



Guidelines for Starting Local Chapters

I. Background

These guidelines are provided to assist members of The Institute for Internal Controls (IIC), also known as The Institute, in starting a local chapter in their geographic area. It is recommended that these guidelines be used as a starting point in the organization of the chapter, with additional guidance to be provided by the Office of the Chairman of The IIC.

II. Introduction

The Institute for Internal Controls encourages the establishment of local chapters in major geographical areas where Institute membership is sufficient to support the activities of the chapter. These guidelines are provided to assist any member(s) interested in starting a chapter. The IIC will not provide any financial assistance in the establishment of a chapter; however, the IIC will provide administrative assistance, provided it does not violate the privacy of its members.

III. Startup Procedures

Any interested Member(s) may start a local chapter or student chapter. Interested parties must seek permission from the Chairman of the IIC. This request must be in writing in the form of an email addressed to the Chairman at chairman@theiic.org. The request must include:

1. Geographical area that the chapter will cover.
2. Key contact Member that will serve as liaison between the Chapter and the IIC.
3. Names of Members, if known, that will serve on the “Organization Committee.”
4. Time frame for starting operations of the Chapter.

Additional procedures and specific steps and details are provided below.

IV. Membership

Each chapter may set its own rules and regulations concerning membership. The IIC does not dictate local membership requirements; however, all officers must be certified members of the IIC and the chapter's membership policies must not conflict with the IIC bylaws. The IIC bylaws suggest that chapters encourage membership in both the IIC and the local chapter.

V. Organization Committee

As discussed in Section X below, it is recommended that an Organization Committee be established to assist in the creation of the Local Chapter. Only certified members of the IIC can serve on the Organization Committee.

VI. Officers

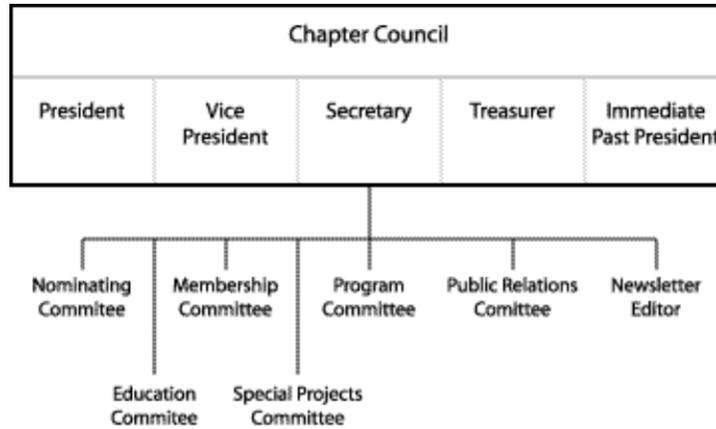
The Chapter is a vital part of the IIC and the Chapter Council with its President occupies the most prominent leadership position in the Chapter. In addition to being a key to the success of the Chapter's programs, the Council can make important contributions to the success of Institute-wide programs. Most Chapters start out with a small Council consisting of four to five officers, but as the Chapter grows the organization of the Council might look something like the figure below. The Chapter Council is elected while committee managers, who report to the Chapter Council, are usually appointed. However, it is not unusual for the initial Chapter Council to volunteer for each office with the approval of the other Council members, to serve a term of at least one year.

Once the chapter is organized, and the present officers feel that the Chapter organization is stable, elections should be held to appoint officers of the chapter. Terms for appointed officers should be at least one year; however, longer terms are allowable with the permission of the chapter members.

At a minimum the initial officer positions should include:

- President
- Vice-President
- Secretary
- Treasurer

Many chapters will have multiple Vice Presidents, such as First Vice President, Second Vice-President, etc. This allows for more consistency within the officer level and a succession process for the office of President. In subsequent officer elections, the position of Immediate Past-President should be established to assist the newly elected President. In addition, committee heads may be appointed to head operations in certain areas as discussed below.



Typical organization of a mature Local Chapter

Roles and responsibilities of the local chapter officers

There are no requirements in the IIC Bylaws concerning local officers and committee chairs other than the requirement that officers must be members of the IIC. Each chapter may establish the officer positions that are deemed necessary, set its own policies regarding qualifications and duties of officers, and develop election procedures.

The experience of other chapters has shown that officers usually include a president, vice president, secretary, and treasurer. Duties of each officer are described below:

- The **PRESIDENT** serves as the spark plug of the organization. Presidents should be "idea persons" who can generate the interest and impetus to keep the chapter alive and working. The president's duties include selecting others for responsible positions, stimulating them and seeing that assignments are completed properly and on time. The president and other officers should encourage all chapter members to join the IIC in order to fully participate and receive all member benefits.
- The **VICE PRESIDENT** should work closely with the president, be kept aware of all chapter activities and programs, and be ready to step in whenever the president is unable to perform the assigned duties.
- The **SECRETARY** of the chapter has an important and exacting task, which includes enlisting the aid of committee chairmen in assembling information and drafting reports. The secretary has the ultimate responsibility for preparing and keeping chapter records and handling correspondence. A large and active chapter may wish to divide the work between a recording secretary and a corresponding secretary.

- The TREASURER must see that the chapter's finances are in order and accounted for, while assuring that all possible sources of revenue are explored. In addition, the treasurer might want to consider special fund raising events to finance chapter programs and activities. It is suggested that a CPA (or equivalent) or a Member with an Accounting background serve in this position.

Role of Committees in Maintaining the Local Chapter

The actual planning and development of chapter activities and programs are performed by committees established for specific purposes. Committee chairs are usually appointed by the president. To keep the interest levels high, as many chapter members as possible should be involved in working on committees. Depending on the chapter, committees could be established to handle some or all of the following activities:

- Membership - to recruit members for the IIC and Local Chapter, collect dues (if dues are required by that chapter) and keep membership records.
- Educational Program - to plan meetings and other programs of an educational nature including arranging for speakers, assigning research topics, arranging for audio cassettes and videotapes, and other duties.
- Publicity - to keep members aware of chapter activities through newsletters, bulletins, reminder phone calls, and to publicize any events open to nonmembers for the greatest possible participation.
- Fundraising - to plan fundraising events needed to finance chapter activities and programs.
- Nominating Officers - to prepare a slate of candidates for election.
- Hospitality - to organize social activities planned by the chapter and make refreshments available, when needed, at meetings.
- Other – as needed

VII. Dues

A Local Chapter is part of the IIC organization, but it is responsible for its own finances. A chapter's first source of operating income is the chapter dues. Chapters are responsible for collecting their own dues. Most chapter activities are self-sustaining; that is, each activity pays for itself.

Typically local chapters will charge annual dues to its members to assist in supporting the administrative activities and operations of the local chapter. Although no exact amount is recommended the amount should be sufficient to pay for administrative activities such as mailings and the cost of a Chapter website. The typical annual dues fee for local chapters of other professional organizations is approximately \$25-30.

VIII. Meetings & Chapter Activities

The most central activity for a Local Chapter is the Chapter meeting. Chapter meetings and all that they can offer are the most tangible benefits of membership, and they are also the most important way of adding new members to the chapter as well as to the IIC. In order to show potential new members what chapters are all about, it is recommended that all newcomers are allowed one free meeting, without joining or paying the door-fee for non-members, if applicable. "Bring a friend" or "Bring a co-worker" theme meetings are also successful ways of showcasing the Local Chapter.

Chapters should hold their meetings or other chapter activities, such as training seminars, on a regular scheduled basis. Meetings should be held at a minimum on a quarterly basis, although most chapters hold meetings monthly or every other month. Locations for all chapter activities are typically held at non-fee sites such as conference rooms of member's employers, classrooms at local colleges/universities, and donated space at hotels. Some chapters will schedule their meetings as breakfast, lunch or dinner functions at hotels or restaurants, charging the members for the meals. In these instances many hotels or restaurants will provide the room for the activity free of charge. All meetings should have an agenda such as a discussion of chapter business, discussion of internal controls, guest speakers, etc. The agenda should be of interest to members to encourage their attendance. Non-members can be encouraged to attend; however, if a fee is charged, the non-members may be charged a higher fee to attend. This will encourage members to join the chapter, rather than just attend the functions.

IX. Mailing Lists

The IIC will provide the chapter with the directory information for all members in their geographical area who may be candidates to join the chapter. The information will be provided directly to the liaison appointed in Section II above. All information must be considered confidential and used only for chapter business approved by the IIC.

X. Chapter Website

It is recommended that Chapters set up a website as soon as feasibly possible. A Webmaster should be appointed from the chapter membership base. It is recommended that chapter websites have a link to the IIC website at www.theiic.org.

XI. Steps to Creating a Local Chapter

As a checklist to organizing your new Chapter the following steps are outlined. They follow the discussion above and may be modified as needed.

1. **Contact the IIC Chairman** and you will be assigned a Chapter Sponsor who will assist you through the process. Your Chapter Sponsor will send you the Chapter Guidelines and other information that you need in order to start a local Chapter. They will also continue to help you create your Chapter bylaws and guide you through the process of getting approval from the IIC Chairman for Chapter status.
2. **Identify at least three to five volunteer members** in your area who are interested in starting a Local Chapter. This is the core team that will help you prepare for the Organization Meeting. It may also be smart to arrange one or more informal sessions prior to the Organization Meeting to see if there is enough local interest to start a local chapter, and to see how many Institute members there are in the region.

A small group (3-5) of volunteers that work closely with a Chapter Sponsor often prepares the first Organization Meeting. The Sponsor will guide you through the process of starting a local Chapter and also help you locate other Institute members in the region.

The group should ideally consist of volunteers representing several companies and institutions. It allows you to share the workload and minimizes the risk of the effort failing because of a single key person was diverted from the task. Having the support of several companies usually also improves the possibility of support in the form of meeting facilities, access to computers and copiers and other useful items. Including representatives from more than one company also eliminates the risk of the chapter being seen as “too closely associated” with one company. It allows the IIC chapter to become “neutral territory” for sharing a broad wealth of ideas and experiences.

It is also important to find a name for the Chapter that reflects the boundaries of the Chapter. The geographic boundaries are formally approved by the IIC Chairman and may be changed from what you initially propose in the petition.

The name is usually constructed using a centrally located town or the name of the region. The formal name should also include a reference to the IIC. A

formal name would look something like the “Bay Area Chapter of the Institute of Internal Controls” or the “Philadelphia Chapter of the Institute of Internal Controls.”

3. **Write a tentative plan** for future meetings and other chapter activities to present at the first Organization Meeting.

It is important that the Chapter gets a good start, and that there are planned activities that will attract new members. Examples of activities that attract members are:

- Invited speakers to Chapter Meetings
- Tutorials and workshops
- Special sessions targeted to the experienced, as well as the less experienced professionals.

This is an area where creativity counts. Invent your own activities and share them with other chapters, or use their ideas to boost your membership.

4. **Complete the formal Petition to form a Local Chapter, including the Chapter name, Chapter boundaries and interim Chapter officers.** The list of officers shall include a President, a Secretary, a Treasurer, or a Secretary/Treasurer, and additional officers as approved by the Chapter.

The petition to form a Local Chapter has to be signed by at least five current IIC members requesting to be recognized as a Local Chapter of the IIC. All Chapter officers have to be members of the IIC. The petition should also include suggested Chapter name, Chapter boundaries and interim Chapter officers.

5. **Find volunteers who will help formalize the Chapter and develop the Chapter Bylaws.** Submit the Bylaws to the IIC Chairman and Chapter membership for review.

Chapter Bylaws are the rules by which a Chapter functions. Chapter Bylaws exist in harmony with the IIC Bylaws. Note: It is suggested that the development of the Chapter’s bylaws be the last step in organizing the Chapter. The Chapter should be running for at least six months before this step is attempted so that an established organization exists and an ample numbers of members are present to both create and approve the bylaws.

As you work on your Chapter Bylaws, keep in mind that the best Bylaws are those pared down to describe only the rules under which your Chapter actually operates from one year to the next. Remember that anything you put in your Bylaws can be changed only by the standard amendment procedures you include in your Bylaws. Consequently, your Chapter's operations will be least

inconvenienced and your Bylaws will function most effectively as a living document if you leave out information (such as on for ad hoc committees) likely to change or become outdated from year to year.

6. **Schedule an Organization Meeting** with at least five people that currently are members of The IIC and willing to help organize the Local Chapter. An informal petition should be agreed on at the meeting, with each attendee agreeing to assist in the development of the Chapter. At the end of this meeting, the informal petition should be memorialized in a letter or email to the Chairman of the IIC as detailed in Step 7 below.
7. **Submit the Petition**, along with the Chapter Charter, proposed Bylaws and the proposed boundaries of the Chapter to the Chairman of the IIC for approval. Your Chapter Sponsor will inform you continually about the progress of your petition.
8. **Contact Members of the IIC in your area**, informing them about the Local Chapter and inviting them to join the Local Chapter.
9. **Prepare and hold your first meeting**. Use this meeting to describe the activities of the Local Chapter and encourage discussion for Member input.
10. Once you haven completed the above, you can **get back to Step 5 and begin to formalize your Chapter Bylaws**. Your Sponsor and the IIC will provide templates for your use in this process.

XII. Conclusion

You are now on your way to what we all hope will be a successful Local Chapter. You will have some problems in the first few months, but things will get better as you learn from your mistakes as well as from what you did right and discover what works. You may find that the schedule times or locations of your meetings and activities are not convenient to the Membership. You may find that your agenda is not interesting to the Membership, causing poor attendance. However, you will eventually find out what works and success will be achieved.

REMEMBER, the Local Chapter is for the Members, so you must give them what they want (within reason). Encourage participation from the general membership. Seek speakers of interest to the Membership from resources such as the Members themselves (remember many of them are experts), from local university professors, from vendors who can introduce and demonstrate products of use to your membership, and the list goes on – Ask your members what they are looking for.

GOOD LUCK!