I certify that the information contained in this report is true.

Christine M Keller, Executive Director & CEO  Date

11/30/2020

Note: All data are from November 1, 2019 to October 31, 2020 unless otherwise noted.

Global Policy Language
The Executive Director will not cause or allow Association assets to be unprotected, inadequately maintained or unnecessarily risked.

Interpretation
The interpretations and evidence for Policy A thru Policy I reasonably demonstrate that the Executive Director does not cause or allow Association assets to be unprotected, inadequately maintained, or unnecessarily risked.

Evidence
In aggregate, the evidence provided for Policy A thru Policy I in this report demonstrate that the Executive Director has implemented or maintained appropriate and reliable safeguards, standards, processes, and systems to protect and maintain the Association assets – including AIR’s financial capital, human capital, reputation, intellectual property, and material property.

A. Policy Language
The Executive Director will not allow Board members, staff, and the Association itself to be inadequately insured against theft, casualty, and liability losses.

Interpretation 1
AIR will have an annual external review of existing insurance coverage by a certified insurance or risk management professional to verify that AIR is adequately covered against theft, casualty, and liability losses.

Evidence 1
The last external review of existing insurance was in August of 2019. Arrangements for the 2020 review were disrupted when our agent unexpectedly retired and his assistant also left the company. While the Association, staff, and Board members remain adequately covered against theft, casualty, and liability losses
as detailed in interpretation #2, plans are underway to investigate new options for insurance brokers during the first quarter of 2021.

**Interpretation 2**
AIR will continually carry adequate insurance to protect against typical business claims and losses.

**Evidence 2**

The following insurance policies were in effect throughout the reporting period.

- Workers Compensation
- Commercial Umbrella
- Business Owners:
  - General Liability Insurance
  - Improvements/Betterments/Content Insurance former office space
  - Content Insurance at server farm (*discontinued after 6/30/2019, due to implementation of new technology systems*)
  - Content Insurance at current office space
  - Content Insurance at rented storage unit
- Content Insurance at rented storage unit
- Employee Dishonesty
- Directors’ and Officers’ Liability Insurance
- Building Insurance at former office space (policy holder is condominium association) for building and for general liability.

**B. Policy Language**

*The Executive Director will not unnecessarily expose the Association, its Board or staff to claims of liability.*

**Interpretation 1**

- AIR will have an annual external review of human resources policies and practices by a human resource professional to minimize the risk of employment liability claims.
- Once every two years, the AIR Employee Handbook will be reviewed by a human resource professional to ensure that it does not unnecessarily expose AIR to claims of liability in employment cases.
Evidence 1
Taken together, the evidence below demonstrates prudent actions to protect the Association from the risk of employment liability claims.

- AIR’s HR consultant, Linda Barineau H R Solutions, LLC conducted an audit in October 2019, and included a review of employment recordkeeping, personnel files, operational policies, practices and processes, compliance, and general best practices. No significant exposures to liability claims were identified. Steps were taken in early 2020 to incorporate recommendations into AIR practices and policies.

- The last comprehensive review of the AIR Employee Handbook by a human resource consultant was completed in 2017, and a revised version implemented in January of 2018. Plans for the next comprehensive review in 2020 were postponed due to resource constraints caused by the coronavirus pandemic. However, it continues to be important source of guidance and is updated by the executive director as appropriate, with the input of AIR’s human resources consultant. In addition, the employee handbook was part of the HR audit in late 2019 and no issues were found. As the risk of exposure is low, the full review is planned for 2022.

Interpretation 2
Adequate levels of insurance will be maintained to protect the Association, staff, and Board members in the event of a liability claim.

Evidence 2
The insurance policies related to liability were in effect throughout the reporting period.

- Workers Compensation
- Commercial Umbrella
- Business Owners General Liability Insurance
- Employee Dishonesty
- Directors’ and Officers’ Insurance
- Building Insurance at former office space (policy holder is condominium association)
C1. Policy Language

*The Executive Director will not make any purchase ... (1) wherein normally prudent protection has not been given against conflict of interest.*

**Interpretation**
- AIR staff and Board members will annually provide a statement of potential conflicts of interest, which will be used to compile a list of high concern vendors and clients, if any.
- Compliance with the executive limitations policies regarding large purchases and/or commitments provide transparency on financial activities and protection against conflict of interest.
- AIR staff will annually sign an acknowledgement of the policies and standards of conduct outlined in the current Employee Handbook – including policies related to conflict of interest such as acceptance of gifts, reward points, confidentiality, and obligating the organization.

**Evidence**
Taken together, the evidence below demonstrates prudent protection and transparency to guard against conflicts of interest in purchasing.
- All AIR staff signed and/or updated a conflict of interest statement in January 2020. AIR board members from the 2019-20 Board and the 2020-21 Board signed and/or updated a conflict of interest statement in May of 2019 and May/June of 2020 – either at the 2019 Forum or via email in 2020. No high concern vendors or clients were identified.
- The Financial Conditions and Activities monitoring reports (Policies F & G) provide transparency in large purchases and prudent protection against conflict of interest.
- All AIR staff, including the Executive Director, signed an acknowledgement of the policies and standards (e.g., acceptance of gifts, reward points, confidentiality, and obligating the organization) outlined in the Employee Handbook in January 2020.

C2. Policy Language

*The Executive Director will not make any purchase ... (2) of over $50,000 without having obtained comparative prices and quality.*

**Interpretation**
Purchases decisions over $50,000 will be supported with evidence of price and value comparisons.

**Evidence**
No purchase decisions for amounts between $50,000 and $99,999 occurred during the reporting period. (Any purchases of $100,000 and above are covered in C3 below.)
C3. Policy Language
*The Executive Director will not make any purchase ... (3) of over $100,000 without a stringent method of assuring the balance of long term quality and cost. Orders shall not be split to avoid these criteria.*

**Interpretation**
Purchase decisions for goods or services over $100,000 will include either comparative pricing and valuation or open bidding and will be subject to one or more of the following - on-site inspection, reference checks with prior customers, national benchmarks, ratings of service, and expert advice.

[Note: Per executive limitation F within the Financial Conditions and Activities policy, the Executive Director is obligated to disclose any purchase or commitment of more than $100,000 but less than $250,000 to the Board within seven working days. The Executive Director is prohibited from making purchases or commitments of more than $250,000 by executive limitation G within the same policy.]

**Evidence**
No purchase decisions over $100,000 occurred during the reporting period.

D. Policy Language
*The Executive Director will not allow intellectual property, information and files to be exposed to loss or significant damage.*

**Interpretation 1**
All contracts with subject matter experts to develop content for education services will contain a clear statement about the ownership of intellectual property rights.

**Evidence 1**
For the development of educational content, AIR uses a template contract signed by all parties and, which states that the content or work performed is “work for hire” (solely owned by AIR) or shared copyright (both parties have ownership rights).

**Interpretation 2**
All data within AIR’s systems will be securely stored and backed-up at least once per day with appropriate attention to redundancy and durability.
Evidence 2
AIR’s management and financial systems are maintained through Software-as-a-Service (SAAS) providers. All SAAS providers back up no less than once a day, and database transactions can be restored to the point of failure. All data are stored in secure locations, with multiple redundancies, 24/7 monitoring, and backup/restoration processes tested regularly.

E. Policy Language

The Executive Director will not receive, process, or disburse funds under controls that are insufficient to meet the Board appointed auditor’s standards.

Interpretation
AIR annual audits (OMB A-133 Single Audit and a standard financial audit) will result in auditors’ reports that contain no negative opinion about the representation of financial position, and no matters that necessitate reporting under the Government Auditing Standards Board (GASB) auditing requirements.

Evidence
The Report of Independent Auditors issued by Thomas Howell Ferguson, PA on May 26, 2020, to the AIR Board of Directors states the following.

- “In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association for Institutional Research, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.” (p. 2)
- “In our opinion, the schedule of expenditures of federal awards and the schedule of findings and questioned costs relating to federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.” (p. 2)

F. Policy Language

The Executive Director will not compromise the independence of the Board’s audit or other external monitoring or advice. Engaging parties already chosen by the Board as consultants or advisers is unacceptable.

Interpretation 1
The annual audit reports will include a positive evaluation of the support of the Executive Office in the production of the audit, following the standards for independence that are normal and usual in financial audits.

Evidence 1
The independent auditor’s Report to Those Charged with Governance issued by Thomas Howell Ferguson,

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1 Financial Statements and Other Financial Information, Association for Institutional Research (2019)
on May 26, 2020, states “We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Association’s financial and accounting personnel.” (p. 4)

**Interpretation 2**
The Executive Office will issue no additional payments or contracts to the Board’s selected auditor beyond the Board-authorized engagement (includes the annual audit and the preparation of the 990 form).

**Evidence 2**
The Executive Office did not engage the Board-selected auditor of Thomas Howell Ferguson, PA for any services beyond the board authorized engagement.

**Interpretation 3**
The Executive Office will issue no contracts or payments to organizations or individuals selected by the Board to conduct independent evaluations of the Association and/or Executive Office staff.

**Evidence 3**
The Executive Office did not contract with or pay any organizations or individuals hired by the Board for evaluation.

**G. Policy Language**

>*The Executive Director will not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than A- rating at any time, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.*

**Interpretation 1**
AIR’s checking account will be fully secured through FDIC insurance, which is limited to $250,000 per bank.

**Evidence 1**
AIR uses a money market “sweep account” to adjust the checking account balance so that funds are under $250,000 at the close of each business day. This ensures that the account is fully insured.
Interpretation 2
- The money market “sweep account” will be an interest-bearing account.
- The money market “sweep account” used to adjust the checking account balance will be fully insured by U.S. Treasury Funds that meet the A- rating.

Evidence 2
- The money market “sweep account” is pegged off a basket of short-term treasury bonds. The rate of return varies and because of its high level of liquidity its rate of return is well below 1%.
- The money market “sweep account” funds were invested in a U.S. Treasury Fund rated A- or better throughout the reporting period.

H. Policy Language
*The Executive Director will not endanger the organization’s public image, credibility, or its ability to accomplish Ends.*

Interpretation
The Executive Director will ensure the following.
- Contract deliverables will be met for the RTI subcontract.
- Scheduled deliverables will be met for externally funded projects.
- There will be no credible allegations that AIR engaged in criminal activity.
- There will be no credible legal actions against AIR for breach of contract.
- There will be no actions by any governmental agency that limits AIR’s activities as a recognized 501(c)3 non-profit educational association.

Evidence
Taken together, the evidence below demonstrates that AIR’s public image, credibility, and its ability to accomplish the Association’s Ends were not compromised during the reporting period.
- The deliverables within the RTI subcontract for a comprehensive set of IPEDS training activities were achieved during the most recent reporting period (August 2019 to July 2020).
- Only one set of deliverables was scheduled during the reporting period – those associated with the AccessLex/AIR Dissertation and Research Fellows Program. Those deliverables were met.
- No credible allegations of criminal activity occurred during the reporting period.
- No credible legal action for breach of contract occurred during the reporting period.
- No actions were taken by any governmental agency that curtails AIR’s activities or endangers AIR’s position as a recognized 501(c)3 non-profit educational association.
I. Policy Language

*The Executive Director will not change the organization’s name or substantially alter its identity in the community.*

**Interpretation**

- The Association’s legal and recognized name – the Association for Institutional Research, or AIR – will continue to be used.

- The Executive Office will maintain a relevant, contemporary, and coherent brand identity for the Association.

**Evidence**

While changes to the Association’s name or radical alterations to the Association’s identity are prohibited by this policy, it is important that AIR’s marketing and communication strategies are modern, effective, visible, and reflect changes within the profession and in higher education.

- No changes to the use of the Association’s name occurred during the reporting period.

- An updated and comprehensive marketing plan – including a more consistent and refreshed brand and logo – was implemented in early spring of 2020.