



**Thursday, May 28, 2020  
2:00 p.m. – 4:00 p.m.  
Board of Directors Teleconference Meeting**

Call-in: 16699006833  
Meeting ID: 918 503 431  
Join Zoom Meeting <https://zoom.us/j/918503431>

1. Introduction
  - a. Welcome/Roll Call
  - b. Additions to Agenda
2. Consent Items 2:05 p.m.
  - a. Approval of minutes from April 16, 2020
  - b. Financial reports from April 2020
  - c. Budget Class and Virtual Training
  - d. Policy and Procedures Manual Update
  - e. CSMFO Letter to AICPA
  - f. Executive Committee Meeting Agenda
3. Discussion/Action Items 2:15 p.m.
  - a. CSMFO Closed Session Board Meeting Update (Steve Heide)
  - b. Final 2020 Annual Conference Report (Steve Heide)
  - c. CSMFO Insurance Recommendation (Scott Catlett)
  - d. Mid-Year Budget Review (Steve Heide)
4. Committee Reports 3:00 p.m.
  - a. Administration (Scott Catlett)
  - b. Career Development (Laura Nomura)
  - c. Communications (Karla Romero)
  - d. Membership (Jennifer Wakeman)
  - e. Professional Standards (Jason Al-Imam)
  - f. Program (Margaret Moggia)
  - g. Recognition (Yolanda Rodriguez)
  - h. Student Engagement (Craig Boyer)

- i. Technology (Matt Pressey)
  - j. Management Contract Ad Hoc Report (Margaret Moggia)
  - k. CCAT Update (Marcus Pimentel)
- 5. League Policy Committee Reports 3:20 p.m.
- 6. Chapter Roundtable 3:30 p.m.
- 7. Director Roundtable 3:40 p.m.
- 8. Officer Reports 3:50 p.m.
  - a. President (Steve Heide)
  - b. Past President (Margaret Moggia)
  - c. President-Elect (Marcus Pimentel)
- 10. Other Discussion Items
- 11. Future Topics
- 12. Upcoming Meeting:  
Thursday, June 25, 2020, 2-4pm – Teleconference
- 13. Adjournment 4:00 p.m.



**Thursday, April 16, 2020  
1:00 p.m. – 4:00 p.m.  
Board of Directors Meeting**

Steve Heide  
Marcus Pimentel  
Will Fuentes  
Richard Lee  
Ernie Reyna  
Grace Castaneda  
Stephen Parker  
Carrie Guarino  
Karla Romero  
Jennifer Wakeman  
Kate Zawadzki

Scott Catlett  
Jason Al-Imam  
Laura Nomura  
Yolanda Rodriguez  
Brad Wilkie  
Mary Bradley  
John Adams  
David Cain  
Harriet Commons  
Catherine Smith  
Melissa Manchester

### **Introduction**

The California Society of Municipal Finance Officers (CSMFO) Board of Directors via teleconference on Thursday, April 16, 2020. President Steve Heide convened the meeting and confirmed a quorum was in attendance at 1:05 p.m. There were no additions to the agenda.

### **Consent Calendar**

The Board addressed the consent calendar, which included the minutes from the February and March meetings, the February 2020 financial reports, the appointment to SCO Special Districts Policy and Interpretation Committee, the renewal contract for Michael Coleman and the Executive Committee meeting agenda. Director Richard Lee moved to approve the consent calendar; Director Will Fuentes seconded. The motion passed unanimously.

### **COVID-19 Working Group**

President-Elect Marcus Pimentel informed the Board that the Executive Committee had created an ad hoc committee to advise and guide CSMFO on how to respond to COVID-19, including where to post information, what information to share, how in-person events are handled, etc. The group plans to meet at least monthly.

### **Moratorium on In-Person Meetings**

President-Elect Pimentel shared that the COVID-19 working group's recommendation is for CSMFO to suspend in-person gatherings through July 5, 2020. Director Ernie Reyna moved to approve the recommendation; Director Lee seconded. The motion passed unanimously.

### **2020 Conference Recap**

President Heide shared some of the takeaways from the Annual Conference survey, which included some concerns about the lateness of the Cars Land event. 74% of respondents said the conference shouldn't be extended, while 85% thought it should start on Tuesday at noon. 8% responded that they would not be attending 2021. The conference was budgeted for a net loss of \$64,000, and preliminary reports have the net income at a positive \$50,000.

He shared his appreciation to his Host Committee, the Program Committee and the staff for the conference success, and to the Communications team for the for the conference magazine.

### **Membership Renewal Update**

Membership Chair Jennifer Wakeman reported the total membership for 2020 to date is 2147. There have been 346 new members so far. Of those renewing, 1800 have renewed with almost 600 not renewing yet. Since 2010 through 2018, retention rate averaged 84%; 2020 is currently at 72%. The renewal date was extended to April 30 for 2020, and the Membership Committee will be discussing how to assist with agencies that may be struggling financially for this and next fiscal year.

### **CSMFO Financial Commitments through March 2021**

Executive Director Melissa Manchester reviewed with the Board the financial commitments CSMFO has through March 2021, including a contract for a reception that was to be held at GFOA, a hotel contract for the strategic planning session, and the hotel and convention center contracts in February 2021. The GFOA reception venue indicated they expected a refund of the deposit would be allowed, but would know more as the date nears. The Board discussed whether to hold the strategic planning session in October at the Monterey Plaza, choosing to table the decision for another couple months.

### **Mid-Year Budget Review**

It was suggested that with the Annual Conference numbers finalized and the membership renewals being lower than projected, a mid-year budget review/revision be drafted. Executive Director Manchester will develop this for Board's consideration in May.

### **Resolution for Executive Committee Emergency Authority**

President Heide shared the need for a means for CSMFO to take action under extraordinary circumstances. This resolution would allow the Executive Committee that authority. Director Fuentes moved to approve the resolution as presented. Director Lee seconded, and the motion passed unanimously.

### **GFOA Ethics Policy Clarification**

Director Lee requested clarification on the Board's action from late 2019 regarding the GFOA Ethics Policy. Majority action by other states was to have GFOA's code of ethics supplant their own, but CSMFO decided instead to endorse GFOA's policy and maintain our own code of ethics.

### **Relocation of Award Force Data**

Currently CSMFO's awards program is managed through Award Force. On March 19, Award Force added server locations, including a California location. The Recognition Committee agreed to store the data locally (in California), as an email request from Award Force on April 7 required a decision by April 10.

### **CPA Exam Changes**

Professional Standards Committee Chair Jason Al-Imam shared with the Board the proposed changes to the AICPA CPA exam. Currently the financial accounting and reporting section of the exam allocates 5-15% to state and local government; AICPA is proposing to remove that content from CPA exam. GFOA expressed concerns that these changes would lead to colleges not teaching that content, and therefore less accounting graduates would go into government. GFOA issued a comment letter; comment deadline is April 30. Recommendation is the Board consider a response to AICPA's decision to remove government accounting from the uniform CPA exam. Director Stephen Parker moved to approve the recommendation, with Director Lee seconded. The motion passed unanimously.

### **State Webinar Sharing Program**

Administration Chair Scott Catlett shared that the Administration Committee would like to formalize the arrangement for sharing webinars between CSMFO and the sister organizations in Alaska, Washington and Oregon. The Committee proposes charging 12% of CSMFO's total costs, with a pro rata share among states based on membership size. Director Reyna moved to approve as presented. Director Lee seconded and the motion passed unanimously.

### **Potential Collaboration with GFOA on Certification Program**

Scott Catlett shared that members of the certification program ad hoc group met with GFOA to discuss their CPFO program. GFOA has hired a full-time staff member to manage the certification program, and is working toward making it more user friendly. GFOA would like to collaborate with the individual states, setting up a program where the states would have a state-specific module to go along with the existing five-module program. CSMFO would work with GFOA to develop the California-specific module, with GFOA implementing and managing. There was also a brief discussion regarding collaborating with CMTA. The ad hoc group will return to the Board with more information.

### **Committee Reports**

#### **Administration**

Chair Scott Catlett reported that the last meeting had been canceled, but that the group is working on revisions to the policy manual and on insurance policies.

#### **Career Development**

Chair Laura Nomura shared that the committee collaborated with former Roseville Finance Director Russ Branson to put together a four-webinar series on COVID-19 repercussions. The first topic was a COVID-19 overall checklist and had 463 separate logins, after only a couple days' notice. Future topics are best practices for managing for revenues and cash flow; resetting your agency's budget and cash flow; long-term planning. The committee will begin looking at moving its core courses to an online format, while continuing to react and respond to members' needs.

#### Communications

Board Liaison Ernie Reyna shared that committee meetings were on hold but they had enough existing articles to last through June. They continue to reprioritize based on content and making articles more relevant on current times. A survey will be going out on Monday on how members want to hear from CSMFO during the pandemic.

#### Membership

Chair Wakeman shared that the committee met yesterday, and is working through renewals, membership opportunities and strategic plan items.

#### Professional Standards

Chair Al-Imam reported the committee published a highlight on the GASB 84 white paper, in addition to one on the proposed changes to the CPA exam. He also shared that GASB issued an exposure draft that postpones the effective date for a number of GASB regulations.

#### Program

Harriet Commons reported the committee is planning a call for sessions within the next month.

#### Recognition

Chair Yolanda Rodriguez shared that the committee met last Thursday, and is working on updating the criteria for the budget awards. Craig Boyer is working with City of Ukiah on an article for the Innovation award.

#### Student Engagement

Ernie Reyna shared that the committee has a meeting set for this week to discuss student outreach, a student listserv and the debriefs of the last three university activities.

#### Technology

No update.

#### Management Contract Ad Hoc

Set a timeline to get them done by the end of April

#### **League Policy Committee Updates**

No representatives reported however there was a written report provided on the League Policy Committees during the pandemic.

**Chapter Roundtable**

No activities due to COVID-19.

**Director Roundtable**

Stephen Parker shared his new job as Assistant City Manager with City of Upland.

**Officer Reports**

President Heide shared that he attended OGFOA in the beginning of March, but expects little to no presidential travel through the end of the year.

President-Elect Pimentel reported the Host Committee has a meeting tomorrow, though shared that discussions will need to be had regarding what the conference will look like. He expressed how honored and humbled he was to work with people who consistently find the time to help each other during times of need.

The next meeting will be held via teleconference on Thursday, May 28 from 2:00-4:00pm.

Meeting adjourned at 4:01 p.m.

Respectfully submitted,

Melissa Manchester

**SUMMARY OF APPROVED MOTIONS**

The Board approved:

- The renewal contract with Michael Coleman, through December 31, 2022.
- Suspending all in-person events through July 5, 2020.
- A resolution providing the Executive Committee acting authority under extraordinary circumstances.
- Writing a recommendation to AICPA opposing the removal of state and local government content from the CPA exams.
- The formalizing and cost methodology of sharing the CSMFO webinars with other states.

**California Society of Municipal Finance Officers**  
**Statement of Net Assets**  
As of April 30, 2020

	<u>Apr 30, 20</u>	<u>Apr 30, 19</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
1005 · Bank of America				
1050 · Chapter Fund Balances				
1050.10 · Central Coast	1,277.78	1,579.47	-301.69	-19.1%
1050.13 · Central Los Angeles	550.74	1,601.44	-1,050.70	-65.61%
1050.06 · Central Valley	367.51	1,146.05	-778.54	-67.93%
1050.11 · Channel Counties	1,641.64	3,908.46	-2,266.82	-58.0%
1050.18 · Coachella Valley	-2,435.16	-2,806.70	371.54	13.24%
1050.15 · Desert Mountain	-275.00	-255.00	-20.00	-7.84%
1050.05 · East Bay (SF)	3,522.19	2,416.72	1,105.47	45.74%
1050.17 · Inland Empire	142.38	7,439.20	-7,296.82	-98.09%
1050.08 · Monterey Bay	2,953.99	5,472.74	-2,518.75	-46.02%
1050.03 · North Coast	-664.35	-1,064.35	400.00	37.58%
1050.01 · Northwest Counties	-1,998.57	0.00	-1,998.57	-100.0%
1050.02 · Northeast Counties	-467.10	22.37	-489.47	-2,188.06%
1050.16 · Orange County	1,347.69	5,420.35	-4,072.66	-75.14%
1050.07 · Peninsula	693.74	1,324.08	-630.34	-47.61%
1050.04 · Sacramento Valley	3,030.67	3,353.40	-322.73	-9.62%
1050.19 · San Diego County	662.82	2,481.96	-1,819.14	-73.29%
1050.12 · San Gabriel Valley	-784.69	-57.01	-727.68	-1,276.41%
1050.14 · South Bay (LA)	2,364.54	2,126.52	238.02	11.19%
1050.09 · South San Joaquin	-586.55	1,222.02	-1,808.57	-148.0%
Total 1050 · Chapter Fund Balances	11,344.27	35,331.72	-23,987.45	-67.89%
1005 · Bank of America - Other	136,772.85	238,743.02	-101,970.17	-42.71%
Total 1005 · Bank of America	148,117.12	274,074.74	-125,957.62	-45.96%
1040 · Investments LAIF	661,809.28	646,399.71	15,409.57	2.38%
Total Checking/Savings	809,926.40	920,474.45	-110,548.05	-12.01%
Accounts Receivable				
1100 · Accounts receivable	0.00	1,020.00	-1,020.00	-100.0%
Total Accounts Receivable	0.00	1,020.00	-1,020.00	-100.0%
Other Current Assets				
1120 · Accounts Receivable- YM	28,805.00	38,535.50	-9,730.50	-25.25%
1250 · Prepaid Expense - General				
1252 · Prepaid Admin/DataBase Fees	59,026.28	84,209.88	-25,183.60	-29.91%
1250 · Prepaid Expense - General - Other	0.00	533.59	-533.59	-100.0%
Total 1250 · Prepaid Expense - General	59,026.28	84,743.47	-25,717.19	-30.35%
1260 · Prepaid Expense Conference				
1262 · Facilities Deposits	72,332.00	33,000.00	39,332.00	119.19%
1260 · Prepaid Expense Conference - Other	2,095.14	1,869.12	226.02	12.09%
Total 1260 · Prepaid Expense Conference	74,427.14	34,869.12	39,558.02	113.45%
Total Other Current Assets	162,258.42	158,148.09	4,110.33	2.6%
Total Current Assets	972,184.82	1,079,642.54	-107,457.72	-9.95%
Other Assets				



**California Society of Municipal Finance Officers**  
**Statement of Net Assets**  
As of April 30, 2020

	<u>Apr 30, 20</u>	<u>Apr 30, 19</u>	<u>\$ Change</u>	<u>% Change</u>
1500 · CSMFO/SMA Database AR	57,312.24	56,016.52	1,295.72	2.31%
Total Other Assets	57,312.24	56,016.52	1,295.72	2.31%
<b>TOTAL ASSETS</b>	<b><u>1,029,497.06</u></b>	<b><u>1,135,659.06</u></b>	<b><u>-106,162.00</u></b>	<b><u>-9.35%</u></b>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2003 · A/P Other- SMA Conference	32,861.68	31,750.40	1,111.28	3.5%
Total Other Current Liabilities	32,861.68	31,750.40	1,111.28	3.5%
Total Current Liabilities	32,861.68	31,750.40	1,111.28	3.5%
Total Liabilities	32,861.68	31,750.40	1,111.28	3.5%
Equity				
3102 · Conference reserve	442,427.00	364,860.00	77,567.00	21.26%
3101 · Operating reserve	192,692.00	144,139.00	48,553.00	33.69%
3020 · Retained earnings	138,166.76	363,395.59	-225,228.83	-61.98%
3100 · Net Assets-Chapters	26,288.69	29,581.01	-3,292.32	-11.13%
Net Income	197,060.93	201,933.06	-4,872.13	-2.41%
Total Equity	996,635.38	1,103,908.66	-107,273.28	-9.72%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,029,497.06</u></b>	<b><u>1,135,659.06</u></b>	<b><u>-106,162.00</u></b>	<b><u>-9.35%</u></b>

# California Society of Municipal Finance Officers

## Summary of Financial Income and Expense

January through April 2020

	<u>Total Chapters</u>	<u>Conference</u>	<u>Education</u>	<u>Unclassified</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>					
Income					
4000 · OPERATING REVENUES	0.00	0.00	0.00	282,528.34	282,528.34
Total Income	0.00	0.00	0.00	282,528.34	282,528.34
Gross Profit	0.00	0.00	0.00	282,528.34	282,528.34
Expense					
6100 · OPERATING EXPENSES	0.00	0.00	0.00	150,190.97	150,190.97
6900 · OTHER EXPENSES	0.00	0.00	0.00	4,136.73	4,136.73
Total Expense	0.00	0.00	0.00	154,327.70	154,327.70
Net Ordinary Income	0.00	0.00	0.00	128,200.64	128,200.64
<b>Other Income/Expense</b>					
Other Income					
4501 · Chapter Income	1,995.00	0.00	0.00	0.00	1,995.00
4500 · PROGRAM REVENUES					
8000 · Conference Revenue	0.00	1,383,188.27	0.00	0.00	1,383,188.27
4503 · Contributions and Donations	0.00	167.00	0.00	0.00	167.00
4504 · Education income	0.00	0.00	11,376.00	0.00	11,376.00
Total 4500 · PROGRAM REVENUES	0.00	1,383,355.27	11,376.00	0.00	1,394,731.27
8999 · YM Import Items	0.00	0.00	0.00	0.00	0.00
Total Other Income	1,995.00	1,383,355.27	11,376.00	0.00	1,396,726.27
Other Expense					
6401 · Chapter Expenses	16,005.26	0.00	0.00	0.00	16,005.26
6400 · PROGRAM EXPENSES					
9000 · Conference Expenses	0.00	1,302,731.33	0.00	0.00	1,302,731.33
6404 · Education Expenses	0.00	0.00	9,129.39	0.00	9,129.39
Total 6400 · PROGRAM EXPENSES	0.00	1,302,731.33	9,129.39	0.00	1,311,860.72
Total Other Expense	16,005.26	1,302,731.33	9,129.39	0.00	1,327,865.98
Net Other Income	-14,010.26	80,623.94	2,246.61	0.00	68,860.29
Net Income	<u>-14,010.26</u>	<u>80,623.94</u>	<u>2,246.61</u>	<u>128,200.64</u>	<u>197,060.93</u>

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>4000 · OPERATING REVENUES</b>						
<b>4100 · Membership Dues</b>						
4110 · Dues - Municipal	16,645.00	181,310.00	251,700.00	-70,390.00	72.03%	251,700.00
4120 · Dues - Other Gov	300.00	3,805.00	0.00	3,805.00	100.0%	0.00
4130 · Dues - Commercial	2,640.00	42,680.00	0.00	42,680.00	100.0%	0.00
4140 · Dues - Retired	81.00	1,081.00	0.00	1,081.00	100.0%	0.00
4150 · Dues - Education	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 4100 · Membership Dues</b>	<b>19,666.00</b>	<b>228,876.00</b>	<b>251,700.00</b>	<b>-22,824.00</b>	<b>90.93%</b>	<b>251,700.00</b>
4200 · Interest Income	3,583.35	8,152.34	7,200.00	952.34	113.23%	20,000.00
4302 · Magazine Advertising	0.00	1,400.00	4,333.36	-2,933.36	32.31%	13,000.00
4303 · Job Board Post - Member	4,025.00	43,800.00	47,000.00	-3,200.00	93.19%	141,000.00
4490 · Budget/CAFR Fees	0.00	300.00	0.00	300.00	100.0%	16,950.00
<b>Total 4000 · OPERATING REVENUES</b>	<b>27,274.35</b>	<b>282,528.34</b>	<b>310,233.36</b>	<b>-27,705.02</b>	<b>91.07%</b>	<b>442,650.00</b>
<b>Total Income</b>	<b>27,274.35</b>	<b>282,528.34</b>	<b>310,233.36</b>	<b>-27,705.02</b>	<b>91.07%</b>	<b>442,650.00</b>
<b>Gross Profit</b>	<b>27,274.35</b>	<b>282,528.34</b>	<b>310,233.36</b>	<b>-27,705.02</b>	<b>91.07%</b>	<b>442,650.00</b>
<b>Expense</b>						
<b>6100 · OPERATING EXPENSES</b>						
6105 · Marketing/Membership	0.00	9,336.33	7,240.00	2,096.33	128.96%	13,000.00
6106 · Storage Expense	0.00	460.22	333.36	126.86	138.06%	1,000.00
<b>6110 · President's Expense</b>						
6111 · Presidents CSMFO- Gifts	0.00	0.00	0.00	0.00	0.0%	0.00
6112 · Presidents CSMFO-Dinner	0.00	22.95	0.00	22.95	100.0%	0.00
6110 · President's Expense - Other	0.00	2,291.09	2,500.00	-208.91	91.64%	10,400.00
<b>Total 6110 · President's Expense</b>	<b>0.00</b>	<b>2,314.04</b>	<b>2,500.00</b>	<b>-185.96</b>	<b>92.56%</b>	<b>10,400.00</b>
<b>6115 · Board of Directors</b>						
6116 · Board Meeting Expenses	0.00	2,664.83	1,700.00	964.83	156.76%	5,100.00
6115 · Board of Directors - Other	0.00	527.60	0.00	527.60	100.0%	0.00
<b>Total 6115 · Board of Directors</b>	<b>0.00</b>	<b>3,192.43</b>	<b>1,700.00</b>	<b>1,492.43</b>	<b>187.79%</b>	<b>5,100.00</b>
<b>6120 · Committee/Chapter Support</b>						
6121 · Committee Support	0.00	573.59	0.00	573.59	100.0%	0.00
6122 · Chapter Support	0.00	0.00	0.00	0.00	0.0%	0.00
6120 · Committee/Chapter Support - Other	0.00	158.99	20,000.00	-19,841.01	0.8%	60,000.00
<b>Total 6120 · Committee/Chapter Support</b>	<b>0.00</b>	<b>732.58</b>	<b>20,000.00</b>	<b>-19,267.42</b>	<b>3.66%</b>	<b>60,000.00</b>
6125 · Board Planning Session-Retreat	0.00	6,000.00	2,000.00	4,000.00	300.0%	45,500.00
<b>6140 · Management Services</b>						
6143 · Management Services	13,751.89	55,007.55	77,266.72	-22,259.17	71.19%	231,800.00
<b>6146 · Consultants</b>						
6146.10 · Consultant Reimbursement	0.00	0.00	0.00	0.00	0.0%	0.00
6146 · Consultants - Other	10,000.00	14,200.00	3,200.00	11,000.00	443.75%	10,000.00
<b>Total 6146 · Consultants</b>	<b>10,000.00</b>	<b>14,200.00</b>	<b>3,200.00</b>	<b>11,000.00</b>	<b>443.75%</b>	<b>10,000.00</b>
6470 · Coaching Program Consultant	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 6140 · Management Services</b>	<b>23,751.89</b>	<b>69,207.55</b>	<b>80,466.72</b>	<b>-11,259.17</b>	<b>86.01%</b>	<b>241,800.00</b>
6150 · Office Supplies	122.44	202.03	106.72	95.31	189.31%	320.00

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>6155 · Merchant Fees/Bank Chgs.</b>	2,645.18	14,854.19	10,000.00	4,854.19	148.54%	30,000.00
<b>6160 · Awards</b>	0.00	162.32	500.00	-337.68	32.46%	5,000.00
<b>6165 · Printing</b>						
<b>6166 · Printing, copying, and admin</b>	90.04	966.96	666.72	300.24	145.03%	2,000.00
<b>6167 · Directory</b>	0.00	9,934.26	2,000.00	7,934.26	496.71%	12,000.00
<b>6165 · Printing - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 6165 · Printing</b>	90.04	10,901.22	2,666.72	8,234.50	408.79%	14,000.00
<b>6170 · Magazine</b>	0.00	0.00	9,000.00	-9,000.00	0.0%	15,000.00
<b>6175 · Postage</b>	125.20	559.23	1,000.00	-440.77	55.92%	3,000.00
<b>6185 · Telephone/Bridge Calls</b>	110.44	220.88	533.36	-312.48	41.41%	1,600.00
<b>6190 · Web and Technology</b>						
<b>6191 · DataBase Expense</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>6192 · Web site</b>	0.00	2,619.98	0.00	2,619.98	100.0%	0.00
<b>6195 · Web Site Hosting Fee</b>	1,868.98	4,118.98	0.00	4,118.98	100.0%	0.00
<b>6198 · Technology Initiatives</b>	0.00	59.99				
<b>6190 · Web and Technology - Other</b>	0.00	12,840.00	8,333.36	4,506.64	154.08%	25,000.00
<b>Total 6190 · Web and Technology</b>	1,868.98	19,638.95	8,333.36	11,305.59	235.67%	25,000.00
<b>6200 · Travel/Staff Expenses</b>	-1,023.56	0.00	3,000.00	-3,000.00	0.0%	5,000.00
<b>6220 · Audit &amp; Tax Filing</b>	0.00	0.00	0.00	0.00	0.0%	9,000.00
<b>6230 · Insurance</b>	0.00	1,759.00	2,000.00	-241.00	87.95%	2,000.00
<b>6240 · Taxes</b>						
<b>6242 · Current Year Taxes</b>	0.00	0.00	40,000.00	-40,000.00	0.0%	40,000.00
<b>6246 · Prior Year Taxes</b>	0.00	4,150.00	0.00	4,150.00	100.0%	0.00
<b>Total 6240 · Taxes</b>	0.00	4,150.00	40,000.00	-35,850.00	10.38%	40,000.00
<b>6255 · GFOA Reception</b>	0.00	6,500.00	0.00	6,500.00	100.0%	25,000.00
<b>Total 6100 · OPERATING EXPENSES</b>	27,690.61	150,190.97	191,380.24	-41,189.27	78.48%	551,720.00
<b>6900 · OTHER EXPENSES</b>						
<b>6970 · One-Time Budgeted Expenses</b>	0.00	4,136.73	25,000.00	-20,863.27	16.55%	25,000.00
<b>Total 6900 · OTHER EXPENSES</b>	0.00	4,136.73	25,000.00	-20,863.27	16.55%	25,000.00
<b>9950 · Prior Period Adjustment</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total Expense</b>	27,690.61	154,327.70	216,380.24	-62,052.54	71.32%	576,720.00
<b>Net Ordinary Income</b>	-416.26	128,200.64	93,853.12	34,347.52	136.6%	-134,070.00
<b>Other Income/Expense</b>						
<b>Other Income</b>						
<b>Total 4501 · Chapter Income</b>	-150.00	1,995.00	33,332.00	-31,337.00	5.99%	100,000.00
<b>4500 · PROGRAM REVENUES</b>						
<b>8000 · Conference Revenue</b>						
<b>8100 · Government Registrations</b>						
<b>8105 · Govt Non-Memb Full Early</b>	0.00	29,010.00	28,665.00	345.00	101.2%	28,665.00
<b>8106 · Govt Non-Memb-Full Regular</b>	0.00	17,900.00	9,675.00	8,225.00	185.01%	9,675.00
<b>8108 · Govt Non-Memb Daily Early</b>	0.00	2,835.00	2,520.00	315.00	112.5%	2,520.00
<b>8109 · Govt Non-Memb-Daily-Regular</b>	0.00	4,485.00	2,760.00	1,725.00	162.5%	2,760.00
<b>8110 · Govt Memb - Full Conf-Early</b>	0.00	383,700.00	365,075.00	18,625.00	105.1%	365,075.00
<b>8115 · Conf-Gov-Full-Norm-Mem</b>	0.00	68,945.00	56,745.00	12,200.00	121.5%	56,745.00
<b>8120 · Govt Memb Daily-Early</b>	0.00	9,565.00	4,370.00	5,195.00	218.88%	4,370.00

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
8125 · Govt Memb-Daily Regular	0.00	5,700.00	3,120.00	2,580.00	182.69%	3,120.00
8150 · Govt Non-Memb Full Onsite	0.00	2,295.00	765.00	1,530.00	300.0%	765.00
8155 · Govt Memb-Full Regular	0.00	5,445.00	16,940.00	-11,495.00	32.14%	16,940.00
<b>Total 8100 · Government Registrations</b>	<b>0.00</b>	<b>529,880.00</b>	<b>490,635.00</b>	<b>39,245.00</b>	<b>108.0%</b>	<b>490,635.00</b>
<b>8200 · Commercial Registrations</b>						
8225 · Conf-Com-Exhibitor-Addn Full	0.00	69,550.00	105,635.00	-36,085.00	65.84%	105,635.00
8227 · Conf-Com-Exhibitor Daily	0.00	17,310.00	0.00	17,310.00	100.0%	0.00
8230 · Comm Non-Memb-Full-Early	0.00	10,010.00	15,400.00	-5,390.00	65.0%	15,400.00
8231 · Comm Non-Memb-Full-Reg	0.00	7,725.00	15,300.00	-7,575.00	50.49%	15,300.00
8235 · Comm Memb-Full-Early	0.00	20,595.00	15,960.00	4,635.00	129.04%	15,960.00
8236 · Comm Memb-Full-Regular	0.00	15,930.00	8,030.00	7,900.00	198.38%	8,030.00
8245 · Comm Memb-Daily-Early	0.00	930.00	9,720.00	-8,790.00	9.57%	9,720.00
8250 · Comm-Memb Daily-Regular	0.00	2,360.00	0.00	2,360.00	100.0%	0.00
8260 · Comm Non-Memb Daily Early	0.00	12,120.00	1,395.00	10,725.00	868.82%	1,395.00
8265 · Comm Non-Memb Daily Regular	0.00	9,415.00	7,280.00	2,135.00	129.33%	7,280.00
8200 · Commercial Registrations - Other	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 8200 · Commercial Registrations</b>	<b>0.00</b>	<b>165,945.00</b>	<b>178,720.00</b>	<b>-12,775.00</b>	<b>92.85%</b>	<b>178,720.00</b>
<b>8300 · Pre-Conference Registrations</b>						
8376 · PreConference-Session D	-75.00	4,500.00	3,750.00	750.00	120.0%	3,750.00
8371 · PreConference-Session A	0.00	8,700.00	7,500.00	1,200.00	116.0%	7,500.00
8373 · PreConference-Session B	0.00	8,250.00	7,500.00	750.00	110.0%	7,500.00
8375 · PreConference-Session C	75.00	4,725.00	4,500.00	225.00	105.0%	4,500.00
<b>Total 8300 · Pre-Conference Registrations</b>	<b>0.00</b>	<b>26,175.00</b>	<b>23,250.00</b>	<b>2,925.00</b>	<b>112.58%</b>	<b>23,250.00</b>
8465 · Board Scholarhips	-500.00	-500.00				
<b>8500 · Extra Meals</b>						
8565 · Hosted Evening Event	0.00	21,250.00	12,500.00	8,750.00	170.0%	12,500.00
<b>Total 8500 · Extra Meals</b>	<b>0.00</b>	<b>21,250.00</b>	<b>12,500.00</b>	<b>8,750.00</b>	<b>170.0%</b>	<b>12,500.00</b>
<b>8600 · Event Registrations</b>						
8610 · Golf	0.00	29,700.00	23,800.00	5,900.00	124.79%	23,800.00
8630 · Tennis	0.00	1,960.00	2,000.00	-40.00	98.0%	2,000.00
<b>Total 8600 · Event Registrations</b>	<b>0.00</b>	<b>31,660.00</b>	<b>25,800.00</b>	<b>5,860.00</b>	<b>122.71%</b>	<b>25,800.00</b>
<b>8700 · Exhibitors Fees</b>						
8702 · Featured Exhibitor/Sponsor	0.00	30,000.00	30,000.00	0.00	100.0%	30,000.00
8703 · Sapphire Exhibitor	0.00	117,600.00	134,400.00	-16,800.00	87.5%	134,400.00
8715 · Gold Package	0.00	289,000.00	259,200.00	29,800.00	111.5%	259,200.00
8725 · Silver Package	0.00	31,200.00	28,800.00	2,400.00	108.33%	28,800.00
8735 · Diamond Package	0.00	72,000.00	72,000.00	0.00	100.0%	72,000.00
8736 · Top Sponsor	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 8700 · Exhibitors Fees</b>	<b>0.00</b>	<b>539,800.00</b>	<b>524,400.00</b>	<b>15,400.00</b>	<b>102.94%</b>	<b>524,400.00</b>
<b>8800 · Sponsorships</b>						
8830 · Non-Exhibitor Sponsor 8830	0.00	36,000.00	18,000.00	18,000.00	200.0%	18,000.00
8860 · Non-Booth Silver	0.00	0.00	0.00	0.00	0.0%	0.00
8870 · President's Dinner Sponsorship	0.00	0.00	26,400.00	-26,400.00	0.0%	26,400.00
8872 · Additional Sponsorship Monies	0.00	6,500.00	19,550.00	-13,050.00	33.25%	19,550.00
<b>Total 8800 · Sponsorships</b>	<b>0.00</b>	<b>42,500.00</b>	<b>63,950.00</b>	<b>-21,450.00</b>	<b>66.46%</b>	<b>63,950.00</b>

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>8900 · Conference Miscellaneous</b>						
<b>8915 · Hotel Rebate for Convention Ctr</b>	0.00	26,478.27	0.00	26,478.27	100.0%	0.00
<b>8905 · Misc Conference Income</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>8900 · Conference Miscellaneous - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 8900 · Conference Miscellaneous</b>	0.00	26,478.27	0.00	26,478.27	100.0%	0.00
<b>8000 · Conference Revenue - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 8000 · Conference Revenue</b>	-500.00	1,383,188.27	1,319,255.00	63,933.27	104.85%	1,319,255.00
<b>4503 · Contributions and Donations</b>						
<b>4503.75 · Robert O'Dell Scholarship</b>	0.00	167.00				
<b>4503 · Contributions and Donations - Other</b>	0.00	0.00				
<b>Total 4503 · Contributions and Donations</b>	0.00	167.00				
<b>4504 · Education income</b>						
<b>4505 · Webinar</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>4520 · Weekend Training</b>						
<b>4525 · Training Event Income</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>4520 · Weekend Training - Other</b>	0.00	0.00	0.00	0.00	0.0%	20,200.00
<b>Total 4520 · Weekend Training</b>	0.00	0.00	0.00	0.00	0.0%	20,200.00
<b>4540 · Fundamentals of Rates, Fees</b>	-150.00	-5,100.00	0.00	-5,100.00	100.0%	0.00
<b>4570 · Intro to Government</b>	-1,500.00	11,476.00	3,000.00	8,476.00	382.53%	13,125.00
<b>4580 · Presentation/Fiscal Policy</b>	0.00	0.00	1,300.00	-1,300.00	0.0%	3,900.00
<b>4590 · Intermediate Government Acct</b>	-1,050.00	-300.00	13,300.00	-13,600.00	-2.26%	39,900.00
<b>4594 · CMTA/CSMFO Course</b>	0.00	0.00	3,000.00	-3,000.00	0.0%	3,000.00
<b>4595 · Revenue Fundamentals</b>	0.00	5,100.00	2,000.00	3,100.00	255.0%	6,000.00
<b>4596 · Revenue Fundamentals II</b>	0.00	0.00	2,000.00	-2,000.00	0.0%	6,000.00
<b>4597 · Developing Supervisory Skills</b>	0.00	200.00	3,336.00	-3,136.00	6.0%	10,000.00
<b>4598 · Leadership Skills</b>	0.00	0.00	3,336.00	-3,336.00	0.0%	10,000.00
<b>Total 4504 · Education income</b>	-2,700.00	11,376.00	31,272.00	-19,896.00	36.38%	112,125.00
<b>Total 4500 · PROGRAM REVENUES</b>	-3,200.00	1,394,731.27	1,350,527.00	44,204.27	103.27%	1,431,380.00
<b>8999 · YM Import Items</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total Other Income</b>	-3,350.00	1,396,726.27	1,383,859.00	12,867.27	100.93%	1,531,380.00
<b>Other Expense</b>						
<b>6401 · Chapter Expenses</b>						
<b>Total 6401.79 · Current Year Chapter Expenses</b>	9,875.05	16,005.26	33,336.00	-17,330.74	48.01%	100,000.00
<b>6401 · Chapter Expenses - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 6401 · Chapter Expenses</b>	9,875.05	16,005.26	33,336.00	-17,330.74	48.01%	100,000.00
<b>6400 · PROGRAM EXPENSES</b>						
<b>9000 · Conference Expenses</b>						
<b>9100 · Food &amp; Beverage</b>						
<b>9105 · Registration Prep-Lunch</b>	0.00	0.00	300.00	-300.00	0.0%	300.00
<b>9115 · Wednesday-Breakfast</b>	0.00	19,869.13	25,750.00	-5,880.87	77.16%	25,750.00
<b>9125 · Wednesday-Lunch</b>	0.00	81,249.33	108,000.00	-26,750.67	75.23%	108,000.00
<b>9135 · Wednesday-Food-Exhibitor Recept</b>	0.00	34,891.51	38,000.00	-3,108.49	91.82%	38,000.00
<b>9138 · Wednesday-Beverage-Exhibitor Re</b>	0.00	12,680.48	16,150.00	-3,469.52	78.52%	16,150.00
<b>9140 · Thursday-Breakfast-Chapter Chai</b>	0.00	2,124.97	2,600.00	-475.03	81.73%	2,600.00
<b>9143 · Thursday-Breakfast</b>	0.00	63,620.93	69,875.00	-6,254.07	91.05%	69,875.00

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>9145 · Thursday-Coffee Service</b>	0.00	19,516.18	11,050.00	8,466.18	176.62%	11,050.00
<b>9147 · Thursday-Lunch</b>	0.00	92,896.62	108,800.00	-15,903.38	85.38%	108,800.00
<b>9148 · Thursday-PM Break</b>	0.00	26,287.62	35,250.00	-8,962.38	74.58%	35,250.00
<b>9150 · Friday-Breakfast</b>	0.00	53,024.02	45,500.00	7,524.02	116.54%	45,500.00
<b>9155 · Friday-Lunch</b>	0.00	2,656.64	2,275.00	381.64	116.78%	2,275.00
<b>9170 · Staff Room Beverage Service</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9195 · Water for Sessions</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9197 · Food&amp;Beverage-Other</b>	0.00	0.00	800.00	-800.00	0.0%	800.00
<b>9100 · Food &amp; Beverage - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 9100 · Food &amp; Beverage</b>	0.00	408,817.43	464,350.00	-55,532.57	88.04%	464,350.00
<b>9200 · President's Dinners</b>						
<b>9210 · President's Dinner - Food &amp; Bev</b>	0.00	47,433.67	47,991.00	-557.33	98.84%	47,991.00
<b>9220 · Entertain-Transport-Decor-Favor</b>	0.00	828.50	3,009.00	-2,180.50	27.53%	3,009.00
<b>9250 · Pres Dinner-Out of State Guest</b>	0.00	16,236.72	14,200.00	2,036.72	114.34%	14,200.00
<b>Total 9200 · President's Dinners</b>	0.00	64,498.89	65,200.00	-701.11	98.93%	65,200.00
<b>9300 · Hosted Event</b>						
<b>9310 · Event Entertainment</b>	0.00	43,665.00	44,100.00	-435.00	99.01%	44,100.00
<b>9320 · Event Food</b>	0.00	134,138.08	118,305.00	15,833.08	113.38%	118,305.00
<b>9321 · Event Bar</b>	0.00	15,084.46	23,655.00	-8,570.54	63.77%	23,655.00
<b>9330 · Event Decor</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9340 · Event Other</b>	0.00	12,669.68	17,600.00	-4,930.32	71.99%	17,600.00
<b>Total 9300 · Hosted Event</b>	0.00	205,557.22	203,660.00	1,897.22	100.93%	203,660.00
<b>9400 · Meetings and Training</b>						
<b>9410 · Speakers-Honorarium</b>	4,000.00	85,300.00	82,100.00	3,200.00	103.9%	82,100.00
<b>9420 · Speaker-Expenses-Lodging</b>	0.00	3,563.61	3,426.00	137.61	104.02%	3,426.00
<b>9430 · Speaker-Expenses-Transportation</b>	825.61	2,612.37	6,750.00	-4,137.63	38.7%	6,750.00
<b>9400 · Meetings and Training - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 9400 · Meetings and Training</b>	4,825.61	91,475.98	92,276.00	-800.02	99.13%	92,276.00
<b>9450 · Comps</b>						
<b>9462 · Comps - Other</b>	0.00	3,348.54	8,565.00	-5,216.46	39.1%	8,565.00
<b>9451 · Transportation Shuttle Expense</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9460 · Other Guests Lodging (OOS)</b>	0.00	3,711.24	4,282.00	-570.76	86.67%	4,282.00
<b>9465 · Board Scholarships</b>	1,000.00	3,350.00	10,000.00	-6,650.00	33.5%	10,000.00
<b>9450 · Comps - Other</b>	0.00	285.48				
<b>Total 9450 · Comps</b>	1,000.00	10,695.26	22,847.00	-12,151.74	46.81%	22,847.00
<b>9475 · Meetings</b>						
<b>9476 · Audio Visual and Lighting</b>	0.00	165,772.31	161,000.00	4,772.31	102.96%	161,000.00
<b>9478 · General Session - Addl' product</b>	0.00	6,480.68	2,850.00	3,630.68	227.39%	2,850.00
<b>9479 · WiFi Internet</b>	0.00	12,500.00	30,000.00	-17,500.00	41.67%	30,000.00
<b>9480 · Electric Power/Rigging</b>	0.00	19,692.40	20,000.00	-307.60	98.46%	20,000.00
<b>9481 · Reg/Attendance Tracking</b>	0.00	34,924.32	33,180.00	1,744.32	105.26%	33,180.00
<b>9485 · Convention/Hotel Other Costs</b>	0.00	825.00	2,300.00	-1,475.00	35.87%	2,300.00
<b>Total 9475 · Meetings</b>	0.00	240,194.71	249,330.00	-9,135.29	96.34%	249,330.00
<b>9490 · Pre-Conference Workshop</b>						
<b>9494 · Food &amp; Beverage</b>	0.00	9,176.02	10,800.00	-1,623.98	84.96%	10,800.00

**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
**April 2020**

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>9495 · Speaker Fees</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9496 · Pre-Conference-Other</b>	0.00	94.91	250.00	-155.09	37.96%	250.00
<b>9490 · Pre-Conference Workshop - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 9490 · Pre-Conference Workshop</b>	0.00	9,270.93	11,050.00	-1,779.07	83.9%	11,050.00
<b>9500 · Exhibits</b>						
<b>9550 · Sponsor Branded Items</b>	0.00	10,063.91	9,382.00	681.91	107.27%	9,382.00
<b>9510 · Decorator Booth Fee</b>	0.00	15,198.25	12,690.00	2,508.25	119.77%	12,690.00
<b>9520 · Signage-Exhibit Hall</b>	0.00	0.00	3,000.00	-3,000.00	0.0%	3,000.00
<b>9540 · Security</b>	0.00	3,161.00	2,320.00	841.00	136.25%	2,320.00
<b>9545 · Exhibit hall game</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9599 · Exhibits-Other</b>	0.00	8,286.83	0.00	8,286.83	100.0%	0.00
<b>Total 9500 · Exhibits</b>	0.00	36,709.99	27,392.00	9,317.99	134.02%	27,392.00
<b>9600 · Entertainment/Gifts</b>						
<b>9610 · Conference Gifts/Attendees</b>	0.00	57,895.77	55,500.00	2,395.77	104.32%	55,500.00
<b>9620 · Speaker/Board/Committee Memento</b>	0.00	3,347.86	5,950.00	-2,602.14	56.27%	5,950.00
<b>9630 · Gift Baskets (VIPs)</b>	0.00	1,107.00	1,000.00	107.00	110.7%	1,000.00
<b>Total 9600 · Entertainment/Gifts</b>	0.00	62,350.63	62,450.00	-99.37	99.84%	62,450.00
<b>9700 · Other Activities</b>						
<b>9732 · Golf Tournament Expenses</b>	0.00	32,819.58	23,360.00	9,459.58	140.5%	23,360.00
<b>9750 · Other Event Expenses</b>	0.00	3,670.00	5,400.00	-1,730.00	67.96%	5,400.00
<b>Total 9700 · Other Activities</b>	0.00	36,489.58	28,760.00	7,729.58	126.88%	28,760.00
<b>9800 · Administration - Conference</b>						
<b>9805 · Conference Marketing</b>	0.00	5,236.00	6,000.00	-764.00	87.27%	6,000.00
<b>9810 · Conference Contract Services</b>	0.00	62,822.52	86,531.00	-23,708.48	72.6%	86,531.00
<b>9815 · Printing/Copy/Conference Media</b>	0.00	2,307.22	12,000.00	-9,692.78	19.23%	12,000.00
<b>9818 · Office/Telephones/Printer</b>	0.00	0.00	500.00	-500.00	0.0%	500.00
<b>9820 · President Expenses</b>	0.00	673.17	750.00	-76.83	89.76%	750.00
<b>9831 · Supplies-Badges-Ribbons-Etc</b>	0.00	666.20	500.00	166.20	133.24%	500.00
<b>9840 · Postage &amp; Shipping</b>	0.00	11.60	2,500.00	-2,488.40	0.46%	2,500.00
<b>9845 · Speaker Packets</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>9875 · Signage</b>	0.00	3,967.45	4,000.00	-32.55	99.19%	4,000.00
<b>9880 · Bank Merchant Fees</b>	339.85	339.85				
<b>9890 · Conference Committee Expenses</b>	0.00	38,464.11	19,265.00	19,199.11	199.66%	19,265.00
<b>9895 · Staff Exp Inc. Lodging &amp; Travel</b>	-87.24	20,082.59	19,936.00	146.59	100.74%	19,936.00
<b>9800 · Administration - Conference - Other</b>	2,100.00	2,100.00	0.00	2,100.00	100.0%	0.00
<b>Total 9800 · Administration - Conference</b>	2,352.61	136,670.71	151,982.00	-15,311.29	89.93%	151,982.00
<b>9000 · Conference Expenses - Other</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total 9000 · Conference Expenses</b>	8,178.22	1,302,731.33	1,379,297.00	-76,565.67	94.45%	1,379,297.00
<b>6404 · Education Expenses</b>						
<b>6420 · Weekend Training</b>	0.00	0.00	0.00	0.00	0.0%	25,000.00
<b>6430 · Intro to Government</b>						
<b>6430.10 · Intro to Govt Account - Reimbur</b>	1,020.87	4,102.27				
<b>6430 · Intro to Government - Other</b>	0.00	0.00	0.00	0.00	0.0%	14,875.00
<b>Total 6430 · Intro to Government</b>	1,020.87	4,102.27	0.00	4,102.27	100.0%	14,875.00
<b>6445 · Fundamentals of Rates Expense</b>	0.00	0.00	0.00	0.00	0.0%	0.00



**California Society of Municipal Finance Officers**  
**Profit & Loss Budget Performance**  
April 2020

	<b>Apr 20</b>	<b>Jan - Apr 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>6450 · Presentation/Fiscal Policy</b>						
<b>6450.10 · Pres. Fiscal Policy Reim. Exp.</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>6450 · Presentation/Fiscal Policy - Other</b>	0.00	0.00	4,630.00	-4,630.00	0.0%	4,630.00
<b>Total 6450 · Presentation/Fiscal Policy</b>	0.00	0.00	4,630.00	-4,630.00	0.0%	4,630.00
<b>6480 · Intermediate Governmental Acct.</b>	0.00	149.67	7,970.00	-7,820.33	1.88%	33,970.00
<b>6494 · Webinar Expenses</b>	0.00	5,000.00				
<b>6594 · CMTA/CSMFO Course Exp</b>	0.00	-122.55	0.00	-122.55	100.0%	1,900.00
<b>6595 · Revenue Fundamental Expense</b>	0.00	0.00	0.00	0.00	0.0%	6,000.00
<b>6596 · Revenue Fundamental Expense II</b>	0.00	0.00	6,000.00	-6,000.00	0.0%	6,000.00
<b>6597 · Developing Supervisory Skills</b>						
<b>6597.10 · Dev. Sup. Skills reimbursement</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>6597 · Developing Supervisory Skills - Other</b>	0.00	0.00	0.00	0.00	0.0%	12,350.00
<b>Total 6597 · Developing Supervisory Skills</b>	0.00	0.00	0.00	0.00	0.0%	12,350.00
<b>6598 · Leadership Skills</b>	0.00	0.00	0.00	0.00	0.0%	12,350.00
<b>Total 6404 · Education Expenses</b>	1,020.87	9,129.39	18,600.00	-9,470.61	49.08%	117,075.00
<b>Total 6400 · PROGRAM EXPENSES</b>	9,199.09	1,311,860.72	1,397,897.00	-86,036.28	93.85%	1,496,372.00
<b>Total Other Expense</b>	19,074.14	1,327,865.98	1,431,233.00	-103,367.02	92.78%	1,596,372.00
<b>Net Other Income</b>	-22,424.14	68,860.29	-47,374.00	116,234.29	-145.36%	-64,992.00
<b>Net Income</b>	<b>-22,840.40</b>	<b>197,060.93</b>	<b>46,479.12</b>	<b>150,581.81</b>	<b>423.98%</b>	<b>-199,062.00</b>

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<u>Jan - Apr 20</u>	<u>Jan - Apr 19</u>	<u>\$ Change</u>
Ordinary Income/Expense			
Income			
4000 · OPERATING REVENUES			
4100 · Membership Dues			
4110 · Dues - Municipal	181,310.00	184,120.00	-2,810.00
4120 · Dues - Other Gov	3,805.00	2,600.00	1,205.00
4130 · Dues - Commercial	42,680.00	54,120.00	-11,440.00
4140 · Dues - Retired	1,081.00	1,160.00	-79.00
4150 · Dues - Education	0.00	140.00	-140.00
Total 4100 · Membership Dues	<u>228,876.00</u>	<u>242,140.00</u>	<u>-13,264.00</u>
4200 · Interest Income	8,152.34	6,515.95	1,636.39
4302 · Magazine Advertising	1,400.00	8,297.50	-6,897.50
4303 · Job Board Post - Member	43,800.00	54,350.00	-10,550.00
4490 · Budget/CAFR Fees	300.00	150.00	150.00
Total 4000 · OPERATING REVENUES	<u>282,528.34</u>	<u>311,453.45</u>	<u>-28,925.11</u>
Total Income	<u>282,528.34</u>	<u>311,453.45</u>	<u>-28,925.11</u>
Gross Profit	282,528.34	311,453.45	-28,925.11
Expense			
6100 · OPERATING EXPENSES			
6105 · Marketing/Membership	9,336.33	13,151.26	-3,814.93
6106 · Storage Expense	460.22	296.51	163.71
6110 · President's Expense			
6111 · Presidents CSMFO- Gifts	0.00	100.00	-100.00
6112 · Presidents CSMFO-Dinner	22.95	0.00	22.95
6110 · President's Expense - Other	2,291.09	1,134.16	1,156.93
Total 6110 · President's Expense	<u>2,314.04</u>	<u>1,234.16</u>	<u>1,079.88</u>
6115 · Board of Directors			
6116 · Board Meeting Expenses	2,664.83	946.91	1,717.92
6115 · Board of Directors - Other	527.60	2,279.52	-1,751.92
Total 6115 · Board of Directors	<u>3,192.43</u>	<u>3,226.43</u>	<u>-34.00</u>
6120 · Committee/Chapter Support			
6121 · Committee Support	573.59	2,221.40	-1,647.81
6122 · Chapter Support	0.00	560.00	-560.00
6120 · Committee/Chapter Support - Other	158.99	0.00	158.99
Total 6120 · Committee/Chapter Support	<u>732.58</u>	<u>2,781.40</u>	<u>-2,048.82</u>
6125 · Board Planning Session-Retreat	6,000.00	1,919.34	4,080.66
6140 · Management Services			
6143 · Management Services	55,007.55	53,147.44	1,860.11
6146 · Consultants			
6146.10 · Consultant Reimbursement	0.00	1,024.13	-1,024.13
6146 · Consultants - Other	14,200.00	4,000.00	10,200.00

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<b>Jan - Apr 20</b>	<b>Jan - Apr 19</b>	<b>\$ Change</b>
Total 6146 · Consultants	14,200.00	5,024.13	9,175.87
6470 · Coaching Program Consultant	0.00	23,660.50	-23,660.50
Total 6140 · Management Services	69,207.55	81,832.07	-12,624.52
6150 · Office Supplies	202.03	33.00	169.03
6155 · Merchant Fees/Bank Chgs.	14,854.19	11,281.82	3,572.37
6160 · Awards	162.32	393.25	-230.93
6165 · Printing			
6166 · Printing, copying, and admin	966.96	1,905.79	-938.83
6167 · Directory	9,934.26	2,091.95	7,842.31
Total 6165 · Printing	10,901.22	3,997.74	6,903.48
6170 · Magazine	0.00	4,189.00	-4,189.00
6175 · Postage	559.23	1,613.51	-1,054.28
6185 · Telephone/Bridge Calls	220.88	165.66	55.22
6190 · Web and Technology			
6192 · Web site	2,619.98	2,820.00	-200.02
6195 · Web Site Hosting Fee	4,118.98	3,000.00	1,118.98
6198 · Technology Initiatives	59.99	0.00	59.99
6190 · Web and Technology - Other	12,840.00	21,799.00	-8,959.00
Total 6190 · Web and Technology	19,638.95	27,619.00	-7,980.05
6200 · Travel/Staff Expenses	0.00	979.92	-979.92
6230 · Insurance	1,759.00	1,769.00	-10.00
6240 · Taxes			
6242 · Current Year Taxes	0.00	26,175.00	-26,175.00
6246 · Prior Year Taxes	4,150.00	0.00	4,150.00
Total 6240 · Taxes	4,150.00	26,175.00	-22,025.00
6255 · GFOA Reception	6,500.00	16,426.00	-9,926.00
Total 6100 · OPERATING EXPENSES	150,190.97	199,084.07	-48,893.10
6900 · OTHER EXPENSES			
6970 · One-Time Budgeted Expenses	4,136.73	5,325.00	-1,188.27
Total 6900 · OTHER EXPENSES	4,136.73	5,325.00	-1,188.27
9950 · Prior Period Adjustment	0.00	150.00	-150.00
Total Expense	154,327.70	204,559.07	-50,231.37
Net Ordinary Income	128,200.64	106,894.38	21,306.26
Other Income/Expense			
Other Income			
4501 · Chapter Income			
4501.03 · North Coast	0.00	525.00	-525.00
4501.04 · Sacramento Valley	0.00	675.00	-675.00
4501.05 · East Bay (SF)	480.00	1,300.00	-820.00
4501.06 · Central Valley	0.00	585.00	-585.00
4501.07 · Peninsula	-25.00	1,610.00	-1,635.00
4501.08 · Monterey Bay	-95.00	1,620.00	-1,715.00
4501.09 · South San Joaquin	0.00	2,450.00	-2,450.00

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<b>Jan - Apr 20</b>	<b>Jan - Apr 19</b>	<b>\$ Change</b>
4501.10 · Central Coast	0.00	336.00	-336.00
4501.11 · Channel Counties	30.00	930.00	-900.00
4501.12 · San Gabriel Valley	390.00	2,600.00	-2,210.00
4501.13 · Central Los Angeles	0.00	1,150.00	-1,150.00
4501.14 · South Bay (LA)	240.00	875.00	-635.00
4501.15 · Desert Mountain	0.00	0.00	0.00
4501.16 · Orange County	925.00	4,760.00	-3,835.00
4501.17 · Inland Empire	50.00	5,970.00	-5,920.00
4501.18 · Coachella Valley	0.00	880.00	-880.00
4501.19 · San Diego County	0.00	1,220.00	-1,220.00
<b>Total 4501 · Chapter Income</b>	<b>1,995.00</b>	<b>27,486.00</b>	<b>-25,491.00</b>
<b>4500 · PROGRAM REVENUES</b>			
8000 · Conference Revenue			
8100 · Government Registrations			
8105 · Govt Non-Memb Full Early	29,010.00	0.00	29,010.00
8106 · Govt Non-Memb-Full Regular	17,900.00	0.00	17,900.00
8108 · Govt Non-Memb Daily Early	2,835.00	0.00	2,835.00
8109 · Govt Non-Memb-Daily-Regular	4,485.00	0.00	4,485.00
8110 · Govt Memb - Full Conf-Early	383,700.00	0.00	383,700.00
8115 · Conf-Gov-Full-Norm-Mem	68,945.00	317,225.00	-248,280.00
8120 · Govt Memb Daily-Early	9,565.00	0.00	9,565.00
8125 · Govt Memb-Daily Regular	5,700.00	8,400.00	-2,700.00
8150 · Govt Non-Memb Full Onsite	2,295.00	0.00	2,295.00
8155 · Govt Memb-Full Regular	5,445.00	0.00	5,445.00
<b>Total 8100 · Government Registrations</b>	<b>529,880.00</b>	<b>325,625.00</b>	<b>204,255.00</b>
8200 · Commercial Registrations			
8225 · Conf-Com-Exhibitor-Addn Full	69,550.00	42,335.00	27,215.00
8227 · Conf-Com-Exhibitor Daily	17,310.00	6,480.00	10,830.00
8230 · Comm Non-Memb-Full-Early	10,010.00	0.00	10,010.00
8231 · Comm Non-Memb-Full-Reg	7,725.00	0.00	7,725.00
8235 · Comm Memb-Full-Early	20,595.00	48,890.00	-28,295.00
8236 · Comm Memb-Full-Regular	15,930.00	0.00	15,930.00
8245 · Comm Memb-Daily-Early	930.00	6,515.00	-5,585.00
8250 · Comm-Memb Daily-Regular	2,360.00	0.00	2,360.00
8260 · Comm Non-Memb Daily Early	12,120.00	0.00	12,120.00
8265 · Comm Non-Memb Daily Regular	9,415.00	0.00	9,415.00
<b>Total 8200 · Commercial Registrations</b>	<b>165,945.00</b>	<b>104,220.00</b>	<b>61,725.00</b>
8300 · Pre-Conference Registrations			
8376 · PreConference-Session D	4,500.00	0.00	4,500.00
8371 · PreConference-Session A	8,700.00	6,300.00	2,400.00
8373 · PreConference-Session B	8,250.00	8,700.00	-450.00
8375 · PreConference-Session C	4,725.00	6,450.00	-1,725.00

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

January through April 2020

	Jan - Apr 20	Jan - Apr 19	\$ Change
Total 8300 · Pre-Conference Registrations	26,175.00	21,450.00	4,725.00
8465 · Board Scholarships	-500.00	0.00	-500.00
8500 · Extra Meals			
8565 · Hosted Evening Event	21,250.00	2,760.00	18,490.00
Total 8500 · Extra Meals	21,250.00	2,760.00	18,490.00
8600 · Event Registrations			
8610 · Golf	29,700.00	12,330.00	17,370.00
8630 · Tennis	1,960.00	2,070.00	-110.00
Total 8600 · Event Registrations	31,660.00	14,400.00	17,260.00
8700 · Exhibitors Fees			
8702 · Featured Exhibitor/Sponsor	30,000.00	25,000.00	5,000.00
8703 · Sapphire Exhibitor	117,600.00	112,000.00	5,600.00
8715 · Gold Package	289,000.00	292,000.00	-3,000.00
8725 · Silver Package	31,200.00	48,000.00	-16,800.00
8735 · Diamond Package	72,000.00	60,000.00	12,000.00
8736 · Top Sponsor	0.00	0.00	0.00
Total 8700 · Exhibitors Fees	539,800.00	537,000.00	2,800.00
8800 · Sponsorships			
8830 · Non-Exhibitor Sponsor 8830	36,000.00	15,000.00	21,000.00
8860 · Non-Booth Silver	0.00	0.00	0.00
8870 · President's Dinner Sponsorship	0.00	18,000.00	-18,000.00
8872 · Additional Sponsorship Monies	6,500.00	0.00	6,500.00
Total 8800 · Sponsorships	42,500.00	33,000.00	9,500.00
8900 · Conference Miscellaneous			
8915 · Hotel Rebate for Convention Ctr	26,478.27	10,410.00	16,068.27
8905 · Misc Conference Income	0.00	14,427.58	-14,427.58
8900 · Conference Miscellaneous - Other	0.00	0.00	0.00
Total 8900 · Conference Miscellaneous	26,478.27	24,837.58	1,640.69
Total 8000 · Conference Revenue	1,383,188.27	1,063,292.58	319,895.69
4503 · Contributions and Donations			
4503.75 · Robert O'Dell Scholarship	167.00	0.00	167.00
4503 · Contributions and Donations - Other	0.00	0.00	0.00
Total 4503 · Contributions and Donations	167.00	0.00	167.00
4504 · Education income			
4505 · Webinar	0.00	10,175.00	-10,175.00
4520 · Weekend Training			
4525 · Training Event Income	0.00	0.00	0.00
Total 4520 · Weekend Training	0.00	0.00	0.00
4540 · Fundamentals of Rates, Fees	-5,100.00	6,900.00	-12,000.00
4570 · Intro to Government	11,476.00	3,037.50	8,438.50
4580 · Presentation/Fiscal Policy	0.00	0.00	0.00

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	Jan - Apr 20	Jan - Apr 19	\$ Change
4590 · Intermediate Government Acct	-300.00	13,800.00	-14,100.00
4594 · CMTA/CSMFO Course	0.00	3,600.00	-3,600.00
4595 · Revenue Fundamentals	5,100.00	0.00	5,100.00
4597 · Developing Supervisory Skills	200.00	2,200.00	-2,000.00
<b>Total 4504 · Education income</b>	<b>11,376.00</b>	<b>39,712.50</b>	<b>-28,336.50</b>
<b>Total 4500 · PROGRAM REVENUES</b>	<b>1,394,731.27</b>	<b>1,103,005.08</b>	<b>291,726.19</b>
8999 · YM Import Items	0.00	0.00	0.00
<b>Total Other Income</b>	<b>1,396,726.27</b>	<b>1,130,491.08</b>	<b>266,235.19</b>
<b>Other Expense</b>			
6401 · Chapter Expenses			
6401.79 · Current Year Chapter Expenses			
6401.03 · North Coast	0.00	690.00	-690.00
6401.05 · East Bay (SF)	0.00	1,352.20	-1,352.20
6401.07 · Peninsula	3,981.52	437.72	3,543.80
6401.08 · Monterey Bay	0.00	350.00	-350.00
6401.09 · South San Joaquin	250.00	664.03	-414.03
6401.10 · Central Coast	0.00	569.62	-569.62
6401.11 · Channel Counties	0.00	53.61	-53.61
6401.12 · San Gabriel Valley	352.20	1,571.52	-1,219.32
6401.16 · Orange County	5,245.26	7,229.15	-1,983.89
6401.17 · Inland Empire	567.00	6,276.41	-5,709.41
6401.18 · Coachella Valley	0.00	1,388.83	-1,388.83
6401.19 · San Diego County	1,199.50	1,151.05	48.45
6401.79 · Current Year Chapter Expenses - Other	4,409.78	0.00	4,409.78
<b>Total 6401.79 · Current Year Chapter Expenses</b>	<b>16,005.26</b>	<b>21,734.14</b>	<b>-5,728.88</b>
<b>Total 6401 · Chapter Expenses</b>	<b>16,005.26</b>	<b>21,734.14</b>	<b>-5,728.88</b>
<b>6400 · PROGRAM EXPENSES</b>			
9000 · Conference Expenses			
9100 · Food & Beverage			
9105 · Registration Prep-Lunch	0.00	157.66	-157.66
9115 · Wednesday-Breakfast	19,869.13	0.00	19,869.13
9125 · Wednesday-Lunch	81,249.33	58,395.49	22,853.84
9135 · Wednesday-Food-Exhibitor Recept	34,891.51	25,496.88	9,394.63
9138 · Wednesday-Beverage-Exhibitor Re	12,680.48	8,873.32	3,807.16
9140 · Thursday-Breakfast-Chapter Chai	2,124.97	1,761.98	362.99
9143 · Thursday-Breakfast	63,620.93	49,864.92	13,756.01
9145 · Thursday-Coffee Service	19,516.18	7,218.72	12,297.46
9147 · Thursday-Lunch	92,896.62	61,510.36	31,386.26
9148 · Thursday-PM Break	26,287.62	28,004.85	-1,717.23
9150 · Friday-Breakfast	53,024.02	27,656.64	25,367.38
9155 · Friday-Lunch	2,656.64	5,198.88	-2,542.24
9170 · Staff Room Beverage Service	0.00	0.00	0.00

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<b>Jan - Apr 20</b>	<b>Jan - Apr 19</b>	<b>\$ Change</b>
9195 · Water for Sessions	0.00	879.68	-879.68
9197 · Food&Beverage-Other	0.00	0.00	0.00
9100 · Food & Beverage - Other	0.00	0.00	0.00
<b>Total 9100 · Food &amp; Beverage</b>	<b>408,817.43</b>	<b>275,019.38</b>	<b>133,798.05</b>
<b>9200 · President's Dinners</b>			
9210 · President's Dinner - Food & Bev	47,433.67	24,291.52	23,142.15
9220 · Entertain-Transport-Decor-Favor	828.50	7,142.80	-6,314.30
9250 · Pres Dinner-Out of State Guest	16,236.72	6,147.86	10,088.86
<b>Total 9200 · President's Dinners</b>	<b>64,498.89</b>	<b>37,582.18</b>	<b>26,916.71</b>
<b>9300 · Hosted Event</b>			
9310 · Event Entertainment	43,665.00	22,145.68	21,519.32
9320 · Event Food	134,138.08	118,961.40	15,176.68
9321 · Event Bar	15,084.46	0.00	15,084.46
9330 · Event Decor	0.00	13,743.20	-13,743.20
9340 · Event Other	12,669.68	3,150.00	9,519.68
<b>Total 9300 · Hosted Event</b>	<b>205,557.22</b>	<b>158,000.28</b>	<b>47,556.94</b>
<b>9400 · Meetings and Training</b>			
9410 · Speakers-Honorarium	85,300.00	57,900.00	27,400.00
9420 · Speaker-Expenses-Lodging	3,563.61	2,536.00	1,027.61
9430 · Speaker-Expenses-Transportation	2,612.37	4,894.05	-2,281.68
9400 · Meetings and Training - Other	0.00	3,800.00	-3,800.00
<b>Total 9400 · Meetings and Training</b>	<b>91,475.98</b>	<b>69,130.05</b>	<b>22,345.93</b>
<b>9450 · Comps</b>			
9462 · Comps - Other	3,348.54	0.00	3,348.54
9451 · Transportation Shuttle Expense	0.00	3,968.50	-3,968.50
9460 · Other Guests Lodging (OOS)	3,711.24	3,583.86	127.38
9465 · Board Scholarships	3,350.00	11,865.04	-8,515.04
9450 · Comps - Other	285.48	0.00	285.48
<b>Total 9450 · Comps</b>	<b>10,695.26</b>	<b>19,417.40</b>	<b>-8,722.14</b>
<b>9475 · Meetings</b>			
9476 · Audio Visual and Lighting	165,772.31	95,239.00	70,533.31
9478 · General Session - Addl' product	6,480.68	100.00	6,380.68
9479 · WiFi Internet	12,500.00	17,520.00	-5,020.00
9480 · Electric Power/Rigging	19,692.40	8,004.46	11,687.94
9481 · Reg/Attendance Tracking	34,924.32	42,907.72	-7,983.40
9485 · Convention/Hotel Other Costs	825.00	30,988.44	-30,163.44
<b>Total 9475 · Meetings</b>	<b>240,194.71</b>	<b>194,759.62</b>	<b>45,435.09</b>
<b>9490 · Pre-Conference Workshop</b>			
9494 · Food & Beverage	9,176.02	5,974.23	3,201.79
9495 · Speaker Fees	0.00	1,140.42	-1,140.42
9496 · Pre-Conference-Other	94.91	327.54	-232.63
9490 · Pre-Conference Workshop - Other	0.00	351.00	-351.00

**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<b>Jan - Apr 20</b>	<b>Jan - Apr 19</b>	<b>\$ Change</b>
<b>Total 9490 · Pre-Conference Workshop</b>	9,270.93	7,793.19	1,477.74
<b>9500 · Exhibits</b>			
9550 · Sponsor Branded Items	10,063.91	0.00	10,063.91
9510 · Decorator Booth Fee	15,198.25	12,467.00	2,731.25
9520 · Signage-Exhibit Hall	0.00	2,200.00	-2,200.00
9540 · Security	3,161.00	1,926.25	1,234.75
9545 · Exhibit hall game	0.00	316.15	-316.15
9599 · Exhibits-Other	8,286.83	12,692.41	-4,405.58
<b>Total 9500 · Exhibits</b>	<b>36,709.99</b>	<b>29,601.81</b>	<b>7,108.18</b>
<b>9600 · Entertainment/Gifts</b>			
9610 · Conference Gifts/Attendees	57,895.77	48,692.55	9,203.22
9620 · Speaker/Board/Committee Memento	3,347.86	3,377.54	-29.68
9630 · Gift Baskets (VIPs)	1,107.00	551.19	555.81
<b>Total 9600 · Entertainment/Gifts</b>	<b>62,350.63</b>	<b>52,621.28</b>	<b>9,729.35</b>
<b>9700 · Other Activities</b>			
9732 · Golf Tournament Expenses	32,819.58	10,607.92	22,211.66
9750 · Other Event Expenses	3,670.00	0.00	3,670.00
<b>Total 9700 · Other Activities</b>	<b>36,489.58</b>	<b>10,607.92</b>	<b>25,881.66</b>
<b>9800 · Administration - Conference</b>			
9805 · Conference Marketing	5,236.00	7,026.33	-1,790.33
9810 · Conference Contract Services	62,822.52	75,824.68	-13,002.16
9815 · Printing/Copy/Conference Media	2,307.22	10,784.00	-8,476.78
9820 · President Expenses	673.17	452.72	220.45
9831 · Supplies-Badges-Ribbons-Etc	666.20	965.79	-299.59
9840 · Postage & Shipping	11.60	2,344.71	-2,333.11
9845 · Speaker Packets	0.00	0.00	0.00
9875 · Signage	3,967.45	1,654.52	2,312.93
9880 · Bank Merchant Fees	339.85	0.00	339.85
9890 · Conference Committee Expenses	38,464.11	14,619.99	23,844.12
9895 · Staff Exp Inc. Lodging & Travel	20,082.59	22,785.74	-2,703.15
9800 · Administration - Conference - Other	2,100.00	0.00	2,100.00
<b>Total 9800 · Administration - Conference</b>	<b>136,670.71</b>	<b>136,458.48</b>	<b>212.23</b>
<b>9000 · Conference Expenses - Other</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total 9000 · Conference Expenses</b>	<b>1,302,731.33</b>	<b>990,991.59</b>	<b>311,739.74</b>
<b>6404 · Education Expenses</b>			
6420 · Weekend Training	0.00	0.00	0.00
6430 · Intro to Government			
6430.10 · Intro to Govt Account - Reimbur	4,102.27	0.00	4,102.27
<b>Total 6430 · Intro to Government</b>	<b>4,102.27</b>	<b>0.00</b>	<b>4,102.27</b>
6445 · Fundamentals of Rates Expense	0.00	1,127.00	-1,127.00
6480 · Intermediate Governmental Acct.	149.67	18,371.96	-18,222.29
6494 · Webinar Expenses	5,000.00	0.00	5,000.00



**California Society of Municipal Finance Officers**  
**Statement of Financial Income and Expense**  
January through April 2020

	<b>Jan - Apr 20</b>	<b>Jan - Apr 19</b>	<b>\$ Change</b>
6594 · CMTA/CSMFO Course Exp	-122.55	0.00	-122.55
6595 · Revenue Fundamental Expense	0.00	27.71	-27.71
6596 · Revenue Fundamental Expense II	0.00	3,200.00	-3,200.00
<b>Total 6404 · Education Expenses</b>	<b>9,129.39</b>	<b>22,726.67</b>	<b>-13,597.28</b>
<b>Total 6400 · PROGRAM EXPENSES</b>	<b>1,311,860.72</b>	<b>1,013,718.26</b>	<b>298,142.46</b>
<b>Total Other Expense</b>	<b>1,327,865.98</b>	<b>1,035,452.40</b>	<b>292,413.58</b>
<b>Net Other Income</b>	<b>68,860.29</b>	<b>95,038.68</b>	<b>-26,178.39</b>
<b>Net Income</b>	<b>197,060.93</b>	<b>201,933.06</b>	<b>-4,872.13</b>

California Society of Municipal Finance Officers  
Chapter Income and Expense  
January through April 2020

	Central Los Angeles	Central Valley	Channel Counties	Coachella Valley	Desert Mountain	East Bay	Inland Empire	Monterey Bay	Orange County
	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)
Other Income/Expense									
Other Income									
4501 · Chapter Income	0.00	0.00	30.00	0.00	0.00	480.00	50.00	-95.00	925.00
Total Other Income	0.00	0.00	30.00	0.00	0.00	480.00	50.00	-95.00	925.00
Other Expense									
6401 · Chapter Expenses	0.00	0.00	0.00	0.00	0.00	0.00	817.00	0.00	9,405.04
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	817.00	0.00	9,405.04
Net Other Income	0.00	0.00	30.00	0.00	0.00	480.00	-767.00	-95.00	-8,480.04
Net Income	0.00	0.00	30.00	0.00	0.00	480.00	-767.00	-95.00	-8,480.04

California Society of Municipal Finance Officers  
Chapter Income and Expense  
January through April 2020

	Peninsula	Sacramento Valley	San Diego	San Gabriel Valley	South San Joaquin Valley	SouthBay (LA)	Total Chapters	TOTAL
	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)		
Other Income/Expense								
Other Income								
4501 · Chapter Income	-25.00	20.00	0.00	370.00	0.00	240.00	1,995.00	1,995.00
Total Other Income	-25.00	20.00	0.00	370.00	0.00	240.00	1,995.00	1,995.00
Other Expense								
6401 · Chapter Expenses	3,981.52	0.00	1,199.50	352.20	250.00	0.00	16,005.26	16,005.26
Total Other Expense	3,981.52	0.00	1,199.50	352.20	250.00	0.00	16,005.26	16,005.26
Net Other Income	-4,006.52	20.00	-1,199.50	17.80	-250.00	240.00	-14,010.26	-14,010.26
Net Income	-4,006.52	20.00	-1,199.50	17.80	-250.00	240.00	-14,010.26	-14,010.26

# California Society of Municipal Finance Officers

## Check Detail

April 1 - 30, 2020

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check 6452      04/01/2020 Smith Moore and Associate 1005 · Bank of America</b>					
Bill	20201138	03/06/2020	9895 · Staff Exp Inc. Lodging & Travel		(441.60)
			9895 · Staff Exp Inc. Lodging & Travel		(140.00)
			9895 · Staff Exp Inc. Lodging & Travel		(286.45)
Bill	20201137	04/01/2020	6143 · Management Services		(11,935.78)
			2003 · A/P Other- SMA Conference		(3,565.24)
			6195 · Web Site Hosting Fee		(650.95)
			1500 · CSMFO/SMA Database AR		(233.69)
			9800 · Administration - Conference		(607.56)
			9800 · Administration - Conference		(607.56)
			9800 · Administration - Conference		(607.56)
TOTAL					(19,076.39)
<b>Check      6455      04/01/2020 City of Ontario      1005 · Bank of America</b>					
Credit Memo	YM200007733	04/01/2020	4540 · Fundamentals of Rates, Fees		(150.00)
TOTAL					(150.00)
<b>Check      6469      04/07/2020 Lathrop      1005 · Bank of America</b>					
Credit Memo	CR300004805	04/07/2020	4110 · Dues - Municipal		(110.00)
TOTAL					(110.00)
<b>Check      6470      04/01/2020 City of Oakland      1005 · Bank of America</b>					
Credit Memo	YM200007102	03/12/2020	4590 · Intermediate Government Acct		(150.00)
TOTAL					(150.00)
<b>Check      6471      04/06/2020 Morro Bay      1005 · Bank of America</b>					
Credit Memo	YM300004769	04/06/2020	4110 · Dues - Municipal		(35.00)
TOTAL					(35.00)
<b>Check      6472      04/13/2020 City of Compton      1005 · Bank of America</b>					
Credit Memo	YM200007388	04/13/2020	4590 · Intermediate Government Acct		(1,050.00)
TOTAL					(1,050.00)
<b>Bill Pmt -Check 6473      04/13/2020 City of San Bernadino      1005 · Bank of America</b>					
Bill		04/13/2020	9465 · Board Scholarships		(285.48)
TOTAL					(285.48)
<b>Bill Pmt -Check 6474      04/13/2020 Deborah Harper {v}      1005 · Bank of America</b>					
Bill		04/13/2020	6430.10 · Intro to Govt Account - Reimb		(1,020.87)

# California Society of Municipal Finance Officers

## Check Detail

April 1 - 30, 2020

	Type	Num	Date	Name	Account	Paid Amount
TOTAL						(1,020.87)
	<b>Bill Pmt -Check 6475</b>		<b>04/13/2020</b>	<b>Don Maruska &amp; Company, Inc.</b>	<b>1005 · Bank of America</b>	
	Bill	50214	04/02/2020		6146 · Consultants	(10,000.00)
TOTAL						(10,000.00)
	<b>Bill Pmt -Check 6476</b>		<b>04/13/2020</b>	<b>M. Nicole Valentine</b>	<b>1005 · Bank of America</b>	
	Bill		04/13/2020		9465 · Board Scholarships	(500.00)
TOTAL						(500.00)
	<b>Bill Pmt -Check 6477</b>		<b>04/13/2020</b>	<b>M. Shelby Burguan</b>	<b>1005 · Bank of America</b>	
	Bill		04/13/2020		9465 · Board Scholarships	(214.52)
TOTAL						(214.52)
	<b>Bill Pmt -Check 6478</b>		<b>04/13/2020</b>	<b>Mary C. Gentile</b>	<b>1005 · Bank of America</b>	
	Bill		04/13/2020		9410 · Speakers-Honorarium	(4,000.00)
					9430 · Speaker-Expenses-Transportation	(270.00)
					9430 · Speaker-Expenses-Transportation	(289.00)
					9430 · Speaker-Expenses-Transportation	(266.61)
TOTAL						(4,825.61)
	<b>Bill Pmt -Check 6479</b>		<b>04/13/2020</b>	<b>Michael Coleman {v}</b>	<b>1005 · Bank of America</b>	
	Bill	Jan-Feb-Mar 20	03/31/2020		6146 · Consultants	(4,200.00)
TOTAL						(4,200.00)
	<b>Bill Pmt -Check 6480</b>		<b>04/13/2020</b>	<b>Pacific Storage Company</b>	<b>1005 · Bank of America</b>	
	Bill	4189709	03/31/2020		6106 · Storage Expense	(189.76)
TOTAL						(189.76)
	<b>Bill Pmt -Check 6481</b>		<b>04/13/2020</b>	<b>Smith Moore and Associate</b>	<b>1005 · Bank of America</b>	
	Bill	20201151	03/13/2020		9895 · Staff Exp Inc. Lodging & Travel	(30.02)
					6198 · Technology Initiatives	(59.99)
					9895 · Staff Exp Inc. Lodging & Travel	(84.01)
					9895 · Staff Exp Inc. Lodging & Travel	(36.00)
					9895 · Staff Exp Inc. Lodging & Travel	(13.19)
					9895 · Staff Exp Inc. Lodging & Travel	(31.46)
					6401.16 · Orange County	(410.76)
					6150 · Office Supplies	(79.59)
					6175 · Postage	(13.50)
					6166 · Printing, copying, and admin	(18.48)
					6185 · Telephone/Bridge Calls	(55.22)

# California Society of Municipal Finance Officers

## Check Detail

April 1 - 30, 2020

Type	Num	Date	Name	Account	Paid Amount
Bill	20201182	03/20/2020		9890 · Conference Committee Expenses	(88.55)
				9890 · Conference Committee Expenses	(11.20)
				9890 · Conference Committee Expenses	(403.96)
				9890 · Conference Committee Expenses	(521.26)
				9890 · Conference Committee Expenses	(39.48)
				9890 · Conference Committee Expenses	(21.00)
Bill	20201183	03/27/2020		9890 · Conference Committee Expenses	(23.24)
				9485 · Convention/Hotel Other Costs	(10.00)
				9620 · Speaker/Board/Committee Meme	(427.86)
				9820 · President Expenses	(273.48)
				9820 · President Expenses	(101.48)
				9895 · Staff Exp Inc. Lodging & Travel	(35.56)
				9895 · Staff Exp Inc. Lodging & Travel	(17.75)
				9805 · Conference Marketing	(250.00)
				9750 · Other Event Expenses	(120.00)
				9125 · Wednesday-Lunch	(160.00)
				9895 · Staff Exp Inc. Lodging & Travel	(274.51)
			TOTAL		
Check	6482	04/22/2020	El Monte	1005 · Bank of America	
Payment	1089650	04/07/2020	El Monte	1100 · Accounts receivable	(110.00)
TOTAL					(110.00)
Bill Pmt -Check 6483		04/27/2020	Smith Moore and Associate	1005 · Bank of America	
Bill	20201014	04/22/2020		6401.09 · South San Joaquin	(235.46)
				9880 · Bank Merchant Fees	(320.09)
				9895 · Staff Exp Inc. Lodging & Travel	(227.89)
				6401.79 · Current Year Chapter Expense	(2,559.24)
				6195 · Web Site Hosting Fee	(940.94)
				6401.79 · Current Year Chapter Expense	(426.54)
				6401.07 · Peninsula	(3,750.10)
				6401.79 · Current Year Chapter Expense	(363.12)
				6401.79 · Current Year Chapter Expense	(569.10)
				6195 · Web Site Hosting Fee	(56.50)
				6166 · Printing, copying, and admin	(26.38)
				9895 · Staff Exp Inc. Lodging & Travel	(207.93)
				6185 · Telephone/Bridge Calls	(52.01)
				6175 · Postage	(13.66)
				6166 · Printing, copying, and admin	(16.16)
				6150 · Office Supplies	(5.46)
			TOTAL		
Check	6484	04/27/2020	City of Morro Bay	1005 · Bank of America	
Credit Memo	CR300004806	04/27/2020		4110 · Dues - Municipal	(75.00)
TOTAL					(75.00)

# California Society of Municipal Finance Officers

## Check Detail

April 1 - 30, 2020

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check 6485      04/27/2020 Smith Moore and Associate 1005 · Bank of America</b>					
Bill	20201212	04/27/2020	6150 · Office Supplies		(37.24)
			6195 · Web Site Hosting Fee		(28.08)
			6401.19 · San Diego County		(216.36)
			6401.17 · Inland Empire		(222.33)
			6401.16 · Orange County		(280.60)
			6175 · Postage		(51.81)
			6166 · Printing, copying, and admin		(21.01)
			6150 · Office Supplies		(17.34)
			6185 · Telephone/Bridge Calls		(25.85)
TOTAL					<u>(900.62)</u>



## CSMFO BOARD REPORT

---

DATE: May 28, 2020

FROM: Laura M. Nomura, CPA  
Career Development Committee Chair

SUBJECT: Implementation of New Budget Core Course and Transition of Core Courses to Virtual Training due to COVID-19

### **Background:**

On May 24, 2018, the Board approved the proposed format for the new core course on budgeting. The outline for the budget course includes four modules:

1. Foundations of Budget Management
2. Building the Budget
3. Budget Documents and Reporting
4. Advanced Budget Concepts for Managers and Directors

On December 13, 2018, the Board approved awarding a contract to HdL for development of the Budget Class materials and directed the Career Development Committee to set a goal of launching the class at the 2020 Annual Conference.

Modules 1 and 2 were completed last December and a pre-conference session was provided at the 2020 conference to trial run the materials as we have with many other new core courses being rolled out. Volunteer facilitators included David Cain, Adjunct Professor and Ken Brown, Principal from HdL Companies. This pre-conference session sold out quickly so we raised the participation from 50 to 60 with ultimately 58 participating. The session was well received by those who participated based on session evaluations.

Modules 3 and 4 are currently being produced by HdL. We plan to roll out another pre-conference session at the 2021 conference.

Currently with the COVID-19 pandemic and executive orders regarding shelter-in-place and social distancing, it appears that it will be unlikely that CDC will be able to hold in-person courses during 2020. Currently the Board has suspended all in-person meetings through July 5, 2020 and is continuing to monitor.



## **Discussion:**

With the success of the pre-conference held in January and continued interest from our members, we are proposing to roll out the first of two budget courses. The first will cover, similar to the pre-conference, the materials for modules 1 and 2.

Due to COVID-19, the CDC is proposing a trial run for this new course in a virtual format using Zoom technology in the September/October timeframe. If successful we will continue serving our members in this manner until in-person classes can be held. At that time, CDC may consider a hybrid approach using both virtual and in-person training.

We plan to keep pricing at \$150 in line with other core courses we have recently implemented. The course limit will normally be 40 to 50 as we do with other courses, however for this trial virtual course we plan to limit to a smaller size of 30 to allow instructors to get acclimated to running the technology and managing the course at the same time.

In order to execute the new budget training, CSMFO must execute instructor contracts to provide services. Committee leadership has selected three individuals with proven experience to take turns partnering to teaching the courses. The service providers recommended are as follows:

- David Cain – Adjunct professor, CSU System; Retired Finance Director; experience presenting at past CSMFO conferences, as well as CSMFO webinars.
- Ken Brown – Principal, HdL Companies; Retired Finance Director; experience presenting at past CSMFO conferences, as well as CSMFO webinars.
- Russ Branson – Finance Consultant, Russ Branson Consulting; Retired Finance Director; experience presenting on CSMFO webinars.

We are proposing that David Cain be the lead for the budget course program who in addition to providing the training, will be responsible for the administrative duties needed to execute the course. Ken Brown and Russ Branson would be utilized for course instruction only. David Cain and either Ken or Russ will handle each scheduled course.

In addition, many of our instructors for all CSMFO core courses are new to teaching virtually and need assistance learning how to use the technology. We are proposing for David Cain to provide training in this area. He is adjunct faculty at CSU who currently utilizes Zoom software to teach classes. He has offered his assistance in this area charging a one-time fee of \$500 per course (if necessary) for training the various instructors (includes 6 courses: Beginning, Intermediate, Investments, Revenue Fundamentals I & II and Budget).

Scott Catlett, Chair of the Administration committee worked with the CDC to understand the terms of the contract and prepared the attached draft contracts.

## **Common key terms for the contracts are as follows:**

- **Term:** June 1, 2020 and ending December 31, 2021, with a two-year extension upon mutual agreement between CSMFO and Consultant;
- **Scope of Work-Consultant:**
  - Conduct courses as scheduled by CSMFO and the Consultant

- Present invoice for services and/or expenses within 30 days after completion of each class.
- **Course Scheduling:** CDC is responsible for scheduling the courses in advance. The CDC will work with the consultant to develop an annual training calendar by December 31 of each year for the following calendar year.
- **Course Administration:** Smith Moore and Associates (SMA) staff will distribute evaluations after each course and make them available to the CDC for review. SMA staff will also perform advance registration, duplication and delivery of Consultant-prepared written course materials to course site and other required duties under Amendment No.1 to the SMA Service Agreement.
- **Termination of Agreement:** CSMFO or consultant can terminate agreement with at least sixty (60) days' notice.

**Terms that are specific to each core course contract are as follows:**

Consultant	Compensation	Additional Services
1. Dave Cain.	\$1,5000 per course (planned 2 Budget courses each year)  Up to \$1,000 for travel costs	One-time \$500 per course for Zoom training to core course instructors (up to 6 courses)
2. Russ Branson	\$1,000 per course (planned 2 Budget courses each year)  Up to \$1,000 in travel costs	N/A
3. Ken Brown	\$1,000 per course (planned 2 Budget courses each year)  Up to \$1,000 in travel costs	N/A

**Estimated Net Revenues for Budget Course:**

	Trial Virtual Budget Course (30 participants)	Ongoing Budget Course (50 participants) Virtual	Ongoing Budget Course (50 participants) In person
Revenues (\$150 per participant)	\$4,500	\$7,500	\$7,500
Expenses:			
Instructor Costs	(\$2,500)	(\$2,500)	(\$2,500)
Food	-	-	(\$1,000)
One-time Zoom Instruction	(\$500)	-	-
Travel Costs (max if in-person)			(\$2,000)
Net Revenues	\$1,500	\$5,000	\$2,000

Net revenues will be used to offset costs of the CDC program: consulting fees for program implementation, additional webinars as needed, offset courses that do not generate net revenues but add value to our members (i.e. weekend training), Zoom licensing costs (as discussed below) and other miscellaneous costs outlined in the budget. Any remaining net revenues will be utilized to develop other CDC programs. A separate cost center was approved by the Board as part of the Budget approval for the current year to ensure net revenues generated by the CDC are used specifically for additional training programs for our members.

### **Zoom Technology for Core Course Instruction:**

Lastly, in moving to a virtual classroom environment, the CDC is requesting that the Board approve purchase of a Zoom license specific to CDC for use for all of our core courses. The cost of an account with the capabilities needed to instruct will cost **\$600** annually. Currently, in addition to the new budget course, we are working with instructors for the Beginning, Intermediate and other courses as needed to provide the training, previously planned as in-person, virtually using the Zoom platform. All are very interested in continuing teaching the courses virtually.

### **Recommendation:**

It is recommended that the CSMFO Board of Directors:

- 1) Approve the rate of \$150 to be charged for the budget course;
- 2) Authorize award of contracts as outlined above;
- 3) Approve the purchase of a specific Zoom License to be utilized by the Career Development committee for virtual core courses;
- 4) Amend CSMFO Budget to include two budget courses for 2020; and
- 5) Direct the Administration Committee to execute final contracts.

Attachments - (3) Draft Contracts for Consultant Services

## **CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS**

### **PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and effective as of June 1, 2020, between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Russ Branson ("Consultant"), an individual located in Carmichael, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement is for professional services provided during the two-year period beginning June 1, 2020 and ending December 31, 2022. The agreement may be renewed for two additional years upon mutual agreement of CSMFO and Consultant

2. **SCOPE OF WORK TO BE PERFORMED**

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. **DUE DILIGENCE**

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. **CSMFO MANAGEMENT**

CSMFO's Career Development Committee (CDC) Chair shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. **COMPENSATION**

(a) Compensation to Consultant shall be at the rate of \$1,000 per course.

The Career Development Committee is responsible for scheduling courses and may do so up to 2 occurrences annually during the course of this contract.

Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may so do with prior approval from the Executive Committee and the Consultant.

In addition to the above stated fees, CSMFO shall provide Consultant reimbursement for reasonable travel and lodging expenses in conjunction with a scheduled course up to \$1,000. Any costs above the limit must be approved by the Career Development Committee Chair.

Consultant will handle all duties the day of the course as identified in Exhibit A of this agreement.

CSMFO or their designee, will handle all duties as outlined in Amendment 1 to the Smith Moore and Associates Service Agreement relating to core course administration, including but not limited to advance registration, course evaluations, etc.

- (b) Payments: Payment for reimbursement of expenses (with supporting copies of receipts) will be made upon receipt of invoice from Consultant.
- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Career Development Committee Chair, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) Either party, may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the other party at least sixty (60) days prior written notice. If either party suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

7. DEFAULT OF CONSULTANT

- (a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

- (b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

Consultant agrees that all documents and curriculum are the property of CSMFO.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached to and part of this Agreement.

11. INDEPENDENT CONSULTANT

- a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatsoever against CSMFO, or bind CSMFO in any manner.
- b) No employee benefits shall be available to Consultant in connection with the

performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall remain informed of State and Federal laws and regulations which in any manner affect those employed by them or in any way affect the performance of their service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee, or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO:                      California Society of Municipal  
Finance Officers  
  
700 R Street, Suite 2000  
Sacramento, CA 95811  
Attention: Executive Director

To Consultant:                Russ Branson  
4238 Mapel Lane  
Carmichael, CA 95608

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed the commencement date stated herein.

\_\_\_\_\_  
Signature  
Melissa Manchester  
CSMFO Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
Russ Branson  
Consultant

\_\_\_\_\_  
Date



**EXHIBIT A**  
**SCOPE OF WORK TO BE PERFORMED**

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO and Consultant on Building a Better Budget (or whatever name is ultimately utilized for the four-part budget core course currently under development)
- Present invoices for expenses within 30 days after completion of each class

**EXHIBIT B**  
**INSURANCE REQUIREMENTS**

Prior to the beginning of and throughout the duration of this Agreement, Consultant will maintain insurance in conformance with the requirements set forth below.

1. Commercial General Liability Insurance: \$1,000,000 per occurrence.

2. Business Auto Coverage (if applicable): \$1,000,000 per accident.

Business Auto Coverage is required only if business autos are to be used in conjunction with performing duties under this Agreement. If Consultant or Consultant's employees will use personal autos in any way while performing duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

3. Workers' Compensation Coverage (if Consultant has employees) providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident.

Insurance procured pursuant to these requirements shall be underwritten by insurers that are admitted carriers in the state of California with an A.M. Best rating of A- or better and a minimum financial size VII.

## CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS

### PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and effective as of June 1, 2020, between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Ken Brown ("Consultant"), a principal with HdL Companies located in Brea, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement is for professional services provided during the two-year period beginning June 1, 2020 and ending December 31, 2022. The agreement may be renewed for two additional years upon mutual agreement of CSMFO and Consultant

2. SCOPE OF WORK TO BE PERFORMED

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. DUE DILIGENCE

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. CSMFO MANAGEMENT

CSMFO's Career Development Committee (CDC) Chair shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. COMPENSATION

(a) Compensation to Consultant shall be at the rate of \$1,000 per course.

The Career Development Committee is responsible for scheduling courses and may do so up to 2 occurrences annually during the course of this contract. Should

the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may so do with prior approval from the Executive Committee and the Consultant.

In addition to the above stated fees, CSMFO shall provide Consultant reimbursement for reasonable travel and lodging expenses in conjunction with a scheduled course up to \$1,000. Any costs above the limit must be approved by the Career Development Committee Chair.

Consultant will handle all duties the day of the course as identified in Exhibit A of this agreement.

CSMFO or their designee, will handle all duties as outlined in Amendment 1 to the Smith Moore and Associates Service Agreement relating to core course administration, including but not limited to advance registration, course evaluations, etc.

- (b) Payments: Payment for reimbursement of expenses (with supporting copies of receipts) will be made upon receipt of invoice from Consultant.
- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Career Development Committee Chair, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

#### 6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) Either party, may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the other party at least sixty (60) days prior written notice. If either party suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

#### 7. DEFAULT OF CONSULTANT

- (a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

- (b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

Consultant agrees that all documents and curriculum are the property of CSMFO.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached to and part of this Agreement.

11. INDEPENDENT CONSULTANT

- a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatsoever against CSMFO, or bind CSMFO in any manner.
- b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as

provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall remain informed of State and Federal laws and regulations which in any manner affect those employed by them or in any way affect the performance of their service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee, or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO:                      California Society of Municipal  
Finance Officers  
  
700 R Street, Suite 2000  
Sacramento, CA 95811  
Attention: Executive Director

To Consultant:              Ken Brown,  
Principal, HdL Companies  
120 S. State College Blvd, Suite 200  
Brea, CA 92821

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed the commencement date stated herein.

\_\_\_\_\_  
Signature  
Melissa Manchester  
CSMFO Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
Andy Nickerson, President HdL Companies

\_\_\_\_\_  
Date

**EXHIBIT A**  
**SCOPE OF WORK TO BE PERFORMED**

Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO and Consultant on Building a Better Budget (or whatever name is ultimately utilized for the four-part budget core course currently under development)
- Present invoices for expenses within 30 days after completion of each class



**EXHIBIT B**  
**INSURANCE REQUIREMENTS**

Prior to the beginning of and throughout the duration of this Agreement, Consultant will maintain insurance in conformance with the requirements set forth below.

1. Commercial General Liability Insurance: \$1,000,000 per occurrence.
2. Business Auto Coverage (if applicable): \$1,000,000 per accident.

Business Auto Coverage is required only if business autos are to be used in conjunction with performing duties under this Agreement. If Consultant or Consultant's employees will use personal autos in any way while performing duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

3. Workers' Compensation Coverage (if Consultant has employees) providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident.

Insurance procured pursuant to these requirements shall be underwritten by insurers that are admitted carriers in the state of California with an A.M. Best rating of A- or better and a minimum financial size VII.

## **CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS**

### **PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and effective as of June 1, 2020, between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and David D. Cain ("Consultant"), an individual located in Brea, California. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement is for professional services provided during the two-year period beginning June 1, 2020 and ending December 31, 2022. The agreement may be renewed for two additional years upon mutual agreement of CSMFO and Consultant

2. **SCOPE OF WORK TO BE PERFORMED**

Consultant shall perform all tasks and successfully complete all duties described and set forth in Exhibit A, attached hereto and incorporated herein.

3. **DUE DILIGENCE**

Consultant shall at all times faithfully, competently and to the best of his or her ability, experience, and talent; perform all tasks described herein. In providing professional services, Consultant agrees to work in a manner consistent with the best interests of CSMFO as is required of Consultant in meeting the obligations of this Agreement.

4. **CSMFO MANAGEMENT**

CSMFO's Career Development Committee (CDC) Chair shall represent CSMFO in all matters pertaining to the administration of this Agreement including review and approval of all professional services performed by Consultant, but not including the power to enlarge the scope of work to be performed or change the compensation due to Consultant.

CSMFO's Executive Director shall be authorized to act on CSMFO's behalf, and to execute all necessary documents related to the administration of this Agreement.

5. **COMPENSATION**

- (a) Compensation to Consultant shall be at the rate of \$1,500 per course. Consultant will also be compensated with a one-time \$500 fee for each CSMFO core course for which assistance is provided to convert the course to a virtual format.

The Career Development Committee is responsible for scheduling courses and may do so up to 2 occurrences annually during the course of this contract. Should the Career Development Committee wish to schedule more than two of these courses in any one year during the course of this contract, it may so do with prior approval from the Executive Committee and the Consultant.

In addition to the above stated fees, CSMFO shall provide Consultant reimbursement for reasonable travel and lodging expenses in conjunction with a scheduled course up to \$1,000. Any costs above the limit must be approved by the Career Development Committee Chair.

Consultant will handle all duties the day of the course as identified in Exhibit A of this agreement.

CSMFO or their designee, will handle all duties as outlined in Amendment 1 to the Smith Moore and Associates Service Agreement relating to core course administration, including but not limited to advance registration, course evaluations, etc.

- (b) Payments: Payment for reimbursement of expenses (with supporting copies of receipts) will be made upon receipt of invoice from Consultant.
- (c) Additional Services: Consultant shall not be compensated for services rendered in connection with performance of this Agreement that are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance (via email) by the Career Development Committee Chair, with approval from the Executive Committee. Additional services will be billed separately, at month-end, net 30 days.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

- (a) Either party, may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the other party at least sixty (60) days prior written notice. If either party suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- (b) In the event this Agreement is terminated pursuant to this Section, CSMFO shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CSMFO.

7. DEFAULT OF CONSULTANT

- (a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, CSMFO shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to

Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.

- (b) If the CSMFO President or designee, after consultation with the Executive Committee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the CSMFO President or designee shall cause to be served upon Consultant a written notice of the default. The Consultant shall have ten (10) days after service of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, CSMFO shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

Consultant agrees that all documents and curriculum are the property of CSMFO.

9. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

10. INSURANCE REQUIREMENTS

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached to and part of this Agreement.

11. INDEPENDENT CONSULTANT

- a) Consultant is and shall at all times remain as to CSMFO a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither CSMFO nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CSMFO. Consultant shall not incur or have the power to incur

any debt, obligation, or liability whatsoever against CSMFO, or bind CSMFO in any manner.

- b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CSMFO shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CSMFO. CSMFO shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall remain informed of State and Federal laws and regulations which in any manner affect those employed by them or in any way affect the performance of their service pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. CSMFO, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of CSMFO in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CSMFO will receive compensation, directly or indirectly, from Consultant, or from any officer, employee, or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CSMFO to any and all remedies at law or in equity.

14. ASSIGNMENT

CSMFO and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to CSMFO for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of CSMFO.

15. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is

entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

16. GOVERNING LAW

CSMFO and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

17. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given by personal service, delivery by a reputable document delivery service (with receipt showing date and time of delivery), or by U.S. Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CSMFO:                      California Society of Municipal  
Finance Officers  
  
700 R Street, Suite 2000  
Sacramento, CA 95811  
Attention: Executive Director

To Consultant:                David D. Cain  
219 N. Thistle Road  
Brea, CA 92821

18. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed the commencement date stated herein.

\_\_\_\_\_  
Signature  
Melissa Manchester  
CSMFO Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
David D. Cain  
Consultant

\_\_\_\_\_  
Date

## **EXHIBIT A**

### **SCOPE OF WORK TO BE PERFORMED**

#### Consultant Agrees to Perform the Following Services for CSMFO:

- Conduct courses as scheduled by CSMFO and Consultant on Building a Better Budget (or whatever name is ultimately utilized for the four-part budget core course currently under development)
- Update, as needed, presentation and handout materials for all such courses scheduled, recognizing that the course materials are owned by CSMFO
- Perform on-site registration services for such courses
- Deliver sign-in sheets for courses to CSMFO staff for preparation of CPE credit and invoicing of walk-in registrants
- Present invoices for expenses within 30 days after completion of each class
- Conduct any follow-up services necessary to complete each course
- Provide assistance to other CSMFO core course instructors with moving their course to a virtual instruction format

**EXHIBIT B**

**INSURANCE REQUIREMENTS**

Prior to the beginning of and throughout the duration of this Agreement, Consultant will maintain insurance in conformance with the requirements set forth below.

1. Commercial General Liability Insurance: \$1,000,000 per occurrence.
2. Business Auto Coverage (if applicable): \$1,000,000 per accident.

Business Auto Coverage is required only if business autos are to be used in conjunction with performing duties under this Agreement. If Consultant or Consultant's employees will use personal autos in any way while performing duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.

3. Workers' Compensation Coverage (if Consultant has employees) providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident.

Insurance procured pursuant to these requirements shall be underwritten by insurers that are admitted carriers in the state of California with an A.M. Best rating of A- or better and a minimum financial size VII.





## CSMFO BOARD REPORT

---

Date May 28, 2020

FROM: Scott Catlett  
Administration Committee Chair

SUBJECT: Approval of Revised Policies and Procedures Manual

### Background:

Recent Board actions have resulted in changes to various policies and procedures that must be incorporated into the CSMFO Policies and Procedures Manual. Along with these changes, various minor clean-up adjustments have been made to remove out of date information and conform the language in the Manual to current practice. No substantive edits were made that have not been previously reviewed by the Board of Directors.

### Recommendation:

That the CSMFO Board of Directors approved the May 2020 updates to the CSMFO Policies and Procedures Manual.

Attachment: Policies and Procedures Manual



# **Policy and Procedures Manual**

Revision Proposed May 2020

This manual is prepared for the sole purpose of providing assistance and guidance to the officers and members of CSMFO. Changes may be made from time to time by the Board of Directors to meet changing conditions. The material contained herein is supplementary to the Bylaws of CSMFO; if contradictions develop, the Bylaws shall prevail.

### I. DUTIES OF OFFICERS

Traditionally, the offices of President and President-Elect have rotated between the southern and northern parts of the state. While the President is the titular head of CSMFO statewide, the President-Elect assumes a secondary leadership role in his or her area of the state in order to maintain the best possible communications between the members and the officers.

As the Annual Conference also generally alternates between north and south, the President-Elect automatically becomes the Conference co-chair for that year.

The Immediate Past President automatically assumes the role of Chapter Chair liaison.

The President may, from time to time, present proclamations on behalf of the organization to CSMFO members that are retiring from the profession, provided that said members have been members in good standing for at least the last three consecutive years.

The Board Liaison to the Administration Committee shall serve as the Secretary/Treasurer to perform the duties outlined in Article III, Section H.4 in the Bylaws. The Executive Director shall serve as the Deputy Secretary/Treasurer, to assist.

### II. BOARD OF DIRECTORS

The membership of the Board of Directors also has been apportioned between the southern and northern parts of the state. It is the policy of this organization to maintain this informal balance. Board members are expected to serve as liaisons to select chapters within their southern or northern region. Board members should attend at least one meeting for each chapter so assigned.

### III. STANDING COMMITTEES

#### A. Committees

CSMFO shall have nine standing committees, as outlined below. In addition, the Board may decide to appoint ad hoc committees to address policy or other issues as they arise and as deemed necessary.

1. Administration Committee, whose primary objectives are to:
  - a. Review the financial statements and budget of CSMFO in coordination with the Executive Committee and perform other financial duties outlined in Section XIII of this Manual.
  - b. Review and update CSMFO Policies and Procedures as needed or requested.
  - c. Undertake special projects as directed by the Executive Committee or Board of Directors.
  - d. Coordinate the Odell Scholarship program with California State University system, conduct scholarship fundraising efforts as deemed appropriate by the Board, and provide an annual report to the Board.
  - e. Administer contracts on behalf of CSMFO. Draft and execute contracts as directed by the Executive Committee, Board of Directors, or Standing Committees. Conduct annual evaluation of contractors with results to be presented at the annual Board retreat.
2. Career Development Committee, whose primary objective is to promote the professional development of its members by providing affordable and accessible training opportunities. Activities may include, but are not limited to:
  - a. Review and/or develop core courses and webinars.
  - b. Plan and execute the annual Weekend Training.
  - c. Coordinate coaching program and professional development services.
  - d. Undertake special projects as directed by the Executive Committee or Board of

Directors.

3. Communications Committee, whose primary objectives are to:
  - a. Enhance the communications between CSMFO leadership and its members through the CSMFO Magazine, website, email, and other common forms of communication.
  - b. Work to ensure a common branding experience for all CSMFO members.
  - c. Develop policies, guidelines and procedures related to CSMFO Magazine, publications, and other communication materials.
  - d. Coordinate with CSMFO leadership and Board on consistent messaging.
  - e. Undertake special projects as directed by the Executive Committee or Board of Directors.
4. Membership Benefits Committee, whose primary objectives are to:
  - a. Solicit and encourage new members from eligible agencies and promote the benefits of CSMFO membership.
  - b. Solicit feedback from members on what benefits they want from their CSMFO membership.
  - c. Follow-up on non-renewing members and outstanding membership invoices.
  - d. Undertake special projects as directed by the Executive Committee or Board of Directors.
5. Professional Standards Committee, whose primary objective is to identify and analyze new or emerging professional standards for municipal finance. To accomplish this, the committee will:
  - a. Disseminate information on emerging standards to the membership.
  - b. Support content for potential new training courses.
  - c. Develop suggested systems and procedures, as needed.
  - d. Undertake special projects as directed by the Executive Committee or Board of Directors.
6. Program Committee, whose primary objective is to set the educational content of the Annual Conference, including:
  - a. Conducting calls for presentations, as the committee deems necessary.
  - b. Working with speaker bureaus.
  - c. Setting the schedule of classes for the conference.
  - d. Coordinating the pre-conference sessions.
  - e. Coordinating with speakers their materials, audio visual needs and payments and/or reimbursements, as necessary.
  - f. Assigning moderators for each session.
  - g. Communicating and coordinating with the Annual Conference Host Committee as appropriate.
7. Recognition Committee, whose primary objective is to promote the highest standards of budgeting and financial reporting, including:
  - a. Encourage the use of professional standards through award programs for financial reporting.
  - b. Encourage improved techniques for budget preparation and presentation.
  - c. Recognize excellence in financial reporting and budgeting through annual awards programs.
8. Student Engagement Committee, whose primary objectives are to:
  - a. Reach out to the next generation (graduate and undergraduate students in political science, public administration, accounting, and finance) to let them know we are here and what we have to offer.
  - b. Promote municipal finance as a rewarding career choice.

- c. Increase the number of student memberships.
  - d. Create a self-reinforcing cycle for student engagement in which relationship building and exposure to municipal finance provides momentum for growth in student memberships and participation.
9. Technology Committee, whose primary objectives are to:
- a. Enhance the effectiveness and use of technology by CSMFO and its member agencies in exchanging information, increasing productivity, and enhancing member service.
  - b. Maintain a CSMFO Internet presence and website to enhance membership benefits, provide professional information, establish relevant links, and support continued training.
  - c. Facilitate information sharing among members.
  - d. Undertake special projects as directed by the Executive Committee or Board of Directors.

B. Committee Structure

The President shall appoint the Chair, Vice-Chair(s), Senior Advisor(s), and Board Liaison of each committee. Retired members may be appointed to serve as Senior Advisors, but all other committee leadership positions should be held by active municipal members. To assure broad participation on each committee, the President shall make every effort to have representation from across the state where functionally practical. The Chair shall recruit additional committee members from among the active membership. Each Chair shall advise the Deputy Secretary/Treasurer, in writing, of the names of committee members. All committee members are encouraged to attend various meetings and conference calls of the Board of Directors.

C. Committee Reports

The President may request each committee chairperson and facilitators of goals established at the annual planning meeting to provide a progress report on activities. The President may request that these progress reports be made available in time for distribution with the Board agenda packet. A comprehensive annual report is due by each committee chair, goal facilitator and policy committee appointee to the CSMFO Executive Director by each January 15<sup>th</sup> for inclusion in the Annual Report.

#### IV. OTHER COMMITTEES

A. Nominating Committee

A nominating committee shall be annually appointed by the president no less than one hundred thirty-five (135) days prior to the start of the next annual conference. The composition of the nominating committee shall be the president-elect, president, immediate past president, and up to five (5) additional past presidents. The president-elect shall chair the nominating committee. The nominating committee shall develop a slate consisting of one (1) candidate for northern California board members, one (1) candidate for southern California board member and one (1) candidate for president-elect.

B. Executive Committee

The President, Immediate Past President, and President-Elect sit as the Executive Committee of CSMFO. Executive Committee responsibilities include:

- a. Preparing an annual budget for consideration and approval by Board of Directors
- b. Selecting recipients for Special CSMFO Awards
- c. Reviewing monthly Revenue/Expenditure Reports and budget in conjunction with Administration Committee
- d. Special projects

C. Annual Conference Host Committee

The President-Elect shall chair the Annual Conference Host Committee for the Annual Conference where he or she assumes the role of President. The chair may designate as many other members of the committee as he or she deems necessary.

D. Audit Committee

The Audit Committee shall consist of the Executive Committee and the Secretary/Treasurer. The Audit Committee is responsible for all aspects of the audit excluding the contract, which is the responsibility of the Administration Committee.

E. Other

Other ad hoc committees may be formed from time to time as determined by the Executive Committee or Board.

V. MEETINGS

A. Board of Directors Meetings

The Bylaws provide for at least two Board meetings annually. There may be such other meetings as the President may elect. Traditionally, there have been up to four in-person Board meetings:

1. In conjunction with the Annual Conference.
2. In the Spring.
3. In the Fall, in conjunction with the Strategic Planning Session.
4. In December.

The President determines the agenda for each Board meeting, and the Executive Director is responsible for e-mailing or posting on the website copies of the agenda to Board members in advance of the meeting. The agenda packet should be made available on our website roughly one week prior to the meeting so members may review materials. New business may be brought before the Board at the conclusion of the regular agenda.

All Board meetings are open to all members.

B. Annual Meeting

The Annual Meeting shall be held at the Annual Conference during one of the general sessions. The Annual Meeting shall be noticed as such in all promotional materials of the Annual Conference that provide a schedule of events.

C. Strategic Planning Session

CSMFO will hold a Strategic Planning Session annually in the fall to determine the strategic objectives of the organization as well as the action plan for the following calendar year. CSMFO will make and pay for the lodging arrangements for all invited attendees; travel arrangements will be made and paid for by attendees individually. A team-building session for attendees only will be held during the Strategic Planning Session; attendees are encouraged to bring guests to the hosted dinner. Those invited include: Officers, Board Members, Chapter Chairs and Vice Chairs, Committee Officers (chairs, vice chairs, senior advisors), League Policy Committee Appointees, and Staff.

VI. ELECTIONS

The Nominating Committee shall nominate a slate of candidates for the positions of President-Elect and Board of Directors. The informal policy of north-south balance of representation of officers and directors shall be maintained whenever possible.

Nominees will be expected to file a short "qualification statement" with the Executive Director so that voting members can better identify nominees. The Executive Director shall include the "qualification statements" with the election ballot.

The "qualification statement" may contain the following information:

1. Name as it should appear on the ballot.
2. Formal education.
3. Current and previous positions in California municipal government (out-of-state municipal experience as a finance director may be included if applicable).
4. List of CSMFO activities.
5. Other professional affiliations related to municipal government.

6. A statement of the nominee's ideas and goals for CSMFO for the upcoming term (limited to 300 words for the President-Elect and 200 words for Board members).

Nominees shall be advised that any information other than the above will not be included in the published statement of qualifications.

It is the policy of CSMFO that there shall be no formal "campaigning" or "electioneering." Nominees shall not actively solicit votes, nor shall nominees allow others to solicit on their behalf.

As stated in Article III, Section C of the Bylaws, the Nominating Committee shall be appointed no less than one hundred thirty-five (135) days prior to the start of the following year's annual conference. The secretary-treasurer shall deliver ballots, by any means approved by the board of directors, to all members not later than ninety (90) days prior to the following year's annual conference, and voting shall be open for thirty (30) days.

#### VII. AWARDSPROGRAMS

CSMFO sponsors four awards programs.

- A. CSMFO Financial Reporting Awards Program  
The CSMFO Financial Reporting Awards Program is under the auspices of the Recognition Committee. The object is to recognize excellence in financial reporting.
- B. Excellence in Budgeting  
The Award Program for Excellence in Budgeting is conducted by the Recognition Committee. The objectives are to recognize agencies with excellent budget procedures and documents and expose CSMFO members to these materials.
- C. Innovation Award  
The Award Program for Innovation is conducted by the Recognition Committee. The objectives are to recognize agencies with innovative budgeting and finance programs and expose CSMFO members to these materials.
- D. Distinguished Service Award  
The Distinguished Service Award recognizes outstanding service on the part of an individual to the field of municipal finance. This is the highest honor that is bestowed by the Society. It is not a competition, and not necessarily annual, but is given at such times as a person is judged deserving of the honor. Nominees may be suggested to the President, in confidence, who will consult with the Executive Committee in making a determination. The award will consist of a suitable plaque presented at the Annual Conference.
- E. Volunteer of the Year Award  
The Volunteer of the Year Award nomination and selection process is conducted by the Executive Committee and presented at the annual conference by the President. The objectives are to recognize outstanding volunteer efforts and participation, while also providing an avenue for volunteers to recognize each other. Nominations shall be due at least three (3) months prior to the Annual Conference. The Executive Committee will review nominations annually and select one Volunteer of the Year recipient. At its discretion after the review process concludes, the Executive Committee may choose to not bestow this award, or to bestow this award to multiple recipients. Nominations must be submitted by a CSMFO member with involvement on the Board, on a committee or at the leadership level (chair or vice chair) of any local chapter.

#### VIII. ODELLSCHOLARSHIP

The Robert Odell Scholarship created by CSMFO and administered by the California State University

system will be conducted under the direction of the Board of Directors. It is intended that the principal amount be held constant at an amount adequate to ensure investment earnings are sufficient to provide up to four \$2,000 scholarships each year to upper division and graduate students of public administration with an emphasis in finance. This determination of this amount will be at the Board's discretion.

Recipients of the Odell Scholarship will also receive a complimentary invitation to attend the main day of the CSMFO Annual Conference (typically Thursday), inclusive of that evening's banquet. It is the responsibility of the scholarship recipient to contact the CSMFO office no less than two (2) weeks prior to the start date of the conference in order to confirm attendance. If a recipient wishes to attend the entire conference, they may do so at the prevailing rate.

## IX. MEMBERSHIP

### A. Status

The Bylaws in Article II, Section A, specify the qualifications for municipal, other government or commercial membership classifications. Membership in CSMFO is on an individual basis, which allows the membership to follow the individual rather than the agency. The Other Government membership classification is authorized for out-of-state residents and other municipal/state employees not eligible for CSMFO municipal membership.

### B. Other Classifications of Members

The Board may from time to time determine other membership categories within this classification including Honorary, Student, Professor, or Retired. The Board of Directors shall determine specific dues, if any, for each category. These individual categories under the "other classification" do not carry voting rights.

1. Honorary. Past Presidents who are retired (not gainfully employed either in or out of government) will be granted honorary membership status. They will be eligible to receive CSMFO materials and participate in CSMFO activities.
2. Student. This classification shall be open to those persons presently enrolled in either an undergraduate or graduate program in finance, accounting or public administration studies through an accredited university. Students that are concurrently eligible for Municipal membership may choose their membership category.
3. Professor. This classification shall be open to those persons presently employed as faculty of a finance, accounting, or public administration course through an accredited university.
4. Retired. This classification is open to former municipal members who retire from public service.

### C. Directory

Annually a Membership Directory shall be published as soon after the membership renewal deadline as possible. Generally speaking, the Directory is printed in March and distributed in April. In order to ensure listing in the Directory, a must pay their dues no later than the March 1 deadline.

### D. Dues

Dues shall be collected for the calendar year and membership for all members shall expire on December 31 of each year.

1. The Board of Directors shall annually establish dues amounts per membership category.
2. New municipal and other government members signing up after July 1 until September 30 will pay 50% of the current annual dues. New members who pay the full amount of dues between October 1 and December 31 shall be considered current members until December 31 of the following year.
3. Membership dues are due on January 1 of each year, as specified in Article II, Section C of the Bylaws.
4. Membership dues renewal notices shall be sent in November.
5. Membership will lapse for any person should dues remain unpaid on March 1.
6. Dues may be prorated at the discretion of the Board of Directors.
7. The Board of Directors has the discretion to establish special one-time dues to encourage new membership.



E. Use of CSMFO Logo – Discussion on Branding

Members in good standing with CSMFO may post the CSMFO logo on their city/agency/company websites advertising their affiliation with our association. The CSMFO Board of Directors, at the discretion of the Executive Committee, reserves the right to rescind this privilege should the agency/company in question be deemed to conduct itself in a manner not in keeping with CSMFO's standards.

X. ANNUAL CONFERENCE

The Annual Conference usually will take place in January/February, alternating between the northern and southern parts of the state. North/south designations will be determined by the Board. Selection of the site for the Annual Conference is by the Board of Directors, approximately four years in advance. The Immediate Past President is responsible for working with staff to oversee the site selection process and may at his or her discretion establish a committee to assist. The Immediate Past President makes a recommendation to the Board; no site presentations are made to the Board unless specifically requested. The Immediate Past President will utilize the site selection criteria adopted by the Board in weighing alternative sites.

All other policies relating to the Annual Conference can be found in the Annual Conference Handbook, which is periodically reviewed by the Administration Committee.

XI. ADVOCACY TASKFORCE

A. Mission

With their acknowledged expertise in administration and finance, the membership of CSMFO can exert a positive influence on the composition of legislation and the implementation of policy positions that will affect the fiscal integrity and viability of local governments in California.

The CSMFO Board of Directors should be responsive to the opinions of the members and be able to deliberate on specific issues in a timely manner with the goal of adopting a recommended position. CSMFO's adopted positions will be on the record and will be publicized and utilized to exert maximum influence on both legislators and public opinion.

In circumstances where the legislative issue is complex, the President may convene a temporary Advocacy Task Force in order to facilitate the discussion and develop a position(s) for the Board's consideration. The President will select the members of the Advocacy Task Force to be comprised of subject matter experts and which may include municipal members, commercial members, and/or CSMFO consultants.

B. General Advocacy Policies

CSMFO will develop Advocacy Guiding Principles, positions on legislative issues, ballot measures and other issues that:

1. Involve professional standards and the public perception of local government financial management.
2. Have implications for or threaten the stability of local government finances.

C. Proposing Policies and Advocating Legislative Positions

1. Positions for consideration may be presented to the Board through the President, by and individual Board Member, by recommendation of any committee or advisory body, by a League Policy Committee Appointee, by a specific Chapter, or by any individual CSMFO member. The President will confer with his or her executive team to determine the appropriate assignment of a specific matter for review.
2. Advocacy should be limited to legislative issues, ballot measures and administrative issues. There will be no advocacy for individual candidates. Legislative positions must be in support of CSMFO Advocacy Guiding Principles.
3. Proposed policies or legislative advocacy positions should be submitted utilizing the

following guidelines:

- a. Recommendations originating from the work of a committee, the Advocacy Task Force or other sub-body must be conveyed to the President no later than two business days before a scheduled Board meeting.
- b. Any active CSMFO member can submit a position for consideration by the Board to the President not less than 14 days prior to a scheduled Board meeting.

D. The Deliberative Process

1. The President may assign a proposed issue or legislative advocacy position to the Advocacy Task Force for review and shall request feedback from the general membership when feasible. Various means can be used to obtain a canvass of member views including electronic mail, the CSMFO website, survey software, publications, and meetings.
2. The Advocacy Task Force shall report its recommendations to the Board within the timeframe requested by the President at the time of assignment, but in no case longer than three months from that time.
3. In considering a specific position or policy, the Advocacy Task Force may request a presentation from the sponsor of the proposal. The Advocacy Task Force will approve an issue as submitted, with amendment, reject it, or they may table the proposal for later consideration. If approved, the proposal will be conveyed to the President for submission to the entire Board.

E. Approval and Dissemination

1. Upon receipt of the proposal from the President after consideration by the Advocacy Task Force, the Board may approve it by a simple majority of those present and voting, including the proxies of those Board members who cannot attend.
2. If there is an urgent need to adopt a particular policy, the Board may be polled using electronic means, including email, survey software, and telephone calls. In this case, a majority of Board membership will be necessary to adopt a policy.
3. Approved policy positions shall be recorded and may be published in the CSMFO Magazine, on the CSMFO website and to the email group listserv at the discretion of the Executive Committee and/or Board of Directors.
4. Approved policy positions will also be disseminated as appropriate and necessary to elected officials at the local, state, and federal levels and to media outlets.
5. Approved policy positions will be provided to the League of California Cities for consideration, inclusion, and implementation.
6. Approved policy positions will be provided to CSMFO consultants, as appropriate.

F. Special Circumstances and Sunset Provisions

In the event that the Board has failed to approve a proposal within three months of the time that it was assigned to the Advocacy Task Force, the issue will no longer be available for consideration. Further consideration would require the matter to be newly introduced.

XII. CHAPTERS

Chapters of CSMFO were established to provide an opportunity for members in various regions of the state to meet on a regular basis and exchange ideas, discuss professional challenges, and participate in technical presentations on a specific area of the profession. The chapters are geographically defined and shall be specifically delineated in the membership directory. There are twenty chapters of CSMFO:

Central Coast  
Central Los Angeles  
Central Valley

Channel Counties  
Coachella Valley  
Desert Mountain  
East Bay (SF)  
Imperial County  
Inland Empire  
Monterey Bay  
Northeast Counties  
Northwest Counties  
North Coast  
Orange County  
Peninsula  
Sacramento Valley  
San Diego County  
San Gabriel Valley  
South Bay (LA)  
South San Joaquin

Each Chapter selects an annual Chair who shall appoint a Vice Chair and may appoint other members as needed to assist in the planning and execution of regular chapter meetings. Chapter Chairs are encouraged to attend any or all Board meetings and are required to submit an annual report of chapter activity to the CSMFO Executive Director by January 15<sup>th</sup>. The Immediate Past President acts as the Chapter Chair Liaison and is available to provide assistance.

In the event that a Chapter Chair is no longer eligible for Active Municipal Member status, the Chapter will seek a new Chapter Chair. For the benefit of the Chapter's continuity, the non-Municipal Member is encouraged to serve as a Chapter advisor until the vacancy is filled, subject to the approval of the Immediate Past President.

Each Chapter shall define its own meeting time and place and may send local meeting notices to interested parties. Regular meetings of each Chapter provide the membership with opportunities for personal and professional development that can only be accomplished at the local level. Meeting data shall be forwarded to the CSMFO staff for posting to the CSMFO website and publication in the monthly email blast.

CSMFO membership carries with it automatic membership in the local chapter. Chapters are not authorized to collect dues or to have their own newsletter. Meeting notices shall be advertised with a common authorized style. For more information see the "Chapter Chair Handbook".

### XIII. ACCOUNTING

#### A. Budget

Annually, the Executive Committee shall prepare a proposed budget for the Society for consideration by the Board at the Fall Board meeting. Final Board approval of the budget shall occur at the last Board meeting prior to the beginning of the new fiscal year.

The CSMFO will strive to maintain a balanced budget. This means that:

1. Operating revenues must fully cover operating expenditures.
2. Ending net assets must meet minimum policy levels.
3. Reserves may be used to fund new projects or one-time expenditures.

Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning net assets should only be used to fund capital outlays, start-up programs, revenue stabilization efforts, or other "one-time," non-recurring expenditures.

Disbursements of CSMFO expenses will be processed by staff as long as the expenses are consistent with the approved budget. The Executive Director must consult with the Executive Committee and Secretary/Treasurer prior to incurring expenses or paying expenses which are

not authorized in the budget.

The Board must approve any new program, in advance, that any committee wishes to launch which would require CSMFO financial support. The committee chair proposing the program should contact the President to discuss the program, who shall bring the program to the Executive Committee. If there is sufficient support, a Board meeting will be scheduled to discuss the program and amend the budget. This meeting may be held at a defined location or through teleconferencing.

The Board of Directors has the authority to amend the budget as needed.

B. Travel Expenses

1. General

As hereby described, the President, Board members, committee leadership, chapter leadership, members involved in GFOA activities and CSMFO appointees to League policy committees should seek expense coverage from their respective agencies first. In the event that reimbursement is not available from the agency, CSMFO makes some funds available for reimbursement to said persons. Funds shall only be made available on the reimbursement basis. Reimbursement shall be made by the Executive Director upon presentation of proper vouchers, receipts, etc. The President shall approve all travel reimbursement requests for compliance with this policy and reasonableness, prior to reimbursement.

Only airfare (or equivalent in the case of travel by other modes of transportation), airport parking, transportation to and from the airport, and overnight lodging expenses of CSMFO members are eligible for reimbursement from CSMFO, **unless specifically approved by the Board of Directors**. Members should plan ahead sufficiently to secure the least-cost travel available. Lodging expenses will be allowable only to the extent of permitting an individual to avoid travel between the hours of 11 p.m. and 6 a.m.

2. President's Expenses

The President of CSMFO shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with the duties of the office, up to the amount of the approved annual budget for this purpose. Reimbursement for out-of-state travel will be limited to attendance at affiliated out-of-state associations' annual conferences, the GFOA Annual Conference and the CMTA Annual Conference unless expressly approved by the Board. In addition to the President's expenses, CSMFO will also reimburse the cost of air travel and meals for one personal guest to accompany the president. In the event requested reimbursement exceeds the approved budget, such reimbursements shall be submitted to the Board for approval. If the President designates another member to attend an event in his/her place, that individual's eligible expenses may be submitted for reimbursement against this account. Travel outside the United States is limited to attendance at the GFOA Annual Conference only.

3. CSMFO Board Member Expenses

Subject to the annual CSMFO budget process, CSMFO Board members other than the President shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with attendance at official Board meetings, chapter meetings and Board retreats. The CSMFO Board shall establish a pool in the annual budget from which Board member reimbursements will be funded. Board members who will require reimbursement during the year shall notify the Executive Director prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual Board member for that fiscal year.

4. League Policy Committee Appointee Expenses

Subject to the annual CSMFO budget process, League Policy Committee Appointees shall be entitled to reimbursement of eligible expenses not borne by his/her agency associated with attendance at official League meetings. The CSMFO Board shall establish a pool in the annual budget from which committee appointee reimbursements will be funded. Appointees

who will require reimbursement during the year shall notify the Secretary prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual appointee for that fiscal year.

5. GFOA Related Expenses

It is the policy of CSMFO to encourage the involvement of its members in GFOA activities. Accordingly, subject to the annual CSMFO budget process, CSMFO may pay a maximum of \$1,000 per person to reimburse necessary eligible travel expenses for Active members who serve as a GFOA Executive Board member, State Representative or member of a GFOA standing committee to the extent that these expenses are not covered by GFOA or the member's agency. The CSMFO Board shall establish a GFOA pool in the annual budget from which Active member reimbursements will be funded. Active members who will require reimbursement during the year should notify the Executive Director of his/her expected reimbursement needs prior to the presentation of the budget. The Board of Directors shall determine the maximum reimbursement amount for each individual Active member for that fiscal year.

C. Committee Expense

The CSMFO annual budget also provides limited funds for committee meeting expenses, which includes meals or refreshments for committee meetings as well as additional expenses required in administering approved programs.

D. Chapter Expense

The CSMFO annual budget also provides limited funds for covering possible occasional deficits in chapter meetings, which are normally expected to be self-sustaining. The cost of printing and other miscellaneous expenses associated with the chapter meetings should be included in the cost of the meeting and not borne by the chapter chairs' agency.

E. Chapter Balances

CSMFO will maintain an annual budget item for chapter support. Chapter Chairs will make an advance request to the Executive Director for support in the event that they anticipate incurring a permanent deficit that will result in a negative chapter balance. The Executive Director will perform a chapter balance reconciliation at the end of each fiscal year. Any negative balances that remain, that will not be resolved with time, will be supplemented from the chapter support budget to bring the balance to zero.

F. Disbursement

1. Disbursement Approvers

Disbursements must be approved by no fewer than two of the following, prior to distribution: President, President-Elect, Immediate Past President, Secretary/Treasurer, and Administration Committee Chair.

2. Check Signers

All checks require two signatures. The designated signers will be the Executive Director and another member of the Executive Committee. To alleviate the necessity of updating signature cards annually, they will be updated once every three years. The President-Elect at the beginning of the three-year period will be designated as the second check signer. This duty will follow the elected official through the three-year term on the Executive Committee in their role as President-Elect, President, and Past President. Upon departure of the second signer from the Executive Committee, new signature cards will be prepared for the incoming President-Elect. If the check signer departs the Executive Committee prior to completing the three-year cycle, new signature cards will be prepared to replace the second signer with the existing President-Elect.

This policy shall be effective for all financial accounts under CSMFO's federal tax identification number, including but not limited to checking, savings, and investment of funds.

3. Disbursement Approval Process

Prior to entering the distribution process, invoices related to consultant services shall be submitted to the committee overseeing the services for review. If the nature of the consultant services is not specific to any single committee function, the Administration Committee shall review the invoice. The reviewing committee will ensure that the invoice reflects services and fees that are complete and in accordance with the approved contract.

Following approval by the reviewing committee, invoices and requests for reimbursement will be submitted to the five disbursement approvers. A disbursement report should accompany the backup documentation submitted to the disbursement approvers.

Upon approval by at least two of the five disbursement approvers and no earlier than one business day following the request for approval (to allow all five disbursement approvers adequate time to review and ask questions), checks will be signed by the authorized signers. A monthly disbursement report should be included in the monthly Board meeting materials for Board member review.

G. Minimum NetAssets

CSMFO will maintain unrestricted net assets that are equivalent to 25% of total annual budgeted expenditures, excluding any significant one-time costs. This represents 90 days of operations, and is considered the minimum level necessary to maintain the CSMFO's credit worthiness and to adequately provide for:

1. Economic uncertainties and other financial downturns such as reduced membership fees or other revenue shortfalls.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

Whenever net assets exceed 50% of total annual budgeted expenditures, the Board may consider plans for reducing net assets, including identifying new training opportunities, expanding membership services, or reducing membership fees.

H. Reserve Policy

The primary objective of this policy is to establish an operating reserve for the California Society of Municipal Finance Officers (CSMFO) that will permit the organization to continue to operate during difficult financial times. Some examples for the use of such operating funds are:

- Maintain current level of operations while CSMFO addresses long term solutions to potential operating problems.
- Maintain current level of operations during times of temporary operating problems, such as timing issues with receipts.

I. Reserve Account

CSMFO will maintain a reserve account that will be funded at a minimum as noted in Table 1 below. The reserve account will be reviewed by the Administration Committee at least annually to ensure that the organization is in compliance with this policy.

Table 1: CSMFO Reserve Account Components	
Operating Reserve Component	25% of the current year's annual budgeted operating and program expenses
Conference Reserve Component	50% of the prior year's actual conference expenses

If a shortfall occurs, a minimum of 75% of the increase in unrestricted net assets in subsequent years shall be added to the operating reserve until the maximum reserve balance has been achieved.

The reserve funds will be invested in accordance with the Investment Policy adopted by the Board.

J. Use of Operating Reserve:

Any spending of the operating reserve corpus must be approved in advance by the Board.

K. Use of Undesignated Net Assets:

Net assets remaining over and above the Operating Reserve shall be classified as Undesignated Net Assets. Use of these undesignated funds shall be limited to one-time, non-operating expenses and require Board approval. Examples of such uses include but are not limited to the following: contributions to the Odell Scholarship Fund; website upgrades; conference subsidies; one-time expenses not budgeted such as covering the cost of a Chapter meeting or providing free or subsidized in-person or virtual training to members.

L. Responsibilities:

The ultimate responsibility for oversight of the operating reserve resides with the Board of Directors, who will establish the Reserve annually at the time of budget adoption. The Board of Directors may delegate this responsibility to an individual or committee at their discretion.

XIV.COOPERATIONWITHOTHERS

A. Like Organizations

It is the expressed intent of this Society to cooperate fully with similar organizations at intrastate, interstate, and Federal levels, toward the common objective of professional service at all levels of government.

As an affiliate of the League due to the relationship between the two organizations, the CSMFO President may appoint one representative to each of the League policy committees. These representatives are encouraged to provide input to the committees from CSMFO and to keep the CSMFO President and Board apprised of issues and actions being considered by the League. Any active members of CSMFO serving as a representative may be reimbursed for travel expenses as outlined in Section VI.

B. Press

All press inquiries should be directed to the Executive Director of CSMFO. If the inquiry is of a general informational nature, the Executive Director will provide the response. If the inquiry is requesting a "quote" or "position" on an issue the matter should be referred to the Executive Committee for a response. The Executive Committee will develop the response and decide who will provide that response. In the event that time is of the essence, the President may speak on behalf of the organization, comments subject to confirmation by the remaining Executive Committee members as soon as is practical.

Other Board Members should not provide responses on behalf of CSMFO unless authorized by the Executive Committee.

C. CSMFO Policy Position

CSMFO may receive inquiries regarding the viewpoint of the organization on an issue or potential policy. As a general policy, CSMFO will not respond to these requests and will defer to the positions of relevant statewide and national associations with active legislative advocacy programs, such as the League of California Cities or the Government Finance Officers Association. However, the Board of Directors may authorize the Executive Committee to write a letter of position when it is determined to be beneficial to the membership.

XV. CSMFO PUBLICATION

CSMFO publishes the CSMFO News on a regular schedule, as established by the Board of Directors. The News is intended to be a professional publication with relevant articles related to the government finance profession, and will include letters from the current President, President-Elect and Executive Director, highlights from local chapters and members and other relevant information. The Communications Committee will be responsible for coordinating the publication and distribution of the CSMFO News. The Board of Directors has adopted a separate Communication Policy/Guidelines, along with an organizational style guide related to branded communications.

XVI. CONTRACT APPROVAL POLICY

The primary objective of this policy is to establish procedures for approval of all CSMFO contracts to promote transparency and efficiency.

- A. Every CSMFO contract with fees in excess of \$5,000 shall be presented to the Board of Directors at a board meeting for consideration and approval. Unless otherwise stated in the board report, every CSMFO contract shall be executed by the Executive Director. In the event that the Executive Director is unavailable, the CSMFO President will execute the contract. All contracts with fees of \$5,000 or less that are executed within the Executive Director's contract authority will be included as an information item on the consent calendar of the next Board meeting.
- B. If there is a contract that is urgent in nature where the duration of time until the next Board meeting would be detrimental to CSMFO, the Executive Director will obtain authorization from the Executive Committee to execute the contract. The Executive Director will notify the Board of Directors at the subsequent Board meeting, noting the reason for the urgency.
- C. The budget line item account for every CSMFO contract will be provided in the accompanying report to the Board, no matter the dollar amount, for tracking and reconciliation purposes.

#### XVII. RECORDS RETENTION POLICY

The purpose of records management is to ensure that information is available when needed. Efficiency in record-keeping requires identification, organization, and maintenance for the requisite number of years, and documentation when destroyed.

Disposition of records should occur routinely in accordance with the provisions of the Records Retention Schedule (Schedule). For example, if the Schedule states that certain records shall be retained for three years, records review and disposal should occur promptly at the conclusion of the three-year retention period. This ensures that file space is used efficiently and prevents active records from becoming interfiled with records that have outlived their administrative usefulness.

A listing of records to be destroyed shall be submitted by the Committee of Record to the Secretary or the Secretary's designee for review prior to destruction. The Secretary or designee will verify compliance with the Schedule and respond with authorization to proceed.

#### Ownership of Records

All records are the property of CSMFO and shall be delivered by outgoing consultants and volunteers to their successors.

#### Definitions

Disposition – The length of time a record is kept, which may be permanent

Historical Record – The retention of records that have enduring value because they reflect significant historical events or document the history and development of CSMFO

Records Retention Schedule – The document identifying the length of time a record is maintained, including disposition.

#### Records Retention Codes

A/E: After expiration

AU: Audit

C: Current

D/R: Destroy when no longer relevant

P: Permanent

#### XVIII. AMENDMENTS

The Board of Directors may make changes to this manual. Any changes shall be distributed by the Executive Director to Officers, Board Members, Committee and Chapter leaders. Changes may also be published in the News and/or on the organization's web page for the benefit of the general membership, if appropriate.



April 28, 2020

American Institute of Certified Public Accountants  
220 Leigh Farm Road  
Durham, North Carolina 27707-8110

**VIA EMAIL TO: PracticeAnalysis@AICPA.org**

**Re: Proposed changes to the CPA Exam as outlined in Maintaining the Relevance of the Uniform CPA Examination: An Exposure Draft and Invitation to Comment**

TO WHOM IT MAY CONCERN:

The California Society of Municipal Finance Officers (CSMFO) association was founded in 1958 and represents approximately 2,500 members statewide, including local government finance professionals in cities, counties, and special districts, as well as affiliated commercial business partners. CSMFO's mission is to serve all government finance professionals through innovation, collaboration, continuing education, and professional development.

***CSMFO opposes the proposed reduction in, and ultimate elimination of, the coverage of accounting and financial reporting for state and local governments (SLG) in the Uniform CPA Examination (CPA Exam), which is outlined in the Exposure Draft and Invitation to Comment.***

Framing SLG financial statement reporting as a narrow specialty in the CPA Exam does not take into account the significance SLGs have in the overall economy and in civic engagement. Additionally, the AICPA should consider that:

- Eliminating state and local government content may encourage colleges and universities to devote less curriculum to governmental accounting content, which may result in fewer accounting graduates with exposure to (and interest in pursuing) accounting careers in government.
- SLGs should be fully able to prepare their own GAAP compliant financial statements. Many SLGs are already forced to rely on auditors to prepare financial statements; supporting an inappropriate dependency that has the potential to impair auditor independence.
- The impact of this change will cascade to CPA firms specializing in SLG. The relatively small number of firms qualified to perform audits of state and local governments has contributed to the length of time it takes for governments to issue their audited financial statements.

On behalf of CSMFO, thank you for the opportunity to comment on this proposal, and I would be happy to respond to any questions. I may be reached at (909) 315-8803, or [sheide@chofire.org](mailto:sheide@chofire.org).

Respectfully,

A handwritten signature in blue ink that reads "Steve Heide". The signature is fluid and cursive, with the first name "Steve" and last name "Heide" clearly distinguishable.

Steve Heide, CPA  
CSMFO 2020 President

Finance Director  
Chino Valley Fire District

Cc: CSMFO Board of Directors



CSMFO Executive Committee  
Agenda  
May 21, 2020

- CSMFO Response to COVID-19
  - Events after July 5
  - Strategic Planning Session – October
  - Weekend Training – direction to staff requested
  - 2021 Annual Conference
- Zoom Archives

May Board Agenda Items

- Annual Conference Final Report
- 2020 Budget Review/Revision
- Insurance Policies
- Policy & Procedures Manual Revision
- CDC Core Course Instructors
- In-Person Events – Closed Session

CSMFO Obligations

*Planning Session*

If cancelled less than 6 months in advance, 60% of the room/F&B guarantees, or \$17,787.

If cancelled less than 3 months in advance (after July 2), 90% of the room/F&B guarantees, or \$26,681.

*Annual Conference*

San Jose Convention Center: \$300,983.50 (We have paid a \$25,000 deposit)

San Jose Hilton: \$116,990 (this amount goes up to \$133,703 in the middle of August 2020)

San Jose Marriott: \$183,534.00



## CSMFO BOARD REPORT

---

FROM: Teri Anticevich, Janet Salvetti, Marisa Anticevich – M&AMS, Inc.  
Melissa Manchester – MMM Management

SUBJECT: 2020 CONFERENCE - FINAL RESULTS

The 60th CSMFO Annual Conference, Yesterday Tomorrow and Finance, took place on January 28 – 30, 2020 in Anaheim, CA. The Conference was chaired by Steve Heide, 2020 CSMFO President. Steve and his appointed Host Committee were dedicated to making the 2020 Conference on par with all previous conferences. As you will later see in the attendance and financial summary, they certainly succeeded in their mission.

The following “Conference Report” was prepared by MAMS, Inc. The “Financial Results” are provided by SMA based on their financial reports, effective April 30, 2020.

### CONFERENCE REPORT

The number of registered attendees since CSMFO last hosted a conference in Anaheim are included below:

<i>Year</i>	<i>Location</i>	<i>Number Reg. (Paid)</i>
2016	Anaheim	1,302
2017	Sacramento	1,175
2018	Riverside	1,319
2019	Palm Springs	1,432
2020	Anaheim	1,849

For the last few years, the number of attendees is based on a person checking in at the registration desk and printing their badge. In some instances, this step is missed by attendees therefore reducing the number of perceived attendees.

This is validated by the number of unprinted name badges on file. Since the registration file contained over 2,000 names, we can make the assumption that the attendance may have been closer to that number.

The program committee shined once again with a slate of over 60 sessions. Attendees in the past have asked that the most popular sessions be offered multiple times; therefore, the committee built this into their planning with much success.

The following items were either new this year or continued to be improved over last year's initial implementation.

1. *On-site attendee registration check-in CPE tracking.* At the 2019 conference, we took a state-of-the-art step forward with a kiosk check-in process that produced an attendee's name badge and event tickets with a few easy key strokes. Our take away from 2019 was to better educate the attendee on the process and the follow up CPE tracking.
  - a. In 2020, we prepared media awareness of the system and were better versed to answer questions. In addition, the placement of the tracking systems were better aligned to properly track the attendee. Following the conference, all corrections to attendees tracking were handled through program support, Harriet Commons. With her oversight, the system performed well.
  - b. What we were not prepared to handle was the large influx of attendees within the first hour of opening registration. Since CSMFO was offering a full slate of early bird sessions, the number of check in kiosks was not sufficient. We are prepared with ways to handle this going forth into future years.
2. *First time attendee breakfast.* A new offering for this year was the first-time attendee breakfast which was hosted by Steve Heide on Wednesday morning prior to the official beginning of the conference. It was designed as a walk around breakfast to give a first-time attendee the opportunity to meet CSMFO leadership as well as to be partnered with a mentor for direction and questions during the conference. All first-time attendees received a personal evite to the breakfast as well as were recognizable with a first-time attendee ribbon. The out-going host committee believes this is an event to retain in future conferences.
3. *Chapter chair networking.* With a move of the CSMFO hosted event to Wednesday evening, the chapter chair breakfast early the following morning was evaluated for a better time. The social hour after the sessions ended on Thursday had a good attendance and offered more time for the group to interact in a more casual setting. We recommend a consideration of continuing with this change in the future.

4. *CSMFO giving back.* It was with a specific purpose that conference attendees received a FEED bag at registration. As well as being useful to the attendee, the purchase of these bags by CSMFO enabled the FEED organization to donate 18,500 meals to children around the world and in the US.

Another organization chosen to be the recipient of CSMFO giving back was the Orangewood Foundation. Tyler Technologies embraced the giving back theme by designing their booth around the theme as well as making a generous donation of \$5,000.

5. ***Addressed “needs improvement” from last year.*** In the final report for the 2019 conference, the three items listed were: Offer more early bird sessions, open the exhibit hall on Wednesday morning, and offer repeat sessions on popular topics. We are pleased to note that all three items were addressed and changed in 2020.

## FINANCIAL RESULTS

Attached to this report is the Budget-to-Actual Statement effective April 30, 2020.

As of the financial reporting effective April 30, 2020, the net income from the conference is \$79,377. The components of this net revenue are a total income of \$1,382,608 and expenses of \$1,303,231.

Bank merchant fees attributable to the conference are not included as an expense to the conference as of April 30, 2020. The bank merchant service attributed to the conference is arrived at by taking a percentage of conference income to all CSMFO income for the calendar year. Therefore, the calculation for conference merchant services will be done December 2020. In 2019 this fee was \$33,968.75. The amount recorded at year end will be in addition to the current posting of \$339.85 which is a direct expense from exhibitor registration services which is conference related only.

We expect the fees for this conference to be in excess of that reported in 2019; and should be expected to be in the range of \$35,000. Taking the fee into consideration, the net income from the conference would be approximately \$44,000.

Several factors contributed to the successful turnaround from a budget projected conference loss of \$60,000. One factor was revenues exceeded the budget projection by \$63,000 which essentially eliminated the deficit. The major components of the \$63,000 were:

- 1        \$15,000 – registrations over expectation.
- 2        \$ 9,000 – extra tickets for the Wednesday night event

3. \$27,000 – changed accounting for the credits CSMFO receives from the hotel based on the 1 room / for 40 rooms picked up. In the past, the amount has been a reduction to room expenses paid by CSMFO. A better recognition is as revenue and will now be reported (and budgeted) in this manner going forth.

Cost containment in expenditures assisted in the positive net income for the 2020 conference. The following line items showed significant savings:

1. \$55,000 – food and beverage for the meeting events and the exhibitor hall reception.
2. \$ 6,000 – Change of scholarship policy. Previously, in addition to complimentary conference registration, recipients received 2 nights of hotel accommodations. The new policy eliminated the room night accommodation which allowed for more first time attendee scholarships as well as student scholarships. Costs attributable to this line item are now for student daily stipends and for hardship awards.
3. \$17,500 – Disney has become our first hotel/convention center to not charge for Wi-Fi in the meeting areas. It would be wonderful if this is the wave of the future; but time will tell.

Questions regarding any line items may be directed to MAMS.

## SUMMARY

Once again, it has been a pleasure to serve CSMFO as your conference coordinators and staff. We would like to thank the Board of Directors and the Host Committee led by Steve Heide for their commitment to making the 2020 Annual Conference such a success.

As we all aware, the new normal may look entirely different for the upcoming conference. Be assured that staff at MAMS and SMA is working diligently to assist CSMFO in determining the best format for the 2021 conference. We look forward to assisting with a successful 2021 Conference.

	Jan - Apr 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Other Income/Expense					
Other Income					
4500 · PROGRAM REVENUES					
8000 · Conference Revenue					
8100 · Government Registrations					
8105 · Govt Non-Memb Full Early	34,520.00	28,665.00	5,855.00	120.43%	28,665.00
8106 · Govt Non-Memb-Full Regular	23,865.00	9,675.00	14,190.00	246.67%	9,675.00
8108 · Govt Non-Memb Daily Early	3,780.00	2,520.00	1,260.00	150.0%	2,520.00
8109 · Govt Non-Memb-Daily-Regular	6,210.00	2,760.00	3,450.00	225.0%	2,760.00
8110 · Govt Memb - Full Conf-Early	380,190.00	365,075.00	15,115.00	104.14%	365,075.00
8115 · Conf-Govt-Full-Norm-Mem	61,255.00	56,745.00	4,510.00	107.95%	56,745.00
8120 · Govt Memb Daily-Early	8,740.00	4,370.00	4,370.00	200.0%	4,370.00
8125 · Govt Memb-Daily Regular	3,725.00	3,120.00	605.00	119.39%	3,120.00
8150 · Govt Non-Memb Full Onsite	2,295.00	765.00	1,530.00	300.0%	765.00
8155 · Govt Memb-Full Regular	5,445.00	16,940.00	-11,495.00	32.14%	16,940.00
Total 8100 · Government Registrations	530,025.00	490,635.00	39,390.00	108.03%	490,635.00
8200 · Commercial Registrations					
8225 · Conf-Com-Exhibitor-Addn Full	72,800.00	105,635.00	-32,835.00	68.92%	105,635.00
8227 · Conf-Com-Exhibitor Daily	9,660.00	0.00	9,660.00	100.0%	0.00
8230 · Comm Non-Memb-Full-Early	13,090.00	15,400.00	-2,310.00	85.0%	15,400.00
8231 · Comm Non-Memb-Full-Reg	18,820.00	15,300.00	3,520.00	123.01%	15,300.00
8235 · Comm Memb-Full-Early	13,070.00	15,960.00	-2,890.00	81.89%	15,960.00
8236 · Comm Memb-Full-Regular	12,290.00	8,030.00	4,260.00	153.05%	8,030.00
8245 · Comm Memb-Daily-Early	930.00	9,720.00	-8,790.00	9.57%	9,720.00
8250 · Comm-Memb Daily-Regular	1,840.00	0.00	1,840.00	100.0%	0.00
8260 · Comm Non-Memb Daily Early	4,100.00	1,395.00	2,705.00	293.91%	1,395.00
8265 · Comm Non-Memb Daily Regular	8,570.00	7,280.00	1,290.00	117.72%	7,280.00
8200 · Commercial Registrations - Other	0.00	0.00	0.00	0.0%	0.00
Total 8200 · Commercial Registrations	155,170.00	178,720.00	-23,550.00	86.82%	178,720.00
8300 · Pre-Conference Registrations					
8376 · PreConference-Session D	4,650.00	3,750.00	900.00	124.0%	3,750.00
8371 · PreConference-Session A	8,700.00	7,500.00	1,200.00	116.0%	7,500.00
8373 · PreConference-Session B	8,250.00	7,500.00	750.00	110.0%	7,500.00
8375 · PreConference-Session C	4,650.00	4,500.00	150.00	103.33%	4,500.00
Total 8300 · Pre-Conference Registrations	26,250.00	23,250.00	3,000.00	112.9%	23,250.00
8500 · Extra Meals					
8565 · Hosted Evening Event	21,500.00	12,500.00	9,000.00	172.0%	12,500.00
Total 8500 · Extra Meals	21,500.00	12,500.00	9,000.00	172.0%	12,500.00
8600 · Event Registrations					
8610 · Golf	30,700.00	23,800.00	6,900.00	128.99%	23,800.00
8630 · Tennis	1,960.00	2,000.00	-40.00	98.0%	2,000.00
Total 8600 · Event Registrations	32,660.00	25,800.00	6,860.00	126.59%	25,800.00
8700 · Exhibitors Fees					
8702 · Featured Exhibitor/Sponsor	30,000.00	30,000.00	0.00	100.0%	30,000.00
8703 · Sapphire Exhibitor	126,000.00	134,400.00	-8,400.00	93.75%	134,400.00
8715 · Gold Package	288,000.00	259,200.00	28,800.00	111.11%	259,200.00
8725 · Silver Package	31,200.00	28,800.00	2,400.00	108.33%	28,800.00
8735 · Diamond Package	72,000.00	72,000.00	0.00	100.0%	72,000.00
8736 · Top Sponsor	0.00	0.00	0.00	0.0%	0.00
Total 8700 · Exhibitors Fees	547,200.00	524,400.00	22,800.00	104.35%	524,400.00
8800 · Sponsorships					
8830 · Non-Exhibitor Sponsor 8830	36,000.00	18,000.00	18,000.00	200.0%	18,000.00
8860 · Non-Booth Silver	0.00	0.00	0.00	0.0%	0.00
8870 · President's Dinner Sponsorship	0.00	26,400.00	-26,400.00	0.0%	26,400.00
8872 · Additional Sponsorship Monies	6,500.00	19,550.00	-13,050.00	33.25%	19,550.00
Total 8800 · Sponsorships	42,500.00	63,950.00	-21,450.00	66.46%	63,950.00
8900 · Conference Miscellaneous					
8915 · Hotel Rebate for Convention Ctr	26,478.27	0.00	26,478.27	100.0%	0.00
8905 · Misc Conference Income	0.00	0.00	0.00	0.0%	0.00
8910 · Cancellation Fees	825.00				
8900 · Conference Miscellaneous - Other	0.00	0.00	0.00	0.0%	0.00
Total 8900 · Conference Miscellaneous	27,303.27	0.00	27,303.27	100.0%	0.00
8000 · Conference Revenue - Other	0.00	0.00	0.00	0.0%	0.00
Total 8000 · Conference Revenue	1,382,608.27	1,319,255.00	63,353.27	104.8%	1,319,255.00
Total 4500 · PROGRAM REVENUES	1,382,608.27	1,319,255.00	63,353.27	104.8%	1,319,255.00
Total Other Income	1,382,608.27	1,319,255.00	63,353.27	104.8%	1,319,255.00
Other Expense					
6400 · PROGRAM EXPENSES					
9000 · Conference Expenses					
9100 · Food & Beverage					
9105 · Registration Prep-Lunch	0.00	300.00	-300.00	0.0%	300.00
9115 · Wednesday-Breakfast	19,869.13	25,750.00	-5,880.87	77.16%	25,750.00
9125 · Wednesday-Lunch	81,249.33	108,000.00	-26,750.67	75.23%	108,000.00
9135 · Wednesday-Food-Exhibitor Receipt	34,891.51	38,000.00	-3,108.49	91.82%	38,000.00
9138 · Wednesday-Beverage-Exhibitor Re	12,680.48	16,150.00	-3,469.52	78.52%	16,150.00
9140 · Thursday-Breakfast-Chapter Chai	2,124.97	2,600.00	-475.03	81.73%	2,600.00
9143 · Thursday-Breakfast	63,620.93	69,875.00	-6,254.07	91.05%	69,875.00



	Jan - Apr 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
9145 · Thursday-Coffee Service	19,516.18	11,050.00	8,466.18	176.62%	11,050.00
9147 · Thursday-Lunch	92,896.62	108,800.00	-15,903.38	85.38%	108,800.00
9148 · Thursday-PM Break	26,287.62	35,250.00	-8,962.38	74.58%	35,250.00
9150 · Friday-Breakfast	53,024.02	45,500.00	7,524.02	116.54%	45,500.00
9155 · Friday-Lunch	2,656.64	2,275.00	381.64	116.78%	2,275.00
9170 · Staff Room Beverage Service	0.00	0.00	0.00	0.0%	0.00
9195 · Water for Sessions	0.00	0.00	0.00	0.0%	0.00
9197 · Food&Beverage-Other	0.00	800.00	-800.00	0.0%	800.00
9100 · Food & Beverage - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 9100 · Food &amp; Beverage</b>	<b>408,817.43</b>	<b>464,350.00</b>	<b>-55,532.57</b>	<b>88.04%</b>	<b>464,350.00</b>
9200 · President's Dinners					
9210 · President's Dinner - Food & Bev	47,433.67	47,991.00	-557.33	98.84%	47,991.00
9220 · Entertain-Transport-Decor-Favor	828.50	3,009.00	-2,180.50	27.53%	3,009.00
9250 · Pres Dinner-Out of State Guest	16,236.72	14,200.00	2,036.72	114.34%	14,200.00
<b>Total 9200 · President's Dinners</b>	<b>64,498.89</b>	<b>65,200.00</b>	<b>-701.11</b>	<b>98.93%</b>	<b>65,200.00</b>
9300 · Hosted Event					
9310 · Event Entertainment	43,665.00	44,100.00	-435.00	99.01%	44,100.00
9320 · Event Food	134,138.08	118,305.00	15,833.08	113.38%	118,305.00
9321 · Event Bar	15,084.46	23,655.00	-8,570.54	63.77%	23,655.00
9330 · Event Decor	0.00	0.00	0.00	0.0%	0.00
9340 · Event Other	12,669.68	17,600.00	-4,930.32	71.99%	17,600.00
<b>Total 9300 · Hosted Event</b>	<b>205,557.22</b>	<b>203,660.00</b>	<b>1,897.22</b>	<b>100.93%</b>	<b>203,660.00</b>
9400 · Meetings and Training					
9410 · Speakers-Honorarium	85,300.00	82,100.00	3,200.00	103.9%	82,100.00
9420 · Speaker-Expenses-Lodging	3,563.61	3,426.00	137.61	104.02%	3,426.00
9430 · Speaker-Expenses-Transportation	2,612.37	6,750.00	-4,137.63	38.7%	6,750.00
9400 · Meetings and Training - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 9400 · Meetings and Training</b>	<b>91,475.98</b>	<b>92,276.00</b>	<b>-800.02</b>	<b>99.13%</b>	<b>92,276.00</b>
9450 · Comps					
9462 · Comps - Other	3,348.54	8,565.00	-5,216.46	39.1%	8,565.00
9451 · Transportation Shuttle Expense	0.00	0.00	0.00	0.0%	0.00
9460 · Other Guests Lodging (OOS)	3,711.24	4,282.00	-570.76	86.67%	4,282.00
9465 · Board Scholarships	3,850.00	10,000.00	-6,150.00	38.5%	10,000.00
9450 · Comps - Other	285.48				
<b>Total 9450 · Comps</b>	<b>11,195.26</b>	<b>22,847.00</b>	<b>-11,651.74</b>	<b>49.0%</b>	<b>22,847.00</b>
9475 · Meetings					
9476 · Audio Visual and Lighting	165,772.31	161,000.00	4,772.31	102.96%	161,000.00
9478 · General Session - Add'l product	6,480.68	2,850.00	3,630.68	227.39%	2,850.00
9479 · WiFi Internet	12,500.00	30,000.00	-17,500.00	41.67%	30,000.00
9480 · Electric Power/Rigging	19,692.40	20,000.00	-307.60	98.46%	20,000.00
9481 · Reg/Attendance Tracking	34,924.32	33,180.00	1,744.32	105.26%	33,180.00
9485 · Convention/Hotel Other Costs	825.00	2,300.00	-1,475.00	35.87%	2,300.00
<b>Total 9475 · Meetings</b>	<b>240,194.71</b>	<b>249,330.00</b>	<b>-9,135.29</b>	<b>96.34%</b>	<b>249,330.00</b>
9490 · Pre-Conference Workshop					
9494 · Food & Beverage	9,176.02	10,800.00	-1,623.98	84.96%	10,800.00
9495 · Speaker Fees	0.00	0.00	0.00	0.0%	0.00
9496 · Pre-Conference-Other	94.91	250.00	-155.09	37.96%	250.00
9490 · Pre-Conference Workshop - Other	0.00	0.00	0.00	0.0%	0.00
<b>Total 9490 · Pre-Conference Workshop</b>	<b>9,270.93</b>	<b>11,050.00</b>	<b>-1,779.07</b>	<b>83.9%</b>	<b>11,050.00</b>
9500 · Exhibits					
9550 · Sponsor Branded Items	10,063.91	9,382.00	681.91	107.27%	9,382.00
9510 · Decorator Booth Fee	15,198.25	12,690.00	2,508.25	119.77%	12,690.00
9520 · Signage-Exhibit Hall	0.00	3,000.00	-3,000.00	0.0%	3,000.00
9540 · Security	3,161.00	2,320.00	841.00	136.25%	2,320.00
9545 · Exhibit hall game	0.00	0.00	0.00	0.0%	0.00
9599 · Exhibits-Other	8,286.83	0.00	8,286.83	100.0%	0.00
<b>Total 9500 · Exhibits</b>	<b>36,709.99</b>	<b>27,392.00</b>	<b>9,317.99</b>	<b>134.02%</b>	<b>27,392.00</b>
9600 · Entertainment/Gifts					
9610 · Conference Gifts/Attendees	57,895.77	55,500.00	2,395.77	104.32%	55,500.00
9620 · Speaker/Board/Committee Memento	3,347.86	5,950.00	-2,602.14	56.27%	5,950.00
9630 · Gift Baskets (VIPs)	1,107.00	1,000.00	107.00	110.7%	1,000.00
<b>Total 9600 · Entertainment/Gifts</b>	<b>62,350.63</b>	<b>62,450.00</b>	<b>-99.37</b>	<b>99.84%</b>	<b>62,450.00</b>
9700 · Other Activities					
9732 · Golf Tournament Expenses	32,819.58	23,360.00	9,459.58	140.5%	23,360.00
9750 · Other Event Expenses	3,670.00	5,400.00	-1,730.00	67.96%	5,400.00
<b>Total 9700 · Other Activities</b>	<b>36,489.58</b>	<b>28,760.00</b>	<b>7,729.58</b>	<b>126.88%</b>	<b>28,760.00</b>
9800 · Administration - Conference					
9805 · Conference Marketing	5,236.00	6,000.00	-764.00	87.27%	6,000.00
9810 · Conference Contract Services	76,622.52	86,531.00	-9,908.48	88.55%	86,531.00
9815 · Printing/Copy/Conference Media	2,307.22	12,000.00	-9,692.78	19.23%	12,000.00
9818 · Office/Telephones/Printer	0.00	500.00	-500.00	0.0%	500.00
9820 · President Expenses	673.17	750.00	-76.83	89.76%	750.00
9831 · Supplies-Badges-Ribbons-Etc	666.20	500.00	166.20	133.24%	500.00
9840 · Postage & Shipping	11.60	2,500.00	-2,488.40	0.46%	2,500.00
9845 · Speaker Packets	0.00	0.00	0.00	0.0%	0.00
9875 · Signage	3,967.45	4,000.00	-32.55	99.19%	4,000.00

	Jan - Apr 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
9880 · Bank Merchant Fees	339.85				339.85
9890 · Conference Committee Expenses	24,664.11	19,265.00	5,399.11	128.03%	19,265.00
9895 · Staff Exp Inc. Lodging & Travel	20,082.59	19,936.00	146.59	100.74%	19,936.00
9800 · Administration - Conference - Other	2,100.00	0.00	2,100.00	100.0%	0.00
Total 9800 · Administration - Conference	136,670.71	151,982.00	-15,311.29	89.93%	152,321.85
9000 · Conference Expenses - Other	0.00	0.00	0.00	0.0%	0.00
Total 9000 · Conference Expenses	1,303,231.33	1,379,297.00	-76,065.67	94.49%	1,379,636.85
Total 6400 · PROGRAM EXPENSES	1,303,231.33	1,379,297.00	-76,065.67	94.49%	1,379,636.85
Total Other Expense	1,303,231.33	1,379,297.00	-76,065.67	94.49%	1,379,636.85
Net Other Income	79,376.94	-60,042.00	139,418.94	-132.2%	-60,381.85
Net Income	79,376.94	-60,042.00	139,418.94	-132.2%	-60,381.85



## CSMFO BOARD REPORT

---

Date May 28, 2020

FROM: Scott Catlett  
Administration Committee Chair

SUBJECT: Authorization to Procure Additional Insurance Coverage

### Background:

Recent Board action directed the Administration Committee to investigate options for additional insurance coverage for CSMFO to ensure that the organization is protected against any insurance claims that may arise in the future. The Committee, with the assistance of the Executive Director, reached out to CSMFO's insurance agent to obtain additional information about procuring errors and omissions, publisher's liability, and cyber liability insurance coverage.

Based upon the Committee's research and conversations with CSMFO's insurance agent, the Committee is recommending that CSMFO procure publisher's liability and cyber liability insurance coverage. Publisher's liability insurance will protect CSMFO in the event that information that we publish through the magazine, course materials, whitepapers, or other means results in litigation due to errors in the content of the publication or issues with advertisements that run in our publications. Cyber liability insurance will protect CSMFO primarily in the event that data held on our servers or website is compromised. While SMA hosts our data and has its own cyber liability insurance coverage, based on our research we believe that it is prudent for CSMFO to have this coverage as well to ensure that we are protected in the event of a large claim.

Lastly, as to the question of errors and omissions liability coverage, we believe that this insurance is only necessary if we do not seek to have our core course instructors name CSMFO as additional insured on their liability insurance policies. Currently, this is not our practice, and we would need to have all instructors consent to this change and annually monitor and obtain new insurance certificates naming CSMFO as additional insured. Absent making this change, CSMFO should have this coverage to protect the organization in the event that a core course attendee makes erroneous decisions based on bad information provided by one of our instructors. In such a case, although unlikely,

CSMFO could be pursued for damages and would not have an appropriate insurance policy to protect against such a claim. Given the additional work involved in obtaining and monitoring insurance certificates of instructors, given that some instructors may resist this approach, and given that it is conceivable that an instructor's coverage could lapse and leave CSMFO exposed to a claim we are recommending that CSMFO procure the errors and omissions coverage.

Presuming that CSMFO elects to procure all three insurance policies, we have obtained a quote from our insurance agent for \$1.0 million of coverage at an annual premium of \$3,024. This amount has been included in the draft revised mid-year budget by the Executive Director in anticipation of the Board's action today.

Recommendation:

That the CSMFO Board of Directors concur with the Administration Committee's recommendation that CSMFO procure errors and omissions, publisher's liability, and cyber liability insurance policies and renew this coverage on an annual basis in the future.

Attachment: Insurance quote

# **A CONFIDENTIAL INSURANCE PROPOSAL PREPARED FOR:**



## **PRESENTED BY: CRAIG S. CHESTER**

**PIA, INC. / CHESTER & ASSOCIATES INSURANCE SERVICES**  
PO Box 2119  
Cameron Park, California 95682  
(916) 677-4745 FAX (916) 677-4757  
CDI License #0814652

**March 30, 2020**  
PROPOSAL VALID FOR 30 DAYS

**DISCLAIMER:** The abbreviated outline of coverages used throughout this proposal are not intended to express any legal interpretations to the nature of the coverages. They are only visuals of a basic understanding of coverages designed to provide an overview of the recommendations Chester & Associates feel you should consider. Please read your current policy for specific details on coverage, conditions and exclusions.

## **THIS QUOTE VALID FOR 30 DAYS**

THIS IS MERELY A PROPOSAL. IT IS NOT AN INSURANCE POLICY. THE PREMIUMS QUOTED ARE BASED ON THOSE IN EFFECT AS OF THE DATE OF THIS PROPOSAL AND ARE SUBJECT TO CHANGE. THE INSURANCE COMPANY RESERVES THE RIGHT TO ACCEPT, REJECT OR MODIFY THIS PROPOSAL AND/OR THE PREMIUMS SHOWN BASED ON FINAL UNDERWRITING INFORMATION SUBMITTED AND/OR COMPLETED INSPECTION OF PREMISES.

## **IMPORTANT NOTICES**

### **AUDITING PRACTICES NOTICE**

THIS POLICY IS **AUDITED** ANNUALLY. THE STANDARD INDUSTRY RATING PRINCIPALS USED TO DEVELOP THE ESTIMATED FIRST YEAR'S PREMIUM ARE, IN WHOLE AND/OR IN PART, BASED ON **TOTAL ANNUAL RECEIPTS** (ADDITIONAL FACTORS MAY ALSO APPLY). UPON EACH ANNUAL RENEWAL, AN APPLICATION WILL BE SUBMITTED AND THE CARRIER WILL COMPARE ONE OR ALL OF THESE FACTORS INITIALLY SUBMITTED ON THE PREVIOUS APPLICATION WITH THOSE ACTUALLY INCURRED. THE RESULT OF SUCH AN AUDIT MAY MEAN EITHER AN INCREASE OR DECREASE IN PREMIUMS FOR THE NEXT POLICY PERIOD YOU SHOULD DISCUSS THIS WITH YOUR BROKER/AGENT FOR FURTHER DETAILS.

### **BROKERAGE FEE NOTICE**

PURSUANT TO CALIFORNIA INSURANCE CODE §1623 EFFECTIVE NOVEMBER 23, 2000

IN ADDITION TO ANY FLAT COMMISSIONS AND/OR CONTINGENT COMMISSIONS PAID TO THE BROKER BY THE INSURANCE COMPANY(IES) FOR PLACING A POLICY, A BROKER FEE FOR COMMERCIAL INSURANCE PURPOSES, IF SHOWN IN THIS PROPOSAL, ARE CHARGES APPLICABLE TO, BUT NOT LIMITED BY, SEARCHING THE INSURANCE MARKETPLACE, COMPARING POLICIES, RECOMMENDING INSURERS, PROCESSING ENDORSEMENTS, ISSUING CERTIFICATES OF INSURANCE, AND SUBMITTING NOTICES OF CLAIMS ON BEHALF OF THE PERSON(S) AND/OR ENTITY APPEARING IN THIS PROPOSAL. THE BROKERAGE FEE SHOWN IN THIS PROPOSAL **IS FULLY EARNED AT THE TIME OF POLICY PLACEMENT AND IS NON-REFUNDABLE.** YOUR PAYMENT OF THE PREMIUM(S) AND FEE(S) AS SHOWN IN THIS PROPOSAL ACKNOWLEDGES YOUR ACCEPTANCE OF THE TERMS PRESENTED HEREIN.

### **CALIFORNIA NOTICE**

PURSUANT TO CALIFORNIA INSURANCE CODE §481 EFFECTIVE JANUARY 1, 2012

THE **INSURANCE COMPANY(IES)** SHOWN IN THIS PROPOSAL MAY CHARGE A FEE IF **YOU** CANCEL THIS POLICY BEFORE THE END OF ITS TERM. THE FEE CAN RANGE BETWEEN 5% TO 100% OF THE PRO RATA UNEARNED PREMIUM DEPENDENT UPON WHEN WITHIN THE POLICY TERM THE POLICY IS CANCELLED. PLEASE REFER TO THE TERMS AND CONDITIONS STATED IN THE POLICY. THE FEE DOES NOT APPLY TO CANCELLATIONS INITIATED BY THE **INSURANCE COMPANY(IES)**.

CHESTER & ASSOCIATES INSURANCE SERVICES D.O.I. LICENSE #0814652  
PROFESSIONAL INSURANCE ASSOCIATES, INC. D.O.I. LICENSE #0467457



QUOTE

03/24/2020

AXIS is pleased to offer the following quote. This quote contemplates AXIS policy forms and endorsements, which may not conform to industry standard policy language, terms and conditions. The terms and conditions of this quote may not conform to the specifications as originally submitted. Please review this quote carefully.

<b>NAMED INSURED</b>	<b>California Society of Municipal Finance Officers</b> 700 R Street, Suite 200 Sacramento, CA 95811
<b>BROKER OF RECORD</b>	Cooper & McCloskey, Inc.; PIA Inc. Chester & Associates Insurance Brokers 111 Pine Street, Ste 1530 San Francisco, CA 94111
<b>INSURER</b>	AXIS Insurance Company (Admitted) 111 South Wacker Drive, Suite 3500 Chicago, IL 60606 (866) 259-5435 <b>A Stock Insurer</b>

---

<b>POLICY FORM</b>	AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY AXIS 1010102 0117
<b>POLICY NUMBER</b>	TBD
<b>POLICY PERIOD</b>	<b>Effective Date: 07/01/2020</b> <b>Expiration Date: 07/01/2021</b> <i>Both dates at 12:01 a.m. standard time at the Named Insured's address stated herein.</i>

---



<b>TOTAL POLICY PREMIUM</b>	<b>\$2,574.00</b>
<b>MINIMUM EARNED PREMIUM</b> <i>(percentage of Total Policy Premium)</i>	N/A
<b>TERRORISM PREMIUM FOR CERTIFIED ACTS OF TERRORISM</b> <i>(included in Total Policy Premium)</i>	Included for no additional premium
<b>CMI INTERMEDIARY FEE</b>	<b>\$250.00</b>
<b>C&amp;A BROKERAGE FEE</b>	<b>\$200.00</b>
<b>TOTAL ANNUAL PREMIUM</b>	<b>\$3,024</b>

POLICY LIMIT OF INSURANCE AND RETENTION				
<b>Policy Limit</b> <i>(applicable to all coverages unless otherwise noted)</i>			<b>\$1,000,000 Aggregate</b>	
	Coverage Trigger	Retroactive Date	Limit	Retention
<b>Association Liability</b> <i>(Professional Errors &amp; Omission)</i>	Claims Made	Policy Inception	\$1,000,000 Each Claim <i>(Antitrust Claim Expense Limit included)</i>	\$2,500 Each Claim
Association Licensing Proceedings	Claims Made	Policy Inception	\$10,000 Aggregate	
Contingent Bodily Injury and Property Damage	Claims Made	Policy Inception	\$1,000,000 Each Claim	\$2,500 Each Claim
Media Liability	Claims Made	Policy Inception	\$1,000,000 Each Claim	\$2,500 Each Claim
Claim Attendance Expense			\$10,000 Aggregate Sublimit	N/A
Subpoena Assistance Expense			\$250,000 Aggregate	N/A
Donation Fulfillment			\$25,000 Aggregate	N/A
Fundraising Event Blackout			\$25,000 Aggregate	N/A
Image Restoration and Counseling			\$25,000 Aggregate	N/A
Temporary Meeting Facilities Expense			\$25,000 Aggregate	N/A
Mitigation Expense			\$100,000 Aggregate	\$2,500 Each Circumstance



Cyber Liability Coverages	Coverage Trigger	Retroactive Date	Limit	Retention
Enterprise Security Event Liability	Claims Made	Policy Inception	\$1,000,000 Each Claim	\$2,500 Each Claim
Payment Card Industry – Data Security Standards (PCI-DSS) Fines	Claims Made	Policy Inception	\$1,000,000 Each Claim Sublimit	\$2,500 Aggregate
Privacy Regulation	Claims Made	Policy Inception	\$1,000,000 Each Claim	\$2,500 Each Claim

Cyber First Party Coverages	Coverages Aggregate Limit	Coverages Aggregate Retention
	\$1,000,000 Aggregate	\$2,500 Aggregate
	Limit	Retention
Crisis Management Expense	\$1,000,000 Aggregate	\$2,500 Aggregate
Fraud Response Expense	\$1,000,000 Aggregate	\$2,500 Aggregate
Public Relations Expense	\$1,000,000 Aggregate	\$2,500 Aggregate
Forensic and Legal Expense Includes PCI Re-Certification Services	\$1,000,000 Aggregate	\$2,500 Aggregate
Extortion Loss	\$1,000,000 Aggregate	\$2,500 Aggregate
Extortion Threat Reward Reimbursement Expense	\$50,000 Aggregate Sublimit	\$0 Aggregate
Ransomware Loss	\$1,000,000 Aggregate Sublimit	\$2,500 Aggregate
Social Engineering Fraud Loss	\$250,000 Aggregate	\$2,500 Aggregate
Telecommunications Theft Loss	\$250,000 Aggregate	\$2,500 Aggregate

Business Interruption Coverages	Coverages Aggregate Limit	
	\$1,000,000 Aggregate	
	Limit	Retention
Business Interruption – Service Disruption	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours



## AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY

Business Interruption – Service Failure	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Business Interruption – System Disruption	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Business Interruption – System Failure	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Data Recovery Expense	\$1,000,000 Aggregate	\$2,500 Aggregate

EXTENDED REPORTING PERIOD OPTIONS (applicable to claims made coverages)	
Year	Percentage of Annualized Claims Made Premium
1 Year	100%
2 Year	150%
3 Year	200%

### SUBJECTIVITIES PRIOR TO BINDING:

Please complete, sign, and date the following applications, supplements, and warranties:

- Currently signed/dated copies of the applications submitted

[CLICK HERE FOR REQUESTED APPLICATIONS AND SUPPLEMENTS](#)

This quote is strictly conditioned upon (1) no change in exposure or risk occurring between the date of this quote and the inception date of the proposed policy, and (2) no receipt of any additional information that the insurer determines would impact the risk in any manner. In the event of any such change in exposure or risk or receipt of additional information, the insurer may in its sole discretion modify or withdraw this offer, whether or not this offer has already been accepted by the applicant.

Coverage may be bound only pursuant to the terms of a written binder. No authority is granted to the agent or broker to bind coverage.

In order to complete the underwriting process, the insurer requires that the applicant provide all requested additional information and reserves the right to refuse to bind coverage prior to receipt and underwriting approval of this information. However, if the insurer does bind coverage prior to receipt and underwriting approval of such information, the terms and conditions indicated above may be amended at the insurer's sole discretion until such information is received and approved.

For additional information about AXIS PRO® products, please visit our website [here](#).



**SCHEDULE OF FORMS & ENDORSEMENTS**

<b>Policyholder Notices and Policy Forms</b>		<b>Form Number and Edition Date</b>
Policyholder Notice - Economic And Trade Sanctions		AXIS 906 0316
California Disclosure Notice Regarding Calculation Of Return Premium In Event Of Cancellation		AXIS CA901 0815
Policyholder Disclosure - Notice Of Terrorism Insurance Coverage		TRIA DISCLOSURE 0115
Policyholder Notice - Service Providers		AXIS 1010710 0117
Policyholder Notice - AXIS eRisk Hub®		AXIS 143 0915
AXIS PRO MPL Insurance Policy for Standards and Specifications (ASAE)		AXIS 1010102 0117
<b>Endorsements</b>		<b>Form Number and Edition Date</b>
1	Media Liability Including Advertising by Insured Coverage Endorsement	AXIS 1010003 0919
2	Contingent Bodily Injury and Property Damage Coverage Retention Endorsement	AXIS 1010009B 0919
3	Consent To Settle Amendatory Endorsement	AXIS 1010024 0117
4	Crisis Management and Computer System Extortion Coverage Endorsement	AXIS 1010032 0919
5	Payment Card Industry Data Security Standards (PCI-DSS) Coverage Endorsement	AXIS 1010033 0919
6	Ransomware Loss Coverage Endorsement	AXIS 1010034 0919
7	Telecommunications Theft Loss Coverage Endorsement	AXIS 1010036 0917
8	Extortion Threat Reward Reimbursement Expense Coverage Endorsement	AXIS 1010037 0919
9	PCI Re-Certification Services Expense Change Endorsement	AXIS 1010038 0919
10	Mitigation Expense Coverage Endorsement	AXIS 1010041 0919
11	Cyber Terrorism Coverage Endorsement	AXIS 1011688 0518
12	Social Engineering Fraud Coverage Without Authentication Requirement Endorsement	AXIS 1011966 0619
13	Comprehensive Business Interruption Coverage Including Voluntary Shutdown Endorsement	AXIS 1011970 0919
14	Cancellation And Nonrenewal Endorsement - California	AXIS 801CA 0615
15	Reputational Loss Coverage Endorsement	AXIS 303D 0717



**POLICYHOLDER NOTICE**

**ECONOMIC AND TRADE SANCTIONS**

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the Office of Foreign Assets Control (OFAC).

THE OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") OF THE US DEPARTMENT OF THE TREASURY ADMINISTERS AND ENFORCES ECONOMIC AND TRADE SANCTIONS BASED ON US FOREIGN POLICY AND NATIONAL SECURITY GOALS AGAINST TARGETED FOREIGN COUNTRIES AND REGIMES, TERRORISTS, INTERNATIONAL NARCOTICS TRAFFICKERS, THOSE ENGAGED IN ACTIVITIES RELATED TO THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION, AND OTHER THREATS TO THE NATIONAL SECURITY, FOREIGN POLICY OR ECONOMY OF THE UNITED STATES.

WHENEVER COVERAGE PROVIDED BY THIS POLICY WOULD BE IN VIOLATION OF ANY U.S. ECONOMIC OR TRADE SANCTIONS, SUCH COVERAGE SHALL BE NULL AND VOID.

FOR MORE INFORMATION, PLEASE REFER TO:

[HTTPS://WWW.TREASURY.GOV/RESOURCE-CENTER/SANCTIONS/PAGES/DEFAULT.ASPX](https://www.treasury.gov/resource-center/sanctions/pages/default.aspx)



**CALIFORNIA DISCLOSURE NOTICE**

**REGARDING CALCULATION OF RETURN PREMIUM IN EVENT OF CANCELLATION**

The insurance policy for which you are making application provides for refunding premium on a basis other than pro-rata if you cancel the policy. Calculation of the return premium at less than pro-rata represents a penalty charged on unearned premium. The premium on the policy may be subject to a minimum earned percentage, which, if applicable, will be stated in the Declarations. You will not be entitled to return of the minimum retained percentage of the premium, regardless of when you cancel the policy. Return of the portion of premium paid in excess of the minimum retained percentage will be 90% of the amount that would have been refunded on a pro-rata basis.

This notice is for information only and does not become a part or condition of this policy.



**POLICYHOLDER DISCLOSURE**

**NOTICE OF TERRORISM INSURANCE COVERAGE**

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. You are hereby notified that an "act of terrorism", as defined in Section 102(1) of the Terrorism Risk Insurance Act, as amended (the "Act"), means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Please note that your policy includes the terrorism coverage required to be offered by the Act, and that no separate additional premium charge has been made for such terrorism coverage. The policy premium does not include any charges for the portion of losses covered by the United States government under the Act.

**NOTICE TO BROKER**

**MANDATORY POLICYHOLDER DISCLOSURE**

**RE: TERRORISM INSURANCE COVERAGE**

We are required by the Terrorism Risk Insurance Act, as amended (the "Act"), to provide policyholders with clear and conspicuous disclosures. This notice must be provided at the time of offer and renewal of the policy.

*Includes copyrighted material 2015 National Association of Insurance Commissioners*



## POLICYHOLDER NOTICE

### SERVICE PROVIDERS

This notice provides information about the approved service providers for covered expenses to respond to an Enterprise Security Event.

This notice shall not be construed as part of your policy nor shall it be construed to replace any provisions of your policy. For the purposes of this notice, "you" refers to the Named Insured on the policy in its capacity as the authorized agent for and representative of all insureds on the policy.

This notice does not apply to the use of legal counsel to defend or respond to any event, claim or demand.

If you elect to retain a service provider for coverages that may be available under your policy, and your policy requires prior approval of such service provider by AXIS, then please consult our list of pre-approved service providers on the AXIS website at [www.stoplosshub.com](http://www.stoplosshub.com). If a service provider is listed as pre-approved on this website, then your use of such service provider is deemed pre-approved by AXIS as respects services for which coverage is otherwise afforded under your policy.

If you elect to use a service provider not listed on our website, [www.stoplosshub.com](http://www.stoplosshub.com), you must give us prior notice of your election and obtain written approval from the AXIS Claim Department prior to incurring expenses from the service provider as a condition precedent to coverage for any such expenses reimbursement or coverage. Contact telephone numbers and an email address for the AXIS Claim Department are provided within your policy. If we approve your request for an alternate service provider, only the cost of equivalent or lesser services will be approved. Our maximum responsibility is limited to the cost available to us by Scheduled Service Providers for equivalent services. We are not required to pay for the cost of services delivered without our prior approval.

Please note that your use of an AXIS-approved service provider does not satisfy the notification requirements of the policy. You must also comply with notification and all other terms and conditions required for coverage under your policy. Before you engage any AXIS-approved service providers, we advise you to conduct your own due diligence to ensure the company and their services meet your particular needs.

AXIS will not be responsible for services outside of the scope of your coverage or the re-performance of services, regardless of whether a service provider is listed as pre-approved on our website.

Please note the following additional conditions regarding service providers identified as approved by AXIS:

- Approval is service-specific. AXIS identifies the service to which each approval applies.
- You should consult your policy before engaging an approved service provider. Coverage is determined by the policy, and your coverage may not include all of the services available from an approved service provider.
- AXIS shall not be a party to any agreement entered into between you and any service provider. Service providers are independent contractors, and are not agents or employees of AXIS.
- AXIS assumes no liability arising out of any services rendered by a service provider.
- AXIS shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between you and any service provider.
- You are under no obligation to perform the actions recommended by a service provider.
- Unless otherwise stated in your policy, you are under no obligation to contract for services with an approved service provider.





**POLICYHOLDER NOTICE  
AXIS eRISK HUB®**

This notice shall not be construed as part of your policy nor shall it be construed to replace any provisions of your policy.

This notice provides information about the **AXIS eRisk Hub®**.

Maintained by NetDiligence®, the **AXIS eRisk Hub®** is a private web-based portal available to select AXIS policyholders and features specialized content and risk management tools to improve preparedness and facilitate response to network and data security events.

The **AXIS eRisk Hub®** is private and secure. Do not share access or access instructions outside of your organization.

**To register for the AXIS eRisk Hub®:**

1. Go to <https://eriskhub.com/axis>
2. Complete the registration form
3. Enter **password** in the Access Code field
4. Login with the User ID and Password you established during the registration process

No more than three individuals may register for the **AXIS eRisk Hub®** with this policy. Registered users have unlimited access during the policy period and must cease use upon the effective date of cancellation or expiration unless a renewal policy is purchased.





Except for section and paragraph headings, all words in bold have a special meaning as set forth in the section entitled **DEFINITIONS**. Section and paragraph headings are provided for informational purposes only and do not have special meaning.

**THIS INSURANCE POLICY PROVIDES COVERAGE ON A CLAIMS-MADE BASIS AND APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. CLAIMS MUST BE REPORTED TO THE INSURER AS SET FORTH IN THE SECTION ENTITLED REPORTING OF CLAIMS AND EVENTS. CLAIM EXPENSES ARE INCLUDED IN THE LIMITS OF INSURANCE, AND PAYMENT THEREOF WILL ERODE, AND MAY EXHAUST, THE POLICY LIMIT OF INSURANCE.**

In consideration of the payment of the premium and in reliance on the statements in the **Application** and subject to all other terms and conditions of this policy, the Insurer designated on the Declarations and the **Named Insured**, on behalf of all **Insureds**, agree to the following:

---

#### CLAIMS MADE LIABILITY COVERAGES

---

The following Coverages apply if the Declarations displays a Limit of Insurance for such Coverage:

##### A. Association Liability Coverage

The Insurer will pay those **Damages**, in excess of the applicable retention and within the applicable Limit of Insurance, that the **Insured** becomes legally obligated to because of an **Association Liability Claim** alleging a **Wrongful Act**, provided that:

1. such **Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. such **Wrongful Act** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
  - a. had given notice to any insurer of any:
    - i. **Related Claim**;
    - ii. act, error, omission, fact or circumstance, including any **Related Wrongful Act**, reasonably likely to give rise to a **Claim**; or
  - b. knew, or had a basis to believe, that any:
    - i. **Related Claim** had been made; or
    - ii. act, error, omission, fact or circumstance, including any **Related Wrongful Act**, was reasonably likely to give rise to an **Claim**.

The Insurer will also pay all **Claim Expenses** in excess of any applicable retention in connection with such **Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.

##### B. Enterprise Security Event Liability Coverage

The Insurer will pay those **Damages**, in excess of the applicable retention and within the applicable Limit of Insurance, that the **Insured Entity** becomes legally obligated to pay because of an **Enterprise Security Event Claim**, provided that:

1. such **Enterprise Security Event Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. the **Enterprise Security Event** giving rise to the **Enterprise Security Event Claim** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period** and is reported to the Insurer in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
  - a. had given notice to any insurer of any:
    - i. **Related Enterprise Security Event Claim**;
    - ii. act, error, omission, fact or circumstance, including any **Related Enterprise Security Event**, reasonably likely to give rise to an **Enterprise Security Event Claim**; or
  - b. knew, or had a basis to believe, that any:
    - i. **Related Enterprise Security Event Claim** had been made; or
    - ii. act, error, omission, fact or circumstance, including any **Related Enterprise Security Event**, was reasonably likely to give rise to an **Enterprise Security Event Claim**.

The Insurer will also pay all **Claim Expenses** in excess of any applicable retention in connection with such **Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.

---

## SUPPLEMENTAL COVERAGES

---

The following Supplemental Coverages apply if the Declarations displays a Limit of Insurance for such Supplemental Coverage or otherwise states the Supplemental Coverage is included:

### A. Breach Preparedness Information Services

The Insurer will provide **Breach Preparedness Information Services** to the **Insured Entity** during the **Policy Period**, even if an **Enterprise Security Event** has not yet occurred. This service will be provided to the **Insured Entities** without premium or fee, and is not subject to a Limit of Insurance.

### B. Subpoena Assistance Expense

Subject to the applicable Limits of Insurance, the Insurer will pay **Subpoena Assistance Expense** the **Insured** reasonably incurs to respond to a **Subpoena** served against the **Insured** during the **Policy Period**.

### C. Donation Fulfillment

Subject to the applicable Limits of Insurance, the Insurer will reimburse the **Insured Entity** for the reasonable value of unfulfilled donations; provided that:

The **Insured Entity** is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code;

1. During the **Policy Period**, a donor made a written pledge to deliver a specific monetary amount or itemized non-cash items to the **Insured Entity**;
2. The **Insured Entity** notifies the Insurer as soon as practicable after becoming aware that the donor is prevented from fulfilling any part of the donation pledge because of:



- a. bankruptcy or reorganization; or
- b. unemployment or incapacitation of a natural person donor.

At the time it accepted the pledge, the **Insured Entity** did not have a basis to believe the donor would be prevented from fulfilling the donation, including, but not limited to, knowledge of:

- a. the donor's filing for bankruptcy or reorganization within the seven years predating the pledge;
  - b. the natural person donor's actual or expected unemployment at any time prior to fulfillment of all pledged donation amounts;
3. The Insurer's obligation to reimburse unfulfilled donations shall be:
- a. reduced by amounts already fulfilled by or on behalf of the donor; and
  - b. limited by the fair market value of any non-cash donation pledges.

The Insurer shall retain the right to seek recovery from the **Insured Entity** of any unfulfilled donation amounts reimbursed under this Supplemental Coverage that are, subsequent to reimbursement, paid in full by or on behalf of the donor.

#### D. Fundraising Event Blackout

Subject to the applicable Limits of Insurance, the Insurer will reimburse the **Insured Entity** for fundraising event loss it incurs, including deposits forfeited and amounts paid or incurred for catering services, property and equipment rentals and related transport, venue rentals, transportation, lodging, and entertainment expenses, if a fundraising event is cancelled during the **Policy Period** due to an electrical or power outage; provided that:

1. The electrical or power outage did not result from the **Insured Entity's** own acts, errors or omissions;
2. The fundraising event was cancelled completely and was not able to be rescheduled or relocated within a reasonable amount of time; and
3. The Insurer's obligation to reimburse expenses under this Supplemental Coverage shall be reduced by any amounts that are refundable, reimbursable, forgiven or waived by any vendor.

#### E. Image Restoration and Counseling

Subject to the applicable Limits of Insurance, the Insurer will reimburse the **Insured Entity** for reasonable expenses it incurs for the following services in response to an **Improper Act** first committed during the **Policy Period** by an **Individual Insured** who is a current or former partner, officer, director or full-time paid employee:

1. Medical or psychotherapeutic counseling and rehabilitation for such **Insured**, but only upon acquittal or dismissal of criminal charges, if any, and only if such services are not available to the **Insured** under a health care insurance plan;
2. Recruiter fees and expenses required to replace such **Insured** if the **Insured** was a director or officer of the **Insured Entity**; and
3. Public relations and crisis management services reasonably necessary to protect the reputation of the **Insured Entity** following the **Improper Act**.

#### F. Temporary Meeting Facilities Expense

Subject to the applicable Limits of Insurance, the Insurer will reimburse the **Insured Entity** for reasonable expenses it incurs to rent alternative meeting facilities in which to conduct association business with parties who are not **Insureds**; provided that the **Insured Entity** is unable to meet with such parties in its primary office space due to the failure of a climate control system or leakage of a hot water heater that first occurs during the **Policy Period**.

---

### LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT

---

#### A. Multiple Insureds, Claims, Claimants

The Limits of Insurance will not exceed the amounts stated respectively on the Declarations no matter how many **Insureds**, claimants, **Claims** or **Wrongful Acts**.

#### B. Limits of Insurance

##### 1. Policy Limit of Insurance

The Policy Limit of Insurance stated on the Declarations is the most the Insurer will pay for all amounts covered under this policy.

##### 2. Each Claim Limit of Insurance

Subject to the Policy Limit of Insurance, the Each **Claim** Limit of Insurance stated on the Declarations is the most the Insurer will pay for all covered **Damages** and **Claim Expenses** in connection with each **Association Liability Claim** or **Enterprise Security Event Claim**, as applicable.

If more than one Claims-Made Liability Coverage applies to the same **Claim**, the Limit of Insurance that applies to such **Claim** will not exceed the highest Limit of Insurance available under any one such coverage that applies.

##### 3. Sub-Limited Coverages

Subject to the Policy Limit of Insurance stated on the Declarations, the following Sub-limits of Insurance shall apply as follows:

1. The Association Licensing Proceedings Sub-limit of Insurance stated on the Declarations, if any, is the most the Insurer will pay for all **Claim Expense** for all **Association Licensing Proceedings** covered under this policy, no matter how many **Insureds**, **Association Licensing Proceedings**, or **Wrongful Acts**. This policy does not provide coverage for **Damages** in connection with **Association Licensing Proceedings**.
2. The Claim Attendance Expense Sub-limit of Insurance stated on the Declarations, if any, is the most the Insurer will pay for all **Claim Attendance Expense** the **Insured** incurs in connection with covered **Claims** under this policy, no matter how many **Insureds**, **Claims**, or **Wrongful Acts**.
3. Subject to the Each **Claim** Limit of Insurance, the Bodily Injury and Property Damage Sub-limit of Insurance stated on the Declarations, if any, is the most the Insurer will pay for **Damages** and **Claim Expenses** arising from each otherwise covered **Association Liability Claim** alleging **Contingent Bodily Injury or Property Damage**. If no Sub-limit of Insurance is stated on the Declarations, no coverage for **Contingent Bodily Injury or Property Damage** is provided.



If a **Claim** is subject to more than one Sub-limit, only the highest of all applicable Limits of Insurance shall be available to pay covered amounts in connection with such **Claim**. The payment of any amounts subject to a Sub-limit will erode, and may exhaust, the Policy Limit of Insurance.

#### 4. Supplemental Coverages Limits of Insurance

Subject to the Policy Limit of Insurance, the Limits of Insurance stated on the Declarations for each Supplemental Coverage available under this policy, if any, is the most the Insurer will pay for each covered Supplemental Coverage in this **Policy Period**. No retention shall apply with respect to any Supplemental Coverage.

### C. Retention

1. If a retention is indicated on the Declarations, the **Insured** is responsible for payment of such retention. All retentions will be borne by the **Insureds** uninsured and at their own risk. The Insurer's obligation to pay any amounts under this policy is excess of the applicable retention. The Limits of Insurance will not be reduced by the payment of any retention.

2. Each **Claim** Retention

The Each **Claim** Retentions stated on the Declarations will apply to each **Association Liability Claim** or each **Enterprise Security Event Claim**, as applicable. The Insurer's obligation to pay **Damages**, **Claim Expense**, or defend such **Claims** shall be excess of the amount stated as the Each **Claim** Retention.

In the event that a **Claim** is covered under more than one **Claims Made Liability Coverage**, then the **Insured** will be responsible for payment of only the highest applicable Each **Claim** Retention for such **Claim**.

### D. Reimbursement

If the Insurer has paid any amounts in excess of any applicable Limit of Insurance, or amounts paid in connection with **Claims** for which this policy does not afford coverage, or if the Insurer has paid part or all of the retention, the Insurer will have the right to seek recovery from the **Insured Entity** for any such amounts.

---

## DEFENSE AND SETTLEMENT OF CLAIMS

---

- A. The Insurer will have the right and duty to defend a covered **Claim**, even if the allegations are groundless, false or fraudulent.
- B. The Insurer will have the right to appoint a lawyer on the **Insured's** behalf and to investigate and settle a covered **Claim** as is deemed necessary by the Insurer. However, the Insurer will not settle a **Claim** without the **Insured's** consent, such consent not to be unreasonably withheld. If the Insurer recommends a settlement of a **Claim** which is acceptable to the claimant, and the **Insured** refuses to consent to such settlement, then the Insurer's obligation to pay **Damages** and **Claim Expenses** on account of such **Claim** will not exceed the sum of the amount for which the Insurer could have settled such **Claim** plus **Claim Expenses** incurred prior to the date of such settlement offer, plus fifty percent (50%) of **Damages** and **Claim Expenses** combined that are incurred after the date of the **Insured's** refusal to consent to such settlement. However, in no event will the Insurer's liability exceed the applicable Limits of Insurance.
- C. The **Insureds** will not settle any **Claim**, pay any **Damages** or incur any **Claim Expenses**, admit or assume any liability, stipulate to any judgment, or otherwise assume any obligation with respect to a **Claim** without the Insurer's prior written consent. Notwithstanding the foregoing, if all applicable **Insureds** are able to fully and finally dispose with prejudice of such **Claim** for an amount within the applicable retention, including **Claim Expenses**, then the Insurer's consent will not be required for such disposition.

- D. The Insurer's right and duty to defend **Claims** and its obligation to make any payments under this policy end when the applicable Limit of Insurance has been exhausted.

---

## EXCLUSIONS

---

This policy does not provide coverage for **Claims**:

- **Bodily Injury or Property Damage**

for, based upon or arising out of **Bodily Injury** or **Property Damage**; except that this exclusion does not apply to:

1. **Association Liability Claims** alleging **Contingent Bodily Injury** or **Property Damage**;
2. **Association Liability Claims** alleging mental injury or mental anguish resulting from a **Wrongful Act**;
3. **Enterprise Security Event Claims** alleging mental injury or mental anguish resulting from an **Enterprise Security Event** involving **Protected Personal Information**.

- **Contractual Liability**

for, based upon or arising out of any breach of contract, representation, warranty or guarantee; except, however, this exclusion does not apply to:

1. **Claims** based upon the **Insured's** liability that would have attached in the absence of such contract or agreement, including any **Claim** based upon or arising out of allegations of a breach of an agreement to perform within a reasonable standard of care or skill consistent with applicable industry standards;
2. **Enterprise Security Event Claims** based upon an **Insured's** breach of an obligation to maintain the security or confidentiality of **Protected Data**.

However, the above exceptions shall not apply to any guarantees or promises relating to cost estimates, contract prices, cost savings, profits or return on investment, and the Insurer shall not be obligated to pay any **Damages** or **Claim Expense** or any other amounts arising out of such guarantees or promises.

- **False Advertising of Goods or Services of Others**

based upon or arising out of inaccurate, inadequate or incomplete description of the price of goods, products or services, or the failure of goods, products, or services to conform with any represented quality or performance contained in **Advertisements** which promotes the product, service or business of others.

- **Fraudulent or Intentional Misconduct**

based upon or arising out of any act, error or omission that is dishonest, fraudulent, criminal, malicious or intentionally committed by an **Insured** while knowing it was wrongful or unauthorized, except that this exclusion does not apply to an otherwise covered **Wrongful Act** alleging malicious prosecutions, malicious falsehood, outrage or outrageous conduct. The Insurer will provide a defense and pay **Claim Expense** unless or until such conduct is evidenced by any final adjudication, alternate dispute resolution proceeding ruling, or by admission by the **Insured**.

This exclusion only applies to any **Insured** who is found to have committed such conduct evidenced by any final adjudication, alternate dispute resolution proceeding ruling, or by admission by the **Insured**.



For the purpose of applying this exclusion:

1. the acts, errors or omissions of any current or former partner, officer, or director of any **Insured Entity** will be imputed to the **Insured Entity**;
2. the acts, errors or omissions of any **Individual Insured** will not be imputed to any other **Individual Insured**.

- **Gain, Profit or Advantage**

based upon or arising out of gain, profit or advantage to which any **Insured** is not legally entitled, as evidenced by any final adjudication, alternate dispute resolution proceeding, ruling, or by, admission by the **Insured**.

- **Governmental Actions**

made by any federal, state, local or foreign governmental entity, or that are based upon actions, decisions, orders, or proceedings by any federal, state or local governmental entity, including the Federal Trade Commission or Federal Communications Commission; however, this exclusion shall not apply to any **Association Liability Claim** made against an **Insured** by a governmental entity solely in its capacity as a member or constituent of such **Insured** that arises from or is based upon a **Wrongful Act** in **Standards and Specifications**.

- **Harassment, Misconduct, or Discrimination**

based upon or arising out of harassment, misconduct or discrimination because of or relating to: race, creed, color or age; sex, sexual preference, national origin or religion; or handicap, disability or marital status, as evidenced, any final adjudication, alternate dispute resolution proceeding, ruling, or by, admission by the **Insured**.

- **Insured versus Insured**

1. made by, on behalf of or for the benefit of any **Insured**, if such **Claim** is an **Association Liability Claim**; and
2. made by, on behalf of or for the benefit of the **Insured Entity**, if such **Claim** is an **Enterprise Security Event Claim**.

- **Insured's Association Practices**

based upon or arising out of:

1. **Advertising by the Insured**;
2. any contests, discounts, coupons, rebates, prizes, games of chance, sweepstakes, awards or other incentives;
3. unfair competition, unfair trade practices, or antitrust behavior, except to the extent covered within the Antitrust Claim Sub-limit of Insurance.

- **Intellectual Property**

based upon or arising out of any actual or alleged infringement, contributory infringement, misappropriation or theft of any patent or trade secret by the **Insured**.

- **Misstatements or Errors in Content**

based upon or arising out of inaccurate, inadequate or incomplete description of the price of goods, products or services or the failure of goods, products, or services to conform with any represented quality or performance in **Content**.



- **Owned Entity**

made by, on behalf of or for the benefit of any entity that is a parent company of the **Named Insured**, joint venturer or co-venturer of any **Insured Entity**, or other entity in which any **Insured** is a partner, and including any entity directly or indirectly controlled, operated or managed by such an entity.

- **Pension and Retirement Fund Related Acts**

based upon or arising out of acts of the **Insured** related to any **Insured Entity's** pension, healthcare, welfare, profit sharing, mutual or investments plans, funds or trusts; or any violation of any provisions of the Employee Retirement Income Security Act of 1974 or any amendment of or addition to such laws or any violation of any order, rulings or regulation issued pursuant thereto.

- **Pollution**

based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

- a. any nuclear reaction, radiation, or contamination;
- b. the actual, alleged or threatened discharge, release, escape, seepage, migration, dispersal, or disposal of **Pollutants** anywhere or anytime or the creation of any injurious condition involving **Pollutants**; or
- c. any direction, request, demand or order that the Insureds test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**;

whether or not the events described above were sudden, accidental, gradual, intended, expected or preventable, and whether or not any **Insured** caused or contributed to such event.

- **Securities Law Violations**

for any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, any United States' state blue sky or securities law or any similar state or federal law or any amendment of or addition to such laws or any violation of any order, ruling or regulation issued pursuant.

- **Specified Professional Services**

based upon or arising out of performance of any act, error or omission in the performance of legal, accounting, architectural, health care, actuarial, licensed insurance or real estate agent or broker, certified financial planner, securities or investment advisor or broker / dealer services.

- **Unlawful Use of Information**

based upon or arising out of any unlawful or unauthorized collection or acquisition of personal information by the **Insured**, or the unlawful or unauthorized use of such information to send unsolicited communications, faxes or emails, or any, failure to comply with legal requirements or obligations relating to a person's consent to the acquisition, collection, or use of personal information.

- **Violation of Statute**

for any actual or alleged violation of any federal, state, local, or foreign statute, ordinance, or regulation, including but not limited to:



1. unfair competition, restraint of trade or any other violation of antitrust laws, except to the extent covered within the Antitrust Claim Sub-limit of Insurance, including, but not limited to, the Sherman Act, the Clayton Act, the Robinson-Patman Act, or
2. the Telephone Consumer Protection Act, the Can-Spam Act of 2003, and the Fair Credit Reporting Act (United States)

all as amended and any rules or regulations promulgated pursuant thereto, as well as any other similar federal, state, local, or foreign law.

- **War**

based upon or arising out of war, invasion, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or the confiscation, nationalization or destruction of, or damage to, property under the order of government or other public authority.

---

## REPORTING OF CLAIMS AND EVENTS

---

### A. When a Claim is Made or Event Occurs

1. A **Claim** or **Subpoena** will be deemed to be first made or served on the earlier of:
  - a. the date of any **Control Group Insured's** receipt of notice of such demand, request or investigation if such **Claim** is a written demand, investigation or request for information, or
  - b. the date of service upon or other receipt by a **Control Group Insured** of a **Subpoena**, or of a complaint in any such proceeding, if such **Claim** is a **Subpoena**, civil proceeding, arbitration or any alternative dispute resolution proceeding.

If **Related Claims** are subsequently made against the **Insured** and are reported to the Insurer, all such **Related Claims**, whenever made, will be considered a single **Claim** and such **Claim** will be deemed to have been made on the date the first of those **Claims** was made against any **Insured**.

2. An **Enterprise Security Event** or **Wrongful Act** will be deemed to occur when such **Enterprise Security Event** or **Wrongful Act** becomes known to a **Control Group Insured**.

If **Related Wrongful Acts** or **Related Enterprise Security Events** subsequently occur, and are reported to the Insurer, all such **Related Wrongful Acts** or **Related Enterprise Security Events** will respectively be considered a single **Wrongful Act** or single **Enterprise Security Event** and will be deemed to have occurred on the date the first of those **Wrongful Acts** or **Enterprise Security Events** occurred.

### B. Reporting of Claims and Events

It is a condition precedent to coverage under this policy that:

1. as soon as any **Control Group Insured** becomes aware of any **Claim** or **Subpoena**, the **Insured** must notify the Insurer in writing as soon as practicable, but in no event later than 60 days after the end of the **Policy Period**; and
2. as soon as any **Control Group Insured** becomes aware of any **Enterprise Security Event**, or any event triggering coverage for Supplemental Coverage, the **Insured** must immediately notify the Insurer in writing, but in no event later than 60 days after such event occurs

The **Insured** is relieved of its obligation to notify the insurer of an **Enterprise Security Event** as set forth in paragraph 2 above, if and only for so long as a “legal prohibition” prevents such notification. As used in this paragraph, “legal prohibition” means a statute, law, regulation or court order that would prohibit such notification. Immediately upon cessation of such “legal prohibition” the **Insured** must provide the required notice.

### C. Reporting of Circumstances

If, during the **Policy Period** or during the automatic **Extended Reporting Period**, if applicable, an **Insured** gives the Insurer written notice of an act, error, omission, fact or circumstance, including a **Wrongful Act** or **Enterprise Security Event** that occurred during the **Policy Period** and is reasonably likely to give rise to a **Claim** with full details of:

1. such an act, error, omission, fact or circumstance including any available information on persons or entities involved such act, error, omission, fact or circumstance;
2. the nature and extent of the potential damages and the names of the potential claimants;
3. the manner in which the **Insured** first became aware of such an act, error, omission, fact or circumstance,

then any such **Claim** subsequently arising out of such act, error, omission, fact or circumstance will be deemed to have been made during the policy period in which notice was given. In order for coverage to apply to any such **Claim**, the **Insured** must provide notice to the Insurer of such **Claim** as soon as practicable, but no later than 60 days after such **Claim** is first made against the **Insured**. No coverage will be provided for any **Damages** or **Claim Expenses** incurred prior to the time such **Claim** is made unless otherwise authorized in writing by the Insurer.

---

## EXTENDED REPORTING PERIODS

---

No **Extended Reporting Period** will be construed to be a new policy and any **Claim** submitted during an **Extended Reporting Period** will be subject to the policy’s terms and conditions, except as specifically set forth below. All **Claims** made during an **Extended Reporting Period** must be reported in accordance with section entitled **REPORTING OF CLAIMS AND EVENTS**.

### A. Automatic Extended Reporting Period

If the **Named Insured** or the Insurer does not renew this policy, or the Insurer cancels this policy for reasons other than for non-payment of premium, the Insurer will grant an automatic, non-cancelable 30 day **Extended Reporting Period**. This automatic **Extended Reporting Period** terminates 30 days after the end of the **Policy Period**. The Limits of Insurance applicable to **Claims** made during the automatic **Extended Reporting Period** is part of and not in addition to the Limits of Insurance set forth on the Declarations.

No automatic **Extended Reporting Period** is available if the **Named Insured** elects an Optional **Extended Reporting Period**, or if the **Named Insured** obtains another insurance policy that applies to such **Claim** within 30 days immediately following the end of the **Policy Period**.

### B. Optional Extended Reporting Period

If this policy is canceled or non-renewed, the **Named Insured** may elect to purchase an Optional **Extended Reporting Period** unless the Insurer cancels or non-renews the policy because any **Insured** failed to pay any amounts owed to the Insurer or any **Insured** failed to comply with policy provisions.

1. The Optional **Extended Reporting Periods** and their respective percentages of the annual premium that the **Named Insured** must pay to purchase an Optional **Extended Reporting Period** are set forth on the Declarations.

2. The Insurer must receive the **Named Insured's** request for the Optional **Extended Reporting Period** by written notice together with the applicable premium, within 30 days after the end of the **Policy Period**. If the Insurer does not receive payment within 30 days following the effective date of termination or nonrenewal, the Insurer will not be required to provide any Optional **Extended Reporting Period**. Premium for the Optional **Extended Reporting Period** will be fully earned on the effective date thereof. Once in effect, the Optional **Extended Reporting Period** may not be canceled.
3. A **Claim** reported in writing to the Insurer during the Optional **Extended Reporting Period** will be deemed to have been made on the last day of this **Policy Period**.
4. No **Extended Reporting Period** reinstates or increases the Limits of Insurance.

---

## DEFINITIONS

---

Whether expressed in the singular or plural, whenever appearing in bold in this policy, the following terms have the meanings set forth below.

**Additional Insured** means a person or entity to which an **Insured Entity** is obligated by virtue of a written contract or agreement to add such person or entity to this policy as an additional insured. Such person or entity, however, is insured only for the vicarious liability of such person or entity because of a **Claim** based upon or arising from the acts or omissions of the **Insured Entity** and only to the extent of the Limits of Insurance required by such contract or agreement, subject to the availability of applicable Limits of Insurance. This paragraph does not apply unless the written contract or agreement has been executed prior to the occurrence of the **Wrongful Act** upon which the **Claim** is based. No such person or entity is insured under this policy for its liability arising out of its own acts, errors, or omissions.

**Advertisement** means any publicity for or promotion of the sale of products or services of others disseminated by the **Insured Entity** or by others on behalf of the **Insured Entity**. **Advertisement** does not mean any representation or statements regarding the products or services of others contained in **Standards and Specifications**.

**Advertising by the Insured** means the publicity or promotion of an **Insured Entity's** products or services to existing or potential members or consumers, or to establish its identity in the marketplace, regardless of the mode of dissemination (including, but not limited to, print or electronic media, website, or social media) and regardless of the form of expression (including, but not limited to, advertisements, domain names, logos, trademarks, trade names, trade dress, or slogans).

**Application** means each and every signed application, any attachments or supplements to such applications, other written materials submitted therewith or incorporated therein and any other documents, including any warranty letters or similar documents, submitted in connection with the underwriting of this policy or the underwriting of any other policy issued by the Insurer or any of its affiliates of which this policy is a renewal or replacement, or which it succeeds in time. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this policy.

**Association Liability Claim** means a written demand, including a civil proceeding, arbitration or any alternative dispute resolution proceeding, including any appeal therefrom, for monetary relief that alleges the **Insured** or another party for whom the **Insured** is legally liable committed a **Wrongful Act**. **Association Liability Claim** also includes an **Association Licensing Proceeding**.

**Association Licensing Proceeding** means any action, investigation or request for information by a regulatory or disciplinary official, board or agency authorized by law or administrative order to oversee, investigate or institute actions regarding the **Insured's** professional misconduct in the performance of **Association Services**.

**Association Services** means any of the following services performed for others by or on behalf of the **Insured Entity**:

1. The development, approval and publication of **Content** promulgating **Standards and Specifications**;
2. The rendering of **Professional Opinions**;

3. Educational and training support for **Standards and Specifications**, including development and publication of technical or educational **Content** and the teaching of programs, courses, classes and seminars;
4. Certification or accreditation by any **Insured** that any product, person or organization meets applicable **Standards or Specifications**;
5. The administration of member services; or
6. **Internet Media Activities**.

**Bodily Injury** means physical injury to the body, or sickness or disease sustained by a person, including death resulting therefrom. **Bodily Injury** includes mental injury or mental anguish, including emotional distress, shock or fright, whether or not resulting from injury to the body, sickness, disease or death of any person.

**Breach Preparedness Information Service** means data breach risk mitigation information displayed on the AXIS PRO® e-Risk Hub website.

**Claim** means an **Association Liability Claim** or **Enterprise Security Event Claim**, as applicable.

**Claim Attendance Expense** means the **Insured's** actual loss of earnings and reasonable expenses it incurs to attend hearings, depositions and trials at the request of the Insurer in connection with the defense of a covered **Claim**.

**Claim Expenses** means reasonable and necessary expenses incurred in the investigation, adjustment, negotiation, arbitration, mediation and defense of covered **Claims**, whether paid by the Insurer or by the **Insured** with the Insurer's consent. **Claim Expenses** includes:

1. lawyer fees incurred by the Insurer or by the **Insured** with the Insurer's consent;
2. court costs taxed against an **Insured**. However, this does not include lawyer's fees or lawyer's expenses taxed against the **Insured**;
3. the cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. The Insurer does not have to furnish these bonds;
4. **Claim Attendance Expense**, but only to the extent covered within the Claim Attendance Expense Sub-limit.

**Content** means communicative or informational content regardless of the nature or form of such content, including **Advertisements**. "**Content**" does not mean software, **Advertising by the Insured**, or **Protected Data**.

**Contextual Error or Omission** means a negligent error, omission, misstatement or misrepresentation in the **Content** of:

1. **Standards and Specifications**; or
2. **Professional Opinions**.

**Contingent Bodily Injury and Property Damage** means **Bodily Injury** or **Property Damage** resulting from a **Contextual Error or Omission**.

**Control Group Insured** means an **Insured Entity's** chairperson of the board of directors, president, chief executive officer, chief operating officer, chief financial officer, chief technology officer, chief information officer, chief privacy officer, chief security officer, risk manager or in-house counsel, or their functional equivalents, and the non-administrative personnel of the offices thereof.

**Corporate Information** means any information owned by a third party and in an **Insured Entity's** care, custody, or control and that an **Insured Entity** is legally required to maintain in confidence. However, **Corporate Information** does

not include **Protected Personal Information** and does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

**Damages** means monetary judgment, award or settlement, including pre-judgment interest, and amounts that are actual, statutory, punitive, multiplied or exemplary, if permitted by law in an applicable jurisdiction; and lawyer's fees and lawyer's expense included as part of a judgment, award or settlement. **Damages** also includes interest on any part of a judgment not exceeding the applicable Limits of Insurance that accrues after the entry of the judgment and before the Insurer has paid or tendered or deposited the applicable judgment amount in court.

However, **Damages** does not include:

1. fines or penalties, taxes, loss of tax benefits, or sanctions assessed against any **Insured**;
2. costs to comply with orders granting non-monetary or injunctive relief;
3. royalties, return or offset of royalties, fees, deposits, commissions or charges or any award, calculation or determination of damages based on royalties, licensing fees or profits;
4. any amounts attributable to loss of, theft of or the fluctuation in the value of, monies or securities;
5. disgorgement of unjust enrichment or profits;
6. liquidated damages to the extent such liquidated damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
7. any costs or expenses incurred by or on behalf of any **Insured** to withdraw or recall material, media, medium, or **Association Services** from the marketplace, or loss of use arising out of such withdrawal or recall;
8. any amounts for which the **Insured** is not liable or for which there is no legal recourse against the **Insured**;
9. any amounts deemed uninsurable under the law pursuant to which this policy is construed.
10. any credits, refunds, discounts, coupons, prizes, awards or other incentives offered by the **Insured**;
11. any amounts for which an **Insured** is liable pursuant to any **Payment Card Industry Agreement**;
12. the costs of completing, correcting, performing or re-performing **Association Services**;
13. any amount incurred to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**.

In determining the insurability of punitive or exemplary damages, or the multiplied portion of any multiplied damage award, the law of the jurisdiction most favorable to the insurability of those damages will apply. If the **Named Insured** reasonably determines that punitive or exemplary damages are insurable, the Insurer will not challenge that determination.

**Enterprise Security Event** means any of the following:

1. accidental release, unauthorized disclosure, loss, theft, or misappropriation of **Protected Data** in the care, custody or control of an **Insured Entity** or a **Service Contractor**;
2. alteration, corruption, destruction, deletion or damage to data stored on the **Computer System**;
3. transmitting or receiving **Malicious Code** via the **Computer System**;
4. unauthorized access to or unauthorized use of the **Computer System** that directly results in denial or disruption of access of authorized parties;



5. solely with respect to an **Enterprise Security Event Claim**, the **Insured's** failure to:
  - a. timely disclose an incident described in 1. and 2. above in violation of a **Privacy Regulation**;
  - b. comply with its own written and published privacy policy, but solely with respect to provisions:
    - i. prohibiting any **Insured** from disclosing, sharing, or selling **Protected Personal Information**;
    - ii. requiring the **Insured** to provide access to and correct inaccurate or incomplete **Protected Personal Information**; and
    - iii. requiring compliance with procedures to prevent the theft or loss of **Protected Personal Information**.

**Enterprise Security Event Claim** means a written demand for monetary or non-monetary relief, or a civil proceeding, arbitration or any alternative dispute resolution proceeding, including any appeal therefrom, alleging an **Enterprise Security Event**. **Enterprise Security Event Claim** does not include an **Association Liability Claim**.

**Extended Reporting Period** means the designated period of time after the cancellation or non-renewal of the **Policy Period** for reporting **Claims** first made against the **Insured** during such designated period of time provided that the **Claim** alleges a **Wrongful Act** or an **Enterprise Security Event**, as applicable, that first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

**First Inception Date** is the inception date of the earliest insurance policy the Insurer issued to the **Named Insured** that provides coverage similar to that afforded under this policy when there has been uninterrupted coverage by the Insurer for the **Named Insured** from that earliest policy to this policy.

**Improper Act** means sexual abuse, intimacy, molestation or assault committed against a natural person who is not an **Insured**.

**Individual Insured** means, individually and collectively:

1. an **Insured Entity's** stockholders but solely for their liability as stockholders;
2. an **Insured Entity's** current or former partners, officers, directors and employees, including seasonal, temporary volunteers, but only with respect to their activities within the scope of their duties in their capacity as such;
3. a natural person performing services or duties within the scope of their written agreement with an **Insured Entity** and for whom the **Insured Entity** is legally liable, but only while acting within the scope of such person's duties performed on behalf of the **Insured Entity**, and only at the **Insured Entity's** election upon notifying the Insurer of a **Claim**; and
4. any **Additional Insured**.

**Insured** means, individually and collectively:

1. an **Insured Entity**;
2. an **Individual Insured**; and
3. a **Subsidiary**.

**Insured Entity** means the **Named Insured**.

**Internet Media Activities** means:

1. The electronic publishing or display of **Content** on an Internet site;



2. Providing or maintaining of: social networking websites, social media websites, instant messaging, web-conferencing, webcasting, Internet-based electronic mail, online forums, bulletin boards, list-serves or chat rooms.

**Malicious Code** means any computer virus, Trojan horse, worm, or other code, script, or software program that is intentionally designed and released or inserted to access, damage, disable, or harm any part of a computer network or **Protected Data** on such network.

**Management Control** means that the **Named Insured**, either directly or indirectly:

1. owns more than 50% of the issued and outstanding voting equity securities; or
2. controls voting rights representing the present right to vote for election or to appoint more than 50% of the directors or trustees.

**Named Insured** means the association listed as such on the Declarations of this policy.

**Payment Card Industry Agreement** means rules adopted by a credit/debit card company, or credit/debit card processor delineating data security standards, data incident management protocols or data incident indemnity obligations.

**Personal Injury** means:

1. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy;
2. false arrest, detention or imprisonment; or
3. malicious prosecution.

**Policy Period** means the period of time stated on the Declarations or any shorter period resulting from cancellation of this policy.

**Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to:

1. smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, silica, mold or asbestos;
2. hazardous, toxic or radioactive matter or nuclear radiation;
3. waste, which includes material to be recycled, reconditioned or reclaimed; or
4. any other **Pollutant** as defined by applicable federal, state or local statutes, regulations, rulings, ordinances, or amendments thereto.

**Privacy Regulation** means any of the following statutes and regulations associated with the care, custody, control or use of personally identifiable financial, medical or other sensitive personal information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
2. Health Information Technology for Economic and Clinical Health Act of 2009, and its related regulations;
3. Gramm-Leach-Bliley Act of 1999;
4. California Database Breach Act (SB1386);
5. Minnesota Plastic Card Security Act; or
6. General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"); or

7. other state, federal, and foreign identity theft and privacy protection statutes, rules and regulations similar to those stated above that require commercial entities that collect, process, or store personal information (as defined in such statutes, rules and regulations, as applicable) to post privacy policies, adopt specific privacy controls, or to notify natural persons and/or organizations in the event that such personal information has been comprised or potentially compromised.

**Professional Opinion** means the written interpretation, analysis, and application of standards, specifications, guidelines, practices and procedures rendered for a specified third party at its request. The **Professional Opinion** must be rendered by or on behalf of the **Insured Entity** in its capacity as an expert or authority in its profession, industry, or trade.

**Property Damage** means physical injury to tangible property and any resulting loss or corruption of data or information, including all resulting loss of use of that property, data or information. **Property Damage** does not mean the loss, corruption or destruction of data or information when the tangible property on which the data or information resides or resided is not physically injured.

**Protected Data** means **Protected Personal Information** and **Corporate Information**. However, **Protected Data** does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

**Protected Personal Information** means, with respect to natural persons, any private, non-public information of any kind in an **Insured Entity's** care, custody, or control, regardless of the nature or form of such information, including but not limited to the following, but only if such information allows an individual to be uniquely identified:

1. social security or social insurance number;
2. medical service or healthcare data;
3. driver's license or government-issued identification number;
4. equivalents of any of the information listed in 1. – 3. above;
5. account, credit card, or debit card number, alone or in combination with any information that permits access to an individual's financial information, including, but not limit to, security or access code or password; and
6. other-non-public information to the extent prescribed under **Privacy Regulations**.

However, **Protected Personal Information** does not mean **Corporate Information** and does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

**Related Association Liability Claims** means all **Association Liability Claims** arising out of a single **Wrongful Act** or **Related Wrongful Acts**.

**Related Claims** mean any **Related Association Liability Claim** or **Related Enterprise Security Event Claim**, as applicable.

**Related Enterprise Security Event** means all **Enterprise Security Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

**Related Enterprise Security Event Claim** means all **Enterprise Security Event Claims** arising out of a single **Enterprise Security Event** or **Related Enterprise Security Events**.

**Related Wrongful Act** means all **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.





**Retroactive Date** means the date stated as such on the Declarations. If no date is stated, the **Retroactive Date** will be the **First Inception Date** of this policy.

**Service Contractor** means any organization to which the **Insured Entity** has given care, custody or control of, or access to **Protected Personal Information** pursuant to a written contract or agreement with the **Insured Entity**, but only while acting within the scope of its duties performed on behalf of the **Insured Entity**.

**Standards and Specifications** means written standards, specifications, guidelines, practices and procedures published by or on behalf of the **Insured Entity** for use or adoption by members of trades, industries, or professions.

**Subpoena** means any subpoena or court-ordered demand to provide documents, testimony or other information in connection with a legal action, proceeding, or investigation, provided that the **Insured** is not a party to such action, proceeding or investigation at the time of service and that the **Subpoena** relates to the **Insured Entity's Association Services**.

**Subpoena Assistance Expense** means those reasonable fees, costs and expenses incurred by an attorney appointed by the Insurer or by the **Insured** with the Insurer's consent to assist the **Insured** in responding to a **Subpoena**.

**Subsidiary** means any entity in which, and so long as, the **Named Insured** has **Management Control**:

1. as of the effective date of this policy, or
2. after the effective date of this policy by reason of being created or acquired by an **Insured Entity**, after such date, if and to the extent coverage with respect to such entity is afforded pursuant to the paragraph entitled **New and Former Entities** in the GENERAL CONDITIONS.

**Wrongful Act** means any of the following conduct actually or allegedly committed by an **Insured**, or by a person or entity for whom an **Insured** is legally liable in the performance of **Association Services**:

1. any negligent act, error or omission;
2. an act, error or omission resulting in **Personal Injury**; or
3. the development, creation, dissemination or publication of **Content**, including **Standards and Specifications** or **Professional Opinions**, that:
  - a. defames, slanders or libels any natural person or organization, including trade libel;
  - b. disparages or harms the character, reputation or feelings of any natural person or organization, including product disparagement;
  - c. violates a person's or organization's rights of privacy or publicity, including public disclosure of private facts, breach of confidence, intrusion, false light and commercial appropriation of name or likeness;
  - d. infringes another's copyright or trademark, including title, slogan, trade name, trade dress, and service name, or service mark;
  - e. fails to attribute authorship or provide credit under any agreement to which an **Insured Entity** is a party;
  - f. contains a **Contextual Error or Omission**.

---

**GENERAL CONDITIONS**

---

- **Action Against the Insurer**

No action will lie against the Insurer unless, as a condition precedent thereto, there has been full compliance with all of the terms of this policy by all **Insureds**, nor until the amount of the **Insured's** obligation to pay will have been fully determined either by judgment or award against the **Insured** after trial or arbitration or by written agreement among the **Insureds**, the claimant and the Insurer.

No person or organization will have any right under this policy to join the Insurer as a party to any action against the **Insured** to determine the **Insured's** liability, nor will the Insurer be impleaded by the **Insured** or the **Insured's** legal representative.

- **Assignment**

Assignment of any right or interest under this policy will not bind the Insurer unless and until its written consent is endorsed hereon.

- **Assistance and Cooperation**

All **Insureds** will cooperate with the Insurer in the handling of the **Claim** or covered event and upon the Insurer's request will:

1. furnish the Insurer with copies of demands, reports, investigations, pleadings and all related papers and such other information, assistance and cooperation as the Insurer may reasonably request.
2. attend hearings, depositions, conferences, and trials, assist in effecting settlements, assist in securing and giving evidence, obtain the attendance of witnesses; and assist in any other aspect of the investigation and defense.

An **Insured** will do nothing that in any way increases the Insurer's exposure under this policy or in any way prejudices the Insurer's potential or actual rights of recovery. No **Insured** will, except at the **Insured's** own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without the Insurer's prior written consent unless otherwise specifically permitted.

Failure to cooperate with the Insurer in the defense of a **Claim** or in the investigation of a **Claim** is a breach of this policy and will result in loss of coverage.

- **Authorization**

The **Named Insured** is responsible for assurance of payment of all premiums and retentions. The **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to providing and receiving notices of cancellation or nonrenewal, receiving any return premium, and purchasing any Optional Extended Reporting Period. In the event of a disagreement between any **Insureds**, the **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to negotiation of settlements and the decision to appeal or not to appeal any judgment.

- **Bankruptcy**

The bankruptcy or insolvency of the **Insured** will not relieve the Insurer of the Insurer's obligation under this insurance.



- **Cancellation and Nonrenewal**

1. **Cancellation**

- a. The **Named Insured** may cancel this policy by mailing or delivering written notice of cancellation to the Insurer at the address stated on the Declarations. Such notice of cancellation will state the effective date of cancellation or, if no effective date is stated, the effective date of cancellation will be thirty (30) days after the Insurer's receipt of notice. The **Policy Period** will end on that date.
- b. The Insurer may cancel this policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:
  - i. ten (10) days before the effective date of cancellation if the Insurer cancels for nonpayment of premium; or
  - ii. thirty (30) days before the effective date of cancellation if the Insurer cancels for any other reason.

The Insurer will mail or deliver the notice to the **Named Insured** at the address stated on the Declarations. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- c. If this policy is canceled, the Insurer will send the **Named Insured** any premium refund due. If the Insurer cancels, the refund will be the pro rata unearned amount of the annual premium. If the **Named Insured** cancels, the refund, if any, will be the pro rata unearned amount of the annual premium calculated at the customary short rate. Return of premium to the **Named Insured** is not a condition precedent to cancellation.

2. **Nonrenewal**

The Insurer may elect not to renew this policy by mailing or delivering written notice of nonrenewal to the **Named Insured** at its address stated in on the Declarations at least 30 days before the policy expiration date.

If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- **Changes to the Policy**

Notice or knowledge possessed by any person will not effect a waiver or a change in any part of this policy or estop the Insurer from asserting any rights under the terms of this policy, nor will the terms of this policy be waived or changed except by written endorsement issued to form a part of this policy.

- **Legal Representatives, Spouses and Domestic Partners**

The legal representatives, estate, heirs, spouse and any domestic partner of any **Individual Insured** will be considered to be an **Insured** under this policy, but only for a **Claim** against such person arising solely out of their status as such and, with respect to a spouse or domestic partner, only where such **Claim** seeks amounts from marital community, jointly held property or property transferred from such insured to such spouse or domestic partner. No coverage is provided for any act, error or omission committed by any legal representative, estate, heir, spouse or domestic partner.

- **Merger or Acquisition**

If during the **Policy Period** any of the following events occurs:

1. the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity;

2. the acquisition by any person, entity, or group of persons or entities of:

- a. majority voting control of the **Named Insured**; or
- b. all or substantially all of the assets of the **Named Insured**; or
- c. the appointment by any state or federal official, agency or court, of any receiver, conservator, liquidator, trustee, rehabilitator, or similar official to take control of, supervise, manage or liquidate the **Named Insured**;

then coverage will continue under this policy until terminated, but only with respect to acts, errors or omissions or covered events that occurred prior to such merger, consolidation, acquisition, or appointment. Coverage under this policy will cease as of the effective date of such merger, consolidation, acquisition, or appointment with respect to acts, errors or omissions or covered events first occurring after such event. Upon termination of the policy, the **Extended Reporting Period** terms and conditions of this policy will apply.

- **New and Former Entities**

1. If during the **Policy Period**, the **Named Insured** obtains **Management Control** of any entity, then this policy will provide coverage for such newly created or acquired entity and its subsidiaries, directors, officers, or employees who would otherwise become an **Insured** pursuant to the terms and conditions of this policy. However, if any such newly acquired or created entity's gross revenues exceed 10% of the **Insured Entity** combined annual gross revenues at the effective date of this policy, such entity will only be deemed a **Subsidiary** under this policy for a period of 90 days following such acquisition or creation, and solely as respects the **Subsidiary's** liability for **Association Liability Claims**. If the **Named Insured** seeks additional coverage for such entity, it must give written notice within 90 days of such creation or acquisition and it must provide any necessary underwriting information and pay any additional premium as the Insurer may require. Coverage will continue beyond such 90 day period only if the Insurer, in its sole discretion, agrees to provide coverage to such entity by endorsement to this policy.

2. In all events, there is no coverage under this policy:

- a. for any acts, errors or omissions by or on behalf of, or covered events in connection with, any **Subsidiary** where such acts, errors, omissions or covered events occurred, in fact, in whole or in part before the date such entity became a **Subsidiary**, or after such time the entity ceases to be a **Subsidiary**. This condition shall apply whether such **Subsidiary** qualified as such prior to the inception date of this policy or after the inception date of this policy by virtue of paragraph 1. above, or for **Individual Insureds** of any such **Subsidiary**; or
- b. for any acts, errors, omissions or covered events occurring, in fact, on or after the date such entity became a **Subsidiary**, which together with any acts, errors, omissions or covered events described in paragraph 2.a. above would be considered to have a common nexus of fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

- **Notices**

Except as otherwise provided in this policy, all notices under any provision of this policy must be in writing and delivered as follows:

Notices to the **Insureds** will be delivered by prepaid express courier or certified mail to the **Named Insured** at its address as stated on the Declarations. Such notices are deemed to be received and effective upon actual receipt by the addressee or one day following the date such notices are sent, whichever is earlier.

Notices to the Insurer will be delivered by prepaid express courier or certified mail, facsimile, or electronic mail to the appropriate party at the street address, fax number, or email address, as applicable, set forth on the Declarations.



- **Other Insurance**

If there is any other valid and collectible insurance available to the **Insured** that applies to any Coverage under this policy, this insurance is excess over such other insurance, except when the other insurance is specifically designed to apply in excess of this insurance, and no other insurance applies to provide such Coverage.

- **Premium**

The **Named Insured** will pay to the Insurer the amount of premium stated on the Declarations. The premium may be adjusted at any time during the **Policy Period** or any extensions of the **Policy Period** based upon changes in the provisions of this policy, as may be agreed upon by the **Named Insured** and the Insurer.

- **Representations and Severability**

The Insurer has relied on the statements made and information in the **Application** and the accuracy and completeness of such statements and information. Such statements and information are the basis for the Insurer's issuance of this policy, are incorporated into and constitute a part of this policy, and such statements and information have induced the Insurer to issue this policy.

If the **Application** contains any misrepresentation or any inaccurate or incomplete information or statement, and such misrepresentation or inaccurate or incomplete information or statement either was made with the intent to deceive, or materially affected either the acceptance of the risk or the hazard assumed by the Insurer under this policy, then no coverage will be provided under this policy for any **Claims** based upon or arising out of the facts that were the subject of such misrepresentation or inaccurate or incomplete information or statement, nor for covered events arising out of or in connection with the facts that were the subject of such misrepresentation or inaccurate or incomplete information or statement, with respect to:

1. any **Individual Insured** who knew, as of the date the **Application** was signed, of the facts that were the subject of the misrepresentation or inaccurate or incomplete information or statement, whether or not such **Individual Insured** knew the **Application** contained the misrepresentation or inaccurate or incomplete information or statement; or
2. any **Insured Entity**, if any **Control Group Insured** of such **Insured** entity knew, as of the date the **Application** was signed, of the facts that were the subject of the misrepresentation or inaccurate or incomplete information or statement, whether or not such **Control Group Insured** knew the **Application** contained the misrepresentation or inaccurate or incomplete information or statement.

For purposes of applying this condition, the knowledge of an **Insured Entity** or an **Individual Insured** will not be imputed to any other **Individual Insured**.

- **Subrogation and Recovery**

In the event of any payment under this policy, the Insurer will be subrogated to all the **Insured's** rights of recovery therefor against any person or organization, and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights. The Insurer will have no rights of subrogation against any **Insured** hereunder.



- **Territory, Valuation and Currency**

The coverage afforded under this Policy applies anywhere in the world, where legally permissible.

If any amounts covered by this policy are paid in a currency other than the official currency of the country where this policy was issued ("Official Policy Currency"), then the payment will be considered to have been made in the Official Policy Currency at the conversion rate published in the *Wall Street Journal* at the time of the payment.

*SIGNATURE PAGE FOLLOWS.*



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**MEDIA LIABILITY INCLUDING ADVERTISING BY THE INSURED COVERAGE ENDORSEMENT**

<b>SCHEDULE OF COVERAGE</b>	
Each <b>Media Claim</b> Limit of Insurance	\$1,000,000
Each <b>Media Claim</b> Retention	\$2,500
<b>Media Claim Retroactive Date</b>	Policy Inception

*The Declarations is amended to add the above schedule.*

It is agreed that:

- I. The following Claims-Made Liability Coverage is added to the Policy:

**Media Liability Coverage**

The Insurer will pay those **Damages**, in excess of the applicable retention and within the applicable Limit of Insurance, that the **Insured** becomes legally obligated to pay because of a **Wrongful Act** giving rise to a **Media Claim**, provided that:

1. such **Media Claim** is first made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period** and is reported to the Insurer in accordance with section entitled REPORTING OF CLAIMS AND EVENTS;
2. such **Wrongful Act** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period** and is reported to the Insurer in accordance with section entitled REPORTING OF CLAIMS AND EVENTS; and
3. as of the **First Inception Date**, no **Control Group Insured**:
  - a. had given notice to any insurer of any
    - i. **Related Media Claim**;
    - ii. act, error, omission, fact or circumstance, including any **Related Wrongful Act**, reasonably likely to give rise to an **Media Claim**;
  - b. knew, or had a basis to believe, that any:
    - i. **Related Media Claim** had been made; or
    - ii. act, error, omission, fact or circumstance, including any **Related Wrongful Act**, was reasonably likely to give rise to an **Media Claim**.

The Insurer will also pay all **Claim Expenses** in excess of the Each **Claim** Retention in connection with such **Media Claim**. **Claim Expenses** are included within and erode the applicable Limits of Insurance.

- II. Solely as respects the coverage added by this endorsement, the section entitled LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT, B. Limits of Insurance of the Policy is amended to add the following:





#### Each Media Claim Limit of Insurance

Subject to the Policy Limit of Insurance stated in the Declarations, the Each **Media Claim** Limit of Insurance stated in the SCHEDULE OF COVERAGE in this endorsement is the most the Insurer will pay for all covered **Damages** and **Claim Expenses** in connection with each such **Media Claim**.

- III. Solely as respects the coverage added by this endorsement, the section entitled LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT, C. Retentions, is amended to add the following at the end thereof:

Notwithstanding the Each **Claim** Retentions stated in the Declarations, the Each **Media Claim** Retention stated on the SCHEDULE OF COVERAGE in this endorsement will apply to each **Media Claim**. The Insurer's obligation to pay **Damages**, **Claim Expense**, or defend **Claims** shall be excess of the amount stated as the Each **Media Claim** Retention.

- IV. Solely as respects the coverage added by this endorsement, the following EXCLUSIONS are amended as follows:

- A. The exclusion for **Bodily Injury or Property Damage** is deleted in its entirety and replaced as follows:

- **Bodily Injury or Property Damage**

for, based upon or arising out of:

1. **Bodily Injury**, except that this exclusion does not apply to mental injury or mental anguish that does not result from or in physical injury to the body, sickness, disease or death of any person.
2. **Property Damage**.

- B. The exclusion for **Intellectual Property** is amended to add the following at the end thereof:

Notwithstanding anything to the contrary herein, this exclusion shall not apply to infringement or contributing to infringement of copyright.

- V. The following new exclusions are added:

#### Exclusions Applicable to Media Liability Coverage

In addition to any other exclusions that may apply, this Policy shall not provide coverage for **Media Claims**:

- **Insured's Business Practices**

based upon or arising out of:

1. any contests, discounts, coupons, rebates, prizes, games of chance, sweepstakes, awards or other incentives;
2. unfair competition or unfair trade practices, whether or not alleged in connection with a violation of antitrust or similar laws.

- **Intellectual Property – Web Site and Licensing Disputes**

based upon or arising out of:

1. ownership or the right to use any Internet domain name or web address, or infringement of any alleged right with respect to the look and feel of websites;





2. ownership of, fees associated with, use of, or exercise of rights in content licensed or sold to an **Insured** by a third party, when such **Media Claim** is between such third party and the **Insured** as respects the terms and scope of such license or sale;

- **Regulatory Actions**

brought by any foreign, federal, state or local governmental regulatory agency, including the Federal Trade Commission, or Federal Communications Commission;

- **Specific Content**

based upon or arising out of:

1. content published or posted on any website not owned or operated by an **Insured Entity**, except, however, it is agreed that content directly published or posted by an **Insured Entity** on such entity's social media page or via such entity's account will not be subject to this exclusion;
2. song writing, music composition, music publishing, music recording, or music production activities.

- VI. Solely as respects the coverage added by this endorsement, the definition of **Damages** is amended to add the following at the end thereof:

**Damages** also does not include any:

1. costs of correcting, withdrawing, or recalling content, products, or services;
2. production costs; costs of reproduction, reprinting or correction of content by any person or entity, any costs or expenses incurred by any person or entity to withdraw or recall content, products or services from the marketplace.

- VII. Solely as respects the coverage added by this endorsement, the following definitions shall control:

**Claim** means a **Media Claim**.

**Content** means communicative or informational content regardless of the nature, form, or mode of dissemination of such content, including content displayed on web sites or other electronic media. "**Content**" includes **Advertising by the Insured**, but does not mean software or **Protected Data**.

**Media Claim** means a written demand for monetary or non-monetary relief, or a civil proceeding, arbitration or any alternative dispute resolution proceeding, including any appeal therefrom, alleging a **Wrongful Act**.

**Related Media Claim** means all **Media Claims** arising out of a single **Wrongful Act** or **Related Wrongful Acts**.

**Retroactive Date** shall mean the date specified as the **Media Claim Retroactive Date** in the SCHEDULE OF COVERAGE in this endorsement, if any. If no **Media Claim Retroactive Date** is stated, the **Retroactive Date** for **Media Liability Coverage** shall be the **Retroactive Date** stated on the Declarations or the **First Inception Date** of this Policy, as applicable under the terms of this Policy.

**Wrongful Act** means any dissemination or publication of **Content** by an **Insured**, or by a person or entity for whom an **Insured** is legally liable, that actually or allegedly:

1. defames, slanders or libels any natural person;
2. disparages or harms the character, reputation or feelings of any natural person;
3. violates a person's or organization's rights of privacy or publicity, including public disclosure of private facts, breach of confidence, intrusion, false light and commercial appropriation of name or likeness;



AXIS PRO® ASAE  
PROFESSIONAL SERVICES LIABILITY

4. infringes upon another's copyright, provided however, this does not include infringement of copyright in software;
5. fails to attribute authorship or provide credit under an agreement to which an **Insured Entity** is a party;
6. contains a misstatement, misleading statement, or misrepresentation due to the **Insured's** negligent act, error, or omission.

All other provisions of the Policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**CONTINGENT BODILY INJURY AND PROPERTY DAMAGE COVERAGE RETENTION ENDORSEMENT**

SCHEDULE OF COVERAGE	
Coverage	Retention
Contingent Bodily Injury and Property Damage	\$2,500

*The Declarations are amended to add the above schedule.*

It is agreed that the Retention section of the policy is amended to add the following at the end thereof:

Notwithstanding the foregoing, the Each **Claim** Retention stated specifically for **Contingent Bodily Injury or Property Damage** in the SCHEDULE OF COVERAGE above will apply to each **Association Liability Claim** alleging **Contingent Bodily Injury and Property Damage**. This Retention is in addition to, and does not erode any other retention set forth on the Declarations.

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

#### CONSENT TO SETTLE AMENDATORY ENDORSEMENT

It is agreed that the **DEFENSE AND SETTLEMENT** section is amended to add the following:

Notwithstanding anything to the contrary in this section, the Insurer will have the right to appoint a lawyer on the **Insured's** behalf and to investigate and settle a covered **Claim** as is deemed necessary by the Insurer. However, the Insurer will not settle a **Claim** without the **Insured's** consent, such consent not to be unreasonably withheld. If the Insurer recommends a settlement of a **Claim** which is acceptable to the claimant, and the **Insured** refuses to consent to such settlement, then the Insurer's obligation to pay **Damages, Claim Expenses** or any other covered amount on account of such **Claim** will not exceed the sum of the amount for which the Insurer could have settled such **Claim** plus **Claim Expenses** incurred prior to the date of such settlement offer, plus 80 % of **Damages, Claim Expenses** or any other covered amount, combined, that are incurred after the date of the **Insured's** refusal to consent to such settlement. However, in no event will the Insurer's liability exceed the applicable Limits of Insurance

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**CRISIS MANAGEMENT EXPENSE AND COMPUTER SYSTEM EXTORTION COVERAGES ENDORSEMENT**

SCHEDULE OF COVERAGES		
	Limit of Insurance	Retention
Aggregate First Party Coverages	\$1,000,000	\$2,500
Crisis Management and Fraud Prevention Expense Coverage		
Crisis Management Expense	\$1,000,000	\$2,500
Fraud Response Expense	\$1,000,000	\$2,500
Public Relations Expense	\$1,000,000	\$2,500
Forensic and Legal Expense	\$1,000,000	\$2,500
Computer System Extortion Coverage	\$1,000,000	\$2,500

*The Declarations is amended to add the above schedule. If a Limit of Insurance is not stated for any coverage in the above schedule, the Policy does not provide such coverage.*

It is agreed that:

1. The Policy is amended to add the following First Party Coverages if a Limit of Insurance is stated in the *SCHEDULE OF COVERAGES*:

- **Crisis Management and Fraud Prevention Expense Coverages**

The Insurer will pay the **Insured Entity** for:

1. **Crisis Management Expense;**
2. **Fraud Response Expense;**
3. **Public Relations Expense;** and
4. **Forensic and Legal Expense,**

incurred because of an **Enterprise Security Event** that occurred or that the **Insured Entity** reasonably believes has occurred, in excess of the applicable retention and within the applicable Limit of Insurance.

- **Computer System Extortion Coverage**

The Insurer will pay the **Insured Entity** for **Extortion Loss** incurred because of an **Extortion Threat**, in excess of the applicable retention and within the applicable Limit of Insurance.

It is a condition precedent to coverage under **Crisis Management and Fraud Prevention Expense Coverages** and **Computer System Extortion Coverage** above that:

1. the **Insured** notifies the Insurer of the **Enterprise Security Event** or **Extortion Threat**, as applicable, in accordance with the section of this endorsement entitled **Reporting of Events**;



2. the **Enterprise Security Event** or **Extortion Threat**, as applicable, first occurred after the effective date of this endorsement; and
3. as of the **First Inception Date**, no **Control Group Insured**:
  - a. had given notice to any insurer of any:
    - i. **Related Enterprise Security Event** or **Related Extortion Threat**, as applicable;
    - ii. act, error, omission, fact or circumstance reasonably likely to give rise to such **Enterprise Security Event** or **Extortion Threat**, as applicable;
  - b. knew, or had a basis to believe, that any:
    - i. **Related Enterprise Security Event** or **Related Extortion Threat**, as applicable, had occurred;
    - ii. act, error or omission, fact or circumstance reasonably likely to give rise to an **Enterprise Security Event** or **Extortion Threat** had occurred.
2. Solely as respects the coverage added by this endorsement, the provision of the Policy entitled "Multiple Insureds, Claims, Claimants" is deleted and replaced by:

**A. Multiple Insureds, Claims, Claimants**

The Limits of Insurance will not exceed the amounts stated on the Declarations and SCHEDULE OF COVERAGES, no matter how many **Insureds** are covered, **Claims** or **Extortion Threats** are made against the **Insureds**, or violations of **Privacy Regulations** or **Enterprise Security Events** occur.

3. Solely as respects the coverage added by this endorsement, the following new Limit of Insurance provisions are added:

**First Party Coverages Limit of Insurance**

**a. Aggregate First Party Coverages Limit of Insurance**

Subject to the Policy Limit of Insurance, the Aggregate First Party Coverages Limit of Insurance set forth on the SCHEDULE OF COVERAGES is the most the Insurer will pay for all covered amounts applicable to all First Party Coverages.

**b. Each Expense/Extortion Loss Limit of Insurance**

Subject to the Policy Limit of Insurance and to the Aggregate First Party Coverages Limit of Insurance, the applicable **Crisis Management Expense**, **Fraud Response Expense**, **Public Relations Expense**, **Forensic and Legal Expense** and **Extortion Loss** Limit of Insurance set forth on the SCHEDULE OF COVERAGES is the most the Insurer will pay for each such covered expense or **Extortion Loss**.

4. Solely as respects the coverages added by this endorsement, the following new Retention provisions are added:

**First Party Coverages Retentions**

- a. The Aggregate First Party Coverages Retention set forth on the SCHEDULE OF COVERAGES, if any, is the most the **Insured** will be required to pay under the Policy for any first party coverage.
- b. Subject to the Aggregate First Party Coverages Retention, the applicable **Crisis Management Expense** Retention, **Fraud Response Expense** Retention, **Public Relations Expense**, Retention **Forensic and Legal Expense** Retention and **Extortion Loss** Retention set forth on the SCHEDULE OF COVERAGES, if any, is



the most the **Insured** will be required to pay under the Policy for such covered expense or **Extortion Loss**, regardless of the number of **Enterprise Security Events** or **Extortion Threats**.

- c. The **Crisis Management Expense** Retention, **Fraud Response Expense** Retention, **Public Relations Expense**, Retention **Forensic and Legal Expense** Retention and **Extortion Loss** Retention set forth on the SCHEDULE OF COVERAGES, if any, are part of and reduce the highest applicable each **Claim** retention.

5. The following exclusions are added to the Policy:

#### Exclusions Applicable to Computer System Extortion Coverage

This Policy shall not apply to cover any amounts in connection with an **Extortion Threat** made by:

- any entity which is a parent, affiliate, joint venturer or co-venturer of any **Insured Entity**, or other entity in which any **Insured** is a partner, including any individual who is an employee, officer or director thereof;
- any entity directly or indirectly controlled, operated or managed by an entity described immediately above, including any individual who is an employee, officer or director thereof;
- any **Insured Entity**;
- any individual or business entity with whom the **Insured** has entered into an agreement to provide or receive services.

6. Solely as respects the coverage added by this endorsement, the **REPORTING OF CLAIMS AND EVENTS** section of the Policy is deleted and replaced by the following:

#### A. When an Event Occurs

1. An **Enterprise Security Event** will be deemed to occur when the **Enterprise Security Event** becomes known to a **Control Group Insured**.

If **Related Enterprise Security Events** subsequently occur, and are reported to the Insurer, all such **Related Enterprise Security Events** will be considered a single **Enterprise Security Event** and will be deemed to have occurred on the date the first of those **Enterprise Security Events** occurred.

2. An **Extortion Threat** will be deemed to occur when the **Extortion Threat** becomes known to a **Control Group Insured**.

If **Related Extortion Threats** subsequently occur and are reported to the Insurer, all such **Related Extortion Threats** will be considered a single **Extortion Threat** and will be deemed to have occurred on the date the first of those **Extortion Threats** occurred.

#### B. Reporting Events to the Insurer

It is a condition precedent to coverage under this Policy that:

1. as soon as any **Control Group Insured** becomes aware of any **Enterprise Security Event**, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Enterprise Security Event** occurs; and
2. as soon as any **Control Group Insured** becomes aware of any **Extortion Threat**, the **Insured** must immediately notify the Insurer in writing but in no event later than 30 days after the **Extortion Threat** first occurs. This notice must contain known details concerning the person or entity making the **Extortion Threat**, and all reasonably obtainable information concerning the time, place and other details of the **Extortion Threat**.

The **Insured** is relieved of its obligation to notify the insurer of an **Enterprise Security Event** as set forth in



paragraph 2 above, if and only for so long as a “legal prohibition” prevents such notification. As used in this paragraph, “legal prohibition” means a statute, law, regulation or court order that would prohibit such notification. Immediately upon cessation of such “legal prohibition” the **Insured** must provide the required notice.

### C. Reporting of Circumstances

Solely as respects **Crisis Management and Fraud Prevention Expense Coverages**:

If, during the **Policy Period**, an **Insured** reports any act, error, omission, fact or circumstance under the preceding paragraph that gives rise to an **Enterprise Security Event**, then the **Enterprise Security Event** subsequently arising out of such fact, circumstance, act, error or omission will be deemed to have occurred during the **Policy Period**. In order for coverage to apply to any expenses arising out of such **Enterprise Security Event**, the **Insured** must provide notice to the Insurer of such **Enterprise Security Event** as soon as practicable, but no later than thirty (30) days after such **Enterprise Security Event** first occurs. No coverage will be provided for any **Crisis Management Expense, Fraud Response Expense, Public Relations Expense, or Forensic and Legal Expense** incurred prior to the time the **Enterprise Security Event** occurs, unless otherwise authorized in writing by the Insurer.

7. Solely as respects the coverage added by this endorsement, the following definitions are added to the Policy and will supersede any equivalent definition in the Policy:

**Breach Preparedness Information Service** means data breach risk mitigation information displayed on the AXIS PRO® e-Risk Hub website.

**Computer System** means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or the **Insured Entity's** intranet or connected with data storage or other peripheral devices that are:

1. operated by and either owned by or leased to an **Insured Entity**; or
2. operated for the benefit of an **Insured Entity** by a third party service provider; and
3. used for:
  - a. the purpose of providing hosted application services to an **Insured Entity**, or
  - b. for processing, maintaining, or storing electronic data, pursuant to written contract or agreement with an **Insured Entity**.

**Corporate Information** means any information owned by a third party and in an **Insured Entity's** care, custody, or control and that an **Insured Entity** is legally required to maintain in confidence. However, **Corporate Information** does not include **Protected Personal Information** and does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

**Crisis Management Expense** means the reasonable costs of those services described in the sub-paragraphs below incurred by or on behalf of an **Insured Entity**, in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer:

1. preparation, distribution and/or transmission of notices of the **Enterprise Security Event** by reasonable means for the purpose of advising those persons whose **Protected Personal Information** may have been improperly accessed, lost or stolen regardless of whether such notice is mandated by law or regulations, provided that such costs are incurred by an **Insured Entity** to mitigate financial, reputational or other harm in connection with an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred;
2. call center services to answer questions from persons receiving notice in accordance with paragraph 1. above;





3. design and implementation of a website for advising of any purported access, loss of or theft of **Protected Personal Information**.

Provided, however, **Crisis Management Expense** does not mean and does not include **Fraud Response Expense**, **Public Relations Expense** or **Forensic and Legal Expense**.

**Enterprise Security Event** means any of the following:

1. accidental release unauthorized disclosure, loss, theft or misappropriation of **Protected Data** in the care, custody or control of an **Insured Entity** or **Service Contractor**;
2. alteration, corruption, destruction, deletion or damage to data stored on the **Computer System**;
3. transmitting or receiving **Malicious Code** via the **Computer System**;
4. unauthorized access to or unauthorized use of the **Computer System** that directly results in denial or disruption of access of authorized parties.
5. solely with respect to a **Claim**, the **Insured's** failure to:
  - a. timely disclose an incident described in 1. and 2. above in violation of a **Privacy Regulation**;
  - b. comply with its own written and published privacy Policy, but solely with respect to provisions:
    - i. prohibiting any **Insured** from disclosing, sharing, or selling **Protected Personal Information**;
    - ii. requiring the **Insured** to provide access to and correct inaccurate or incomplete **Protected Personal Information**; and
    - iii. requiring compliance with procedures to prevent the theft or loss of **Protected Personal Information**.

**Extortion Loss** means:

1. those reasonable expenses incurred by or on behalf of an **Insured Entity**, after obtaining the Insurer's pre-approval, to evaluate an **Extortion Threat** and to certify that the threat has ended; and
2. those funds paid by the **Insured**, after obtaining the Insurer's pre-approval, to a party or parties that have made an **Extortion Threat**.

However, **Extortion Loss** does not include any amounts for, arising out of or in connection with royalties, fees, deposits, commissions or charges for content, goods or services, **Crisis Management Expense**, **Fraud Response Expense**, **Public Relations Expense** or **Forensic and Legal Expense**.

**Extortion Threat** means any credible threat:

1. to commit an attack against computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or the **Insured Entity's** intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Insured Entity**, or
2. to disseminate **Protected Data** for which the **Insured Entity** is legally responsible, for the purpose of extorting funds from an **Insured Entity**. All **Related Extortion Threats** will be deemed one **Extortion Threat**.



**Forensic and Legal Expense** means the reasonable cost of those services described in the subparagraphs below incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer:

1. a **System Investigation**;
2. services performed by a licensed legal professional retained by an **Insured Entity** for the purpose of:
  - a. determining and advising the **Insured** on the applicability of notice requirements under any **Privacy Regulation**,
  - b. determining and developing the form of notification to comply with applicable notice requirements under any **Privacy Regulation**.

Provided, however, **Forensic and Legal Expense** does not mean and does not include **Crisis Management Expense**, **Fraud Response Expense** or **Public Relations Expense**.

**Fraud Response Expense** means the reasonable cost of credit monitoring services and identity monitoring services or **Identity Theft Insurance** for a one year period to **Qualified Persons** incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer for the purpose of mitigating financial loss resulting from disclosure of **Protected Personal Information** due to an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred. Provided, however, **Fraud Response Expense** does not mean and does not include **Crisis Management Expense**, **Public Relations Expense** or **Forensic and Legal Expense**.

**Identity Theft Insurance** means an insurance Policy that pays benefits, for reasonable and necessary costs to restore an individual's identity, including but not limited to travel costs, notary fees, and postage costs, lost wages, and legal fees and expenses associated with such efforts.

**Malicious Code** means any computer virus, Trojan horse, worm, or other code, script, or software program that is intentionally designed and released or inserted to access, damage, disable, or harm any part of a computer network or **Protected Data** on such network.

**Privacy Regulation** means any of the following statutes and regulations associated with the care, custody, control or use of personally identifiable financial, medical or other sensitive personal information:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
2. Health Information Technology for Economic and Clinical Health Act of 2009, and its related regulations;
3. Gramm-Leach-Bliley Act of 1999;
4. California Database Breach Act (SB1386);
5. Minnesota Plastic Card Security Act;
6. The General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"); or
7. other state, federal and foreign identity theft and privacy protection statutes, rules and regulations similar to those stated above that require commercial entities that collect, process, or store personal information (as defined in such statutes, rules and regulations, as applicable) to post privacy policies, adopt specific privacy controls, or to notify natural persons and/or organizations in the event that such personal information has been comprised or potentially compromised.

**Protected Data** means **Protected Personal Information** and **Corporate Information**.

**Protected Personal Information** means, with respect to natural persons, any private, non-public information of any kind in an **Insured Entity's** care, custody, or control, regardless of the nature or form of such information, including but not limited to the following, but only if such information allows an individual to be uniquely identified:

1. social security number;
2. medical service or healthcare data;
3. driver's license or state identification number;
4. equivalents of any of the information listed in 1. – 3. above;
5. account, credit card, or debit card number, alone or in combination with any information that permits access to an individual's financial information, including, but not limit to, security or access code or password; and
6. other-non-public information to the extent prescribed under **Privacy Regulations**.

However, **Protected Personal Information** does not mean **Corporate Information** and does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records.

**Public Relations Expense** means the reasonable costs of those services described in the subparagraphs below, incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer, in response to an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred:

1. hiring a public relations firm, law firm or crisis management firm for advertising or other communications services, including training a spokesperson, providing talking points for media interaction, developing frequently asked questions responses, drafting or editing press releases, preparing of internal memos and website content;
2. placing advertisements, preparing website content, and other communications as recommended by such public relations firm, law firm or a crisis management firm to explain the nature of the event and any corrective actions taken;

Provided, however, **Public Relations Expense** does not mean and does not include **Crisis Management Expense, Fraud Response Expense** or **Forensic and Legal Expense**.

**Qualified Persons** means those natural living persons described in 1. or 2. below who are entitled to notification pursuant to paragraph 1. of the definition of **Crisis Management Expense**, if such person elects to receive credit monitoring services or identity monitoring services or **Identity Theft Insurance** within 180 days of receipt of such notification by the **Insured**:

1. as respects credit monitoring services and **Identity Theft Insurance**, a person whose social security number, driver's license number, government issued identification number, or financial account, credit card, or debit card number has been improperly accessed, lost or stolen in addition to such person's name; and
2. as respects identity monitoring services and **Identity Theft Insurance**, a person whose medical service or healthcare information has been improperly accessed, lost or stolen in addition to such person's name.

**Related Enterprise Security Event** means all **Enterprise Security Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

**Related Extortion Threats** means all **Extortion Threats** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.



**Service Contractor** means any organization to which the **Insured Entity** has given care, custody or control of, or access to, **Protected Personal Information** pursuant to a written contract or agreement with the **Insured Entity**, but only while acting within the scope of its duties performed on behalf of the **Insured Entity**.

**System Investigation** means an investigation of the **Computer System** to determine the cause of an **Enterprise Security Event** that occurs or that the **Insured Entity** reasonably believes has occurred, and to identify and enroll or catalog the persons' names, addresses and **Protected Personal Information** that may have been improperly, accessed, lost or stolen for the purposes of providing notification that may be required.

8. Solely with respect to the coverage afforded by this endorsement, the Assistance and Cooperation condition is deleted and replaced as follows:

- **Assistance and Cooperation**

All **Insureds** will cooperate with the Insurer in connection with an **Enterprise Security Event** or **Extortion Threat**, as applicable, and upon the Insurer's request will furnish the Insurer with information, assistance and cooperation as the Insurer may reasonably request.

The **Insured's** duty to cooperate includes, but is not limited to with respect to an **Extortion Threat**, using best efforts to keep the existence of **Computer System Extortion Coverage** confidential. The **Insured's** disclosure of the existence of **Computer System Extortion Coverage** to the public constitutes a failure of a condition precedent to coverage and will operate to defeat coverage for **Extortion Loss** under this Policy.

9. Solely as respects the coverage added by this endorsement, the **Merger and Acquisition** is amended to add the following at the end thereof:

Further, coverage will continue under this Policy until terminated, but only with respect to **Enterprise Security Events** or **Extortion Threats** that occurred prior to such merger, consolidation, acquisition, or appointment. Coverage under this Policy will cease as of the effective date of such merger, consolidation, acquisition, or appointment with respect to **Enterprise Security Events** or **Extortion Threats** first occurring after such event.

10. Solely as respects the coverage added by this endorsement, paragraph 2. of the **New and Former Entities** condition is deleted and replaced by the following:

1. In all events, there is no coverage under this Policy:
  - a. for any **Enterprise Security Event** with respect to any **Subsidiary** or **Extortion Threat** made against any **Subsidiary**, whether such **Subsidiary** qualified as such prior to the inception date of this Policy or after the inception date of this Policy by virtue of paragraph a. above, or for **Individual Insureds** of any such **Subsidiary**, where such **Enterprise Security Event** or **Extortion Threat** occurred in whole or in part before the date such entity became a **Subsidiary**, or occurred in whole after such time the entity ceases to be a **Subsidiary**;
  - b. for any **Enterprise Security Event** or **Extortion Threat** occurring on or after the date such entity became a **Subsidiary**, which together with any **Enterprise Security Event** or **Extortion Threat** described in i. above would be considered **Related Enterprise Security Events** or **Related Extortion Threats**;

All other provisions of the Policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS COVERAGE - DSS VALIDATION REQUIRED  
ENDORSEMENT**

SCHEDULE OF COVERAGE				
Payment Card Industry – Data Security Standards (PCI-DSS) Fines	Coverage Trigger	Retroactive Date	Coverage Sublimit	Coverage Retention
	Claims Made	Policy Inception	\$1,000,000 Each Claim	\$2,500 Aggregate

*The Declarations is amended to add the above schedule.*

It is agreed that:

- I. Solely with respect to a **PCI-DSS Fines Claim**, the definition of **Damages** or **Loss**, as applicable, is amended to include **PCI-DSS Fines**, notwithstanding anything to the contrary therein and also have the following added:

It is a condition precedent to coverage for such **PCI-DSS Fines** that the **Named Insured** must have accurately validated, not more than 12 months prior to the occurrence of the **Enterprise Security Event** giving rise to the **Claim**, to the applicable credit/debit card company that it was in compliance with the **Payment Card Industry Agreement's** data security standards.

- II. Solely with respect to a **PCI-DSS Fines Claim**, the following definition of **Retroactive Date** is added and shall control:

Solely as respects coverage for **PCI-DSS Fines Claims**, the **Retroactive Date** shall mean the date specified as the **PCI-DSS Fines Claim Retroactive Date** in the **SCHEDULE OF COVERAGE** of this endorsement, if any. If no **PCI-DSS Fines Claim Retroactive Date** is stated in the **SCHEDULE OF COVERAGE**, the **Retroactive Date** for **PCI-DSS Fines Claims** shall be the **Retroactive Date** stated on the Declarations or the **First Inception Date** of this Policy, as applicable under the terms of this Policy.

- III. The following new definitions are added:

**PCI-DSS Fines** means amounts owed by the **Insured Entity** under the terms of a **Payment Card Industry Agreement**, but only if such amounts are imposed as indemnity obligations on the **Named Insured** due to its actual or alleged non-compliance with the data security standards set forth in such **Payment Card Industry Agreement**, and only if such **PCI-DSS Fines** arise out of a covered **Enterprise Security Event**. **PCI-DSS Fines** do not include any charge backs, interchange fees, discount fees or service fees.

**PCI-DSS Fines Claim** means an **Enterprise Security Event Claim** brought by a credit/debit card company or credit/debit card processor seeking **PCI-DSS Fines**.

- IV. The section entitled **LIMITS OF INSURANCE, RETENTION AND REIMBURSEMENT** is amended to add the following:

**PCI-DSS Fines Claims – Sublimits of Insurance and Retention**

The Each **PCI-DSS Fines Claim** Sublimit of Insurance, if any, as specified in the above **SCHEDULE OF COVERAGE** is the most the Insurer will pay for covered **Damages** and **Claim Expenses** for each **PCI-DSS Fines Claim** in excess of the applicable retention.

The Each **PCI-DSS Fines Claim** Sublimit of Insurance is part of and not in addition to the Each **Enterprise Security Event Claim** Limit of Insurance and any other applicable aggregate, coverage level or policy level Limit of Insurance



AXIS PRO® ASAE  
PROFESSIONAL SERVICES LIABILITY

stated in the Declarations, and constitutes the total limits of insurance available under this Policy for **PCI-DSS Fines Claims**.

The Aggregate **PCI-DSS Fines Claim** Retention, if any, specified in the above *SCHEDULE OF COVERAGE* is the most the Insured will be required to pay under the Policy for all **PCI-DSS Fines Claims**. This Aggregate **PCI-DSS Fines Claims** Retention is in addition to and not part of the Each **Claim** Retention stated on the Declarations.

All other provisions of the Policy remain unchanged.





Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**RANSOMWARE LOSS COVERAGE ENDORSEMENT**

<b>SCHEDULE OF COVERAGE</b>		
<b>Coverage</b>	<b>Coverage Sublimit</b>	<b>Coverage Retention</b>
Ransomware Loss	\$1,000,000 Aggregate	\$2,500 Aggregate

*The Declarations is amended to add the above schedule.*

It is agreed that:

1. The definitions of **Extortion Loss** and **Extortion Threat** are amended as follows:

**Extortion Loss** also includes **Ransomware Loss**.

**Extortion Threat** also includes a **Ransomware Attack**.

2. The following new definitions are added:

**Ransomware Attack** means the insertion of malware by a third party perpetrator on computer hardware, software or components thereof linked together through a network of devices accessible through the internet or the **Named Insured's** intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Named Insured** that prevents or limits an **Insured's** ability to access data thereon for the purpose of obtaining a ransom from the **Insured** to end or remove the attack.

**Ransomware Loss** means those funds paid by the **Named Insured** to the perpetrators of the **Ransomware Attack** to end the attack, with the Insurer's prior approval.

3. The **Limits of Insurance** and **Retention** provisions are amended to add the following:

**Ransomware Loss Sublimit of Insurance**

Subject to the Policy Limit of Insurance, the Coverage Part Limit and to the Aggregate First Party Coverages Limit of Insurance, if any, the most the Insurer will pay for all covered **Ransomware Loss** is the amount stated in the above **SCHEDULE OF COVERAGE**, which shall be part of, and not in addition to, the **Extortion Loss** Limit of Insurance.

**Ransomware Loss Retention**

Subject to the Policy Retention and the Aggregate First Party Coverages Retention, if any, the **Ransomware Loss** Retention set forth in the above **SCHEDULE OF COVERAGE**, if any, is the most the **Insured** will be required to pay under the Policy for all **Ransomware Loss**, regardless of the number of **Ransomware Attacks**.

4. It is a condition precedent to the coverage provided by this endorsement that Computer System Extortion coverage has also been purchased, and that the coverage was added by endorsement, if applicable, to this Policy.

All other provisions of the Policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**TELECOMMUNICATIONS THEFT LOSS COVERAGE ENDORSEMENT**

<b>SCHEDULE OF COVERAGE</b>		
<b>Coverage</b>	<b>Coverage Limit</b>	<b>Coverage Retention</b>
Telecommunications Theft Loss	\$250,000 Aggregate	\$2,500 Aggregate

*The Declarations is amended to add the above schedule.*

It is agreed that:

1. The following **FIRST PARTY COVERAGE** is added:

**Telecommunications Theft Loss Coverage**

The Insurer will pay the **Insured Entity** for **Telecommunications Theft Loss** incurred because of a **Telecommunications Theft Event**, in excess of the applicable retention and within the applicable limits shown in the **SCHEDULE OF COVERAGE**, provided that:

1. the **Insured** notifies the Insurer of such **Telecommunications Theft Event** that occurred, or that the **Insured** reasonably believes has occurred, as applicable, in accordance with the section entitled **REPORTING OF CLAIMS AND EVENTS**;
2. the **Telecommunications Theft Event** occurred during the **Policy Period**; and
3. as of the **First Inception Date**, no **Control Group Insured**:
  - a. had given notice to any insurer of any:
    - i. **Related Telecommunications Theft Event**;
    - ii. act, error, omission, fact or circumstance reasonably likely to give rise to the **Telecommunications Theft Event**;
  - b. knew, or had a basis to believe, that any:
    - i. **Related Telecommunications Theft Event** had occurred;
    - ii. act, error or omission, fact or circumstance reasonably likely to give rise to the **Telecommunications Theft Event** had occurred.





2. Solely with respect to the coverage provided by this endorsement, the following **Limits of Insurance** and **Retention** provisions are added to the policy:

**Telecommunications Theft Loss Limit of Insurance**

Subject to the Policy Limit of Insurance, the Coverage Part Limit and to the Aggregate First Party Coverages Limit of Insurance, if any, the **Telecommunications Theft Loss** Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* is the most the Insurer will pay for all **Telecommunications Theft Loss**, regardless of the number of **Telecommunications Theft Events**.

**Telecommunications Theft Loss Retention**

Subject to the Policy Retention and the Aggregate First Party Coverages Retention, if any, the **Telecommunications Theft Loss** Retention set forth in the *SCHEDULE OF COVERAGE* is the most the **Insured** will be required to pay for all **Telecommunications Theft Loss**, regardless of the number of **Telecommunications Theft Events**.

3. Solely with respect to the coverage afforded by this endorsement, the following exclusions are added:

**Additional Exclusions Applicable to Telecommunications Theft Loss Coverage**

The Telecommunications Theft Loss Coverage does not provide coverage for any amounts:

- based upon or arising out of indirect or consequential loss of any kind, including, but not limited to: income, earnings or profit not realized as the result of a covered loss; fees, costs or other expenses to establish the existence or amount of covered loss; fees, costs or other expenses of any party; or fees, costs or other expenses incurred by the **Insured Entity** in defending or prosecuting any legal proceeding or claim.
- based upon or arising out of a **Telecommunications Theft Event** committed by, on behalf of or for the benefit of:
  1. any **Insured**;
  2. any entity that is a parent of the **Named Insured**, joint venturer or co-venturer of any **Insured**, or other entity in which any **Insured** is a partner, and any entity directly or indirectly controlled, operated or managed by such parent, joint venture, co-venturer or partner.

4. Solely with respect to the coverage provided by this endorsement, the following provision is added to the policy:

**REPORTING OF TELECOMMUNICATIONS THEFT EVENTS**

**A. When an Event Occurs**

A **Telecommunications Theft Event** will be deemed to occur when a **Control Group Insured** first knows that a **Telecommunications Theft Event** has occurred, or has a reasonable basis to know that a **Telecommunications Theft Event** has occurred, including the receipt of any notice, invoice, or billing evidencing unauthorized use of **Telecommunications Services**.

If **Related Telecommunications Theft Events** subsequently occur, and are reported to the Insurer, all such **Related Telecommunications Theft Events** will be considered a single **Telecommunications Theft Event** and will be deemed to have occurred on the date the first of those **Telecommunications Theft Events** occurred.

**B. Reporting of Events**

As soon as a **Telecommunications Theft Event** first occurs, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Telecommunications Theft Event** occurs.



5. Solely as respects the coverage afforded by this endorsement, the following definitions are added:

**Related Telecommunications Theft Event** means all **Telecommunications Theft Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

**Telecommunications Services** means telephone, fax, or data transmission services provided to the **Insured Entity** by others for compensation.

**Telecommunications Theft Event** means a third party's intentional, unauthorized and fraudulent use of the **Telecommunications Services**.

**Telecommunications Theft Loss** means telephone service charges and fees incurred by the **Insured Entity** because of a **Telecommunications Theft Event**, in excess of the **Insured Entity's** normal operating costs.

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**EXTORTION THREAT REWARD REIMBURSEMENT EXPENSE COVERAGE ENDORSEMENT**

SCHEDULE OF COVERAGE		
Coverage	Coverage Sublimit	Coverage Retention
Extortion Threat Reward Reimbursement Expense	\$50,000 Aggregate	\$0 Aggregate

*The Declarations is amended to add the above schedule.*

It is agreed that:

1. The definition of **Extortion Loss** is amended to add the following:

**Extortion Loss** also means **Extortion Threat Rewards**.

2. The following definition is added:

**Extortion Threat Reward** means a monetary reward paid by the **Insured Entity** to a natural person for information that leads to the arrest and conviction of persons responsible for making an **Extortion Threat**, provided that:

1. the offer and payment of any reward is pre-approved by the Insurer; and
  2. the person providing such information is not an auditor or investigator for the **Insured Entity**, whether external auditors or investigators or **Insured Individuals** who are internal auditors or investigators or who supervise external auditors or investigators.
3. Solely with respect to the coverage provided by this endorsement, the following section shall be added to the Policy:

**Each Expense/Extortion Loss Limit of Insurance:**

The **Extortion Threat Reward** Sublimit of Insurance stated in the SCHEDULE OF COVERAGE of this endorsement is the most the Insurer will reimburse the **Insured Entity** for monetary amounts it pays as **Extortion Threat Reward**, regardless of the number of **Extortion Threats** or informants, and subject to any applicable Policy Limit of Insurance, Aggregate First Party Coverages Limit of Insurance, and **Extortion Loss** Limit of Insurance stated on the Declarations.

4. Solely with respect to the coverage provided by this endorsement, the following section shall be added to the Policy:

**First Party Coverages Retention:**

The **Extortion Threat Reward** Retention, if any, is the most the **Insured** will be required to pay under the Policy for **Extortion Threat Rewards**, regardless of the number of **Extortion Threats** or informants, subject to any applicable Aggregate First Party Coverages Retention, and **Extortion Loss** Retention stated on the Declarations. The **Extortion Threat** Retention is part of and reduces the highest applicable each **Claim** retention.



AXIS PRO® ASAE  
PROFESSIONAL SERVICES LIABILITY

5. It is a condition precedent to the coverage provided by this endorsement that Computer System Extortion coverage has also been purchased, and that the coverage was added by endorsement, if applicable, to this Policy.

All other provisions of the Policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**PCI RE-CERTIFICATION SERVICES EXPENSE CHANGE ENDORSEMENT**

It is agreed that the section entitled **DEFINITIONS** is amended as follows:

- I. The definition of **Forensic and Legal Expense** is amended to add the following at the end thereof:

**Forensic and Legal Expense** also means the reasonable costs of **PCI Re-Certification Services** incurred by or on behalf of an **Insured Entity** in excess of the **Insured Entity's** normal operating costs and with the prior written approval of the Insurer.

- II. The following new definition is added:

**PCI Re-Certification Services** means the services of a third party computer security expert to re-certify the **Insured Entity's** compliance with the PCI Security Standards Council's payment card industry data security standards after an **Enterprise Security Event**, provided that:

1. such recertification is required under the terms of the **Insured Entity's** Merchant Services Agreement with a credit or debit card issuing company; and
2. such **Enterprise Security Event** comprises one of the events described in sub-paragraphs 1., 2. or 3. of the definition thereof and directly results in the release, disclosure, theft, loss, alteration, corruption, destruction, deletion or damage to **Protected Personal Information**.

**PCI Re-Certification Services** does not mean any services or activities performed to update, upgrade, enhance, or replace the **Insured Entity's** computer system, nor to identify or remove software program errors, computer viruses or vulnerabilities.

- III. It is a condition precedent to the coverage provided by this endorsement that Crisis Management and Computer System Extortion coverage has also been purchased, and that the coverage was added by endorsement, if applicable, to this policy.

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

#### MITIGATION EXPENSE COVERAGE ENDORSEMENT

SCHEDULE OF COVERAGE	
Mitigation Expense Aggregate Limit	\$100,000
Mitigation Expense Each Circumstance Retention	\$2,500

*The Declarations is amended to add the above schedule.*

It is agreed that:

1. Solely with respect to a **Professional Services Liability Claim** or **Association Liability Claim**, as applicable, under this Policy, the following supplemental coverage is added to this Policy if a Limit of Insurance is stated in the **SCHEDULE OF COVERAGE**:

#### Supplemental Coverage – Mitigation Expense

Subject to the Policy Limit of Insurance, the Insurer will indemnify the **Named Insured** for **Mitigation Expense** incurred in excess of the **Mitigation Expense** Retention and within the **Mitigation Expense** Limit set forth in the above **SCHEDULE OF COVERAGE** incurred by the **Named Insured** in response to a **Circumstance** that first occurs during the **Policy Period**; provided, however, that the **Named Insured**:

1. gives the Insurer prompt notice of the **Circumstance** and obtains the Insurer's approval before incurring any **Mitigation Expense**, or establishes to the Insurer's satisfaction within \$100,000 days, or as soon as practical, of first learning of the **Circumstance** that the **Mitigation Expense** was reasonably incurred;
  2. satisfies the Insurer, in its sole discretion, that, unless **Mitigation Expense** is incurred, such **Circumstance** is likely to result in a **Claim**, or in **Claim Expenses** or **Damages** equal to or in excess of the **Mitigation Expense** to be indemnified;
  3. satisfies the Insurer, in its sole discretion, that the **Mitigation Expense** to be incurred is necessary to avoid a **Claim**; and
  4. satisfies the Insurer, in its sole discretion, that the **Insured** is legally unable to recover such expenses and costs from any client, subcontractor or third party involved in the **Circumstance**.
2. The **LIMITS AND RETENTIONS** section of the Policy is amended to add the following provisions:

#### Mitigation Expense Limit of Insurance and Retention

Subject to the Policy Limit of Insurance, the amount stated in the **SCHEDULE OF COVERAGE** as the **Mitigation Expense** Aggregate Limit is the most the Insurer will pay for all **Mitigation Expense** covered under this endorsement, no matter how many **Claims** or **Circumstances**.

If a retention for **Mitigation Expense** is indicated on the **SCHEDULE OF COVERAGE**, the **Insured** is responsible for payment of such retention for each **Claim** or **Circumstance**. All retentions will be borne by the **Insureds** uninsured and at their own risk. The Insurer's obligation to pay any **Mitigation Expense** is excess of the applicable retention. The Limits of Insurance will not be reduced by the payment of any retention.



3. The **DEFINITIONS** section of the Policy is amended to add the following new definitions:

**Mitigation Expense** means the **Named Insured's** reasonable and necessary costs to correct a **Circumstance** for the purpose of limiting or reducing exposure to **Damages** or **Claim Expenses**. **Mitigation Expense** shall not include lost profits; lost business, fees due any **Insured**, any payment recoverable by any **Insured** from any client or any other party; or any salaries, wages, benefits, expenses, overtime or overhead.

**Circumstance** means any actual or alleged **Wrongful Act** that is reasonably likely to give rise to a **Claim**, regardless of when such **Claim** is made.

All other provisions of the Policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

#### CYBER TERRORISM COVERAGE ENDORSEMENT

It is agreed that:

1. The following new definition is added to the policy:

**Cyber Terrorism** means an act or series of acts of any person or groups of persons, whether acting alone or on behalf of or in connection with any entity committed for political, religious or ideological purposes and directed towards the destruction, disruption or subversion of communication and information systems, infrastructure, computers, the internet, telecommunications or electronic networks or the contents thereof or sabotage or threat there from. This shall include, but is not limited to, the intention to influence any government and/or to put the public in fear for such purposes.

2. The War exclusion, if any, is amended to add the following at the end thereof:

Notwithstanding the foregoing, this exclusion does not apply to acts of **Cyber Terrorism**.

All other provisions of the policy remain unchanged.





Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**SOCIAL ENGINEERING FRAUD COVERAGE WITHOUT AUTHENTICATION REQUIREMENT ENDORSEMENT**

SCHEDULE OF COVERAGE	
<b>Social Engineering Fraud Loss</b> Limit of Insurance	\$250,000
<b>Social Engineering Fraud Loss</b> Retention	\$2,500

*The Declarations is amended to add the above schedule.*

It is agreed that :

- I. The following **FIRST PARTY COVERAGE** is added to the policy:

**Social Engineering Fraud Coverage**

The Insurer will pay the **Insured Entity** for **Social Engineering Fraud Loss** resulting directly from a **Social Engineering Fraud Event**, in excess of the applicable retention and within the applicable Limits of Insurance.

It is a condition precedent to coverage under the **Social Engineering Fraud** Coverage that:

1. the **Insured** notifies the Insurer of such **Social Engineering Fraud Event** that occurred, or that the **Insured** reasonably believes has occurred, as applicable, in accordance with the section entitled **REPORTING OF CLAIMS AND EVENTS**;
  2. the **Social Engineering Fraud Event** occurred during the **Policy Period**; and
  3. as of the **First Inception Date**, no **Control Group Insured**:
    - a. had given notice to any insurer of any:
      - i. **Related Social Engineering Fraud Event**;
      - ii. act, error, omission, fact or circumstance reasonably likely to give rise to the **Social Engineering Fraud Event**;
    - b. knew, or had a basis to believe, that any:
      - i. **Related Social Engineering Fraud Event** had occurred;
      - ii. act, error or omission, fact or circumstance reasonably likely to give rise to the **Social Engineering Fraud Event** had occurred.
- II. Solely with respect to the coverage provided by this endorsement, the following **Limits of Insurance** and **Retention** provisions are added to the policy:

**Multiple Insureds, Claims, Claimants**

The Limits of Insurance will not exceed the amounts stated respectively on the Declarations no matter how many **Insureds** are covered, **Social Engineering Fraud Events** take place, or **Claims** are made against the **Insureds**.



### Social Engineering Fraud Loss Limit of Insurance

Subject to the Policy Limit of Insurance, the Coverage Part Limit, the Aggregate First Party Coverages Limit of Insurance, if any, and to all other applicable aggregate limits, if any, the **Social Engineering Fraud Loss** Limit of Insurance set forth in the SCHEDULE OF COVERAGES is the most the Insurer will pay for all **Social Engineering Fraud Loss**, regardless of the number of **Social Engineering Fraud Events**.

### Social Engineering Fraud Loss Retention

Subject to the Policy Retention and the Aggregate First Party Coverages Retention, if any, the applicable **Social Engineering Fraud Loss** Retention set forth on the SCHEDULE OF COVERAGES, is the most the **Insured** will be required to pay under the policy for all **Social Engineering Fraud Events**, regardless of the number of **Social Engineering Fraud Events**.

III. Solely as respects the coverage afforded by this endorsement, the following exclusions are added:

### Exclusions Applicable to Social Engineering Fraud Coverage

The Social Engineering Fraud Coverage does not provide coverage for **Claims** based upon or arising out of:

- **Acts of Owners**

loss resulting from any fraudulent, dishonest, or criminal act by any **Owner** of the **Insured Entity**, whether acting alone or in collusion with others.

- **Advantage**

loss of one **Insured** to the gain of another **Insured**.

- **Disputed Payments**

loss of **Money** or **Securities** transferred to or for the benefit of a **Vendor** where there is a dispute between the **Insured** and such **Vendor** with respect to goods provided or services performed by such **Vendor**.

- **Employees**

- loss resulting from any fraudulent, dishonest or criminal act by any employee of the **Insured Entity**.

- **Intellectual Property and Confidential Information**

- loss of or loss resulting from theft, disappearance, destruction, release, or disclosure of, or access to, any trade secrets, intangible property or intellectual property; or
- loss of or loss resulting from theft, disappearance, destruction, release, or disclosure of, or access to, any confidential information of any kind, including any password, or any non-public, personal, or personally identifiable information.

- **Indirect or Consequential Loss**

indirect or consequential loss of any kind, including, but not limited to: income, earnings or profit not realized as the result of a covered loss; fees, costs or other expenses to establish the existence or amount of covered loss; fees, costs or other expenses of any party; or fees, costs or other expenses incurred by the **Insured Entity** in defending or prosecuting any legal proceeding or claim.

IV. Solely with respect to the coverage provided by this endorsement, the following provision is added to the policy:

#### REPORTING OF SOCIAL ENGINEERING FRAUD EVENTS

##### A. When an Event Occurs

A **Social Engineering Fraud Event** will be deemed to occur when the **Social Engineering Fraud Event** becomes known to a **Control Group Insured**.

If **Related Social Engineering Fraud Events** subsequently occur, and are reported to the Insurer, all such **Related Social Engineering Fraud Events** will be considered a single **Social Engineering Fraud Event** and will be deemed to have occurred on the date the first of those **Social Engineering Fraud Events** occurred.

##### B. Reporting of Events

It is a condition precedent to **Social Engineering Fraud Coverage under this** policy that as soon as any **Control Group Insured** becomes aware of any **Social Engineering Fraud Event**, the **Insured** must immediately notify the Insurer in writing, but in no event later than 30 days after the **Social Engineering Fraud Event** occurs.

The **Insured** is relieved of its obligation to notify the insurer as set forth in paragraphs above, if and only for so long as a “legal prohibition” prevents such notification. As used in this paragraph, “legal prohibition” means the written, dated and signed opinion of a qualified attorney who is not an **Insured** under this policy, that there exists a statute, law, regulation or court order that would prohibit such notification. Such opinion must specify the circumstances under which notification would be permissible. Immediately upon cessation of such “legal prohibition” the **Insured** must provide the required notice.

V. Solely with respect to the coverage provided by this endorsement, the section of the Policy entitled **DEFINITIONS** is amended by the addition of the following new definitions:

**Client** means any person or entity with whom the **Insured Entity** has agreed, in writing, to provide goods or services in exchange for a fee.

**Money** means currency, coins or bank notes in current use and having a face value; or travelers’ checks, register checks and money orders held for sale to the public.

**Owner** means any person that is an officer or executive of any corporation, has an interest in any limited liability company or is a partner of any partnership.

**Property** means tangible property, other than **Money** or **Securities**.

**Related Social Engineering Fraud Event** means all **Social Engineering Fraud Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

**Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or **Property**.

**Social Engineering Fraud Event** means the transfer of the **Insured Entity’s Money** or **Securities** to a person, place or account beyond the **Insured Entity’s** control by an employee of the **Insured Entity** acting in good faith reliance upon a verbal, written or electronic instruction that purported to be a legitimate **Transfer Instruction** but, in fact, was fraudulent.

**Social Engineering Fraud Loss** means loss of **Money** or **Securities** transferred by the **Insured Entity** in a **Social Engineering Fraud Event**.

**Transfer Instruction** means a verbal, written or electronic instruction purportedly from a **Client**, **Vendor** or employee of the **Insured Entity** to transfer **Money** or **Securities**.



AXIS PRO® ASAE  
PROFESSIONAL SERVICES LIABILITY

**Vendor** means any person or entity that provides goods or services to the **Insured Entity** pursuant to a written contract.

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**COMPREHENSIVE BUSINESS INTERRUPTION COVERAGE INCLUDING VOLUNTARY SHUTDOWN  
ENDORSEMENT**

<b>SCHEDULE OF COVERAGE</b>		
<b>Business Interruption Coverages</b>	<b>Coverages Aggregate Limit</b>	
	<b>\$1,000,000 Aggregate</b>	
	<b>Coverage Limit</b>	<b>Coverage Retention</b>
Business Interruption –Service Disruption	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Business Interruption – Service Failure	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Business Interruption –System Disruption	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Business Interruption – System Failure	\$1,000,000 Aggregate	Hourly Cap: NA Waiting Period: 8 Hours
Data Recovery Expense	\$1,000,000 Aggregate	\$2,500 Aggregate
<b>SCHEDULE OF SERVICE PROVIDERS</b>		
<i>(required only if <b>Service Disruption</b> Business Interruption Coverage applies)</i>		
Any entity providing <b>Service Provider Services</b> , provided that such services are provided pursuant to a written contract or agreement between the <b>Service Provider</b> and the <b>Insured Entity</b> that is in force at the time of the <b>Service Disruption</b>		
<b>NOTE:</b> <i>If an Hourly Cap is not stated above, then no Hourly Cap shall apply with respect to such Coverage.</i>		

*The Declarations is amended to add the above schedule. If a Limit of Insurance is not stated for any coverage in the above schedule, the Policy does not provide such coverage.*



It is agreed that:

- I. The following new coverage is added to the policy as a FIRST PARTY COVERAGE:

**Business Interruption Coverages**

The following Coverages apply only if the *SCHEDULE OF COVERAGE* displays a Limit of Insurance for such Coverage.

**A. System Failure and System Disruption Business Interruption Coverage**

Subject to the applicable Limits of Insurance, the Insurer will pay for loss of **Business Income** the **Insured Entity** sustains and **Extra Expense** it incurs during the **Period of Restoration** because of a **System Failure** or **System Disruption**.

**B. Data Recovery Expense Coverage**

Subject to the applicable Limits of Insurance and in excess of the **Retention**, the Insurer will pay the **Insured Entity** for **Data Recovery Expense** it incurs because of a **System Failure** or **System Disruption**.

**C. Service Failure and Service Disruption Business Interruption Coverage**

Subject to the applicable Limits of Insurance, the Insurer will pay for loss of **Business Income** the **Insured Entity** sustains and **Extra Expense** it incurs during the **Period of Restoration** because of a **Service Failure** or **Service Disruption**.

Provided, however, these coverages shall only apply if:

1. the **Insured** notifies the Insurer of the applicable **Disruption** immediately after such **Disruption** occurs. This notice must contain all known or reasonably obtainable information concerning the time and details of the **Disruption**, including information on the facts, circumstances, or **Cyber Attack** giving rise to such **Disruption**, as applicable;
2. the **Disruption** first occurs on or after the effective date of this endorsement and prior to the end of the **Policy Period**; and
3. as of the effective date of this endorsement, no **Control Group Insured**:
  - a. had given notice to any insurer of any fact or circumstance, including a threatened or actual **Cyber Attack** if applicable, that was reasonably likely to give rise to such **Disruption**;
  - b. knew or had a basis to know of any fact or circumstance, including a threatened or actual **Cyber Attack** if applicable, that was reasonably likely to give rise to such **Disruption**.

- II. Solely with respect to the coverage added by this endorsement, the following LIMITS OF INSURANCE AND RETENTION shall control:

---

**LIMITS OF INSURANCE AND RETENTIONS – BUSINESS INTERRUPTION COVERAGES**

---

- **Application of Business Interruption Coverages Limits**

The most the Insurer will pay under each applicable Business Interruption Coverage is set forth in the *SCHEDULE OF COVERAGE*. Such Limits apply to all loss of **Business Income** sustained, and all **Data Recovery Expense** and **Extra Expense** incurred, in any one **Policy Period** regardless of the number of **Disruptions** or **Cyber Attacks** or the number of computer systems involved. With respect to a **Disruption** that begins in one **Policy Period** and continues or results in subsequent loss or expense, all loss or expense is deemed to be sustained in the **Policy Period** in which such **Disruption** began. There is no coverage for loss of **Business Income** sustained or **Data Recovery Expense** or **Extra Expense** incurred after the **Period of Restoration** ends, even if the applicable Limits have not been exhausted.

- **Limits of Insurance**

1. **Policy Limit of Insurance**

The Policy Limit of Insurance stated on the Declarations is the most the Insurer will pay for all amounts covered under this policy.

2. **Aggregate Business Interruption Coverage Limit of Insurance**

Subject to the Policy Limit of Insurance, the Aggregate Business Interruption Coverages Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* of this endorsement is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverages A and C combined.

3. **System Failure and System Disruption Business Interruption Coverage Limit of Insurance**

- a. Subject to the Policy Limit of Insurance and the Aggregate Business Interruption Coverages Limit of Insurance, the **System Failure** Business Interruption Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverage A because of a **System Failure**.
- b. Subject to the Policy Limit of Insurance and the Aggregate Business Interruption Coverages Limit of Insurance, the **System Disruption** Business Interruption Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverage A because of a **System Disruption**.

4. **Data Recovery Expense Coverage Limit of Insurance**

Subject to the Policy Limit of Insurance, the **Data Recovery Expense** Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* is the most the Insurer will pay for all covered **Data Recovery Expense** under Coverage B.

5. **Service Failure and Service Disruption Business Interruption Coverage Limit of Insurance**

- a. Subject to the Policy Limit of Insurance and the Aggregate Business Interruption Coverages Limit of Insurance, the **Service Failure** Business Interruption Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* of this endorsement is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverage C because of a **Service Failure**.





- b. Subject to the Policy Limit of Insurance and the Aggregate Business Interruption Coverages Limit of Insurance, the **Service Disruption** Business Interruption Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* of this endorsement is the most the Insurer will pay for all covered **Business Income** and **Extra Expense** under Coverage C because of a **Service Disruption**.

- **Data Recovery Expense Coverage Retention**

Subject to the Aggregate Policy Retention, if any, the **Data Recovery Expense** Retention set forth in the *SCHEDULE OF COVERAGE* is the most the **Insured** shall be required to pay for all **Data Recovery Expense** incurred for each **System Failure** or **System Disruption**, regardless of the number of **System Failures** or **System Disruptions**.

- III. The section entitled EXCLUSIONS of the policy is amended to add the following new provision:

**Exclusion Applicable to Business Interruption Coverages**

In addition to applicable exclusions set forth elsewhere in the policy, this policy shall not apply to any **Business Income** loss, **Extra Expense**, **Data Recovery Expense**, or **Disruption** arising out of:

- **Electrical or Mechanical Failures**

directly or indirectly, electrical or mechanical failures, including power interruption, surge, spike, brownout or blackout, and outages to any utilities, but only if caused, directly or indirectly, by an event outside the **Insured's** control or direction, or outside the control or direction of a **Service Provider**, as applicable.

- **Government-Ordered Seizure or Destruction**

seizure, confiscation, nationalization, or destruction of **Information** or the **Computer System** by order of any governmental or public authority.

- IV. Solely with respect to the coverage added by this endorsement, the section entitled REPORTING OF CLAIMS AND EVENTS is amended to add the following provisions:

---

**REPORTING OF CLAIMS AND EVENTS – BUSINESS INTERRUPTION COVERAGES**

---

- **When a Disruption Occurs**

A **Disruption** will be deemed to occur when the **Disruption** becomes known to a **Control Group Insured**.

- **Reporting of a Disruption**

It is a condition precedent to coverage under **Business Interruption Coverages** that the **Insured** must notify the Insurer in writing immediately after a **Disruption** occurs. This notice must contain all known or reasonably obtainable information concerning the time and details of the **Disruption**, including all information on the facts, circumstances, or **Cyber Attack** giving rise to such **Disruption**.



V. Solely as respects the coverage added by this endorsement, the following definitions shall control:

**Business Income** means net profit, if any, that would likely have been earned or incurred before taxes. The **Insured Entity's** net profit referred to herein will be determined with due consideration to the **Insured Entity's** reasonably expected profit in the absence of any **Disruption**, based on its GAAP financial results in the fiscal year immediately preceding such **Disruption**. **Business Income** will be calculated on an hourly basis, not to exceed the applicable Hourly Cap. **Business Income** does not include income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions, including, but not limited to, those caused by the impact of an interruption to other businesses.

**Computer System** means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or intranet or connected with data storage or other peripheral devices and operated by and either owned by or leased to an **Insured Entity**.

**Cyber Attack** means the release or insertion by an **Outside Actor** of any computer virus, malware, Trojan horse, worm, or other code, script, or software into the **Computer System** for the purpose of gaining or enabling unauthorized access to the **Computer System**.

**Data Recovery Expense** means the actual and necessary costs to recover and restore **Information** that is altered, corrupted, destroyed, disrupted or deleted directly and solely as a result of a **System Failure** or **System Disruption** provided, however, such costs are limited to the recovery and restoration of **Information** from the **Insured Entity's** data backup of electronic data. **Data Recovery Expense** shall not mean and shall not include:

1. costs for creating, or developing **Information**, including without limitation software and trade secrets;
2. costs to update, upgrade, enhance **Information**;
3. costs to replace any computer system, or to identify or remove software program errors, malware, computer viruses or vulnerabilities.

**Disruption** means a **System Disruption**, **System Failure**, **Service Disruption**, and a **Service Failure**, as applicable.

**Extra Expense** means reasonable and necessary expenses incurred by the **Insured Entity**, in excess of its normal operating expenses, to promptly resume or conduct business operations after the occurrence of a **Disruption**, including those reasonable and necessary expenses to secure alternate or temporary locations, resources, and services for such purpose. **Extra Expense** shall not mean:

1. costs to recover and restore **Information**;
2. costs to research, recreate or redevelop **Information**;
3. costs to replace any computer system, or to identify or remove software program errors, malware, computer viruses or vulnerabilities.

**Information** means electronic data, including software, stored on the **Computer System** at the time of the **Disruption**, provided that such data is subject to the **Insured Entity's** regular backup procedures. **Information** does not mean digital currency records or any data concerning electronic fund transfers, digital currency, or transactions.

**Outside Actor** means a person or organization other than:

1. the **Insured Entity**, including any current or former employee, director, officer, partner, volunteer, or independent contractor of the **Insured Entity**, except any such employee acting outside the scope of his or her authority as such; or



2. any entity directly or indirectly controlled, operated, or managed by the **Insured Entity**, including any employee, officer, or director thereof, except any such employee acting outside the scope of his or her authority as such.

**Period of Restoration** means a consecutive period of time, not to exceed 90 days, beginning immediately after such date and time the **Waiting Period** expires and ending:

1. with respect to Coverage A., on the specific date and time the **Disruption** ends or should have ended with the **Insured Entity's** reasonable diligence and effort;
2. with respect to Coverage C., on the earlier of the specific date and time when:
  - a. the **Service Provider Services** are restored, or could have been restored if acting with reasonable diligence and effort, to the level that would have existed had there been no **Disruption**; or
  - b. the **Insured Entity** restores its business operations or could have restored its business operations if acting with reasonable diligence and effort, to the same conditions that would have existed had there been no **Disruption**.

**Service Disruption** means the measurable and material interruption or suspension of the **Service Provider's Network** that is directly caused by a **Cyber Attack**.

**Service Failure** means the measurable and material interruption or suspension of the **Service Provider's Network** that does not directly result from a **Cyber Attack**.

**Service Provider** means any entity stated in the SCHEDULE OF SERVICE PROVIDERS of this endorsement.

**Service Provider's Network** means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or intranet or connected with data storage or other peripheral devices operated by and either owned by or leased to a **Service Provider** that are specifically used by such **Service Provider** to provide **Service Provider Services**.

**Service Provider Services** means the following services provided pursuant to a written contract or agreement between the **Service Provider** and the **Insured Entity**:

1. hosted application services to an **Insured Entity**; or
2. processing, maintaining, or storing of electronic data for or on behalf of the **Insured Entity**,

**System Disruption** means a measurable and material interruption or suspension of the **Computer System** that is directly caused by a **Cyber Attack**.

**System Failure** means:

1. a measurable and material interruption or suspension of the **Computer System** that does not directly result from a **Cyber Attack**; or
2. a voluntary and intentional shutdown of a **Computer System** by the **Insured** reasonably believed by the **Insured** to be necessary to limit the **Business Income** loss and **Extra Expenses** that would otherwise be incurred.

**Waiting Period** means the number of hours stated in the *SCHEDULE OF COVERAGE* that must elapse after a **Disruption** occurs before the Insurer will become obligated to pay covered loss of **Business Income** and **Extra Expense** in connection with such **Disruption**. The **Waiting Period** commences immediately after the specific date and time the **Disruption** occurs.



VI. The **Assistance and Cooperation** condition is amended to add the following at the end thereof:

As respects **Business Interruption Coverages**, all **Insureds** will cooperate with the Insurer after a **Disruption** or **Cyber Attack** occurs by:

- a. making reasonable and diligent efforts to reduce or limit its loss of **Business Income** or its **Extra Expense** and **Data Recovery Expense**, including through the prompt continuation or resumption of its business operations by available existing means or by alternative means;
- b. assisting in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured Entity**;
- c. authorizing and assisting the Insurer in obtaining, accessing and inspecting records, property or any other relevant information.

VII. Solely with respect to the coverage added by this endorsement, the Other Insurance condition is deleted and replaced by:

- **Other Insurance**

If there is any other valid and collectible insurance available to the **Insured** that applies to any Coverage under this policy, this insurance is excess over such other insurance, except when the other insurance is specifically designed to apply in excess of this insurance, and no other insurance applies to the **Disruption** or **Cyber Attack**.

VIII. Solely with respect to the coverage added by this endorsement, the Merger or Acquisition condition is amended to add the following at the end thereof:

As respects Business Interruption coverages provided under this policy, coverage will continue under this policy until terminated, but only with respect to **Disruptions** and **Cyber Attacks** that occurred prior to such merger, consolidation, acquisition, or appointment. Coverage under this policy will cease as of the effective date of such merger, consolidation, acquisition, or appointment with respect to **Disruptions** and **Cyber Attacks** first occurring after such event.

IX. Solely with respect to the coverage added by this endorsement, the New and Former Entities condition is amended to add the following at the end thereof:

As respects Business Interruption coverages provided under this policy, there is no coverage for any **Disruption** or **Cyber Attack** occurring on or after the date such entity became a **Subsidiary**, which is logically or causally connected by any fact, circumstance, situation, event, or transaction to a **Disruption** or **Cyber Attack** that occurred prior to the date such **Subsidiary** became a **Subsidiary**.

X. Solely with respect to the coverage added by this endorsement, the Territory, Valuation and Currency condition is amended to add the following at the end thereof:

Coverage under this endorsement applies to **Disruptions** and **Cyber Attacks** taking place anywhere in the world where legally permissible. If any amounts covered by this policy are paid in a currency other than the official currency of the country where this policy was issued ("Official Policy Currency"), then the payment will be considered to have been made in the Official Policy Currency at the conversion rate published in the *Wall Street Journal* when the loss of **Business Income** began, or when the **Extra Expense** or **Data Recovery Expense** was incurred.



XI. The section entitled **GENERAL CONDITIONS** is amended to add the following new condition at the end thereof:

**Experts**

The **Named Insured** and Insurer each will have the right to demand that an expert determine the amount of covered **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. If the **Named Insured** or the Insurer makes a written request for an expert opinion, each will select a competent independent expert and notify the other of the expert's identity within twenty (20) business days. The two experts will then select a competent impartial umpire. The experts will then determine and state separately the amount of **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. If the experts agree on the calculated amount as the **Business Income** loss, **Extra Expense** or, the amount agreed upon will be the **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. If the experts fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement, itemized and signed by any two of these three will determine the amount of the **Business Income** loss, **Extra Expense** or **Data Recovery Expense**. Each expert will be paid by the party selecting the expert and the compensation of the umpire will be paid equally by the **Named Insured** and the Insurer. The use of such experts does not impact the Insurer's right to deny coverage nor any of the **Insured's** rights to pursue legal action available to it.

All other provisions of the policy remain unchanged.



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium
TBD	TBD	SPECIMEN	N/A

**CANCELLATION AND NONRENEWAL ENDORSEMENT – CALIFORNIA**

It is agreed that:

Except as specifically set forth herein, any Cancellation or Nonrenewal provision in this policy is replaced by the following. If the policy does not contain a Cancellation and/or Nonrenewal provision, the following is added to the policy:

**1. Cancellation**

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance notice of cancellation. Such advance notice of cancellation should be mailed or delivered to the address indicated in the Declarations under the item entitled Notices to Insurer.

**b. All Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for:

(a) Nonpayment of premium; or

(b) Discovery of fraud by:

i. Any insured or his or her representative in obtaining this insurance; or

ii. You or your representative in pursuing a claim under this policy.

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

**c. All Policies In Effect For More Than 60 Days**

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.



- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
  - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
  - (b) Continuation of the policy coverage would:
    - i. Place us in violation of California law or the laws of the state where we are domiciled; or
    - ii. Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- (8) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies.
- (9) Cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse.
- (10) A reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.

We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph c.1.

d. Premium Refund

If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the premium refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a premium refund.

2. Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.



b. We are not required to send notice of nonrenewal in the following situations:

- (1) If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
- (2) If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph 2.a.
- (3) If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- (4) If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- (5) If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- (6) If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph 2.a., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

As used herein, "us" and "we" refers to the insurance company named on the Declarations.

As used herein, "you", "your" or "named insured" refers to the person or entity first named as such on the Declarations.

If any provision of the policy contains cancellation or nonrenewal terms that are more favorable to the insured than those provided in this endorsement, then, except where prohibited by applicable state law, the more favorable terms control.

All other provisions of the policy remain unchanged.





AXIS PRO® ASAE  
PROFESSIONAL SERVICES LIABILITY

Effective Date of Endorsement	Policy Number	Premium
TBD	SPECIMEN	N/A

**Reputational Loss Coverage Endorsement**

SCHEDULE OF COVERAGE	
Limits of Insurance	
Reputational Loss Coverage Limit of Insurance	\$250,000
Retention	
Reputational Loss Retention	To Match Policy Retention Each Incident
<b>NOTE:</b> If an Hourly Cap is not stated above, then no Hourly Cap shall apply with respect to such Coverage.	

Information in the above schedule also may appear on the Declarations. If any information required on this schedule for a specific coverage does not appear in this Endorsement or on the Declarations, this policy does not provide such coverage.

It is agreed that:

- I. The following new coverage is added to the policy as a FIRST PARTY COVERAGE:

**Reputational Loss Coverage**

Subject to the applicable Limits of Insurance, the Insurer will pay for **Reputational Loss** the **Insured Entity** sustains during the **Notification Period** in excess of the applicable retention.

This coverage shall only apply if:

1. the **Insured** notifies the Insurer of the **Reputational Incident** in accordance with the section entitled REPORTING OF CLAIMS AND EVENTS;
2. the **Reputational Incident** first occurs on or after the effective date of this endorsement and prior to the end of the **Policy Period**;
3. as of the effective date of this endorsement no **Control Group Insured**:
  - a. had given notice to any insurer of any fact or circumstance that was reasonably likely to give rise to such **Reputational Incident**;
  - b. knew or had a basis to know of any fact or circumstance that was reasonably likely to give rise to such **Reputational Incident**; and
4. the **Named Insured** submits the required **Proof of Loss** within 90 days of the end of the **Notification Period**, but in any event no later than 90 days after the termination of the **Policy Period** due to expiration or earlier if cancelled or terminated for any other reason.





## AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY

- II. Solely with respect to the coverage added by this endorsement, the following LIMITS OF INSURANCE AND RETENTION shall control:

---

### LIMITS OF INSURANCE AND RETENTIONS – REPUTATIONAL LOSS COVERAGES

---

- **Application of Reputational Loss Coverage Limits**

The most the Insurer will pay under **Reputational Loss** Coverage is set forth in the *SCHEDULE OF COVERAGE*.

The **Reputational Loss** Limit of Insurance is the maximum payable by the Insurer for all covered **Reputational Loss** sustained in any one **Policy Period** regardless of the number of **Reputational Incidents**. With respect to a **Reputational Incident** that begins in one **Policy Period** and continues or results in subsequent loss or expense, all loss or expense is deemed to be sustained in the **Policy Period** in which such **Reputational Incident** began. There is no coverage for **Reputational Loss** sustained after the **Notification Period** ends, even if the applicable Limits have not been exhausted.

If a **Reputational Incident** gives rise to **Business Income** losses covered under this endorsement and also under any other coverage under this policy, including any Business Interruption Coverages, the Insurer will not be obligated to pay more than the highest Limit of Insurance applicable to such losses.

- **Limits of Insurance**

1. **Policy Limit of Insurance**

The Policy Limit of Insurance stated on the Declarations is the most the Insurer will pay for all amounts covered under this policy.

2. **Reputational Loss Coverage Limit of Insurance**

Subject to the Policy Limit of Insurance, the **Reputational Loss** Coverage Limit of Insurance set forth in the *SCHEDULE OF COVERAGE* is the most the Insurer will pay for all covered **Reputational Loss**.

- III. Solely with respect to the coverage added by this endorsement, the following provisions are added to the RETENTIONS section of the policy:

#### **Reputational Loss Coverage Retention**

Subject to the Aggregate Policy Level Retention, if any, the **Reputational Loss** Retention set forth in the *SCHEDULE OF COVERAGE* is the most the **Insured** shall be required to pay for all **Reputational Loss** incurred for each **Reputational Incident**, regardless of the number of **Reputational Incidents**.

- IV. Solely with respect to the coverage added by this endorsement, the section entitled EXCLUSIONS of the policy is amended to add the following new provision:

#### **Exclusion Applicable to Reputational Loss Coverages**

In addition to any other exclusions which may apply, this policy shall not apply to any incidents or **Reputational Loss** arising out of:

- **Government-Ordered Seizure or Destruction**



## AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY

seizure, confiscation, nationalization, or destruction of any property, information, data or systems of the **Insured** by order of any governmental or public authority.

- V. Solely with respect to the coverage added by this endorsement, the following REPORTING OF CLAIMS AND EVENTS provisions shall control:

---

### REPORTING OF CLAIMS AND EVENTS – BUSINESS INTERRUPTION COVERAGES

---

- **When a Reputational Incident Occurs**

A **Reputational Incident** will be deemed to occur when the **Reputational Incident** becomes known to, or reasonably suspected by, a **Control Group Insured**.

- **Reporting of a Reputational Incident**

It is a condition precedent to coverage under **Reputational Loss Coverage** that the **Insured** must notify the Insurer in writing immediately after a **Reputational Incident** occurs. This notice must contain all known or reasonably obtainable information concerning the time and details of the **Reputational Incident**.

- VI. The section entitled **DEFINITIONS** of the policy is amended to add the following new definitions:

**Business Income** means net profit, if any, that would likely have been earned or incurred by the **Insured Entity** before taxes. The **Insured Entity's** net profit referred to herein will be determined with due consideration to the **Insured Entity's** reasonably expected profit based on its GAAP financial results in the fiscal year immediately preceding the **Reputational Incident** and to the reasonable and probable business operations the **Insured Entity** could have performed had the **Reputational Incident** not occurred.

**Notification Period** means 30 days, beginning immediately on the date on which any individual first receives notice of the **Reputational Incident** from the **Insured Entity** if required or permitted under this policy's coverage for **Crisis Management Expense**.

**Proof of Loss** means a written, detailed statement signed under oath by a **Control Group Insured** that contains:

- a narrative with full details of the **Reputational Incident**, including the time, place, and cause or suspected cause of the **Reputational Incident**;
- all records and documents to support the **Insured Entity's** assessment of reasonably expected profit absent the **Reputational Loss**; and
- a detailed calculation of **Reputational Loss**.

**Reputational Incident** means an **Enterprise Security Event** or reasonably suspected **Enterprise Security Event** for which notification to affected individuals is made under this policy's coverage for **Crisis Management Expense**.

**Reputational Loss** means that loss of, or reduction in, **Business Income** resulting directly from a **Reputational Incident** during the **Notification Period**. Loss of **Business Income** shall not take into account any unusual or non-customary expenses or costs, including:

- Loss arising out of liability to a third party for any reason;



## AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY

- Legal costs or legal expenses relating to the **Reputational Incident**;
- Loss incurred or increased costs of doing business resulting from unfavorable business conditions;
- Loss of market or other consequential loss; or
- Costs or expenses the **Insured Entity** incurs to identify, investigate, respond to or remediate the **Reputational Incident**, including any expenses or cost incurred to prepare or submit **Proof of Loss**.

VII. The **Assistance and Cooperation** condition is amended to add the following at the end thereof:

As respects **Reputational Loss** Coverage, all **Insureds** will cooperate with the Insurer after a **Reputational Incident** occurs by:

- making reasonable and diligent efforts to reduce or limit its **Reputational Loss**;
- assisting in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured Entity**;
- authorizing and assisting the Insurer in obtaining, accessing and inspecting records, property or any other relevant information, including, upon the Insurer's request, submitting to an examination under oath regarding the basis of the claim for **Reputation Loss**.

VIII. The **Merger or Acquisition** condition is amended to add the following at the end thereof:

As respects **Reputational Loss** Coverage provided under this policy, coverage will continue under this policy until terminated, but only with respect to **Reputational Incidents** that first occurred prior to such merger, consolidation, acquisition, or appointment. Coverage under this policy will cease as of the effective date of such merger, consolidation, acquisition, or appointment with respect to **Reputational Incidents** first occurring after such event.

IX. The **New and Former Entities** condition is amended to add the following at the end thereof:

As respects the **Reputational Loss** Coverage provided under this policy, there is no coverage for any **Reputational Incident** occurring on or after the date such entity became a **Subsidiary**, which is logically or causally connected by any fact, circumstance, situation, event, or transaction to a **Reputational Incident** that occurred prior to the date such **Subsidiary** became a **Subsidiary**.

X. The **Territory, Valuation and Currency** condition is amended to add the following at the end thereof:

Coverage under this endorsement applies to **Reputational Incidents** taking place anywhere in the world. If any amounts covered by this policy are paid in a currency other than the official currency of the country where this policy was issued ("Official Policy Currency"), then the payment will be considered to have been made in the Official Policy Currency at the conversion rate published in the *Wall Street Journal* when the loss of **Business Income** began.

XI. The section entitled **GENERAL CONDITIONS** is amended to add the following new conditions at the end thereof:

### **Experts**



## AXIS PRO® ASAE PROFESSIONAL SERVICES LIABILITY

The **Named Insured** and Insurer each will have the right to demand that an expert determine the amount of covered **Reputational Loss**. If the **Named Insured** or the Insurer makes a written request for an expert opinion, each will select a competent independent expert and notify the other of the expert's identity within twenty (20) business days. The two experts will then select a competent impartial umpire. The experts will then determine and state separately the amount of **Reputational Loss**. If the experts agree on the calculated amount as the **Reputational Loss** or the amount agreed upon will be the **Reputational Loss**. If the experts fail to agree within a reasonable time, they will submit only their differences to the umpire. A written agreement, itemized and signed by any two of these three will determine the amount of the **Reputational Loss**. Each expert will be paid by the party selecting the expert and the compensation of the umpire will be paid equally by the **Named Insured** and the Insurer. The use of such experts does not impact the Insurer's right to deny coverage nor any of the **Insured's** rights to pursue legal action available to it.

All other provisions of the policy remain unchanged.

	Apr 20	Jan - Apr 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget	Revised Budget
Ordinary Income/Expense							
Income							
4000 · OPERATING REVENUES							
4100 · Membership Dues							
4110 · Dues - Municipal	16,645.00	181,310.00	251,700.00	-70,390.00	72.03%	251,700.00	233,876.00 \$17k in mem income 4/2019 to 12/2019. Budgeted an additional \$5k for 2020
4120 · Dues - Other Gov	300.00	3,805.00	0.00	3,805.00	100.0%	0.00	0.00
4130 · Dues - Commercial	2,640.00	42,680.00	0.00	42,680.00	100.0%	0.00	0.00
4140 · Dues - Retired	81.00	1,081.00	0.00	1,081.00	100.0%	0.00	0.00
4150 · Dues - Education	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total 4100 · Membership Dues	19,666.00	228,876.00	251,700.00	-22,824.00	90.93%	251,700.00	233,876.00
4200 · Interest Income	3,583.35	8,152.34	7,200.00	952.34	113.23%	20,000.00	20,000.00
4302 · Magazine Advertising	0.00	1,400.00	4,333.36	-2,933.36	32.31%	13,000.00	4,200.00 YTD actual times 3
4303 · Job Board Post - Member	4,025.00	43,800.00	47,000.00	-3,200.00	93.19%	141,000.00	131,400.00 YTD actual times 3
4490 · Budget/CAFR Fees	0.00	300.00	0.00	300.00	100.0%	16,950.00	15,000.00 slight reduction
Total 4000 · OPERATING REVENUES	27,274.35	282,528.34	310,233.36	-27,705.02	91.07%	442,650.00	404,476.00
Total Income	27,274.35	282,528.34	310,233.36	-27,705.02	91.07%	442,650.00	404,476.00
Gross Profit	27,274.35	282,528.34	310,233.36	-27,705.02	91.07%	442,650.00	404,476.00
Expense							
6100 · OPERATING EXPENSES							
6105 · Marketing/Membership	0.00	9,336.33	7,240.00	2,096.33	128.96%	13,000.00	10,000.00 do not expect any marketing/membership purchases for remainder of 2020
6106 · Storage Expense	0.00	460.22	333.36	126.86	138.06%	1,000.00	1,000.00
6110 · President's Expense							
6111 · Presidents CSMFO- Gifts	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6112 · Presidents CSMFO-Dinner	0.00	22.95	0.00	22.95	100.0%	0.00	0.00
6110 · President's Expense - Other	0.00	2,291.09	2,500.00	-208.91	91.64%	10,400.00	5,000.00 GFOA registration will be reimbursed, but do not expect any additional presidential travel for 2020
Total 6110 · President's Expense	0.00	2,314.04	2,500.00	-185.96	92.56%	10,400.00	5,000.00
6115 · Board of Directors							
6116 · Board Meeting Expenses	0.00	2,664.83	1,700.00	964.83	156.76%	5,100.00	5,100.00 left as budgeted, in case planning session still held
6115 · Board of Directors - Other	0.00	527.60	0.00	527.60	100.0%	0.00	0.00
Total 6115 · Board of Directors	0.00	3,192.43	1,700.00	1,492.43	187.79%	5,100.00	5,100.00
6120 · Committee/Chapter Support							
6121 · Committee Support	0.00	573.59	0.00	573.59	100.0%	0.00	0.00
6122 · Chapter Support	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6120 · Committee/Chapter Support - Other	0.00	158.99	20,000.00	-19,841.01	0.8%	60,000.00	20,000.00 reduction due to decrease in in-person activities
Total 6120 · Committee/Chapter Support	0.00	732.58	20,000.00	-19,267.42	3.66%	60,000.00	20,000.00
6125 · Board Planning Session-Retreat	0.00	6,000.00	2,000.00	4,000.00	300.0%	45,500.00	45,500.00 left as budgeted, in case planning session still held
6140 · Management Services							
6143 · Management Services	13,751.89	55,007.55	77,266.72	-22,259.17	71.19%	231,800.00	231,800.00
6146 · Consultants							
6146.10 · Consultant Reimbursement	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6146 · Consultants - Other	10,000.00	19,200.00	3,200.00	16,000.00	600.0%	10,000.00	30,000.00
Total 6146 · Consultants	10,000.00	19,200.00	3,200.00	16,000.00	600.0%	10,000.00	30,000.00
6470 · Coaching Program Consultant	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total 6140 · Management Services	23,751.89	74,207.55	80,466.72	-6,259.17	92.22%	241,800.00	261,800.00
6150 · Office Supplies	122.44	202.03	106.72	95.31	189.31%	320.00	500.00 slight increase due to YTD actuals being higher than anticipated
6155 · Merchant Fees/Bank Chgs.	2,645.18	14,854.19	10,000.00	4,854.19	148.54%	30,000.00	30,000.00
6160 · Awards	0.00	162.32	500.00	-337.68	32.46%	5,000.00	5,000.00
6165 · Printing							
6166 · Printing, copying, and admin	90.04	966.96	666.72	300.24	145.03%	2,000.00	2,000.00
6167 · Directory	0.00	9,934.26	2,000.00	7,934.26	496.71%	12,000.00	12,000.00
6165 · Printing - Other	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total 6165 · Printing	90.04	10,901.22	2,666.72	8,234.50	408.79%	14,000.00	14,000.00
6170 · Magazine	0.00	0.00	9,000.00	-9,000.00	0.0%	15,000.00	20,000.00 actual printing/mailling expenses for conf mag were just over \$15k, plus the \$3k design expense
6175 · Postage	125.20	559.23	1,000.00	-440.77	55.92%	3,000.00	3,000.00
6185 · Telephone/Bridge Calls	110.44	220.88	533.36	-312.48	41.41%	1,600.00	1,600.00

	Apr 20	Jan - Apr 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget	Revised Budget
6190 · Web and Technology							
6191 · DataBase Expense	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6192 · Web site	0.00	2,619.98	0.00	2,619.98	100.0%	0.00	0.00
6195 · Web Site Hosting Fee	1,868.98	4,118.98	0.00	4,118.98	100.0%	0.00	0.00
6198 · Technology Initiatives	0.00	59.99					
6190 · Web and Technology - Other	0.00	12,840.00	8,333.36	4,506.64	154.08%	25,000.00	25,000.00
Total 6190 · Web and Technology	1,868.98	19,638.95	8,333.36	11,305.59	235.67%	25,000.00	25,000.00
6200 · Travel/Staff Expenses	-1,023.56	0.00	3,000.00	-3,000.00	0.0%	5,000.00	0.00 no travel to GFOA
6220 · Audit & Tax Filing	0.00	0.00	0.00	0.00	0.0%	9,000.00	9,000.00
6230 · Insurance	0.00	1,759.00	2,000.00	-241.00	87.95%	2,000.00	5,000.00 increased due to additional insurance to be recommended by the Admin Com
6240 · Taxes							
6242 · Current Year Taxes	0.00	0.00	40,000.00	-40,000.00	0.0%	40,000.00	40,000.00
6246 · Prior Year Taxes	0.00	4,150.00	0.00	4,150.00	100.0%	0.00	0.00
Total 6240 · Taxes	0.00	4,150.00	40,000.00	-35,850.00	10.38%	40,000.00	40,000.00
6255 · GFOA Reception	0.00	6,500.00	0.00	6,500.00	100.0%	25,000.00	0.00 reception canceled
Total 6100 · OPERATING EXPENSES	27,690.61	155,190.97	191,380.24	-36,189.27	81.09%	551,720.00	501,500.00
6900 · OTHER EXPENSES							
6970 · One-Time Budgeted Expenses	0.00	4,136.73	25,000.00	-20,863.27	16.55%	25,000.00	25,000.00
Total 6900 · OTHER EXPENSES	0.00	4,136.73	25,000.00	-20,863.27	16.55%	25,000.00	25,000.00
9950 · Prior Period Adjustment	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total Expense	27,690.61	159,327.70	216,380.24	-57,052.54	73.63%	576,720.00	526,500.00
Net Ordinary Income	-416.26	123,200.64	93,853.12	29,347.52	131.27%	-134,070.00	-122,024.00
Other Income/Expense							
Other Income							
Total 4501 · Chapter Income	-150.00	1,995.00	33,332.00	-31,337.00	5.99%	100,000.00	100,000.00
4500 · PROGRAM REVENUES							
8000 · Conference Revenue							
Total 8000 · Conference Revenue	-500.00	1,383,188.27	1,319,255.00	63,933.27	104.85%	1,319,255.00	1,382,608.27 actual
4503 · Contributions and Donations							
Total 4503 · Contributions and Donations	0.00	167.00					
4504 · Education income							
4505 · Webinar	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
4520 · Weekend Training							
4525 · Training Event Income	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
4520 · Weekend Training - Other	0.00	0.00	0.00	0.00	0.0%	20,200.00	0.00 anticipate cancellation
Total 4520 · Weekend Training	0.00	0.00	0.00	0.00	0.0%	20,200.00	0.00
4540 · Fundamentals of Rates, Fees	-150.00	-5,100.00	0.00	-5,100.00	100.0%	0.00	0.00 anticipate no new revenues, to be conservative
4570 · Intro to Government	-1,500.00	11,476.00	3,000.00	8,476.00	382.53%	13,125.00	11,476.00
4580 · Presentation/Fiscal Policy	0.00	0.00	1,300.00	-1,300.00	0.0%	3,900.00	0.00
4590 · Intermediate Government Acct	-1,050.00	-300.00	13,300.00	-13,600.00	-2.26%	39,900.00	0.00
4594 · CMTA/CSMFO Course	0.00	0.00	3,000.00	-3,000.00	0.0%	3,000.00	0.00
4595 · Revenue Fundamentals	0.00	5,100.00	2,000.00	3,100.00	255.0%	6,000.00	5,100.00
4596 · Revenue Fundamentals II	0.00	0.00	2,000.00	-2,000.00	0.0%	6,000.00	0.00
4597 · Developing Supervisory Skills	0.00	200.00	3,336.00	-3,136.00	6.0%	10,000.00	200.00
4598 · Leadership Skills	0.00	0.00	3,336.00	-3,336.00	0.0%	10,000.00	0.00
Total 4504 · Education income	-2,700.00	11,376.00	31,272.00	-19,896.00	36.38%	112,125.00	16,776.00
Total 4500 · PROGRAM REVENUES	-3,200.00	1,394,731.27	1,350,527.00	44,204.27	103.27%	1,431,380.00	1,399,384.27
8999 · YM Import Items	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total Other Income	-3,350.00	1,396,726.27	1,383,859.00	12,867.27	100.93%	1,531,380.00	1,499,384.27
Other Expense							
6401 · Chapter Expenses							
Total 6401.79 · Current Year Chapter Expenses	9,875.05	16,005.26	33,336.00	-17,330.74	48.01%	100,000.00	100,000.00
6401 · Chapter Expenses - Other	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
Total 6401 · Chapter Expenses	9,875.05	16,005.26	33,336.00	-17,330.74	48.01%	100,000.00	100,000.00
6400 · PROGRAM EXPENSES							

	<u>Apr 20</u>	<u>Jan - Apr 20</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>	<u>Revised Budget</u>
9000 · Conference Expenses							
Total 9000 · Conference Expenses	8,178.22	1,302,731.33	1,379,297.00	-76,565.67	94.45%	1,379,297.00	1,303,231.33 actual
6404 · Education Expenses							
6420 · Weekend Training	0.00	0.00	0.00	0.00	0.0%	25,000.00	0.00 anticipate no new expenses
6430 · Intro to Government							
6430.10 · Intro to Govt Account - Reimbur	1,020.87	4,102.27					
6430 · Intro to Government - Other	0.00	0.00	0.00	0.00	0.0%	14,875.00	4,102.27
Total 6430 · Intro to Government	1,020.87	4,102.27	0.00	4,102.27	100.0%	14,875.00	4,102.27
6445 · Fundamentals of Rates Expense	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6450 · Presentation/Fiscal Policy							
6450.10 · Pres. Fiscal Policy Reim. Exp.	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6450 · Presentation/Fiscal Policy - Other	0.00	0.00	4,630.00	-4,630.00	0.0%	4,630.00	0.00
Total 6450 · Presentation/Fiscal Policy	0.00	0.00	4,630.00	-4,630.00	0.0%	4,630.00	0.00
6480 · Intermediate Governmental Acct.	0.00	149.67	7,970.00	-7,820.33	1.88%	33,970.00	149.67
6594 · CMTA/CSMFO Course Exp	0.00	-122.55	0.00	-122.55	100.0%	1,900.00	0.00
6595 · Revenue Fundamental Expense	0.00	0.00	0.00	0.00	0.0%	6,000.00	0.00
6596 · Revenue Fundamental Expense II	0.00	0.00	6,000.00	-6,000.00	0.0%	6,000.00	0.00
6597 · Developing Supervisory Skills							
6597.10 · Dev. Sup. Skills reimbursement	0.00	0.00	0.00	0.00	0.0%	0.00	0.00
6597 · Developing Supervisory Skills - Other	0.00	0.00	0.00	0.00	0.0%	12,350.00	0.00
Total 6597 · Developing Supervisory Skills	0.00	0.00	0.00	0.00	0.0%	12,350.00	0.00
6598 · Leadership Skills	0.00	0.00	0.00	0.00	0.0%	12,350.00	0.00
Total 6404 · Education Expenses	1,020.87	4,129.39	18,600.00	-14,470.61	22.2%	117,075.00	4,251.94
Total 6400 · PROGRAM EXPENSES	9,199.09	1,306,860.72	1,397,897.00	-91,036.28	93.49%	1,496,372.00	1,307,483.27
Total Other Expense	19,074.14	1,322,865.98	1,431,233.00	-108,367.02	92.43%	1,596,372.00	1,407,483.27
Net Other Income	-22,424.14	73,860.29	-47,374.00	121,234.29	-155.91%	-64,992.00	91,901.00
Net Income	-22,840.40	197,060.93	46,479.12	150,581.81	423.98%	-199,062.00	-30,123.00



---

#### COMMUNICATIONS COMMITTEE UPDATE

---

Date: Thursday, May 18, 2020  
From: Karla Romero, Chair

The Communications Committee has not held a meeting since March 19, 2020. However, the Committee is looking forward to gradually resuming CSMFO News with guidance from a membership survey conducted in early May.

Many members continue to work under immense pressure with multiple unknown conditions and grave strains on resources, including monetary and to workforces. Keeping this in mind, the Committee will review pending articles ready for publication and compare them with survey results to determine which would be applicable with minor edits under current desires from membership.

The Committee will host a meeting on Thursday, May 21<sup>st</sup> at 1:30pm.





## MEMBERSHIP COMMITTEE MINUTES

---

Date: Wednesday, April 15, 2020  
Time: 3:30 p.m.  
Zoom Meeting: <https://zoom.us/j/926093293> or by phone +1 669 900 6833  
Meeting ID: 926 093 293

### Agenda Items

1. Introductions / Roll Call

In attendance:

Vice Chairs- Stephanie Reimer, Kate Zawadzki

Staff- Melissa Manchester, Zach Seals

Committee Members- Margaret Moggia, Margaret O'Brien, Mark Petrasso, Chu Thai

2. Membership Renewal Update to the Board

CSMFO renewals appear to be behind where we usually are. Some of this is attributed to the recent shelter in place order (renewals were extended to 4/30/20), but there is some concern that this was a trend prior to the SIP order. Had a conversation around how we keep members and how do we grow when agencies are hurting financially. It was suggested that we could do outreach to non-renewing agencies, but this has not proven to be productive in the past.

3. Consideration of "Early Career" Membership Classification

Discussion of: what it means to be a member, voting rights, duration, mini membership cohorts?

4. 2020 Strategic Plan

a. Engage small and large agencies

Kate to share outreach list to non-participating member agencies, along with script/questions, to several members. Goal is to provide update on status of calls at next Membership meeting.

b. Create opportunities for one-on-one member interactions

Discussed opportunities along the lines of a cohort, one-on-one coaching, updating the coaches gallery, and speed coaching.

5. 2021 Annual Conference

Looking at a giveaway of beanies again because they were so popular in 2020.

6. Other Information & Announcements

GFOA will be hosting a virtual conference this year in light of the physical distancing in place. Sessions will be recorded and available for viewing later.

Discussed opportunities for socializing while physically distancing; Margarita Mentoring, Tequila Teaching, Wine Webinars.

7. Next Meeting – Thursday, May 21st at 3:30 p.m.



Melissa Manchester &lt;melissa@mmm-management.com&gt;

## Notes from April 30 Chapter Chair Call

1 message

Margaret Moggia &lt;MargaretM@westbasin.org&gt;

Fri, May 1, 2020 at 10:02 PM

To: "chapterchairs@csmf.org" &lt;chapterchairs@csmf.org&gt;

Cc: Chu Thai <chu@revenuecost.com>, Jennifer Wakeman <jwakeman@ci.lafayette.ca.us>, Melissa Manchester <melissa@mmm-management.com>, Marcus Pimentel <marcus.pimentel@santacruzcounty.us>, Steve Heide <sheide@chofire.org>, David Garrison <dgarrison@smithmooreassoc.com>, "Teri org" <teri.anticevich@staff.csmfo.org>, Karla Romero <kromero@laquintaca.gov>, Laura Nomura <nomural@emwd.org>, Matt Pressey <mattp@ci.salinas.ca.us>, Margaret Moggia <MargaretM@westbasin.org>, Richard Lee <rlee@cityofsanmateo.org>

## Notes from April 30 Chapter Chair Call

In attendance

Alberto, Dan, Derek, Debbie, June, Kyle, Michelle, Carrie, Rich, Stephen, Margaret, Jennifer, Chu, Melissa

On April 30, several chapter chairs, board members, the Executive Director, and members of the student engagement team met to discuss opportunities to connect members and see if and how each chapter is planning upcoming meetings.

Below is a list of comments and ideas shared

1. While the Board has extended the no in person events through July 5, we are not certain at this time if this time will be extended again.
2. Even if in person meetings are possible, would members be interested or able to attend.
3. No chapters have begun planning and some wanted to know how they can support CSMFO
4. Consider Zoom chapter meetings and in person meetings in the schedule
5. Zoom meetings can be beneficial to remote parts of the state
6. Chapter chairs may need support / training to run Zoom meetings

Suggestions for Zoom chapter meetings

1. Round table discussions / open discussion
2. Consider just a time for people to connect and see each other - no program
3. Chapters to host a meeting post CDC webinar to discuss the topics - perhaps we can develop prompt questions to provide to Chapter Chairs to lead the discussion.
4. As CDC is covering topics on COVID-19 through webinars, chapters should focus on other topics
5. Perhaps consider some positive and uplifting meetings

In addition Jennifer and Chu shared their effort to work with Chapter Chairs on student engagement. They are looking for the chair, vice chair or another member who can work with the Student Engagement Committee to bring students to the local chapters by connecting with the local colleges and universities. If Chapter chairs can reach out to Jennifer at [jwakeman@ci.lafayette.ca.us](mailto:jwakeman@ci.lafayette.ca.us) with someone who can work with them, it would be very much appreciated.

As we are developing our events/Zoom meetings, let's see how we can better coordinate the days across the state and with our other training opportunities so members can take full advantage of these Zoom meetings.

Stay well,

Margaret Moggia