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Introduction
This Handbook for State Managers is the first such manual to be created. The idea was put to motion during an ad hoc committee of State Managers from each of the six divisions held at MENC Headquarters in April of 1999. This manual is intended to be a resource and a tool for managers from states of all sizes.

The responsibilities of a State Manager are broad and ever changing. To this degree, this handbook may never be complete. It is our goal that this handbook be as broad and as inclusive as possible, but framed in a context that would be applicable to volunteer, part-time and full-time managers.

The Handbook is divided into 5 major categories: finances, membership, meetings/conventions, student activities and programs, and general administration. Following these sections is a series of sample documents from different states across the country. The samples are for you to read and reference in the operations of your state MEA.

We hope that this Handbook proves useful to you in your challenging role as a State Manager.
The Council of State Managers recognizes the importance of having a designated, long-term manager for each of the state federated associations. As well, it recognizes the benefits of having this position be paid, rather than volunteer. The following information on "Why an Executive Director?" is drawn from a workshop presented by William Bouknecht to the State Managers in 1989. It is well written and could be useful for both managers and boards looking to invest in the position of Executive Director.

**Why an Executive Director?**

**Continuity**
A person employed or appointed on a continuing basis for a longer term is better able to know history, precedents, policy, politics, personalities, etc. that affect efficient operation of the association.

**Stability**
Since elected leadership is constantly "turning over", it is important for the association that at least one person be a stabilizing influence. Even with staggered terms for the Executive Board, the kind of stability gained from a "permanent" executive is important.

**Availability**
With a full-time person, members and others have access to the association during the full day, five days a week at the association's office.

**Coordination**
Activities, jobs, publications and other services can be better coordinated, avoiding duplication of effort, generally resulting in a more efficient operation when one person is designated to devote full time (or near full time) to the association.

**Communication**
Dissemination of information to members, Board, committees, and outside agencies is more complete and timely when a full-time person has responsibility for the activity.

**Expansion**
A person spending full time in the executive position has more time to develop new activities, more appropriate services and continually review present programs and practices.

**Support Services**
A full-time executive has the time to provide extensive support service to the leadership and the membership. Loyalties and time are not divided between jobs.

**Relief**
A full-time executive is able to free elected leadership from many of the association's housekeeping details and routines, thus affording the elected leadership more time to work on policy matters, to lead, and to dream.
Freedom
An employed or appointed director is free from petty politics associated with getting elected to the position and in a position to more easily enforce association policies set by the elected officers.

Accountability
An employed or appointed executive is probably more accountable to the Executive Board. This strengthens the position of the Board in managing the association.

Additionally, committee chairs generally report to the President. As long and the executive and President maintain a cooperative and trusting relationship, the executive can help the President keep tabs on committee chairs and their activities. This can be valuable if some committee chairs are very aggressive and the President's full-time regular job doesn't permit constant and immediate access.

Image
The image presented to outside agencies by the association is enhanced when there is a full-time or continuing executive in charge. Moreover, the title of Executive Director seems to mean more to those outside the organization than does the title Secretary/Treasurer or even Executive Secretary. At issue here is not so much substance, but perception. Of course, it would be folly to institute the title or office if responsibilities are totally lacking. Don't do it simply for window dressing.
Finances

**Accounting**
Accounting is the process of identifying, measuring and recording the economic events of an organization. An accounting system is probably the most important tool for financial management. Accounting helps to create and evaluate budgets, determine costs of goods and services and analyze cash flows. Accounting provides information for internal use (financial comparisons and reports) as well as financial statements for the board and membership. Accounting is also the basis by which the state MEA is measured for IRS and other regulatory purposes.

The Generally Accepted Accounting Principles (GAAP) is a guideline that indicates how to report economic events. One of the most common principles is the cost principle, which states that assets should be recorded at their cost, or the value exchanged at the time of purchase. Another basic accounting assumption is the monetary unit assumption, which states that only transactions capable of being expressed in terms of money should be included in the accounting records.

In addition to such principles and assumptions, accountants have identified a number of key components of financial statements: assets, liabilities and equity. Assets are things of value used by the state MEA in its operations. Liabilities are debts and obligations for which the state MEA is responsible. Equity, often called net assets, fund balance or net worth, is the difference between assets and liabilities. This brings us to the fundamental basic accounting equation: Assets = Liabilities + Equity.

The following definitions may be helpful in utilizing any accounting system:
- **Account**-an individual accounting of increases and decreases is a specific asset, liability or equity item. For example, cash is an account, as are accounts receivable, accounts payable and investments.
- **Balance Sheet**-a financial statement that reports the assets, liabilities and equity at a specific point in time.
- **Income Statement**-a financial statement that reports the revenues, expenses and "net income" over a given period of time.
- **Chart of Accounts**-a list of all accounts and account numbers

Accounting is a basic building block for financial management. Without some accounting knowledge, or a willingness to learn, effective financial management is nearly impossible.

**Budget**
The budget and the budget process are two of the most important tools for managing the financial activities of any association. A budget is "a plan for the coordination of resources and expenses." In simpler terms, the budget is a game plan for obtaining and spending money to meet certain objectives within a specific time period. This Handbook will cover two types of budgets: operating budgets and cash flow budgets.
Every state MEA must have a budget. This is not a recommendation; it is a financial necessity. For those who do not yet have a budget in place, here are some starting points:

Decide what time period around which the budget will be structured. Choose the calendar year (January 1 - December 31) or the MEA's fiscal year; whichever is preferred. For the purposes of this Handbook, the calendar year will be used as an example.

Obtain as much historical data as possible. Gather old ledgers, accounting programs, checkbook registers and financial reports and pull them together; the more data available when the budget is started, the better. The budget process is not one that is completed in an hour or two. An effective budget is only as good as the effort and information that goes into it.

Start small. Once the historical data is gathered, begin to make projections about the anticipated income to be received during the upcoming financial year. For example, to figure income that will come from membership dues, make a conservative estimate about number of members anticipated during the calendar year. (Remember that some states charge different levels of dues to retired members, or collegiate members, so make sure to account for those differences.)

Repeat this projection process for each of the categories from which revenue will be generated. Again, make sure that the income projections, all of them, are conservative. Especially in the initial year of a budget, make sure to generate at least as much revenue as the budget outlines.

As another example, consider the annual conference for a state MEA. Estimates will be needed for pre-registration, on-site registration, the number of exhibitors, the number of tickets to be sold, and so on. Each of these line items is called a cost center. Make sure to establish as many cost centers as necessary. This will allow easy identification of both how much was allocated to each line item and how much the "actual" numbers differ from budget. It is also recommended that a header or sub-total be created for each of the programs administered by the state MEA. The header is simply the sum of the individual cost centers. Following is a sample budget from an annual conference:

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Total</td>
<td>$ 65,970.00</td>
<td>$ 69,226.00</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Registration</td>
<td>$ 20,000.00</td>
<td>$ 21,435.00</td>
</tr>
<tr>
<td>On-Site Registration</td>
<td>$ 11,000.00</td>
<td>$ 11,101.00</td>
</tr>
<tr>
<td>Ticket Revenues</td>
<td>$ 4,150.00</td>
<td>$ 4,035.00</td>
</tr>
<tr>
<td>Awards Banquet</td>
<td>$ 2,600.00</td>
<td>$ 2,800.00</td>
</tr>
<tr>
<td>Exhibits</td>
<td>$ 21,500.00</td>
<td>$ 22,200.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$ 200.00</td>
<td>$ -</td>
</tr>
<tr>
<td>Program Advertising</td>
<td>$ 1,120.00</td>
<td>$ 2,155.00</td>
</tr>
<tr>
<td>All-State Fees</td>
<td>$ 5,400.00</td>
<td>$ 5,500.00</td>
</tr>
</tbody>
</table>
Once the conservative revenue projections are completed, move on to the expense side of the budget. The expense side is exactly the opposite of the revenue side. Start by making these same estimations about the anticipated expenses during the budget period. The critical difference is that these estimations will be aggressive, not conservative. Make sure that the actual expenses incurred are at most no larger that the budget outlines.

Expense projections will need to be generated for each of the programs and services identified in the revenue side of the budget. In most cases, a few additional, non-revenue-generating categories will need to be included in the budget. These items are related to general administration (salaries, benefits, office rental) and to the board of directors (for mileage, hotel, meals, etc.). Since not all activities are income generating, the expenses for things such as general administration must be covered through income from other sources.

Once the income and expense projections are completed, and the sub-totals have been calculated, the first phase of the budget process is complete. Now comes the difficult part - making ends meet. The budget will need to be refined to meet the organization's objectives. If the goal is to break even for the budget period, then income and expense projections may need to be revised. If the goal is to carry over $10,000 for the year, then adjustments to income and expenses line items will be necessary. ($10,000 more in budgeted income than in budgeted expenses will be required.) This process of tweaking the budget is challenging. Always keep in mind the conservative income projections and the aggressive expense projections.

Technology can be a very helpful tool in the budgeting process. Using a spreadsheet, an accounting program, or a combination of the two, can help tremendously. As the budget process continues into the following years, these technologies can help track the performance of the budget not just from month to month, but from year to year.

A program-by-program operating budget is also a useful tool for the board of directors. It allows them to see the exact cost of the programs and services provided and also help to measure the performance of the budget.

Cash Flow Budget
A cash flow budget relates to the amount of cash coming in and going out of the association. Or, it could be defined as the amount of money (cash) in the bank as compared to the amount of money needed to pay the bills. This type of budget will help to ensure that enough money is on hand to meet the MEA's financial obligations. If there is more cash on hand than is needed, cash flow is positive. If there is not enough cash on hand to meet these obligations, cash flow is negative. If negative cash flow exists, the State Manager and the board of directors will need to find ways to offset it. If positive cash flow exists, the State Manager and the board of directors will need to save or invest the surplus.
In essence, a cash flow budget projects when and how much cash will be received and compares it to the amount of the anticipated expenses. This budget is a bit trickier in that it requires a month-by-month account of the projected cash in-flows and out-flows. Obviously, this merits the need for even more data, historical patterns and a good eye for detail. A sample cash flow budget follows:

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues</td>
<td>$2200</td>
<td>$3000</td>
<td>$2400</td>
<td>$2400</td>
<td>$2400</td>
<td>$2400</td>
</tr>
<tr>
<td>Advertising</td>
<td>$3000</td>
<td>$4000</td>
<td>$3000</td>
<td></td>
<td></td>
<td>$4000</td>
</tr>
<tr>
<td>Cash In</td>
<td>$7200</td>
<td>$6000</td>
<td>$8400</td>
<td>$7400</td>
<td>$4400</td>
<td>$8400</td>
</tr>
<tr>
<td>Payroll</td>
<td>$3100</td>
<td>$3100</td>
<td>$3100</td>
<td>$3100</td>
<td>$3100</td>
<td>$3100</td>
</tr>
<tr>
<td>Space Rental</td>
<td>$800</td>
<td>$4800</td>
<td>$800</td>
<td>$800</td>
<td>$800</td>
<td>$800</td>
</tr>
<tr>
<td>Equipment</td>
<td>$1200</td>
<td>$1200</td>
<td>$1200</td>
<td>$1200</td>
<td>$1200</td>
<td>$1200</td>
</tr>
<tr>
<td>Cash Out</td>
<td>$5100</td>
<td>$9100</td>
<td>$5100</td>
<td>$5100</td>
<td>$5100</td>
<td>$5100</td>
</tr>
<tr>
<td>Cash Surplus</td>
<td>$2100</td>
<td>$(3100)</td>
<td>$3300</td>
<td>$2300</td>
<td>$(700)</td>
<td>$3300</td>
</tr>
<tr>
<td>(Deficit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at</td>
<td>$2100</td>
<td>$(1000)</td>
<td>$2300</td>
<td>$6400</td>
<td>$5700</td>
<td>$9000</td>
</tr>
<tr>
<td>End of Month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As the illustration points out, there will be a cash shortage in February. Knowing this projection will help the State Manager make sure funds are available to handle the necessary expenses during that month. To address cash flow shortages, the State Manager may choose to postpone major purchases, establish a payment schedule, seek cash advances from income sources or borrow money short-term.

Make sure the board, executive board, or the finance committee approves the budgets annually. It is generally the State Manager's job to prepare the budget for their approval and review.

**Taxes**

Associations are responsible for many types of taxes and tax reports including payroll taxes for employees, unemployment tax (in some cases), state and federal reporting, as well as forms Unrelated Business Income Tax (UBIT), 1099 for contracted services and form 990 for the association's financial activities. Especially in this case, the State
Manager is urged to contact a tax accountant or a nonprofit accounting firm for assistance and direction.

The following list (taken from IRS Publication 15, Circular E) provides a brief summary of an employer's basic responsibilities for employee taxes and tax withholding:

For each new employee, the State Manager must:

- Verify work eligibility of employees by completing the Immigration and Naturalization Service Form I-9 (this form may be ordered by calling INS at 800-755-0777).
- Record employees' names and social security numbers
- Have employees complete form W-4

Each payday, the State Manager must:

- Withhold federal income tax based on each employee's Form W-4
- Withhold employees' share of social security and Medicare taxes
- Include advance earned income credit in paycheck if employee requested it in Form W-5
- Deposit withheld income tax, withheld and employer social security taxes withheld and employer Medicare taxes. (Note due date of deposit depends on the organization's deposit schedule.)

Each year, the State Manager must:

- Remind employees to submit a new Form W-4 if they need to change their withholding
- Reconcile Forms 941 with Forms W-2 and W-3
- Furnish each employee with Form W-2
- File Copy A of Forms W-2 and the transmittal Form W-3 with the Social Security Administration
- Furnish each recipient a Form 1099
- File Forms 1099 and the transmittal Form 1096
- File form 940
- File Form 945

The employment tax rate and wage bases for 1999 are

- Social Security Tax: 6.2% for employees and an additional 6.2% for employers (wage base $72,600)
- Medicare Tax: 1.45% for employees and an additional 1.45% for employers (all wages subject to Medicare tax).

Note: tax rate and wage bases may change.
The State Manager may also have to file information returns to report certain types of payments made during the year. For example, Form 1099-MISC must be filed to report payments of $600 or more to persons not treated as employees (e.g. independent contractors) for services performed for the association. Note that this form would be used to report payments to All-State conductors, clinicians and judges, which are paid $600 or more.

Although the number of forms and filings may seem large, the content of these is not as confusing as the jargon that surrounds them. Again, make sure to contact an accountant to assist with the initial stages of such forms, especially considering that additional reporting may need to be submitted depending on the state in which the MEA performs its activities. The IRS may be reached 24 hours a day, 7 days a week with tax questions at 800-829-1040.

UBIT
Certain activities of associations, not directly linked to the mission of the organization, are subject to Unrelated Business Income Tax (UBIT). Bear this in mind as the association considers providing outside programs and services. Consult an accountant to determine whether the project would be subject to UBIT.

The following article is reprinted with permission from the ASAE Publication Dollars and Sense, and contains some very useful information on UBIT.

“Identify Taxable Activities”
by Brian Giganti

Executives and managers of tax-exempt organizations face countless federal and state tax regulations targeting both new and traditional revenues and programs. As an association professional, you must be aware of and consider the rules pertaining to unrelated business income tax (UBIT) when planning your organization's operations.

The IRS code specifically allows tax-exempts to engage in these activities. However, this permission does not mean you may engage in endless UBIT activities; your organization must prove that its overall activities continue to further its exempt purpose.

To recognize your organization’s UBIT activities, you must first understand what makes a program or activity taxable. A UBIT activity is

- a trade or business,
- organized for a profit,
- regularly carried on, and
• not substantially related to the organization's exempt function or purpose.

A Trade or Business
The following are examples of activities that may be considered a trade or business, but do not assume that they will always be classified as such. You must analyze all the pertinent facts before making a determination:

• Selling advertising in the association's publications,
• Selling food and beverage,
• Leasing personal property to unrelated third parties,
• Operating a credit bureau for member companies, and
• Leasing employees to unrelated third parties.

The following activities merely produce income and are not considered trade or business:

• Investment activities (that produce interest, dividends, and so on),
• Royalties,
• Rental activities (predominantly from real property and not debt-financed), and
• Gains and losses from the sale of assets not held as inventory or for use by customers.

Organized for a Profit
An unrelated activity must have been designed or conceived to make a profit. Do not confuse this with whether or not an activity makes a profit.

Regularly Carried-On
A regularly carried-on activity is frequent or continuous and has an ongoing purpose to generate income. For example, running a commercial parking lot one day per week, year-round, is a regularly carried-on activity. A seasonal activity is also considered regularly carried-on if its primary purpose is to derive income and it is carried-on repeatedly. One-time events or sporadic endeavors such as gaining advertising revenues from intermittent athletic or social events (e.g., advertising in an organization's 50th anniversary annual report or operating a sandwich stand for two weeks at a state fair) are not regularly carried-on activities.

Not Substantially Related
To determine whether an activity is not substantially related, you must examine the relationship between the activity and the fulfillment of the organization's exempt purpose. Neither an activity whose revenues further the organization's exempt purpose nor an asset that is important to the exempt purpose of the organization is considered substantially related. For example, the leasing of school or university facilities to unrelated third parties - combined with supporting services - is a taxable activity.

**Reporting UBIT Activities to the IRS**

To avoid penalties, your organization must report an unrelated business activity with a gross income of $1,000 or more, regardless of profit or net loss. UBIT activities must be reported on Form 990-T, which is due by the 15th day of the fifth month following the close of your organization's tax year. Nonprofits must also pay quarterly estimated tax payments or risk an underpayment penalty.

The IRS taxes UBIT activities at regular corporate rates - from 15 percent on the first $50,000 of taxable income to as high as 35 percent on taxable income over $15,000,000.

**Common Taxable Activities**

Here are a few examples of activities that often result in UBIT:

Advertising income. The IRS considers revenue received from advertisements placed in association publications to be an "exploited" activity because it capitalizes on the association's name and its relationship with its members or what the organization represents.

This area is also one of the most complex to compute. First, compare the direct costs of the advertising with the income earned. If you realize a net income, you must prepare a second set of calculations involving the publication as a whole and the excess of circulation income over readership costs. Circulation income includes the publication's total revenue - advertising income, subscription revenue, and possibly an allocation of membership dues and receipts. Readership costs include all publication costs. The resulting earned income is taxable. If the result is a net loss, the income is not taxable but still must be reported if gross revenues are over $1,000. If a net loss occurs when comparing direct costs to advertising revenues, the nonprofit has a taxable loss that you can

- offset against other unrelated business activities or
- carry forward or backward as a net operating loss.
Note that the term "direct cost of advertising" includes not only the traditional definition of direct costs (personnel, design, layout, printing, etc.) but also an allocation of indirect costs as well.

Advertising vs. sponsorship. The IRS recently issued proposed guidelines defining taxable advertising income as "payments to promote or market any company's services, facilities, or products." In contrast, payments for acknowledgment are not taxable. An acknowledgment is recognition of sponsorship payments with the effect of identifying the sponsor rather than promoting its products. Acknowledgments may include

- sponsor logos and slogans not containing comparative or qualitative descriptions,
- sponsor locations and telephone numbers,
- neutral descriptions of a sponsor's product lines or services (including displays and visual depictions), and
- sponsor brand or trade names and products-and-services lists.

Advertising and associate member dues. In two recent Technical Advice Memorandums, the IRS treated an association's associate member dues as advertising. While publicly stating that not all associate members dues will be considered taxable, the IRS will be issuing guidelines to help nonprofits make this determination. The proposed criteria should include

- amount of associate member dues vs. regular member dues,
- services or programs associate members receive vs. regular members, and
- the extent to which associate members have a vote in management.

Interest, annuities, royalties, and rents from controlled organizations. Except for dividends and similar payments from controlled organizations, the above items are all subject to UBIT. These rules prevent a controlled group from shifting income among entities to avoid taxation.

Common Activities That Are Not Taxable

The following are illustrations of tax-exempt activities:

Royalties. Royalties are paid to the owner of property for permission to use the property and are usually payable in proportion to use. For example, a nonprofit organization may license the use of its name to a credit-card company. The company markets this credit card to the organization's current and former members and pays a fee for the use of the organization's name. (Avoid providing the company with advertising
and marketing services. The IRS considers some or all of these payments to be taxable.)

Rental income from real property and personal property leased with real property. Real property rentals (not subject to acquisition indebtedness) or associated incidental personal property rentals are not considered a trade or business. However, the rental of personal property is considered an unrelated trade or business. Some other activities that are not considered an unrelated trade or business include

- activities in which volunteers perform substantially all the work (without compensation);
- an activity carried on by a 501(c) (3) or a state college or university primarily for the convenience of its members, students, patients, officers, or employees;
- the sale of merchandise received by the organization as gifts or contributions;
- qualified public entertainment activities regularly carried-on [by 501(c)(3)s, (4)s or (5)s] as a substantial exempt purpose; and
- qualified convention or trade show activities regularly carried-on by a 501(c)(3), (4), or (5) as one of its substantial exempt purposes.

The information presented above is intended to help association executives identify general taxable situations. For specific circumstances or programs, consult with your legal and tax advisors.

Brian Giganti, CPA, Regardie, Brooks & Lewis, Bethesda, Maryland, is a member of the ASAE Finance ~ Administration Section. Reprinted with permission, the American Society for Association Executives, 1575 I St NW, Washington, D.C. 20015 - 1168 copyright 1996-97, ASAE, (202)626-2723; www.asaenet.org.

Financial Reporting to the Board
The State Manager is responsible for reporting the financial activities of the association to the board of directors. It is recommended that this reporting is done regularly, at least as often as the board of directors meets.

During the financial report, it is recommended that the State Manager cover three basic financial reports: balance sheet, profit/loss statement and budget performance.

The balance sheet is a snapshot of the organization's finances at a particular point in time. It contains listing of all assets, liabilities and equity. When reporting to the board, be prepared to explain each of these line items and why the balance appears as such.
The profit and loss statement (also called P & L) is a look at the organization's finances over a given period of time. This time period could be a month, several months or a year. This statement can be particularly helpful in highlighting the financial activities of the association for the board of directors.

In conjunction with the P & L, preparing a budgetary progress report for the board is also recommended. The board needs to know how not only how the organization has performed, but also how it has performed compared to expectation. Most MEAs are organized on a program-by-program basis, so it might be helpful to report budgetary progress in the same manner. If, for example, 2 major programs have taken place since the last board meeting, give budgetary progress reports on those activities. For each activity, be prepared to explain in what respects and why actual performance differed from budget. Being prepared is essential in presenting this information to the elected leadership.

**The Audit**

Many states require a formal audit of an organization's finances. For example, in Minnesota, if total revenues exceed $350,000, this audit is required. For those states in which the audit is not required, it is strongly encouraged.

An audit is a verification of the bookkeeping and financial record keeping of an organization. During the audit, auditors examine the MEA's system of checks and balances, verify account and ledger balances, determine the nature of any discrepancies, and often make recommendations for related improvements to the organization. Auditors do not (and generally cannot) look at every single transaction. They do, however, look for material discrepancies in the association's finances.

It is highly recommended that your MEA undergo a formal audit on an annual basis. The audit helps protect the association's board, helps inform the association of potential improvements and helps to fulfill the MEA's fiscal responsibility to its membership.

Auditors may also help the MEA with the preparation of their Audited Financial Statements and the completion of the 990.

**Record Keeping and Records Retention**

The State Manager is also responsible for seeing that appropriate and accurate records are retained in some central location, be it home or state office. Brown and Company, a nonprofit accounting firm in Minneapolis, recommends the following time periods for record retention. The guideline is a sample and is not all-inclusive.

Papers to be retained for 7 years:

- Accident reports and claims
- Band statements and reconciliation’s
- Canceled checks
\begin{itemize}
  \item Company publications, including newsletter and brochures
  \item Contracts and leases
  \item Correspondence
  \item Deposit slips
  \item Employee contracts and records, performance reviews and attendance records (post-termination)
  \item Employment applications, resumes, salary rates and changes, training manuals
  \item Expense allocation supporting documents and schedules
  \item Grant awards letters
  \item Insurance policies and certificates
  \item Internal audit reports
  \item Inventory records
  \item Invoices
  \item Loan schedules and related records
  \item Payroll records
  \item Petty cash vouchers
  \item Purchase orders
  \item Sales records
  \item Journals for accounts receivable, accounts payable
  \item General Ledger
  \item Trial balances
  \item Financial statements (year end) and related budgets
\end{itemize}

Papers to be retained in perpetuity:
\begin{itemize}
  \item Articles of incorporation
  \item Audit, compilation and review reports
  \item Annual financial statements
  \item Benefit, pension plans
  \item Bylaws including all amendments
  \item Canceled checks for material payments
  \item Chart of accounts
  \item Computer backups of all business records
  \item Contracts and leases
  \item Corporation reports filed with the Secretary of State
  \item Correspondence (legal and important matters)
  \item Insurance records (for current policies), legal documents and correspondence
  \item Licenses
  \item Minutes of Board meetings and committee meetings
  \item Property, plant and equipment records: depreciation and purchase schedules
  \item Real property records: deeds, bills of sale, construction, appraisals, improvements, blue prints, and plans
  \item Records Retention Policy
\end{itemize}
Reserves and Investments

Should the state MEA find itself in a position to deal with reserves and investments, congratulations! The first question, though, is about the reserves themselves: how much should the MEA retain in reserve? The answer to that question is up to the State Manager and the board of directors.

There are several schools of thought when it comes to reserves for the association. One suggests having one year's operating revenue in reserve, another recommends having just six months of the annual operating revenue. Some associations, however, have one month's operating revenue while others have several years worth. The only way to determine the appropriate reserve target is by putting some work into establishing a goal. Keep in mind that the MEA's reserves may need to be used in times of poor financial performance, in times of weak economic conditions, or in times of disaster for the organization. When considering an appropriate target level, some questions to be considered might include:

- What kind of cash flow does the organization generate? If frequent shortfalls exist, the reserve level may need to be higher to offset those needs.
- What are the organization's goals? If they include long-term financial stability, then a more aggressive target may be appropriate.
- What kind of risks does the association face? If, for example, 50% of the revenue generated annually is through a program that may be cut or curtailed in the future, a higher target for reserves may be appropriate. If the organization is very stable, where programs and services are predictable and steady, a lower reserve level may be in order.

One of the most important factors in investing reserves is an investment policy, which needs to be adopted by the board, executive board or finance committee. The development of such a policy will give the State Manager and the elected leadership a chance to carefully consider current practices and match them against the objectives of the state MEA. Such a policy will also help ensure a sound investment strategy; one that is not subjected to constant change based on market conditions or personnel. A good investment policy will contain procedures for the parties involved, a statement of purpose, the investment goals and objectives, investment guidelines and limitations (for the types of investments to be made) and a performance review and evaluation.

There are many commercial companies that can assist with the preparation of the investment policy, as well as with actual investments.

In general, another good rule of thumb is to invest conservatively. The reserves of the association essentially belong to the members. The State Manager has a responsibility to make sure that the principle of these investments is not lost or degraded. Some safe investments might include certificates of deposit, treasury bills,
treasury bonds or corporate paper. Not all of these investments are insured, however, so before funds are invested, make sure they are within the bounds of the investment policy.

If at all possible, all association funds should be collected in a centralized location. In cases where this isn’t possible, policies should be developed to collect funds in a specified period of time for the protection of the association and all parties involved. If payments for programs or services are not received before the delivery of that program or service, the state MEA can restrict the delivery of the goods or services.

In cases where finance terms have been adopted, MEAs have the right to assess finance charges for late payments and penalties for returned checks. MEAs are also free to use outside agencies for the collection of bad debt.
Meetings and Conventions

Successful meetings require successful planning. This section is meant as an overview of meeting planning, whether it is a committee, board, or the annual meeting of the membership that may be required. Meeting dates should be published in the state magazine or newsletter.

Facility
It is important to make arrangements for meeting space well in advance of scheduled meetings. Locations can be determined based on the proximity of those attending as well as facilities available. Some locations require a rental fee. Others are available at no charge. These could include schools, auxiliary organization buildings, hotels and other possibilities. If lodging is necessary, arrangements may be made with various hotels for free meeting space in exchange for a certain number of room rentals.

Any audiovisual equipment necessary for the meeting needs to be arranged in advance.

Communication
The State Manager distributes meeting notices in a timely fashion with a deadline for response. A copy of the meeting agenda, a map or directions to the meeting place and any items that individuals may need to prepare for the meeting should be included.

Transportation and Lodging
Policies should be in place for each state MEA regarding the reimbursement of travel expenses and lodging. It is imperative that all officers understand what expenses the association pays and what expenses it does not before accepting a nomination for office or an appointment.

Food and other Refreshments
Policies should be in place for each state MEA regarding covering the costs of meals and refreshments at meetings. There are numerous ways that meals and other refreshments can be provided at a nominal expense.

Minutes
Minutes are the record of the meetings of the board of directors and may be detailed or brief. They must contain a list of those present and the formal actions of the board (votes on motions). Some states publish minutes of certain meetings in their state magazine. These could be more general in nature. Minutes need to be written up in a timely manner and distributed in sufficient time for the members to prepare for the following meeting. It is important to have a record of minutes from previous meetings for reference.

With today's technology, minutes could be done directly using a laptop computer, however, a hardcopy book of the minutes must also be maintained.
Conferences & Conventions
Most state MEAs hold some type of convention or major in-service event. Some state conventions also incorporate their all-state event or other major activity. This section applies to any such convention or conference event.

Location
The location of the state convention may be determined by the facilities available. Sometimes a central location is necessary to attract more attendees, however, a different location is sometimes preferable for people who enjoy a change of pace. Location sites may remain constant or rotate to various areas of the state.

The facility should accommodate several meeting rooms, performance venues, exhibit space, and meet the acoustic needs of such a convention. Acoustics are a major consideration. It is important that rooms be sufficient separated or soundproofed to accommodate such needs. Other considerations include food and beverage facilities, warm-up space, storage, registration areas, parking availability, proximity of hotels and common areas for people to mingle and network.

Contracts - Facility and Personnel
The State Manager negotiates the conditions of space, time, and cost before entering into a written contract with commercial facilities. A staff member may be able to contract space in a school at no cost. Be aware of "hidden costs" that may change depending on the outcome of the event. These include additional labor charges, last minute audio-visual needs and hotel room pick-ups. State Managers will provide a certificate of insurance if required by the facility.

The State Manager needs to have a written contract or agreement with exhibitors, presenters/clinicians, performing groups, and demonstration groups. Contracts would include date, time, place, remuneration, cancellation, equipment, and expense reimbursement.

Contracts for performing groups should include date, time, and location of performance. Also necessary is information about payment (if any) for performances, ticket information (if any), other money considerations, equipment use (what is available and what will need to be provided by the group, particularly in terms of percussion), music stands, risers, programs and general set-up of the performance venue. There should be some type of provision made for possible cancellation.

Insurance & Security
In addition to the certificate of insurance for liability purposes, the State Manager may want to explore convention cancellation insurance. This insurance covers such things as weather-related problems, non-appearance of a principle speaker and the curtailment of the event.
The State Manager should arrange for security at the conference if needed. A security presence helps to ensure the safety of the equipment in the exhibit hall, performance spaces and conference area. Security may also be asked to help with crowd control and badge checking.

**Exhibits**

Exhibitor contracts should include move-in and move-out times, booth size, booth provisions (tables, electricity, chairs), and an indemnification clause that protects the association, the facility and the service contractor. Information for exhibitors should include the city, exhibit hall location, service contractor, the process for which booth space is assigned, dedicated exhibit time, concerts, anticipated number of attendees and demographics of those attendees.

Guidelines for the description of products and services and possible advertising in the conference program should also be included. Some states may have restrictions regarding sale of items and collection of sales tax on those items. The State Manager needs to know the sales tax policy of the state. Some states provide a hospitality area for exhibitors near the exhibit hall.

Guidelines as to how booth space is assigned should be mentioned. Some states allow industry sponsored showcase sessions. Policies should be in place regarding the number of sessions, restrictions, scheduling of sessions and eligibility (purchased exhibit space). If these showcase sessions exist, it is important to have a written agreement.

**Clinicians/Presenters**

Each MEA needs clear procedures for clinician contracting and/or funding, what equipment is provided, handouts or supporting materials, stipends (if any) and expense reimbursement. A timeline should be included regarding submission of session title, description, and biographical information.

**Performing Groups**

Each state should determine a process for selection of performing groups. Most require a tape or CD submission that is reviewed by a panel. The State Manager needs to insure that the process is followed consistently.

Contracts for performing groups should include date, time, location, ticket information, equipment (particularly percussion, risers, sound shell, and piano), and a statement of the MEA’s compliance with the Americans with Disabilities Act (ADA). Other information should include load-in, bus parking, warm-up time, storage, details of the performance venue, and housing. There should be deadlines for submission of program (if it is to be included in the conference program), photos, description, and set-up map for the stage crew. Some states provide guest name badges for performing group members to attend certain parts of the convention.
**Demonstration Groups**
There should be a process for the participation of demonstration groups. Written agreements for demonstration groups should be similar to that of performing groups.

**Advertising of Convention & Events**
Specific information and publicity about the convention needs to go out well in advance. Marketing channels include the state magazine, state newsletter, public media, direct mail, e-mail, and web sites. Information should include dates, times, location, lodging information, registration form, performing groups, special guests, session topics, special events and available graduate credit.

**Scheduling of Sessions**
The State Manager plays an important role in the scheduling of sessions, whether solely responsible for the scheduling or facilitating the process. Scheduling considerations include the nature of the sessions, sound level, expected attendance, equipment needs, topical conflicts and set-up time. Scheduling can be blocked with all sessions beginning and ending at the same time or overlapping with various start and stop times. Exclusive time should be set aside for visiting the exhibits. It is helpful to have a schedule-at-a-glance that is relatively short and concise in addition to the printed program. An example follows.

**Equipment**
Creative scheduling of equipment can be a cost savings and stress reduction measure. Common equipment requests include microphones, microphone stands, podium, overhead projector, screen, CD/Tape player, VHS player and monitor, white boards, flip charts, easels, markers, chalk, erasers, pianos, risers, music stands, percussion, Orff instruments. Some of these may be provided through the facility at no extra charge, others are provided by the facility for a fee, some may be provided from an outside contractor and most musical equipment needs to come from another source. Never assume anything! Many facilities have an additional charge for changes in equipment use. The State Manager and the equipment manager should be responsible for the equipment throughout the conference. An equipment map or tracking system can help facilitate efficient use of equipment. Successful management of the equipment can mean a successful conference.

**Registration**
Many computer programs are available to assist with the registration process. These technologies can facilitate registration confirmation, name badges and record keeping.

Provisions should be in place for pre-registration to the convention that is generally offered at a discounted rate. Some states provide other incentives to encourage pre-registration.

On-site registration should be in a convenient location and open during the majority of the conference. Signs directing people to the registration area need to be prominently displayed. The on-site registration can be a clearinghouse for such things as "lost and
found" items, message boards, ballot box, and other information throughout the convention.

Packets of information distributed to each attendee should be handed out with name badges at check in time. Included in these packets should be a schedule of events, map of the facility, food and beverage options, special events, and evaluation forms. Other materials with the registration packet could include proposed constitutional changes, nominations forms, calendar of events, directory of members and financial statements.

Each state should have a refund policy for cancellations.

Awards
Many states have some type of awards event in conjunction with their convention. Publicity regarding award winners should be distributed in advance through the state magazine, local media and the conference program.

Evaluation
Evaluation of the convention is a necessity for improvement. In addition to evaluations from the conference attendees, feedback should come from the facility manager, equipment manager, registration chair, exhibit chair and the MEA board. A separate evaluation form for exhibitors can provide valuable information regarding hall traffic, booth set-up, exhibit hours, security and the performance of the service contractor.

Thank you
The success of any convention or meeting depends upon several individuals and groups who volunteer service. Acknowledgement or other gestures of appreciation are important and should be done promptly.
Student Activities

As each state MEA is unique in design, how the student activities are managed and delivered are distinctively different. In some states, the affiliates or components do most of the planning and implementation. In some states, the individual event managers have that responsibility. This section is designed to cover most of the topics and activities that a State Manager or his or her designee would accomplish.

Eligibility
The State Manager will uphold and interpret the eligibility requirements for participation in MEA student activities both for teachers and students. These may include audition for or recommendation for an All-State group, participation in a large group festival or in a solo and ensemble event. The State Manager will enforce those requirements equitably. If the MEA Board has not articulated those requirements in an understandable fashion, the State Manager needs to seek clarification from the Board.

The State Manager insures compliance with the eligibility requirements for any regional or national student group under the auspices of MENC or one of its divisions.

The State Manager will keep informed of changes in school scheduling models as they impact student participation and inform the Board of possible conflicts and/or misinterpretations of the policy as articulated.

Requirements
The State Manager will facilitate the preparation of audition requirements for each voice/instrument for student state activities. This may involve meeting deadlines for the state journal, updating audition materials, and assisting in maintaining the approved literature lists.

The State Manager also reminds teachers and students involved in state and division activities of the importance of being in full compliance with the United States Copyright laws. The State Manager may need to apply for permission to reprint music.

Once the audition requirements are selected and approved, the State Manager in cooperation with the state board disseminates the information to every eligible teacher in the state.

Calendar
The State Manager in consultation with the Board helps to prepare a calendar of student events for regional and statewide participation. Once the Board has approved such a calendar, the State Manager distributes that calendar through the state journal, web page and other channels as needed.

Space Reservation and Contracting
Sufficient space for each event needs to be reserved and contracted in advance. The space requirements for audition events include audition, warm-up, administration and
judge rooms. Space requirements for solo and ensemble events include performance, administration, warm-up, award or medal rooms, and a lunch area for judges. Overnight accommodations may be needed for judges, depending on the event.

For the All-State activities, needs may include student registration area, rehearsal room, storage room, hotel or other overnight accommodations for students, chaperones and conductors, and an appropriate performance venue for the concert. If these activities are in conjunction with the state conference, there is the added dimension of coordinating all space needs at one time.

For large group activities, rooms may be required for registration, performance, warm-up, storage, sight-reading, and lunch/refreshment, administration and judges.

State Managers need to arrange for and contract room use in a timely fashion. Many facilities (including school buildings) may require a certificate of insurance before the building may be entered or occupied.

If hotel or convention center space is involved, the State Manager negotiates the rates for all facilities. Multi-year contracts usually net a lower rate. Such facilities may also require proof of state tax-exempt status.

The State Manager needs to monitor the use of the space in order to assess whether the expenses are appropriate and justified. The manager needs to review facility use bills with care. The State Manager needs to communicate any concerns about facility use to the Board.

**Personnel**

The State Manager or affiliate associations verbally secure conductors, adjudicators and clinicians. The State Manager enters into written contracts with such individuals, whether for a monetary stipend or not. The contracts should specify event date, time, location, remuneration (if any) cancellation, and expense reimbursement. The State Manager initiates payment of such personnel when appropriate.

The State Manager upholds the Board’s policies and procedures for selecting non-paid personnel such as audition adjudicators and chaperones. It is advisable to have brief job descriptions for teacher-manager roles in the state (Example: job description for All-State Chaperones, event manager, event hosts.) The State Manager assists in securing information about possible conductors and clinicians.

**Support Services**

The State Manager solicits bids (if appropriate or required by Board) for services and supplies, such as tapes for festival use, taping/CD services for concerts, music, commemorative items and medals. If a bid process is not required, the State Manager secures fair priced supplies for events, including tapes, medals, shirts, certificates, tapes or CD recordings of concerts, necessary forms, etc.
If recordings or commemorative materials are sold, the State Manager arranges the method by which such items are sold. Additionally, the State Manager needs to monitor the distribution and inventory of such materials.

**Data**
The State Manager maintains records of all student auditions and members of statewide ensembles. The State Manager communicates the results of auditions in a timely manner to the teachers of students involved. If there is a process for reporting specific scores, the State Manager oversees that communication.

**Public Relations**
The State Manager prepares result information and/or press releases for the public relations’ purposes. The State Manager may assist in setting up press conference, radio or television coverage of events.

**Student Contracts**
The State Manager helps develop the rules for student conduct while in All-State events. The rules need to be specific and explicit consequences need to be spelled out. The contract with students, parents, teachers and administrators needs to reference the statement of rules and the consequences of not abiding by the rules. Additionally, a disclaimer limiting the association’s liability should be included in the contract. States may need to seek legal advice for such a disclaimer. Student health information needs to be part of the contract, and should follow the state school guidelines (such as, nurses on duty may not dispense medicine except as indicated on the health form, etc.)

The State Manager collects all fees for statewide events and imposes and collects late fees consistently and equitably.

**Communication**
The State Manager is in constant communication with the officers of the Board and the affiliate associations on all matters of music activities for students.

The State Manager in cooperation with the affiliate organizations, keeps the Board informed of all activities, and advises the Board if review of existing policy in indicated.

**Evaluation**
The State Manager should facilitate evaluation of the student activities, and should report suggestions to the Board.

**Expenses**
The State Manager accounts for all income and manages all expenses of student activities. Each state should have a refund policy in place for student fees.
Membership

Membership is the very core of an organization. It is through the members that each organization exists. Some states may have a separate membership chair. While that may be the case, State Managers should do everything in their power to help the chair and to provide service and information. This chapter describes the different types of memberships and ways to recruit, retain, and service those members.

Types of Memberships
There are several different types of membership. Dues vary from state to state. All memberships are dual (both state and national).

1. Active: for the regular public, private or studio music educator

2. Collegiate: for college students who have a chapter at their particular school.

3. Retired: for retired music educators.

4. Spousal Membership: applies to music educators who are married to each other; membership is cheaper as it does not duplicate mailings of publications to the same address.

5. Introductory: for first year teachers who were members of a collegiate chapter; membership offered at a discount; level of discount varies from state to state.


Member Recruitment and Retention
Each state depends on MENC to maintain membership records, but the recruitment and retention of members is the shared responsibility of MENC and the state MEA's. Each state MEA must work to know the population of its members and potential members. It is not enough just to know who the members are, it is important to identify all music teachers in the state. How can a state MEA recruit members if the non-members are unknown? Although gathering this information is time-consuming, it is vital for the success of the organization.

Each state MEA should know the primary reasons why teachers in the state become members of the association. Is the state membership representative of all levels of music education (pre-K to post graduate) or concentrated in one area of similar job responsibility? Example: If All-State activities dominate the state's agenda, is membership concentrated amongst high school teachers? Membership efforts should reach out to all areas and levels of music education.

No membership mailing has the power of person-to-person contact. While it is true that persons who participate in state activities probably "get" more than they "give," it
is also true that when persons are asked to take on a responsibility, it places value on their time and ability. Waiting for volunteers is ineffective.

MENC Introductory membership rate can be an effective recruiting tool for first year teachers. Each state may offer additional incentives in the form of special programs or discounts for these first year teachers. Some states have developed a series of welcome letters, adapted the MENC new member packets, or developed mentorship programs. Teachers who begin their careers getting professional help from the association are more likely to continue their membership.

Tri-M and Collegiate chapters offer the opportunity to bridge the transition from student to teacher. Students who participate in association activities know the value of these activities and need little or no recruitment to become members as teachers.

**MENC Recruitment/Retention Services**
MENC has a three-part renewal system. Members receive a renewal notice 60 days before the expiration date. If there is no response, a follow-up is sent on the expiration date and a follow-up 30 days after that. Twice annually MENC conducts a mailing to lapsed members. MENC’s promotional plan may also include other membership initiatives.

**MENC Member Programs and Benefits**
MENC offers many programs that support members and music education as well as various benefits and optional programs for members. Many of those available at the time of this publication are described below. For updated information, check the MENC web page at www.menc.org.

**State Music Educators Association:** When an individual joins MENC, he or she automatically become a member of the state music educators association and is entitled to all the benefits associated with membership at the local level.

**Other MENC Membership Programs (state dues not collected)**

**Tri-M Music Honor Society** (Modern Music Masters): Music honor society for secondary school music students; chapter must be established in given school.

**MusicFriends:** MENC program created for parents, community members, and other supporters of music education. Through MusicFriends, MENC distributes information and resources to help members support school music programs at the local, state, and national level. There is no fee for membership, though donations to MENC’s Fund for the Advancement of Music Education are gratefully accepted.

**MENC Corporate membership:** MENC membership for music education products and services industry; offers exhibiting and advertising opportunities.

**Publications Program:** MENC’s growing publications program features more than 100 titles covering a wide range of topics in music education, including the National
Standards for Arts Education and related publications. Included in the program are publications, videos, and audiocassette tapes. Members receive a 25% discount on all MENC published resources. MENC publications may be ordered by phone or online, for added convenience.

www.menc.org: Resources on MENC’s website are available to all members and provide frequently updated information on membership, conferences, events, programs, publications, links and guides.

MENC member news updates: All members can elect to receive important and time sensitive music education news and action items by e-mail.

Performance Rights from ASCAP and BMI: Through an agreement with ASCAP and BMI, MENC or state MEA affiliate sponsored groups led by active MENC members are granted performance rights of music managed by these companies. The license agreement states that BMI/ASCAP grants MENC a license "to perform publicly or cause to be performed publicly, non-dramatic renditions of the separate musical compositions" in the ASCAP/BMI repertories by MENC and its Divisions and State Organizations." The license "does not authorize the broadcasting, telecasting or transmission to persons outside of the premises where the performance occur."

In short, this license includes performances at meetings, conventions, festivals, concerts and all other events sponsored by or involving MENC and its Divisions and State Organizations. This license does NOT cover recordings of any kind.

MENC Online Job Center: provides current listings of open positions for all specialties and levels in music education.

FAME: MENC’s Fund for the Advancement of Music Education seeks to advance music education by funding initiatives that increase the general public's awareness of the importance of music education and promote public support at the local, state, and nationals levels. Donations to FAME are tax deductible.

MENC Advocacy: MENC works to promote music education by informing legislators for the importance of an education that includes music, by developing the National Music Education Standards, and by sponsoring Outreach Programs such as Music In Our Schools Month, the World's Largest Concert, the 'Music Makes the Difference' campaign, and other national coalitions for arts in schools. MENC conducts an award-winning radio public service announcement series that reaches about 306 million impressions twice a year. MENC also makes available advocacy resources and awareness items to help support the local music program.

Journals and Periodicals:
- Music Educators Journal: The award-winning journal offering timely articles on teaching approaches and philosophies, current trends, new classroom techniques, and the latest in products and services.
• **Teaching Music**: Presents new and brief, practical features such as interviews, sample lesson plans, and other valuable materials.

**Optional Subscription**:

• **Journal of Research in Music Education (JRME)** - a collection of research reports that includes analyses of theories and projects by respected music researchers.

**Online Journals, free to Members Only**:

• **Journal of Music Teacher Education (JMTE)** - a publication focusing on topics of interest to professors involved in music teacher training. This journal will bring information on state-mandated curricula, certification issues, reform movements, methods courses, and more.

• **General Music Today (GMT)** - a respected journal that offers high-quality articles on emerging trends, effective lesson ideas, and new materials for teaching music at all levels.

• **Update: Applications of Research in Music Education** - An MENC journal that presents practical applications for research findings in general music, choral, instrumental, and special topics in music education.

**Optional Benefits**: MENC works with several companies to provide group benefits/discounts to members. MBNA America provides a no annual fee Platinum MasterCard and VISA program. Through an agreement with Forrest T. Jones & Company, Inc., MENC offers a variety of group insurance coverage; free term life is available to new members during the first year of membership. MENC and MusicPro have arranged an instrument insurance plan for MENC members. Alamo and Avis both offer MENC members great savings on car rentals with nationwide service. Through an agreement with the Variable Annuity Life Insurance Company, MENC now offers it members the opportunity to increase their retirement savings with a tax deferred annuity.

**State Membership Benefits**

One of the strengths of the association nationally, regionally, and by state is the professional development opportunities provided to members. Most states require membership for participation in such events. Some states offer smaller in-service activities open to all teachers as a recruitment tool for membership and as an incentive to attend a subsequent members only conference.

Many MEA-sponsored activities require membership for eligibility purposes. These activities may include student applications for All-State or Division performing groups, participation in All-State or Festival events, student composition contests, attendance at a state or division conference, submission of a tape for performance, proposal for conference session, use of lending library, submission of music for consideration for a state list, member discounts for activities and resources, and awards nominations.
Additional member benefits may include printed journals, newsletters, and directories. Many states have authored and maintained web pages that provide information as well as a list of other member benefits.

Many states maintain a job bank or personnel clearinghouse for members. This can be accomplished through mail, e-mail, or web page.

Mentor programs for teachers are proving to be a valuable tool far beyond the benefit of membership. Teachers supported early in their career are more likely to stay in the profession and remain members. Mentor programs benefit both the new teacher and the mentor.

Another benefit of membership is to have the support of the State Manager and staff, usually only a phone call or mouse click away. This simple access to association resources enables quick responses to member needs.

**Electronic availability of membership information:**
MENC electronic membership information is available to State Managers at http://manager.menc.org. Information about this can be found in the "General Administration" chapter of this handbook.

State Managers provide a number of additional services and duties not outlined in the previous sections. This will section is intended to be a catchall for topics not covered elsewhere.
General Administration

Communication
Generally, State Managers are responsible for many of the communication channels of the organization. Whether written, oral or electronic in form, it is important that the communications are clear and concise, yet offer enough explanation to be understood by the various audiences who will receive the communications. In this highly technological age, it is important that State Managers and their boards choose the most effective communications channel (or combination of channels). Electronic forms of communication are increasing in both popularity and availability and can provide a cost-effective channel for convenient and instantaneous communication.

Implementation of Policy
Generally, the board of directors is charged with creation of the policies of the organization and State Managers are charged with the implementation of these policies. It is important that boards and managers have the freedom to accomplish these key directives. Often, boards that don't function well are focusing on the implementation of policy. Similarly, managers who create policy for the organization are trying to do the board's job, making their own responsibilities all the more difficult to fulfill.

Representing the Organization
State Managers will often need to represent their MEA at meetings, workshops, and other official (and unofficial) events. State Managers should recognize that although they represent the organization, they cannot (and should not) speak for the entire membership. Again, an awareness of the manager's role to implement policy (and not establish it) is particularly helpful in these situations.

It is also important to communicate the results of these events to the governing committee or board. It is good for the governing committee to understand that the State Manager has been representing them at such functions and it is good for the attendees at such a meeting to know whom the State Manager represents. In all cases, it is important to act professionally and be cognizant of how the image of the organization is reflected in the manager's behavior.

Legal Counsel
State Managers often find themselves responsible for seeking legal counsel over association matters. Although legal advice can be costly, it is necessary to protect the interests and finances of the association. Legal counsel should be contracted to review indemnification clauses (for exhibitors, program participants), contractual agreements (property leases) and copyright issues as needed. As the board of directors explores new avenues and programs, it is important that the State Manager be mindful of the legal considerations of these actions. It is generally the State Manager's job to think in these terms and it is recommended that the State Manager seek legal advice whenever legal uncertainties arise.
**Services to Board Members**
Managers are often responsible for assisting with the business functions of the board of directors. The State Manager should supply each board member with envelopes, letterhead, mailing labels and other resources (perhaps to include business cards, calling cards, credit cards, etc.). The State Manager should help serve as many administrative functions as possible in order to allow elected board positions to spend their time on policy issues.

Some State Managers are involved in helping to train new board members. It is important that the new board members receive a job description, a board member handbook (should one exist) and a clear understanding of their responsibilities. All publication and program deadlines, communication channels, expense reimbursement policies and meeting attendance expectations should be included.

**Insurance**
The following article regarding insurance was printed in the Fall 1998 issue of the *Manager's Ledger*. Given the complexities of association insurance, it serves as a good overview of the various types of insurance that State Managers should explore.

"Risk Management and Insurance Issues"
by Shaun Irwin

Risk management and insurance do not send shivers of excitement into the hearts of many of us but they are integral tools for each of our organizations. There are a myriad of issues that create liability for nonprofit associations. The key for each manager is to identify what the critical risks of your organization are. After identifying what areas create exposures, decisions can be made more effectively regarding whether to retain the exposure or transfer the risk to an insurance company through the purchase of insurance.

The simplest concept and easiest number to get a handle on is your property exposure. Adding up your personal property, which would include desks, phones, copiers, office equipment, etc. is not that complicated and is an excellent place to start. You should separate your computer equipment value from your other personal property and insure it under what is referred to as an "electronic data processing form." This will expand the number of perils that will be covered by your insurance policy to include mechanical breakdown or power surge that damages your computer equipment.

There are a myriad of issues that create liability for non-profit associations. The key for each manager is to identify what the critical risks of your organization are.
Hopefully, most of you are still awake and with me on this discussion because the next area is probably the most critical. General liability exposures are the great unknown. For many of us our lease requires us to carry a certain amount of insurance for what they refer to as "public liability" or 'personal injury." For those operating out of home based offices there may be no requirement that we purchase general liability insurance. The reason this area is the most difficult to get our hands around is none of us have a crystal ball. We don't know if someone will fall off a stage at a sponsored of the performance, stumble on the carpet in the office or collapse on a folding chair. General liability coverage will also protect you in the event you are sued for advertising or publishers liability relating to your newsletters or publications printed by your association.

Workers compensation is statutory in nature and is required in most states. You must purchase coverage whether your employee is full or part time. Many people have the mistaken notion that a certain number of hours are required before coverage must be purchased. Some states allow you to cover volunteers as well as employees. Ask your local agent if this is a possibility. Workers compensation policies cover both medical expenses and lost income associated with an injury that occurs on the job.

Director and officers and employment practices liability exposures are another one that becomes difficult to get a handle on. The issues surrounding directors and officers liability are all about the money. They don't involve bodily injury or property damage. They typically involve contractual issues. These contracts can be entered into orally, in writing or be implied contracts. Directors and officers liability suits can come from members of your organization, suppliers, or lessors but most often for non-profits they come from employees. The claims from employees include wrongful termination, discrimination, hostile work environment, sexual harassment and unfortunately the list goes on and on. Employment practice liability claims can be very expensive to defend. Even employers that are vindicated don't feel much like celebrating after spending thousands in defense costs. Most non-profit directors and officers liability policies will include employment practices liability. It is critical to purchase coverage that includes this exposure or find one that will.

Employee benefits include health, dental, disability income, life insurance and retirement plans that you offer to your employees. They are typically only offered to full time workers after they have completed some sort of probationary period. The variety of policies that can be purchased are too lengthy for this discussion but there are some fundamental facts prevalent in today's' marketplace. They are a large
expense for an employer and will continue to be an enormous issue in
the years to come. Health care costs are outpacing normal inflation by
five to seven percent. This coupled with extremely low unemployment
rates makes finding quality employees very difficult. Employee benefits
need to be constantly monitored to attract and retain employees.
Budgets need to reflect expected increases in costs for benefits. Polling
other associations and employers of the same size in your area can be a
good benchmark for what kind of benefits you need to offer.

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[Editor’s note: one type of insurance not mentioned by Mr. Irwin is "Convention
Insurance," available from many different sources. Convention Insurance offers
protection for your association's conference and trade show. Coverage provides for
such things as adverse weather conditions, non-appearance of a principle speaker,
cancellation or curtailment of the event and loss of door receipts. For those
organizations which depend a great deal financially on their annual conference, or for
those which hold their convention during months of unpredictable weather, the State
Manager might consider looking reaming more about such insurance coverage.]

**Services to Managers**

**Manager’s Council**
The Council of State Managers is a voluntary group made up of the State Managers
from each state MEA. The Council convenes on a regular basis (annually, at least) to
learn from one another, to participate in professional development conferences and
meetings and to share ideas and expertise. An elected Chair, who serves a two-year
term as chair-elect, a two-year term as chair, and a two-year term as past-chair, leads
the Council of State Managers. Terms begin in the even numbered years. The chairs
are elected at the annual meeting of the Council of State Managers during the even
numbered years.

The Council of State Managers generally meets just prior to the National Assembly in
July of the odd numbered years. The Council will also begin meeting for a lengthier
and more specific professional development conference in July of the even-numbered
years, beginning in 2000. The chair of the Council of State Managers may choose to
organize additional meetings to address special projects or needs.

**Manager’s Ledger**
The Manager’s Ledger is the official publication of the Council of State Managers. It is
currently published three times per year (October, January, May). The deadline for the
October issue is September 1. The deadline for the January issue is December 1. The deadline for the May issue is April 1. The Manager's Ledger is the official tool of communications between managers. State Managers are encouraged to submit articles of interest for publication.

State Leadership Web Site (http://manager.menc.org)
In 1999, the State Manager's website was introduced to provide more timely access to membership information. The following guidelines, adopted at the July 1999, meeting of the Council of State Managers, apply to the use of the State Manager's website.

- Access to member information for the State Managers will be limited to that of the state that he or she represents.

- The State Managers will be the only persons to whom the password and login will be given. State Managers should keep their password secure and should change their password annually. Should managers choose to share this information with officers or employees, the responsibility for security remains with the State Manager.

- State Managers are not to sell or rent member data downloaded from the MENC website. Data should be used for internal association purposes only.

- In addition to providing state-specific membership data, the website also provides a forum for State Managers to share information. Each State Manager and their respective email address are listed on the website. Managers are encouraged to use this site to share ideas, pose questions and gather input.

- The State Manager is responsible for managing the electronic transfer of membership files from MENC to the state files.

The member data on the web site is raw text only; commas separate fields. The field names are listed in the accompanying label set-up files. Before the data can be used effectively it needs to be imported to a spreadsheet or database. The spreadsheet or database can be configured to print labels, lists or other information.

To transfer the data to a spreadsheet or database, the manager must click on the file to be transferred. Then under the file menu select "Save As". Give a name to the file and save it as a text document. Next, open the spreadsheet or database program. Under the "File" menu, select "Open" and then import the text file. Each State Manager may choose to add fields to the information that suit the needs of that particular state. From within this spreadsheet or database, State Managers can manipulate the information to print labels and customize reports by regions, zip codes, etc. All membership information and updates should be through the web page. More information on the file data and its uses is located on the State Manager website under FAQ's.
MENC Staff and Leadership
The Council of State Managers has an official liaison at MENC Headquarters who will help State Managers as much as possible. Contact the chair of the Manager’s Council or MENC for further information.
Appendices

Budget and Finance
Expense reimbursement form and travel policies
Balance sheet
Profit and loss statement (statement of activity)
Sample budget

Meetings and Conventions
Exhibit Contract
Performing Group Contract
Clinician's Contract
Sample Evaluation Forms for Attendees and Exhibitor
Sample Registration Form
Performing Group Application

Student Activities
Student evaluation forms
Student contracts
Health information forms
Rules and regulations
Policies and procedures

Membership
Brochures or other marketing materials (state-generated)
Associate membership information

General Administration
Directory forms (for information gathering from constituents)
Field/Label layouts for State Leadership site files