



UNITED STATES CHAMBER OF COMMERCE

ACCREDITATION

2008 Accreditation Application for Local Chambers

Section 2 Finance



U.S. CHAMBER OF COMMERCE

Accreditation Overview

Welcome

Welcome to the U.S. Chamber of Commerce Accreditation application program. We are excited that you are interested in standing out from the crowd and moving ahead. We want to help you through the Accreditation process by explaining our procedures, walking you through the steps to complete the materials, and clarifying what you can expect from us.

The Accreditation Application is divided into nine sections with a complete set of instructions at the beginning of each one. If you have already completed a section and you are familiar with the instructions, click on the Governance Overview icon in the Bookmark Section to the left of your screen. Otherwise, the background and instructions should be reviewed in detail starting with the Accreditation Overview, below.

Accreditation History

In 1964, the U.S. Chamber of Commerce began offering its Accreditation Program to state and local chambers of commerce nationwide. The program was designed to provide a continuous self-analysis of an organization's growth and development, with an opportunity for the organization to reassess its objectives and resources, program of work, procedures, and achievements. Since the Accreditation program's launch, more than 750 chambers have met the required organizational standards and have earned the title "Accredited."

Accreditation means that a local or state chamber of commerce has been recognized by the U.S. Chamber of Commerce for having sound programs and organizational procedures and for continually creating and maintaining positive change in the community.

The U.S. Chamber Accreditation program establishes criteria for judging the quality of performance for state and local chambers of commerce, determines the extent to which organizations meet these criteria, and issues a public announcement that organizations are found to be of superior quality.

The U.S. Chamber understands that state and local chambers are diverse and have unique programs of work, operations, merit, dues structure, and program policies. As a result, the Accreditation program has separated the state chamber Accreditation process from the local chamber Accreditation process. Distinct applications have been created to recognize these differences.

Accreditation does not mean that an organization is perfect in every respect. Competent examiners acknowledge the quality of an organization and make recommendations where there are areas of deficiency and recognize chambers for areas of special distinction.

Effective chambers of commerce operate above and beyond minimum standards. As each chamber prepares its Accreditation application, it seeks ways of improving its performance in the community. These criteria or standards become a tool for management control and self-discipline.

Mission

The mission of the Accreditation program is to establish a standard of organizational competency and an objective set of criteria for assessment. The achievement of standards by state and local chambers as determined by an examining committee will be recognized with Accreditation by the U.S. Chamber of Commerce.

Procedures to Apply

Make Sure Your Chamber is Entered into the Accreditation Database

We want to make sure you are properly entered in our database. If you have not yet entered your contact information, click here <http://www.uschamber.com/chambers/accreditation/intent.htm> and follow the steps. Upon receipt, U.S. Chamber staff will enter the information into a database, allowing the applicant chamber to receive updates about the Accreditation process and invitations to conference calls discussing the application process. **Do not send the program fee at this time.**

If clicking the link doesn't work, make sure your computer is set up to access the Internet and try again. If you still experience difficulty, call Mathew Wasserburger at (202) 463-5821.

Access the Application Documents

There are nine sections of the Accreditation application:

1. Governance
2. Finance
3. Human Resources and Staff
4. Government Affairs
5. Program Development
6. Technology
7. Communication
8. Facilities
9. Benchmarking

Copies of all nine sections of the Accreditation application can be found on our Web site at <http://www.uschamber.com/chambers/accreditation/app.htm>

These files can be completed by one person at the chamber or distributed to other chamber staff or volunteers to assist in the ultimate completion of the application.

To assist in distributing the files, chamber staff or volunteers may go directly to the web site to download the sections of interest to them.

No matter how many staff members or volunteers are working on the application, the chamber's designated staff contact person should be the only one to communicate with the U.S. Chamber staff.

Review the Application

Review the application in its entirety — all nine sections — to determine whether the chamber is prepared to begin the Accreditation process. Use the glossary at the end of the each file to familiarize yourself with the language of the application. Glossary items can also be accessed by clicking on highlighted text. In the glossary a link is provided to return to the highlighted text.

Complete the Application Documents

Each applicant chamber is required to complete all nine sections of the Accreditation application.

Each of the application's nine sections is a self-contained document including:

- Application instructions and overview
- Section's standards as defined by the U.S. Chamber
- A list of minimum qualifications to achieve Accreditation for that section
- A checklist of attachments
- A digital application form

The digital application form is divided into two categories; the minimum requirements which must be met for the chamber to be Accredited, and the additional criteria which will be evaluated to determine the star ranking of an Accredited chamber.

Complete the Conclusion and Signature Page

The Conclusion and Signature Page can be found on our Web site <http://www.uschamber.com/chambers/accreditation/app.htm>. The U.S. Chamber requires that these pages be completed digitally, then printed and signed by the Chief Paid Executive and Chief Elected Officer.

Prepare the Application Materials for Delivery

Copy the nine pdf files and the conclusion page and signature page to a CD or USB drive. Print and sign the completed Conclusion and Signature Pages, and enclose the payment form with a signed check or credit card information for \$699 for U.S. Chamber members; \$1,199 for non members.

Mail the Application Materials to the U.S. Chamber

The application materials should be put into an envelope with the completed Conclusion and Signature Pages and the payment and mailed to:

U.S. Chamber of Commerce
c/o Political Affairs and Federation Relations, Accreditation
1615 H Street, NW
Washington, DC 20062-2000

U.S. Chamber of Commerce Review Process

Review

Once the completed application and program fee have been received, U.S. Chamber staff will review the chamber's submission for minimum requirements. Due to the volume of applications received, we ask that you please do not contact the U.S. Chamber to inquire about the status of the chamber's application. In the event that minimum requirements have not been met or there are missing materials, U.S. Chamber staff will contact you.

An experienced Accreditation consultant will review the application and make recommendations. The consultant may contact the applicant to ask questions that might arise during the review. Based on the findings, a confidential report with recommendations will be prepared and sent to the Accrediting board, the governing body of the Accreditation program made up of business and chamber executives. The Accrediting board will review the recommendations and approve or disapprove the chamber's Accreditation status.

Recommendations will be presented to the Accrediting board at the February, June, and November board meetings. The day following the Accrediting board meeting, the applicant will be notified about the chamber's Accreditation status.

Awards

All Accredited chambers must meet the minimum requirements for each section of the application. If the applicant completed the additional criteria sections of the application, the Accreditation consultant will review the additional material and designate the chamber as Accredited, Accredited with 3-Stars, Accredited with 4-Stars, or Accredited with 5-Stars based on the number of additional criteria points scored in each sections of the application. A chamber earning at least 70% of the total number of points will be awarded Accredited with 3-Stars; 80%, Accredited with 4-Stars; 90% or more, Accredited with 5-Stars.

Post Accreditation Materials

Upon receiving Accreditation, the chamber will receive a marketing kit with the following:

- Letter of congratulations from Tom Donohue, U.S. Chamber President and CEO
- Press release
- Certificate of achievement
- Recommendations for improvement
- Sample newsletter articles and Web page blurbs
- Camera-ready logos
- U.S. Chamber of Commerce resource guide

Each chamber receiving Accreditation will be acknowledged on the U.S. Chamber's Web site.

Maintaining Accreditation

To maintain Accreditation, a chamber must submit an Accreditation application every five years. Chambers will receive an email from U.S. Chamber staff during the fourth year of Accreditation. It will remind them of the need to renew and provide links to the materials required for the renewal.

Confidentiality

The U.S. Chamber agrees to maintain the confidentiality of information received throughout this application except in cases where (1) the information is or becomes publicly known from sources other than the application itself (2) the information is received by the U.S. Chamber without restriction from a third party (3) the information is independently developed by the U.S. Chamber, or (4) the information is disclosed by the U.S. Chamber pursuant to judicial action.

Tech Support

Navigation

The Accreditation application uses bookmark navigation to assist the applicant in navigating the application. Please note that the pages of this file are divided in two. The left-hand side presents “bookmarks” that can be used to take you directly to specific pages in the document. Clicking on the triangle beside the bookmarks will “open them up” and provide you with a more detailed set of bookmarks for the section.

If you have had no experience with this type of navigation, give it a try and become comfortable with it before going on.

Completing Each Section

“Yes/No” Radio Buttons

Radio buttons — — are used for “yes/no” questions. If you inadvertently click a “yes” button, you can change your answer by clicking on the “no” button, and vice-versa. Radio buttons are also used to “check off” items on a list. If you inadvertently click a “check off” button, you can change your answer by clicking it a second time.

Short Answers

Space is provided to enter short answers. For example, the question, “In which government jurisdiction is the chamber’s incorporation or charter filed?” should be answered like this:

Washington, D.C.

In some cases, the answer may exist in another file. It can be copied and pasted into the text box.

Where the answer is best provided by entering the entire file, the file can be attached, see below.

Attachments

In each section you are required to provide Attachments to support the application. Instructions for making the Attachments follow. Note that you can terminate the process before it is complete by pressing the escape key (ESC).

Digital files

If the attachment is a digital file in a common format (Microsoft Word, Excel, Powerpoint; Adobe Acrobat pdf, etc.), the file can be attached electronically. Each attachment has an “attachment area” that looks like this:

Attachment: _____

A reminder of the instructions to attach a file can be accessed by clicking the ? icon.

Steps for Making Attachments

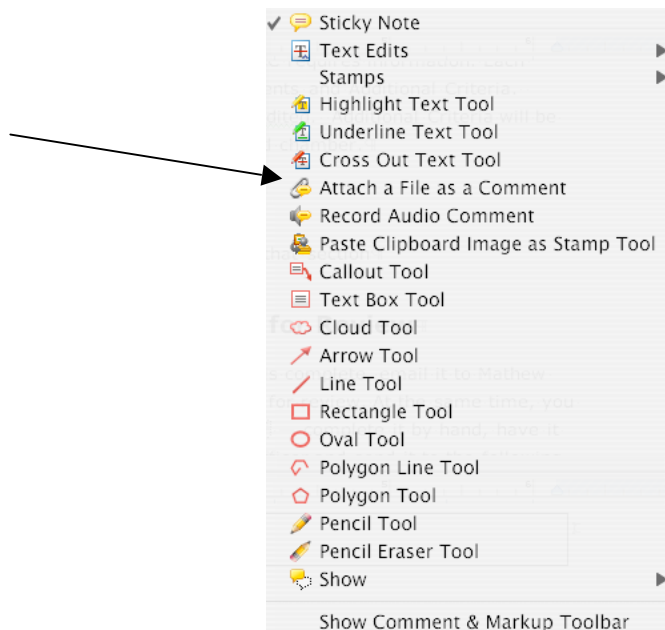
1. Go to the menu at the top of the screen. It looks like this:

Adobe Reader File Edit View Document Tools Window Help

2. Click on "Tools" and a drop-down menu will appear. It looks like this:



3. Drag the cursor over the words "Comment & Markup" to show the next drop-down menu. It looks like this:



4. Click on the line "Attach a File as a Comment." The arrow points to it. Click anywhere in the "Attachment Area" to trigger your computer's operating system to open.
5. Find the file you want to attach and click on it.

6. Click on the "Select" button at the bottom of the window in your operating system and a new window will appear that looks like this:



7. Click on the "Paperclip" icon, and click the "OK" button.

A "Paperclip" will appear in the "Attachment Area." Clicking on this icon will open the file you have attached. If you want to unattach the file, select the icon with your cursor and hit the delete key.

Printed Files

If your document is in printed form and no digital copy is available, it can be converted to a pdf file by having it scanned. Converting printed files to digital format is the best way to deal with these attachments.

If you cannot have the file scanned, you can send it to the U.S. Chamber of Commerce in its printed form. The U.S. Chamber will have it scanned at attached to your application document for a fee of \$1.00 a page.

Essays

Space is provided to enter essays. They must be as thorough as possible and the space will expand to accommodate essays of up to 1,000 words. Each essay response must be as thorough as possible.

The space can accommodate text only. If your essay already exists in a digital format, you can save time by including it as an attachment. If you would like to include tables, charts, or graphs in this section as a way to better clarify or enhance the essays, you can put them into a digital format and attach the file.

Frequently Asked Questions (FAQs)

- Q We have documents that we think the U.S. Chamber of Commerce should review but there is no place for them to be attached in any of the sections.
- A An area has been provided at the end of Section Nine — Benchmarking — where additional attachments can be made. Please note that the U.S. Chamber of Commerce will review these items but may not include them in the basic scoring of the application. However, if the material is noteworthy or exemplifies an industry best practice, it may be eligible to receive discretionary points that may affect the chamber's star rating.
- Q There are places where we would like to add a comment but there is no text box available.
- A Generally speaking, text boxes are made available where additional information is needed to determine the chamber's level of compliance. However, if an applicant would like to insert more information, the applicants can always use Adobe Acrobat Reader's "Sticky Note" feature to insert a comment anywhere in the application forms. To access this feature click on the Tools menu at the top of your screen and slide the cursor down to "Comment and Markup." A list of features will appear with "Sticky Note" at the top. Click on the "Sticky Note" icon then move your cursor to the place in the document where you would like to make a comment. Click again and the "Sticky Note" will appear. Write your comment in the space provided then click anywhere in the document to continue.
- Q Completing the forms is time-consuming. Will we have to redo everything when it is time to renew our accreditation?
- A The set of nine pdf files should be kept in a safe place, with backup copies available elsewhere. At renewal, use the original set of pdf files, make changes only and save them under a new name, e.g. Section One – Governance 20??. This new set of files is then sent to the U.S. Chamber of Commerce for review. No need to completely redo the forms.
- Q We have very large files on separate media and cannot attach them to a pdf file.
- A These files can be submitted on separate media (CDs, DVDs, USB drives, etc.) and enclosed in the same envelope used to send the nine sections to the U.S. Chamber of Commerce and the Accreditation fee. A note should be included to indicate what the files are and the section of the application forms to which they apply.

Q Can more than one person be involved in completing the forms? How would this be done?

A While it is best for one person to coordinate the process and serve as the communicator with the U.S. Chamber of Commerce, many chambers will want to involve more than one person. Chambers will often distribute the pdf file for certain sections to specialists who are responsible for completing them. For example, Section Two – Finance may be given to the CFO who completes it and sends it back to the person coordinating the application for the chamber.

2. Finance

Standard

An Accredited chamber conforms to all Internal Revenue Service (IRS) and state accounting regulations and generally complies with the Statements of Financial Accounting Standards. Each chamber operates on a budget approved by the board of directors. An audit of the chamber's records is made by a recognized auditing firm.

Minimum Qualifications

- Meets generally accepted accounting principles (GAAP)
- Has created and adheres to financial policies
- Has an annual operational budget in place (including costs for all programs, management, and fundraising) and approval by appropriate committee
- Board of directors reviews and approves financial statements
- Accounting and reporting systems are maintained electronically
- Maintains current financial statements
- Maintains liability insurance
- Maintains director and officer insurance
- Chambers with revenue below \$500,000 must:
 - Conduct an annual review by a certified financial firm
 - Conduct an audit every three years
- Chambers with revenue of more than \$500,000 must:
 - Conduct an annual review by a certified financial firm
 - Conduct an audit every other year
- Meets IRS and state filing requirements
- Withholds and reports taxes from employee checks to the IRS and state and local government on a timely basis

Minimum Requirement Attachments Checklist

- A 2.1 Financial policies and procedures manual
- A 2.2 Detailed budget for the current year
- A 2.3 Last fiscal year's financial report
- A 2.4 Three most recent monthly or quarterly financial reports
- A 2.5 Most recent financial audit
- A 2.6 Most recent financial review
- A 2.7 IRS Letter of Exemption (if applicable)
- A 2.8 Most recent state income tax report (if applicable)

Section 2. Finance Minimum Requirements

A. Responsible Accounting

1. Are financial policies and procedures documented in a financial policy and procedures manual? Yes No

A 2.1 Attach financial policy and procedures manualⁱ Attachment : 

2. Please indicate which clauses are addressed in the financial policy and/or procedures manual: (check all that apply)

Finance Clauses:

- Fiscal-year designation
- Procedures for application of chamber revenues
- Placement of excess revenues (i.g., do they go into a reserve account?)
- Authorization of the chief paid executive to make disbursements upon adoption of a budget by the board
- An annual review of accounts by a qualified, independent outside source and an audit every two to three years
- Policies to designate or restrict funds. (If applicable)

Banking Clauses:

- Number and types of bank accounts the chamber holds
- Account signatures – signature authority
- How deposits are to be handled
- Deposits are secured by bank pledged assets (if cash balances exceed FDIC insurance)

Investment Clauses:

- Types of securities to be held (investment schedule)
- Designation of person responsible for the investment of funds
- Types and amounts of special funding to be maintained
- Kinds of expenditures that may be charged to special funds
- Fund transfer authorization

3. What type of accounting system is used? (Check one)

Cash basis Accrual Basis Combination

4. On what terms does the chamber pay its bills? _____

B. Budget

A 2.2 Attach the chamber's detailed budget for the current year. Attachment : 

A 2.3 Attach last fiscal year's financial report. Attachment : 

1. How many months prior to the implementation of the budget does the chamber begin planning the following year's budget? _____
2. Are income and expenses for programs, management, and fundraising detailed in the budget? Yes No
3. Do all board members receive a copy of the approved budget? Yes No
4. Is the board of directors required to approve the chamber's annual budget? Yes No

C. Financial Reporting

1. Are the chamber's accounting and reporting systems maintained electronically? Yes No

A 2.4 Attach copies of the chamber's three most recent monthly or quarterly financial reports.

Attachment :   

2. Please indicate what the chamber's financial reports provide: (check all that apply)

- Status and transactions of all funds for which the chamber has fiduciary responsibility
- Current month's income and expenses by budget account items
- Actual year-to-date income and expenses by budget account items
- Budget annual income and expenses by budget account item
- Current cash and investment status of the chamber

3. How often are financial reports reviewed by the board? (check one)

- Monthly Quarterly Other _____

4. Does the chamber have general liability insurance? Yes No

5. Is director and officer insurance provided to directors? Yes No

6. How often is the chamber audited by a certified financial auditing company? (If the chamber's revenue is more than \$500,000 the chamber should be audited every other year. If the chamber's revenue is under \$500,000 the chamber should be audited once every three years.)

- Annually Every three years
 Every other year Other _____

7. Is an internal financial review administered in years that the chamber does not undergo a complete audit? (If the chamber conducts yearly audits, please skip this question.) Yes No

A 2.5 Attach a copy of the chamber's most recent audit.ⁱⁱ Attachment : 

A 2.6 Attach a copy of the chamber's most recent financial reviewⁱⁱⁱ (If the chamber conducts annual audits, no financial review is required).

Attachment : _____

D. Internal Revenue Service (IRS) Regulations

1. What is the chamber's federal IRS identification number? _____

A 2.7 If the chamber has an IRS Letter of Exemption, please attach a copy.

Attachment : _____ 

2. Does the chamber file an IRS Form 990 annually? Yes No

3. If the chamber's Unrelated Business Income grosses more than \$1,000, do you file an IRS Form 990T? Yes No

E. State Income Tax

1. Does the state require the chamber to file state income tax reports? Yes No

A 2.8 If yes, please attach a copy of the chamber's most recent state income tax report.

Attachment : _____ 

2. Is the chamber required to collect and transmit sales tax to the state? Yes No

3. Please list the chamber's state department of revenue identification number (If applicable). _____

4. Does the chamber have a state sales tax-exempt certificate? Yes No

5. Is the chamber required to have a state occupational license? Yes No

F. Payroll Taxation

1. Are taxes withheld from employee checks transmitted and reported to the IRS as well as to state and local governments on a timely basis? Yes No

Attachment A

Fill in the following for the last five years (round to the nearest dollar).

Year	_____	_____	_____	_____	_____
Total income	_____	_____	_____	_____	_____
Member income	_____	_____	_____	_____	_____
Income other than dues:	_____	_____	_____	_____	_____
Convention or tourist	_____	_____	_____	_____	_____
Industrial development	_____	_____	_____	_____	_____
Retail	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Special long-range funds (show one year's income Only)	_____	_____	_____	_____	_____
Tax or government funds	_____	_____	_____	_____	_____
Foundation income	_____	_____	_____	_____	_____
Subsidiary corporation	_____	_____	_____	_____	_____
Number of membership billing accounts	_____	_____	_____	_____	_____
Number of new member accounts	_____	_____	_____	_____	_____
Number of member accounts dropped or resigned	_____	_____	_____	_____	_____
Dollar value of dropped or resigned accounts	_____	_____	_____	_____	_____
Percentage of income used for: *The sum must equal 100%					
Administration	_____ %	_____ %	_____ %	_____ %	_____ %
Operations	_____ %	_____ %	_____ %	_____ %	_____ %
Programs	_____ %	_____ %	_____ %	_____ %	_____ %
Cash balance at end of fiscal year	_____	_____	_____	_____	_____

Section 2. Finance Additional Criteria

A. Responsible Accounting

1. Is the staff responsible for performing financial transactions separate from the staff that records financial transactions? Yes No
2. Are the officers and staff that handle the chamber's money bonded? Yes No
3. Are the capabilities of financial personnel appropriately matched with the requirements of the financial position? Yes No
4. Has the board been instructed on how to review financial statements? Yes No
5. What other types of financial training, in addition to what is provided at the board orientation, does the chamber offer the board of directors? (Check all that apply)
 Staff or peer coaching Financial courses at local or state colleges or universities
 Seminars or conferences Other _____

B. Budget

1. Do board members and officers participate in the budget planning process? Yes No
2. Do the chamber staff and board monitor the budget on a monthly basis? Yes No
3. Does the chamber forecast a budget longer than one year? Yes No
4. Is the budget shared with all committee chairs, and do they understand their responsibility to perform against their particular part of the budget? Yes No
5. Do volunteers understand they cannot expend funds or contract for the chamber without explicit authorization? Yes No

C. Financial Reporting

1. How often are financial reports reviewed by the Executive Committee?
 Monthly Quarterly Yearly Not Applicable
2. Does the board and/or executive committee review audited financial statements? Yes No
3. Does the chamber have a reserve or contingency fund? Yes No
 - a. What is the reserve goal (stated as a percentage) of the total operating budget of the chamber? _____ %
4. Does the chamber have designated or restricted funds? Yes No
 - a. Please list the chamber's designated funds.

D. Internal Revenue Service (IRS) Regulations

1. Does the chamber receive tax or government funds? Yes No
2. Is there a contract or written agreement between the government body and the chamber to perform services? Yes No

a. If yes, list and briefly describe each contract or written agreement.

E. Payroll Taxation

1. Are regular payroll audits performed? Yes No

F. Membership Dues

1. How many members does the chamber have? _____
2. What percentage of annual gross income is derived from membership dues? _____ %
3. What is the chamber's average **member retention rate**^{iv} over the past three years? _____ %
4. Is the chamber's membership increasing, decreasing, or stable?
- Increasing Decreasing Stable

5. Please list some reasons for membership increases or decreases.

6. What is the highest dollar rate for the chamber's membership dues? \$ _____
7. What is the base (minimum) dollar rate for the chamber's membership dues? \$ _____
8. What percentage of membership accounts pays only the base rate? _____ %
9. What are the average dues per membership account? \$ _____
10. Please indicate the billing method for membership accounts:
- Anniversary billing date Fiscal billing date

11. What is the chamber's renewal billing timeline?

12. Does the chamber conduct exit interviews for members that do not renew their membership? Yes No
13. Does the chamber have a collection procedure for late membership dues income? Yes No
14. How long do you carry delinquent member accounts?
- 60 days 90 days 120 days Over 120 days

Supplementary Information

Applicants can use this page to enter or attach supplementary information not required by the application.

Please note that the U.S. Chamber of Commerce will review the material, but does not score supplementary information either as a part of the application process or as a basis for designating the chamber as Accredited, Accredited with 3-Stars, Accredited with 4-Stars, or Accredited with 5-Stars.

Supplementary information may be awarded up to five discretionary points as deemed by the Accreditation consultant for exceptional policies or best practices.

Comments can be entered in the space below.

Additional documents can be attached here :  _____

ⁱ **Financial policy and procedures manual:** The Accrediting Board requires that the chamber create a written manual of generally accepted accounting principles that provides the chamber's financial staff with adequate controls for general finance, banking, and investments. For sample financial policy and procedures manuals, refer to the best practices Web page at

http://www.uschamber.com/chambers/accreditation/best_practices.htm

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ⁱⁱ **Audit:** The Accrediting board requires that all Accredited chambers with revenue greater than \$500,000 undergo a full financial audit by a certified accounting firm every other year. For chambers with revenue under \$500,000 the Accrediting board requires that an audit by a certified accounting firm be completed every three years.

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ⁱⁱⁱ **Financial review:** The Accrediting board requires that in years when a full financial audit is not conducted, a financial review, completed by a certified accounting professional, be provided. If the chamber conducts yearly audits, a financial review does not need to be conducted.

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^{iv} **Membership retention rate:** Retention rate equals the number of expiring members from a year that renewed their membership divided by the total number of expiring members for that year.

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