.

ARTICLE 9 BOARD OF DIRECTORS

9.1 General Powers and Duties

The State Association shall be governed by its Board of Directors in accordance with these bylaws.

9.2 Composition

The officers shall serve as the Board of Directors with vote. Appointed advisors shall serve in an ex-officio capacity without vote. A majority of the Board of Directors must be elected by the state membership. [Depending on the size of the state, At-Large Directors may also be included. If at-large directors are included, states must describe the eligibility requirements, election procedures and terms of office for these positions. Directors'/Officers' job descriptions may be included in the Policy and Procedure Manual]

9.3 Term of Office

A Director/Officer shall not hold more than one position at a time. The President shall serve a ____ [fill in number] year term [note whether eligible for reappointment for one additional consecutive term], with the President-Elect automatically succeeding to the office of President. The Secretary/Treasurer shall serve for a ____ [fill in number] year term and may be re-elected to a second consecutive term.

9.4 Removal

Any Director/Officer may be removed by an affirmative vote of ____ [fill in percentage] voting members of the Board whenever in the Board's judgment the best interests of the State Association will be served by such removal. Any Director/Officer who has been recommended for removal shall be entitled to reasonable advance notice of the basis for same and the opportunity to submit a response to the Board prior to the Board's action on the matter, all in accordance with procedures adopted by the Board.

9.5 Vacancies

Vacancies on the Board of Directors shall be filled by appointment of the Board upon recommendation of the President.

9.6 Meetings

The Board shall establish a schedule of regular Board meetings for the fiscal year. Special meetings of the Board may be called by a majority of the Directors or by the President.

ARTICLE 10 PARLIAMENTARY AUTHORITY

Parliamentary authority shall be Robert's Rules of Order Newly Revised Edition.

ARTICLE 11 DISSOLUTION

Upon dissolution of the State Association, the assets shall be distributed as follows: All liabilities and obligations of the organization will be paid, satisfied, and discharged. All remaining funds will be used to promote the medical services profession, such as donations to other states or the National Association, who regularly promote educational conferences, or donations to state scholarship funds.

ARTICLE 12 AMENDMENTS

All proposed amendments of these bylaws shall be first referred to the Board of Directors. The Board of Directors shall report on them either favorably or unfavorably at the next regular meeting, or a conference call or a special meeting called for such purpose. Amendments approved by the Board shall be disseminated to the voting members for vote. The Bylaws may be amended by a two-thirds vote of the members attending a meeting at which the proposed changes have been noticed or, if the Directors specify, by two-thirds of the mail ballots returned within the time specified by the Board of Directors. These Bylaws may not be unilaterally amended by either the members or by the Board of Directors. The Bylaws will be reviewed and approved in accordance with the NAMSS Bylaws Committee policy.

The Board of Directors shall have the power to adopt such amendments to the Bylaws as are in the Board's judgment technical or legal modifications, clarifications or renumbering, or amendments made necessary

because of punctuation, spelling or other errors of grammar or expression. Such amendments shall be effective immediately.

ARTICLE 13 POLICIES AND PROCEDURES

Policies and procedures and other documents, as may be necessary to implement more specifically the general principles of conduct found in these bylaws, shall be adopted in accordance with this Article. Policies and Procedures shall set standards of practice that are to be required for the State Association.

Policies and Procedures may be adopted, amended, repealed or added by vote of the Board of Directors at any regular or special meeting, or by conference call, provided that copies of the proposed amendments, additions or repeals are provided to the Board prior to being voted upon. Adoption of and changes to the Policies and Procedures shall become effective only when approved by the Board. The Policies and Procedures shall be reviewed periodically by the Board, in accordance with the Bylaws Policy.

3. NAMSS Code of Professional Conduct

POLICY STATEMENT:

This Policy establishes a Code of Professional Conduct (the "Code") for NAMSS members and a standard procedure for evaluating complaints lodged by the public, leadership and members regarding possible violations of the Code. Corrective action may be implemented when it is determined that a member has demonstrated conduct that violates the Code. Such conduct may include, but is not limited to, unethical behavior, falsification of information, impairment affecting performance, and other matters as set forth below.

Complaints, questions or concerns should be directed to the NAMSS Executive Office. All inquiries and complaints will be given careful consideration by the NAMSS Ethics Committee. Complaints against individuals who hold current NAMSS certification(s) or individuals who have made application to sit for the exam(s) shall also be forwarded to the Certification Commission of NAMSS (CCN) Ethics Committee for review.

PURPOSE:

The NAMSS Code of Professional Conduct shall apply to all persons holding membership in NAMSS, including the leadership/officers. The Code sets forth principles that connect the values and ideals of the profession to the work performed by Medical Services Professionals. The Code of Professional Conduct shall serve as the standard by which the NAMSS Ethics Committee will evaluate professional conduct and shall serve as the standards of minimally acceptable professional conduct for all members of NAMSS.

Members are responsible to observe and enhance ethical standards to maintain the respect and credibility of the profession.

CODE OF PROFESSIONAL CONDUCT:

1. The member conducts him/herself in a professional manner at all times and provides appropriate quality credentialing support when requested by a peer or superior.
2. The member provides for patient safety and service unrestricted by the concerns of personal attributes and without discrimination on the basis of gender, sexual orientation, race, creed, religion, national origin or socioeconomic status.
3. The member uses technology consistent with the purposes for which it was designed, and employs procedures and techniques appropriately for credentialing best practices
4. The member assesses situations; exercises care, discretion and judgment; assumes responsibility for professional decisions; and acts in the best interest of patients, his or her employers/healthcare providers and the public.
5. The member demonstrates expertise by protecting the safety of patients and other members of the health care team through credentialing processes that meet industry standards and understanding of regulatory requirements.
6. The member practices ethical conduct appropriate to the profession and protects the patient's right for quality healthcare.
7. The member respects and preserves confidences entrusted in the course of professional practice and reveals confidential information only as needed and in accordance with any applicable law.

8. The member continually strives to improve his/her knowledge, skills and productivity by participating in continuing education and professional development activities, and sharing his/her knowledge with colleagues.

Because the public, the healthcare providers and employers rely on the medical services professional, it is essential that the member act consistently with the Code of Professional Conduct. This Code is intended to promote the protection, safety and comfort of patients. The following conduct or activities violate the Code of Professional Conduct and, subject to the facts and circumstances, may result in sanctions as described under Administrative Procedures:

1. Employing fraud or deceit in our work or using authority for personal gain.
2. Any conviction of a felony or gross misdemeanor involving fraud, crime against a person or negligent credentialing. Conviction of a felony entails an automatic relinquishment of membership.
3. Engaging in unprofessional conduct.
4. Termination from any employment for conduct that is contrary to the ethical principles appropriate to the medical services profession.
5. Inability to practice the medical services profession with reasonable skill and safety by use of alcohol, drugs, chemicals, or any other material.
6. Adjudication by a court of competent jurisdiction, as mentally incompetent, or a person dangerous to the public.
7. Engaging in any unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, an employer and/or healthcare workers; or demonstrating a willful or careless disregard for the medical services profession duties.
8. Knowingly making a false statement or knowingly providing false information to NAMSS in any application or proceeding.
9. Making false, fraudulent, deceptive, or misleading communications to any person regarding the member's education, training, credentials, experience or qualifications, or the status of the individual's certification.
10. Inappropriately using NAMSS copyright materials.

ROLE OF THE ETHICS COMMITTEE:

The primary role of the Ethics Committee is to assist the NAMSS Board in maintaining the ethical standards of the association through education on, consultation about, and evaluation of the professional conduct of its members.

Education: NAMSS members will be required to attest annually, at time of initial or renewal of membership, to their commitment to the NAMSS Code of Professional Conduct.

NAMSS will educate members on the NAMSS Code of Professional Conduct through the following activities among others:

1. Webinar - to be offered by the Executive Office
2. Print Article in Current NAMSS Publication - annually
3. Live Presentation at the Annual NAMSS Educational Conference

Consultation: The Committee will serve in an advisory role on the principles of ethics, but not on individual ethical concerns and situations, to the NAMSS Board of Directors, state associations, NAMSS committees, and if requested by NAMSS, the public, members and employers.

Evaluation of Professional Conduct of Members: The committee will evaluate the professional conduct of NAMSS members following the administrative procedures outlined below.

ADMINISTRATIVE PROCEDURES FOR EVALUATION OF PROFESSIONAL CONDUCT:

Complaints received by the NAMSS Executive Office will be forwarded to the NAMSS Ethics Committee for review. All complaints initially should be sent to the NAMSS Executive Office. Complaints against individuals who hold current NAMSS certification(s) or individuals who have made application to sit for the exam(s) shall also be forwarded to the CCN Ethics Committee for review.

1. NAMSS Ethics Committee (NEC)

1.1. NAMSS Ethics Committee (NEC) Composition

- 1.1.1 The NEC shall be comprised of eight members including a Chair, a Vice Chair, a public member with ethics background preferable, a member of the CCN Ethics Committee and four members of NAMSS who are not on the NAMSS Board of Directors.
- 1.1.2 The members of the NEC will be appointed by the President in consultation with the current Chair of the NEC and with the approval of the NAMSS Board. The NAMSS Board remains responsible for the management of the promulgation, interpretation and enforcement of the Code of Professional Conduct
- 1.1.3 The Chair and Vice Chair of the NEC shall be current members of the NAMSS Board who are not already serving as officers. The Chair and Vice Chair of the NEC shall be appointed by the President with consultation from the Board of Directors. The Chair and Vice Chair will each serve one-year terms and can be re-appointed for up to two additional one-year terms, not to exceed a total of three (3) consecutive one-year terms. It is recommended but not required that the Vice Chair succeed to the Chair position. The NAMSS Ethics Chair presides at and participates in meetings of the NEC and is responsible directly and exclusively to the NAMSS Board to fulfill the responsibilities of the Code of Professional Conduct. The Chair of the NEC shall only vote on matters in the case of a tie.
- 1.1.4 The terms of service of the four NEC members appointed from the NAMSS non-Board members will be one three-year term. Terms may be adjusted to provide for staggering of NEC membership terms. Committee members are eligible to serve as Chair or Vice Chair following their three-year term provided that they are a member of the NAMSS Board of Directors at the time they assume the role of Chair or Vice Chair.
- 1.1.5 If the involved individual is a member of the NEC, the individual will be recused from NEC activities until a final decision is rendered. Also, if any officer or member of the NAMSS Board is the individual in question, this individual will be recused from NAMSS activities until a final decision is rendered.

- 1.2 Removal from NAMSS Ethics Committee (NEC) - Any committee member, including the Chair and Vice Chair, may be removed by an affirmative vote of eight (8) voting members of the Board of Directors whenever in the Board's judgment the best interests of the NEC will be served by such removal.

2. Preliminary Screening of Potential Violation of the Code of Professional Conduct

- 2.1 The Chair of the NAMSS Ethics Committee shall review each complaint of alleged violation of the Code of Professional Conduct that is brought to the attention of the NEC. If there is (1) insufficient information upon which to base a charge of a violation of the Rules of Conduct, or (2) the allegations against the member are patently frivolous or inconsequential, or (3) the allegation, if true, would not constitute a violation of the Rules of Conduct, the Chair may summarily dismiss the matter, with concurrence of the President of NAMSS. Staff and/or legal counsel may be called on to assist in this decision and the investigation of complaints. Legal counsel will be consulted in all

matters that do not result in summary dismissals. The NEC chair shall report each such summary dismissal to the NAMSS Ethics Committee as well as the CCN Ethics Committee if the individual involved holds current NAMSS certification(s) or has made application to sit for the exam(s). Such matters shall also be routinely reported to the NAMSS Board at their scheduled meetings; however details of summary dismissals that may identify the member in question shall remain confidential.

2.2 The individual subject to a complaint should have the opportunity to review the membership of the NEC to make sure there is not a conflict of interest.

3. Investigations

3.1 Upon the concurrence of the NEC that there is sufficient information to warrant an investigation, the member will be notified by certified mail of the alleged violation(s) of the Code of Professional Conduct that is being investigated.

3.2 In the event that the member in question is not reachable as a result of an incorrect address, custody of the court or return of unclaimed certified notification, the NEC reserves the right to continue with the investigation.

3.3 The NEC investigation process may include but not limited to: 1) Interview with member in question; 2) Interview with other parties involved who may or may not be members of NAMSS for the purposes of obtaining information deemed applicable to the specific violation.

3.4 At the conclusion of the investigation process, the member in question will be notified by certified mail of the decision of the NEC. In the event that the member in question is not reachable as a result of an incorrect address, custody of the court, or return of unclaimed certified notification, the member waives all rights to the Hearings and Appeals Process.

4. Alternative Dispositions - At the NEC Chair's direction and upon request, there may be other assigned parties associated with the NAMSS Board and the NAMSS Executive Staff who shall have the authority to investigate allegations and to make recommendations to the NEC regarding the possible settlement of an alleged violation of the Rules of Conduct. Staff and/or legal counsel may assist the assigned individuals.

5. Possible Action taken by the NEC - Actions taken may include but are not limited to:

- Letter of Concern
- Letter of Admonition
- Refer the Issue to the CCN Ethics Committee
- Recommend action to CCN Ethics Committee
- Suspension of NAMSS Committee Assignment
- Termination of NAMSS Committee Assignment
- Suspension of NAMSS Membership
- Termination of NAMSS Membership (refer to Bylaws for reinstatement process)

6. Hearings

6.1 Whenever the NEC proposes to take action, it shall give written notice thereof to such person, specifying the nature of the complaint, and information available and the range of actions that are available to the NEC. The member to whom such notice is given shall have 30 days from the date the notice of such proposed action is mailed to make a written request for a hearing and/or to submit written comments on the matter. Telephone hearings may be held.

6.2 Failure to make a written request for a hearing and/or submit written comments on the matter within the identified period of time shall waive all rights to such a hearing. A member who requests a hearing in the manner prescribed above shall advise the NEC of his or her intention to appear/speak at the hearing.

- 6.3 Failure to appear at the hearing or to supply a written submission in response to the complaint shall be deemed a default of the merits and shall be deemed consent to whatever action or disciplinary measures the NEC determines to take. Hearings shall be held at such date, time, and place as shall be designated by the NEC. The member shall be given at least 30 day's notice of the date, time, and place of the hearing. The member in question has the right to have an attorney present, at their own expense. Both parties shall disclose of their intentions to have an attorney present. Additionally, NAMSS will not reimburse the member in question for travel expenses related to attending the hearing.
- 6.4 The hearing is conducted by the NEC. Any member of the NEC whose professional activities are conducted at a location in the approximate area of the member subject to the hearing or who knows the individual personally must recuse himself or herself.
- 6.5 At the hearing the NEC shall present the complaint against the member in question, all relevant information that has been collected pursuant to the complaints and such other information it deems pertinent. The member in question shall have the right to present witness statements, present testimony and be heard in his or her own defense; to hear the testimony of and cross-examine any witnesses appearing at such hearing; and to present such other evidence or testimony as the NEC shall deem appropriate to do substantial justice. In the event that the member in question had chosen to supply a written submission in response to the complaint due to the inability to attend the hearing in person, the NEC shall instead review the written submission. Any information may be considered which the NEC deems relevant or potentially relevant. The NEC shall not be bound by any legal rules of evidence.
- 6.6 In a case where the NEC proposes to take action, the NEC shall assess the evidence presented at the hearing and make its decision accordingly, and shall prepare its decision as to whether grounds exist for action, and shall transmit the same to the NAMSS Board as well as the CCN Ethics Committee if the individual involved holds current NAMSS certification(s) or has made application to set for the exam(s). The member in question will be notified of the NEC's findings and decision within 15 business days of any hearing.
- 6.7 Unless a timely appeal from any decision by the NEC is taken to the NAMSS Board in accordance with paragraph 3 below, the NEC decision in any matter shall be final and binding upon the member in question.
- 6.8 If no hearing is requested, the NEC may consider the matter under such procedures as it deems appropriate.

7. Appeals

- 7.1 Except as otherwise noted in these Administrative Procedures, the member may appeal any decision of the NEC to the NAMSS Board by submitting a written request for an appeal within 30 days after the decision of the NEC is mailed.
- 7.2 In the event of an appeal, those NAMSS Board members who participated in the hearing at the NEC shall not participate in the appeal. The Chair or Vice Chair of the Ethics Committee shall present the case to the Board but shall not participate in the vote. The person in question has the right to attend the appeal with lawyer representation at their own expense. Both parties shall disclose of their intentions to have an attorney present. The remaining members of the NAMSS Board shall consider the decision of the NEC, the applicable files and records to the case at issue and any written appellate submission of the member in question, and shall determine whether to affirm or to overrule the decision of the NAMSS Ethics Committee or to remand the matter to the NEC for further consideration. In making such determination to affirm or to overrule, findings of fact made by the NEC shall be conclusive if supported by any evidence. The NAMSS Board may grant another

hearing, hear additional evidence, or request that the member in question provide additional information, in such manner, on such issues, and with such time as it may prescribe.

7.3 All hearings and appeals provided for herein shall be private and confidential at all stages. It shall be considered an act of professional misconduct for any NEC member to make an unauthorized disclosure, except to his or her attorney or other representative.

7.4 The decision of the NAMSS Board shall be final and binding upon the member in question.

8. Disclosure of Adverse Decisions

8.1 Final decisions that are adverse actions to the member will be communicated within five (5) business days of the decision to the:

- NAMSS Board of Directors
- Appropriate State Association Leadership
- CCN Ethics Committee if the individual involved holds current NAMSS certification(s) or has made application to sit for the exam(s).

8.2 Adverse action is defined as suspension or termination of NAMSS membership or Committee assignment. For purposes of this paragraph, a “final decision” means and includes an appealable decision of the NEC from which no timely appeal is taken; and in a case involving an appeal, the decision of the Board.

4. Recommended Reports

It is recommended that every State Association have on file the following information:

Database informational Checklist:

1. The State Association founding/charter date
2. EIN – Employer Identification Number
3. IRS Exempt Letter indicating that the association *is* exempt
4. Date of association incorporation, if applicable
5. List of bank accounts, checking and savings information
6. Number of state association members
7. Annual dues and invoice dates
8. Copy of year-end financial statement
9. Location of association library, if applicable
10. Election dates and list of current officers and directors, with term dates

Annual Report Checklist:

1. Completed Financial Statement Form
2. List of Officers and Directors for the year covered by the report
3. Current membership list (paid in full members for the past year)
4. A copy of the minutes of the regular meetings of the directors and members
5. Schedule of events for the next year
6. Location of Association Library and contact person name and number

5. Recommended State Association Policies

(Examples found online at <http://www.namss.org/AboutUs/NAMSSResources/tabid/125/Default.aspx>)

Administrative Policies

1. Board of Directors Meeting Agendas – Preparation and Distribution
2. Board Meetings
3. Parliamentary Authority
4. Removal of Officers/Directors
5. Vacancies in Officer and Board Positions

Conference

1. Conference Continuing Education Units
2. Conference Committee Composition
3. Conference Courtesies and Fees
4. Conference Registration Policy

Financial

1. Expense Reimbursement
2. Record Retention Schedule
3. Indemnification of Officers, Board Members and Representatives
4. Whistleblower Protection Policy

Governance

1. Amending Bylaw
2. Nomination and Election of Officers and Board Members
3. Selecting Volunteers

6. Sample Financial Statement Form

_____ STATE ASSOCIATION

FINANCIAL STATEMENT FORM

Revenue and Expense Statement

As of December 31, 20____

Income:

Membership Dues \$ _____

Other Income (List by Source)

Total Income for the Year \$ _____

Expenses:

Meeting Room Rental \$ _____

Dietary Expense _____

Printing & Stationary _____

Postage & Mailing _____

Program Expenses _____

Travel Expenses _____

Annual Incorporation Fees _____

Other Expenses _____

Total Expenses for the Year: \$ _____

Revenue Over Expenses \$ _____

Balance on Hand

1. Checkbook Amount \$ _____

Bank _____

Account # _____

2. Savings Amount \$ _____

Bank _____

Account # _____

3. CD/Other Amount _____ \$ _____

Bank _____

Account # _____

Total Balances on Hand: \$ _____

Debts Owed by State Association

1. Amount of Indebtedness \$ _____

Owed to _____

2. Amount of Indebtedness \$ _____

Owed to _____

Total Association Indebtedness \$ _____

Date: _____

Treasurer's Signature: _____

7. Helpful Links

Association Management:

- Sample Policies: <http://www.namss.org/AboutUs/NAMSSResources/tabid/125/Default.aspx>
- Professional Association Management: <http://member.amcinstitute.org/aboutAMCs/index.cfm>
- Sample Bylaws: <http://www.namss.org/StateAssociations/StateResources/tabid/87/Default.aspx> (Membership/Bylaws Tab)
- Conference Resources:
<http://www.namss.org/StateAssociations/StateResources/tabid/87/Default.aspx> (Conference Tab)
- State Education Offerings:
<http://www.namss.org/StateAssociations/StateResources/tabid/87/Default.aspx> (Education Tab)
- Marketing Toolkit:
<http://www.namss.org/StateAssociations/StateResources/tabid/87/Default.aspx> (Marketing & PR Toolkits Tab)

Tax Reporting/Filing:

- Request an EIN: <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>
- Federal Tax Filing: <http://www.irs.gov>
- State Government websites: <http://www.irs.gov/charities/article/0,,id=129028,00.html>
- Independent Contractor Tax Reporting/Form W9: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>
- Tax Exempt Organization Regulations and Tax Code:
<http://www.irs.gov/charities/content/0,,id=125361,00.html>

8. Sample COI and Disclosure Form

NATIONAL ASSOCIATION MEDICAL STAFF SERVICES CONFLICT OF INTEREST STATEMENT AND DISCLOSURE FORM

The Officers, Board of Directors, Council and Committee Members, and Faculty (all volunteer leaders) of NAMSS serve in a fiduciary capacity and owe a duty of care and undivided loyalty to NAMSS. These volunteers must conduct themselves with integrity and honesty and act in the best interests of the Association.

Volunteer leaders may not use their relation to NAMSS for their own personal gain. They must avoid conflicts of interest between their duties to NAMSS and their duties to other organizations, including NAMSS State and Local Chapters, other related groups or their own business or personal interests. Members of the Board of Directors will not be eligible for compensation for any services rendered to or on behalf of NAMSS during their term of office. This includes but is not limited to honoraria for speaking engagements. However, reasonable reimbursement for travel and NAMSS business related expenses is acceptable but subject to approval by the Executive Office.

Full disclosure by a volunteer leader of any actual or potential conflict is required by the standard of good faith. A conflict of interest exists when a volunteer leader participates in the deliberation and resolution of an issue important to NAMSS, while, at the same time, the volunteer leader has other professional, business, personal or volunteer responsibilities outside of NAMSS that could predispose or bias the volunteer leader to a particular view, goal or outcome not in the best interest of NAMSS.

Potential conflicts of interest are not in themselves problematic unless they are not disclosed. Disclosure gives the Board or responsible NAMSS officials the opportunity to evaluate the potential conflict and take steps, if needed, to avoid any appearance of impropriety. This protects both NAMSS and the individual. Volunteer leaders should err on the side of disclosure if there is any question regarding conflicts of interest.

In order to avoid any actual or potential conflict of interest problems, each NAMSS volunteer leader shall, prior to taking office or accepting appointment, agree to abide by the following conflict of interest policy:

When any actual or potential conflict of interest exists with respect to any subject requiring action by the Board of Directors, Councils, Committees, Faculty or other NAMSS entity, the volunteer leader having an actual or potential conflict shall immediately notify the President and/or Past President or appropriate Chair of such conflict, in writing if time and circumstances permit. The NAMSS official(s) shall determine whether the volunteer leader should abstain from voting and discussion of the matter, should excuse themselves from the meeting during the discussion of the relevant topic or can continue to participate in the normal course. In addition, the volunteer leader shall not use his/her personal influence on other voting members through public or private communication on any matter on which NAMSS officials have determined that there is an actual or appearance of conflict. In those cases where the quorum of the meeting called for the purpose of voting on the subject has not been established, the volunteer leader shall not be counted.

The minutes of the meeting shall reflect that a disclosure was made; the steps, if any, that were taken to limit participation of the volunteer leader; and in those cases where the quorum was not already established, that the volunteer leader was not counted in determining the quorum.

Conflict of interest disclosure forms shall be completed by all volunteer leaders at least once a year, generally when the new board is installed. Nominating Committee, Officers, and Chairs will send conflict of interest

policy/disclosure forms to candidates for nomination/appointment so that the policy and potential conflicts can be examined early in the process to avoid embarrassment or confusion.

Members of the Board of Directors, Councils/Boards, Faculty or other NAMSS elected/appointed committee members will not identify themselves in their NAMSS capacity when responding to messages on non-NAMSS websites. All exceptions must be pre-approved by the NAMSS President.

Initial: _____ **Date:** _____

Please select the appropriate statement:

There are no circumstances of which I am aware that create an actual or potential conflict of interest.

I have the following relationships with a company or organization relevant to the medical staff profession which may create an actual or potential conflict of interest:

Name: _____ **Signature:** _____

Volunteer leader position: _____ **Date:** _____

6. Sample Electronic Newsletter