

Tips & Tidbits

- Our desktop publishing area added a new legal size color scanner. The new scanner is producing improved color scans, which results in better printed quality products.
- Suzanne Berry was appointed to the Sovereign Bank Community Advisory Board. Business leaders from around the state were selected to advise the bank on its community lending and services programs.
- Steve Rugens, AR's Director of Meeting Services, has accepted an invitation from the San Diego Citywide Convention Center to join their board. The purpose of the board is to develop customer-focused operating and marketing strategies and procedures. This professional opportunity is a credit to Steve's hard work and dedication as he was one of only ten people nationwide asked to serve on this board.

Association Resources Builds New Technological Infrastructure

Across the board: new network, new computers, new software – it doesn't get much better than this!

We know that among association management firms, Association Resources (AR) is at the top when it comes to innovation and technology. We are one of only a few with a software program to track and report on staff time for all projects. We were one of the first firms to offer graphic design and desktop publishing services and were among the first again to offer web development and maintenance. Priding ourselves in keeping pace with technology, AR also instituted fax broadcast and fax on demand systems back when that was new technology. Then we quickly installed personalized e-mail broadcast capabilities as soon as that technology became available. We have:

- Sophisticated association management database system;
- Integrated database and financial software;
- Electronic credit card processing;
- United States Post Office CASS certified mailing capabilities;
- Online shipping ... the list goes on.

As technology became available for services our clients needed,



AR's expanded server rack.

we incorporated it into our mix. But, because so many additional capabilities were added over many years, we've come to the point where it is time to assess our present service and develop an enterprise strategy that more thoroughly integrates our back end software with web technology. AR is building a new infrastructure with the goal of providing our associations improved access to information they need to make better business decisions.

"Our vision is to build a centralized data warehouse in a secure environment that will feed information across all our business applications," states Joe Wall, Senior Vice President at AR. "By utilizing this information, we are better equipped to

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In the Limelight

Association Administrators — Our Unsung Heroes

Every association needs administrative support. At ARResources, much of the administrative support is provided by our association administrators (AAs). Each client organization has an association administrator. But because each group has unique needs and their program of work is different, our association administrators perform a wide variety of tasks and fill different roles.

Cindy Caron has been with AR since May 2001. She works with three clients. When it comes to teamwork, Cindy is one of our top players. She is organized and great on follow up. “All tasks should be completed accurately and quickly,” says Cindy. “When circumstances prevent me from following up quickly, I make it a point to contact the person or people who are counting on me for results or information.”

Betty Ann Foy was hired in 1998 to work with an incoming client. The mix was a good one and Betty Ann continues to support that organization as their administrative director. She also provides administrative support for our CME specialist. Betty Ann is an administrator who rolls up her sleeves and works hard for her groups. She sees herself as the person responsible for keeping the channels of communication open. “Members, meetings, and money are key,” according to

Betty Ann. “AAs are the chief communicator for all three and the glue that holds everything together.”

Roberta “Bobbie” Graft started in 1998 and several months later had learned the AA ropes so well that she took on additional responsibilities for other groups. Focused on accuracy of information, Bobbie believes that “the backbone of each association is the database. The most important duty I have is to keep the information in the database as up-to-date as possible.”

Lauren Griffin joined AR this fall to support a new client. She will be working closely with the transition team to bring over the membership database, the paper files, and liaison with the previous management in the transfer of the membership work. Lauren’s goal is to “develop a strong relationship with the membership.”

Blanca Ramos also joined AR this fall to support the certification program offered by the our incoming client. She will manage the certification database and oversee the certification courses and process. Blanca’s “meet the challenges of bringing on a new client and surpass their expectations.

Maria Rivera serves one client and is heavily

involved in sending e-blasts, fax broadcasts, processing registrations and dues payments, maintaining the membership database, and answering the phones. In addition to providing staff support, Maria says that “providing a complete service to the members and insuring their satisfaction is my overall goal.”

Pam Townsend joined AR in 2000. She provides support for two higher education groups. Very efficient in the execution of her tasks, Pam enjoys attending and staffing her clients’ conferences. “Creativity is important in this work,” states Pam. “Staying organized and working as part of the team is critical, not only to my success as an AA but also to the success of the clients I serve.”



Our unsung heroes, from left (sitting), Cindy Caron, Betty Ann Foy, (standing) Bobbie Graft, Pam Townsend, and Maria Rivera

Understanding Your Management Contract and Monthly Invoice

When your association negotiated a contract with AR, the terms of the contract were straightforward and the contract typically in force for four to six years. Included in the contract is a program of work that outlines the tasks to be performed by AR. This program of work is usually in force for one year and then renegotiated, based on the staffing requirements of the association. The program of work is used to determine what is included in the management fee and which services will be billed hourly. All charges, including reimbursable expenses, are then charged back to the association on the AR monthly invoice.

Program of Work

The program of work is usually divided into three main categories: fixed fee (the tasks that are included in the management fee), variable fee (staff services that are billed by the hour), and out-of-pocket (those services that are provided by our mail center and charged by the piece, and by our communications department and charged by the hour).

Management Fee

Included in the annual management fee, which is invoiced monthly one month in advance, are the traditional association management tasks required by most organizations and unique tasks that are ongoing and predictable.

Traditional tasks include financial reporting, processing dues

and revenue, reconciling bank statements, running financial reports, monitoring investments, and cutting checks. The membership tasks traditionally included in the management fee include updating the membership database, running membership reports, processing new members, answering phones, monitoring the association's e-mail, and maintaining files.

Working with association's leadership is also traditionally part of the management fee and usually includes the preparation time for and attendance at board meetings and board conference calls, and post-board meeting activities such as minutes preparation. Other board-related activities may include liaison with the president, working with committee chairs, etc.

Non-traditional items that may be included in the management fee are tasks that are unique to the association but are also predictable in terms of the time required to service the tasks. Sometimes this includes conferences that are steady in the volume of work and number of attendees. For most clients, conferences are unpredictable because the attendance varies from year to year, the location changes, or the program varies. When the unpredictable nature of a task makes it difficult to price the services, we institute a variable fee working with the association to estimate the staff time budget.

Variable Fees

Variable fees are billed monthly for services already rendered that are not part of the management fee. Time is tracked by all staff and entered into a time-keeping program by client and task. Each task is either billable or not. Those tasks that aren't billable are included in the management fee. Those that are billable show up on the AR invoice as a line item. The invoice amount is determined by the number of hours spent on the task and the staff members' hourly rates.

Out of Pocket and Reimbursable Items

Out of pocket items include postage, telephone, etc. They are those expenses incurred on behalf of the association. Separate line items are listed at the bottom of the AR invoice and broken out by project where applicable. For example, postage only appears on the invoice more than once if the association is tracking postage by project. Many organizations track the costs associated with the publication of their newsletter or journal; hence, their invoice would break out the postage costs for their publication and list it separately from their general postage expenses for membership mailings such as dues invoices. The same is true for conferences and other special projects. Other out-of-pocket or reimbursable expenses include work done in the

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Management Contract

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mail center or communications department (web development, web maintenance, graphic design, and desktop publishing). These services are not variable expenses, as they are not provided by the association's client team but by support staff in AR's cost centers. The AR invoice itemizes those expenses according to project so that a conference task or tasks are separate from newsletter or journal production costs.

AR Invoice

The AR invoice is produced monthly towards month end. The first line item is the management fee, which is one twelfth of the fee negotiated in the association's contract with AR.

The variable fee services are itemized next. It is possible that no variable services were conducted. However, it is also possible that the association has several ongoing projects that are variable fee projects; if there was work done on any of these tasks during the month, they would be itemized under the management fee.

The last section of the invoice is for reimbursable expenses. This is where the postage, desktop publishing, web maintenance and development, travel reimbursements, etc. will be itemized.

The final line item on the invoice is the total line for expenses incurred: management fee, variable tasks, and reimbursable. That the amount due to AR for that month.

Understanding and Controlling Costs

Understanding what is included in the association's program of work and what is billed separately can help the association control staff costs. A few pointers:

- Budget for variable and reimbursable services.
- Include these expenses in your operating budget.
- Know which projects are variable, monitor the amount spent servicing them and delegate either more work to staff (if the budget permits) or reduce demands on staff time by moving functions to volunteers (if required to stay within budget).
- Prioritize staff services.
- Allocate staff time toward services that are important to the association and provide benefits to the members.

Questions?

Your executive director is the person who can answer your questions. If you don't understand your contract or program of work, contact your executive director and ask questions. If you need help controlling your variable or out of pocket expenses, ask your executive director for guidance. We think all questions are good one and would like to answer yours.

AR Infrastructure

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respond faster to our clients' goals."

As an example of utilizing real-time information, we will be introducing electronic reports to our clients during the first quarter of 2003. Our clients will have access to secure web reports with drill-down options for additional detail. As the association's treasurer reviews the line items, clicking a line item will provide the additional details on what was included in that line item. In the future AR will provide the same type of access for membership and meeting information. Additional reporting capabilities are being designed and will be an integral part of our new infrastructure.

We have been running parallel systems to insure the integrity of our data and system while we continue to build our new infrastructure. We will continue our vigilance when it comes to data recovery plans, backing up our data and keeping it secure. We will also be reporting to our boards as new services become available to help them make proactive decisions based on real-time information. Meanwhile, if you have questions, please ask your executive director.

Headquarters REPORT

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