

**ACC RESERVES Recommendations**

Among non-profit associations, it is usually prudent to maintain 3-6 months of operating expenses as reserves. Certainly it is not necessary to keep more than three to six months in reserves and it is recommended that chapters in excess avoid undue scrutiny by the IRS and consider devoting resources to additional programming and activities that will benefit ACC members, and increase the visibility of the chapter and the association in the local community.

You should also note that your reserve amounts might affect how members and ACC Headquarters perceive the chapter’s fiscal responsibility and management. For example, members may not support an increase in dues if their chapter is not meeting current member needs, has no specific plans to invest the funds in future service to members, or is merely holding excessive funds in reserve. Chapters should avoid this scenario by pumping excess funds (beyond the recommended 3-6 reserves) into enhancing chapter services. Some specific suggestions for spending excess income are listed below.

1. Fund a chapter representative to attend the Chapter Leader Training session in the Spring and the Leadership Development Training program in the Fall.
2. Utilize a professional bookkeeper to relieve either the volunteer treasurer or paid administrator of this day-to-day responsibility. This will increase overall financial controls by segregating more duties. The treasurer should continue to provide oversight.
3. Consider hiring an event management company for large chapter event to again relieve volunteers of the day-to-day operations.
4. Hire a PR firm to assist with marketing your chapter to your local legal community. See PR Manual at http://www.acc.com/networks/vrp.php for guidelines and advice on working with a PR firm or contact Marthea Davis at [davis@acc.com](mailto:davis@acc.com).
5. Hire a professional photographer.
6. Conduct local recruitment campaigns or local membership drives. For advice and direction on hosting a local incentive campaign, contact Tori Payne at [payne@acc.com](mailto:payne@acc.com).
7. Consider funding a unique program without sponsor involvement (a CLO networking event, social event, etc.)
8. Host a webcast. ACC provides chapters with an easy to administer and inexpensive service for hosting a webcast.
9. Purchase chapter letterhead and business cards.
10. Provide administrator with training seminars related to his/her duties – computer, event management, business writing, membership development, etc.
11. Hire experts such as executive coaches, resume writing experts, etc to assist members in transition and members who are interesting in moving to the next level.
12. Consider working with StreetLaw Inc. on a [Diversity Pipeline Project](http://www.streetlaw.org/en/programs/corporate_legal_diversity_pipeline_program) or The Pro Bono Institute on one of its many Corporate Pro Bono initiatives such as the [Clinic in a Box](http://www.probonoinst.org/projects/corporate-pro-bono/).
13. Consider funding unique speakers for one of more of your events. Recent speakers at chapter events include: Arthur Harrison Miller (Leadership), Barney Frank, Judy Smith (Crisis Manager).
14. Consider funding an internship program or scholarship program for law students.

**RESERVE LIMITS**

Chapters often wonder if the IRS places limits on the amount of reserves a chapter is allowed to hold. In fact, the IRS does not focus on a tax-exempt organization’s reserves as long as the use of the reserves is to ultimately carry out the objectives for which the organization was granted tax-exempt status and there is not a gross excess of funds that are not being spent on chapter services. (A large reserve fund may be justified, for example, if the chapter plans to set up a scholarship program, produce a directory, or host a large Annual event). Note, however, reserves are extremely higher than the recommended 3–6 months operating expenses, could cause undue scrutiny by the IRS and chapters should therefore endeavor to continually use excess funds to enhance chapters services and operations.