



CMAA REGIONAL CHAPTERS ADMINISTRATION MANUAL

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Preface

The Construction Management Association of America, like most nationally based organizations of its type, has adopted the concept of local chapters in order to expand the benefits of national membership and broaden the scope of communication and participation within the Association. The success of this effort depends largely on the quality and effectiveness of local leadership. It is their willingness to commit the time and resources necessary to a sustained effort in managing the chapter organization that determines the outcome. CMAA, as a growing organization, can provide only limited support. At the same time, CMAA must ensure that its corporate obligations--both legal and financial--are met and its mission on behalf of its national membership is fulfilled.

To those ends this manual seeks to provide the required guidance while, at the same time, leaving to the chapters the task of developing creative programs and activities which best serve the needs of their individual constituencies. It is recommended that newly elected chapter leaders become thoroughly familiar with the contents of this manual, including the sections introducing the CMAA chapter concept and chapter formation, in order to better understand and be able to communicate the roles of CMAA and its chapters to both the membership and the design and construction community.

Introduction to CMAA Regional Chapters

The National Agenda

CMAA is a nationally based industry association that seeks to promote the interests of both its members and the CM industry by pursuing activities in which CMs share common objectives that are best attained by a collective effort. Activities such as setting standards, developing model contract forms, protecting the interests of the industry in the legislative and regulatory arenas at all levels of government, and promoting CM among owners, design and construction organizations, and the general public are all examples of the national agenda that has been established by the Association.

CMAA reaches out to the larger design and construction community in a general way through a network of relationships established by CMAA National, through its newsletter, and through the participation by CMAA's leadership in both public and private conferences and events. The Association offers its programs regionally, to make it accessible by both members and non-members who share an interest in CM-related issues and topics.

The Association also offers specific support to regional program efforts in two ways:

- CMAA National will assist local members in putting on periodic regional market seminars as forums for communication and business development. These seminars require the establishment of a local program steering committee, but do not require a permanent governance body or annual reports. CMAA National approves the proposed program and provides the logistical support for such seminars. One or more regional meetings may be appropriate as a preliminary step and testing ground for possibly establishing a more permanent regional chapter.
- CMAA National will assist in the formal establishment of a chartered regional chapter for CMAA members as the most direct form of outreach when there is assurance that the critical mass of membership and the capacity for sustained interest and leadership exists to maintain an active chapter of CMAA. Chapters are approved by the CMAA Board and an Affiliation Agreement must be submitted in accordance with requirements established by that Board.

The Purpose of Regional Chapters

The primary purposes of the CMAA Regional Chapter program are to extend the reach of the national organization through the active involvement of individual members at the local level and to expand the benefits of CMAA membership for those residing in areas that have adequate members and interest to support a local chapter effort.

The objectives of chapters themselves are defined in the Standard Regional Chapter Bylaws. These include objectives that are essentially intended to further the mission of CMAA:

- Promoting and supporting the purposes and objectives of CMAA in the local design and construction community
- Promoting and encouraging the growth of CM and the improvement of CM practice
- Promoting CM through relationships with academic institutions and student organizations
- Providing regional activities for CMAA members

In addition, well-run chapter programs can provide valuable "association" benefits to members who actively participate. Personal professional development, networking with colleagues and owners, providing and achieving recognition, encouragement for students through scholarship fundraising, and mentoring entry-level professionals are all possible through local chapter efforts.

Policy Guidelines

Chapters should function within the policy guidelines established by CMAA National, and they are expected to follow the standards established by CMAA when engaging in activities that promote the CM profession.

Chapters should not engage in political activity, particularly grass roots lobbying, independent of the national association. Political action on local issues should be undertaken in partnership and with the support of CMAA National.

Chapter Membership and Participation

Because membership in a CMAA regional chapter requires membership in CMAA National, all currently active chapters have been established in major metropolitan areas where there are adequate members to sustain the leadership and program of the chapter. Chapters play a role in growing CMAA's membership, in part by directly recruiting chapter contacts, but primarily as a result of good chapter programs that fulfill their mission of expanding the value of CMAA membership through opportunities for local involvement and access to the market.

Experience has shown that the requirement that all chapter participants be CMAA members and the necessity for chapters to be financially self-sufficient are sometimes in conflict. Chapter officers are sometimes reluctant to "police" the attendance at meetings and events to ensure that non-members are not taking advantage of dues-paying members and obtaining the benefits of membership for free. Good chapter programs, and a consistent effort to promote the industry and the Association will go a long way to alleviate this problem.

Guidelines for the Administration of Regional Chapters

These Guidelines are intended to assist Chapter leaders in managing the operations of their chapters consistent with policies of the Association and in meeting the reporting requirements of CMAA National.

The Guidelines are a working document. Any difficulties in understanding what is intended or in meeting any of the requirements should be discussed with CMAA National. When in doubt, call CMAA National for assistance.

Changes to the Guidelines will be discussed at the Regional Chapter Committee level to achieve a consensus in defining the problem and proposing a solution. Ultimately, all administrative changes must be negotiated and agreed to by CMAA National prior to adoption and implementation.

Introduction

The Guidelines supplement the Regional Chapter Affiliation Agreement and the Standard Regional Bylaws by providing advice and information on the responsibilities of CMAA National, the CMAA Regional Chapters Committee, and the Regional Chapter. Additions or changes to these Guidelines may be issued during the course of the year and should be implemented as directed.

CMAA National Office

The national headquarters of the Association is located in McLean, Virginia. The President & CEO is the chief executive officer, responsible to the Board of Directors for the operations of the Association. The President & CEO has primary responsibility for the administrative functions of the Association, including those involving Regional Chapters. Use of the term CMAA National in this document refers to the President & CEO and CMAA's national staff.

CMAA Regional Chapters Committee

The Committee includes the members of the national Board of Directors. The chairman of the Regional Chapters Committee is appointed by the CMAA Chairman and is an elected member of the CMAA Executive Committee. The other members of the committee are appointed from the Board directors. The Regional Chapters Committee coordinates the activities of the chapters, monitors the health and welfare of the chapters, and makes recommendations on policies and procedures governing chapter operations.

Regional Chapter

This is the local organizational entity approved and chartered by the CMAA Board of Directors. The basic purposes of the Regional Chapters are to:

- Promote and support the purposes and objectives of CMAA.
- Promote and encourage the growth and development of construction management as a professional service and enhance the quality of the construction management practice.
- Promote the development of Student Chapters and to function as a direct link between CM practitioners and academic institutions.
- Provide regional activities accessible to CMAA members.

Organization

Each Regional Chapter reports to the CMAA Executive Committee through the Chairman, Regional Chapters Committee.

The Regional Chapter is responsible for conducting its operations within the guidelines of the Chapter Affiliation Agreement, the Standard Regional Chapter Bylaws, and any other direction provided by CMAA National.

CMAA National provides administrative support and operational guidance/direction, particularly with regard to fiscal, insurance, membership, certification, educational programs, and other matters requiring coordination with the national program.

Membership

Membership requirements are set forth in the Chapter Affiliation Agreement and Standard Regional Chapter Bylaws.

Participation of non-members is permitted to the extent that the non-member participation serves the purposes of CMAA and is primarily related to the recruitment of new members and student chapters. However, ongoing participation of non-members, deriving benefits of the Association without paying dues, is prohibited.

Chapters can access an up-to-date list of its CMAA members in the appropriate geographical area at any time. Chapter members are designated each year by the Chapter President as Chapter Administrators and have rights to access the rosters. Not only should this list be a source of new members, it should be the basis for deleting previous members who should no longer receive any benefits of membership.

CMAA National and the Regional Chapters will cooperate on mutually providing information regarding prospective members.

Finance

The fiscal year of the Chapter must conform to the fiscal year of the Association: January 1 - December 31.

CMAA is an Internal Revenue Code 501 (c)(6), not-for-profit association, exempt from payment of federal taxes on revenue generated by activities within the expressed purposes of the Association. Under this code classification, CMAA may not receive contributions, which are charitable deductions from the taxable income of the donors.

"Dues payments may not be considered as charitable contributions but may qualify as business deductions" for members. The foregoing quotation must be prominently included in any solicitation or invoice for payment of dues.

The CMAA Foundation is established to service the Association's and its chapters' needs for an IRS 501 (c)(3) entity, allowing the solicitation of defined "charitable purpose" funds and their

consequent deductibility as "charitable" donations. The primary purpose for the Foundation is educational, including fund raising for scholarships.

Any questions regarding the use of the Foundation by the Chapter should be addressed to CMAA National before the activity is undertaken. Detailed procedures for use of the CMAA Foundation have been established, as explained in the Foundation section of these Guidelines.

Regional Chapters are to establish appropriate checking and savings accounts for their financial accounts. This information should be submitted to CMAA National once it has been established. Existing chapters have an assigned EIN number, however, all new chapters must obtain an EIN from the IRS before a bank account can be opened. A SS-4 form can be obtained from CMAA National to insure the chapter is covered under CMAA's group exemption number, which grants the chapters' Federal tax exempt status. This does not automatically grant tax exempt status with the chapter's State of incorporation. Each Regional Chapter is responsible for contacting its State taxing authority for guidance and forms. In many instances, though, the State will follow the Federal exemption status.

CMAA National can at its discretion offer, free of charge, an online subscription to QuickBooks to aid in the maintenance of financial recording. If the Regional Chapter chooses not to utilize this software, another adequate method of maintaining an appropriately detailed chart of accounts must be kept. Regional Chapters are to also maintain income/expense records and generate reports specific to major events, such as seminars, etc. A complete record of payments made, to whom and for what, as well as a list of deposits and their source and purpose, must be maintained by each Regional Chapter.

Chapters may charge dues as set forth and approved in the Affiliation Agreement and/or a standard cost for each meeting. However, payment of dues is not a condition of membership in the Regional Chapter. Chapter dues and/or assessments at meetings are determined and collected directly by the Regional Chapter.

Financial information is to be submitted to CMAA National as a part of the mandatory Annual Report, as explained in the Reports section of these Guidelines.

Chapter Activities and Events.

The Regional Chapter Board of Directors must formally approve all Regional Chapter events and activities.

The proprietary use of the Regional Chapter, a Regional Chapter event, or the co-sponsorship with a Regional Chapter by a firm or individual is a violation of the professional ethics standards of CMAA and as such is prohibited.

All events sponsored by a Regional Chapter should involve the active participation of a broad spectrum of the membership.

To the maximum extent possible, Regional Chapters should plan their activities on an annual basis. Notification to CMAA National, as provided in the Reports section of the Guidelines, is required for insurance purposes under the CMAA insurance policy.

Public Relations.

CMAA National has the responsibility for the communication of CMAA policies and positions on issues of general interest to the CM industry. Regional Chapters should support CMAA National in this responsibility and the Regional Chapters are to coordinate any public relations type of activity with CMAA National before participation.

Responses to local or state political, and/or judicial issues on the spectrum of CM interests are to be coordinated with, or preferably handled by, CMAA National.

The use of the CMAA logo or the name "Construction Management Association of America" by a Regional Chapter, or any office or member communicating on behalf of the Chapter, must always include the name of the Regional Chapter.

The Regional Chapter should establish an address for the receipt of mail. The address could be a post office box, the address of the Chapter President, Secretary, or other officer of the Regional Chapter. This address must be kept up-to-date as the officers change.

Insurance

Regional Chapters are not covered by CMAA for general liability insurance. Chapters, as incorporated entities may apply for this insurance on their either, either through CMAA's insurance broker, The Novik Group (Contact Susanne Lytle of The Novick Group at 301-795-6600 or slytle@novickgroup.com) or through a local insurance broker/agent in the chapter's state of incorporation.

Regional Chapter events such as regional seminars and sporting events, attended by CMAA members and non-members, must be covered by separate liability insurance provided by the chapter through the CMAA National policy or its own resources. In either event, the Regional Chapter will be responsible for the insurance costs. Consideration should be given by chapters that conduct many projects/programs/events during the year requiring separate insurance to secure their own general liability insurance as it may become more financially prudent.

Duly elected officers of the Regional Chapter are covered under the CMAA National officers and directors professional liability insurance policy in accordance with the terms of the policy in the discharge of their duties, provided that their activities conform to the requirements of the Regional Chapter Affiliation Agreement, the Standard Regional Chapter Bylaws, and/or the Guidelines for the Administration of Regional Chapters.

Reports

The following reports are to be provided by the Regional Chapters for review by CMAA and further review by the Regional Chapters Committee, and (if noted) the CMAA Board of Directors.

- Annual Reports are mandatory for all Regional Chapters and are to be submitted using the specified format (See Appendix A). The Annual Report is due in mid-August each year and covers the period from August 1-July 31 of the previous year.
- Scheduled Activities Report is to be submitted to CMAA National upon completion of the chapter's planning for the coming year and it should outline the various activities and programs being undertaken in the upcoming year. This report is used for insurance purposes and should include information as to the type/purpose of the activities, anticipated number of attendees (members and non-members), the location of the scheduled activity, etc.
- IRS-filed Form 990 or electronic 990N filing will be required from all Regional Chapters regardless of the amount of the Chapter's annual revenues. This filing takes place annually and is mandatory whether or not the Regional Chapter is incorporated. Failure to file can result in financial penalties and even revocation of exempt status.
- Chapter of the Year Award is a voluntary recognition program. Refer to Appendix B and C for the criteria and entry form. In submitting for this award, the Regional Chapters are divided into four "population" divisions: 100 members or less; 100-200 members; 200-400 members; and more than 400 and the judging will be done in those four categories. The Regional Chapters Committee will serve as the judges and are empowered to select other categories of awards for presentation to Regional Chapters that are outstanding in specific areas of chapter management.
- Such other reports as may be required by the CMAA Board of Directors. Requests for any other reports will be given with sufficient notice for providing the information by the stipulated deadline.

Procedures for Utilizing the CMAA Foundation

The Construction Management Association of America Foundation, Inc. was established as a non-stock corporation in the Commonwealth of Virginia and has tax exempt status under Internal Revenue Service Code Section 501 (c)(3) governing educational, charitable, and scientific entities.

Purpose

The purpose of the Foundation is to receive and administer funds for educational and charitable purposes. It is intended to be the appropriate, tax-exempt vehicle through which both the national organization and its subsidiary chapters may engage in fund raising while passing along those tax exempt benefits to contributors as charitable deductions.

Note: Chapters, as IRS 501 (c)(6) CMAA corporations engaged in fundraising, have been required to notify donors that their contributions are either not deductible or may be deductible as a business expense, which would be subject to IRS limitations and scrutiny as to what is reasonable. Through the Foundation, the explicit purpose is fundraising and all donations beyond the amount attributed to the cost of the event (breakfast, dinner, etc.) would be tax deductible as a qualifying charitable contribution.

Activities consistent with the Foundation's purpose include:

- Raising and distributing funds for academic scholarships.
- Raising and distributing funds for public education and research.

In order to serve the purposes and protect the tax exempt status of the Foundation, it is important that all users of the Foundation adhere to its defined objectives. It is especially important that the raising and use of funds not encroach upon those activities, which are considered trade association functions under the IRS Code. For this reason, all activities associated with the Foundation are subject to guidelines and the approval of the Foundation Board of Directors.

Fundraising activities include events, such as scholarship or awards dinners, mailed requests for donations for a stated cause, or any other request for funds within the defined purposes of the Foundation, which will be tax deductible to the donor within the IRS Code as a charitable deduction.

Administration

Administration of the Foundation will be the responsibility of CMAA National. Following is an outline of organization and procedures pertaining to use of the Foundation by chapters or other approved account holders:

Accounts

The Foundation has established a tax identification number and independent bank account for the receipt and disbursement of funds on behalf of CMAA National and its subsidiary accounts.

Each contributing chapter will have a sub-account itemized by income and expense; reports on sub-accounts will be made available as needed, and at year-end.

Earnings of the account will be utilized to pay the bank charges and administrative expenses of the account. No funds other than those of CMAA National will be utilized for this purpose.

Solicitations

All solicitations for funds within the purposes of the Foundation should be made on behalf of the Foundation as co-solicitor. For example, "The CMAA [insert chapter name] Chapter, on behalf of the CMAA Foundation, invites your participation . . ."

Fund raising activities are subject to the IRS Code and to the state and local laws. In most local jurisdictions, fundraising activities, including those conducted by mail, must be registered IN ADVANCE of the activity being conducted. It is the responsibility of the Regional Chapters to ensure that these requirements have been met.

Solicitations for funds must indicate the tax deductibility of the donation. In the case of fundraising events, only that portion of the donor's contribution, which does not apply to the cost of the event may be deductible and the solicitation must include that information.

Receipts

All checks or other forms of contribution must be made in the name of the CMAA Foundation.

To utilize the Foundation for a solicitation, a Foundation Activity Form must be completed and sent to CMAA National for review and approval. The Form requests the purpose of the activity, prospective donor population, duration, and format, including copies of the proposed solicitation documentation. No public announcement or solicitation can be made until approval is given from CMAA National. See Appendix D for the form.

Checks may be collected by the soliciting entity and forwarded to CMAA National for deposit directly to the Foundation account. Do not deposit monies intended for the Foundation in another account as a middle step.

Disbursements

Disbursements of Foundation funds fall into two categories: (1) those made pursuant to the purposes of the Foundation; and, (2) those made to cover expenses related to the solicitation of funds. In either case, all disbursements will be made within the financial limitations of the sub-account of the sponsoring entity.

- Disbursements made to beneficiaries of the sub-account will be made directly by the Foundation on application by the sub-account holder using a Foundation Activity Form.
- Payments for expenses incurred in fundraising, consistent with the items and amounts estimated in the previously submitted Foundation Activity Form approved prior to the event, will be paid directly to the sub-account holder as a lump sum upon submission of an expense account and receipts by the Chapter Treasurer. Note: no additional Form is required to pay direct expenses once the event has been approved.

In the event that expenses in the form of pre-event deposits or other up-front payments are required that cannot be covered by the Regional Chapter, they should be identified on the Foundation Activity Form.

Net losses on a fundraising activity CANNOT be covered by other revenue in the Chapter's Foundation sub-account. All such losses are expenses directly to the Chapter's operating funds.