



**INDEPENDENT
POOL & SPA
SERVICE ASSOCIATION, INC.**

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POLICIES AND PROCEDURES

(Revision Date February 5, 2010: reimbursement of meal expenses)

The following policies have been established since the inception of IPSSA, Inc. by the members of the Board of Regional Directors. These policies have been made in an effort to standardize IPSSA operations and to clarify issues that arise from time to time. At the time of the re-structuring of IPSSA into a non-profit organization and IPSSA Management Company, a wholly-owned subsidiary being formed, the policies were re-structured into two separate documents.

ASSOCIATE MEMBERS

ADVERTISING IN *THE IPSSAN*: Advertising in *The IPSSAN* will be limited to Associate Members. All ads in *The IPSSAN* will be limited to specifications in the advertising rate sheet. All other companies have the option to pay for flyers for insertion. (6/22/91)

ANNUAL REVIEW OF ASSOCIATE MEMBERS: An Annual Review of Associate Members will take place each year prior to the annual billing.

All Associate Members will be sent a letter on or about April 1 which will include the following current information known by IPSSA: name of company, address, telephone number, fax number, name of contact person, e-mail address and web-site. The company will be asked to review the information and approve or make any changes. A signature, title of person signing and date will be requested and a stamped return envelope to the Financial Office will be included. All Associate Members will be requested to return this information by May 1.

In addition, a review of all Associate Members holding a California State Contractor's License (or licenses required in Arizona, Nevada and Texas) will be made by the Associate Member chairman who will contact the CSLB by telephone to determine if any complaints are on file. If there are complaints and/or pending litigation that is serious enough to question that member's continued relationship with IPSSA, the Associate Member chairman will contact the company for further clarification.

Any current or prospective associate member in the business of contracting (including but not limited to altering, repairing, improving, or modifying real property) shall provide a certificate of commercial general liability insurance as a condition of their associate membership with IPSSA, with a limit of not less than \$500,000. (8/5/06)

All of the above data will be presented to the BORD at its May or June meeting and a vote will be taken to approve Associate Members for the upcoming year (excluding any member from the general vote that may be questionable based on data from CSLB or other sources). Those companies will be voted on individually. If there is a vote to disapprove a company from continued Associate membership, the IPSSA attorney will be contacted to compose an appropriate letter to be signed by the Associate Member chairman and sent to that company. All annual billings will be mailed on July 1 to members in good standing.

AMENDED: Renewal of associate members will be administered by the Executive Office and will not require approval by the BORD each year. (5/6/06)

DUES AND FEE PAYMENT SCHEDULE: Following the regular billing period, all Associate Members will be given 60 days to pay advertising fees and/or dues or they will be suspended until payment is received. If payments for dues and/or advertising are not paid in full by 60 days of invoice date, a \$200 reinstatement fee will be assessed. (8/16/03)

Starting with the 2003 billings, associate member dues will be increased to \$850 per year, with a \$200 discount given if paid within 60 days of the statement date. (5/17/03)

Effective 2006, associate membership renewals will be invoiced on an anniversary basis. (5/6/06)

Amounts of dues increases must be specified in writing in the minutes and members must be notified in writing 30 days before the increase goes into effect. (2/1/08)

ASSOCIATE MEMBERS/CHAPTER SUPPORTERS: Chapters shall not discriminate against Associate Members in favor of chapter supporters, nor shall Associate Members be pressured into becoming chapter supporters. (6/22/96)

AFFILIATED ASSOCIATE MEMBERS: IPSSA members may become Affiliated Associate Members if they have a product that is in production, marketed and readily available to pool service technicians. The fee will be \$300 a year. The only benefit available will be advertising in *The IPSSAN* and they will not be listed on the back page of *The IPSSAN* nor will they receive any other Associate Member privileges. (4/18/98)

PURCHASE OF ASSOCIATE MEMBER COMPANY: If an associate member is purchased by another company, the associate member dues will be considered paid in full until the next expiration. However, the new company will need to submit a completed associate member application form, before the next BORD meeting, for approval. (8/16/03)

CHAPTER MEETINGS: Although associate members should have priority as chapter meeting speakers, they should schedule their time at meetings in advance. (8/4/07)

BOARD OF REGIONAL DIRECTORS & BORD MEETINGS

TERMS:

TERM OF OFFICE FOR BORD MEMBERS: A replacement director shall not be precluded from succeeding him or herself as long as his/her time in office as a replacement director does not exceed 50% of the original term. (11/21/98)

All elected BORD members and chapter officers will assume their duties at the Annual Meeting. (2/22/02)

BORD MEMBERS/CONCURRENT OFFICES: BORD members will not concurrently hold an elected chapter office. (11/12/94)

TERMS FOR ADMINISTRATIVE/FINANCIAL OFFICES: A BORD member who has held the position of Administration or Financial chairman in a given year may hold one of those positions during a succeeding year. (11/6/04, revoking the 11/21/98 policy)

OTHER:

BORD OFFICERS: Because of California Corporation law which requires corporate officers, the Board of Regional Directors will elect officers on an annual basis. A rotating chairman will continue to preside at the BORD meetings. (3/31/90)

PAID POSITION REVIEW: The BORD shall periodically review all paid positions (independent contractors and employees) with a maximum time between reviews not to exceed four years. (11/14/92)

WRITTEN REGIONAL REPORTS: Effective 1996, all regional reports will be submitted in writing and distributed to the BORD members a week prior to the BORD meeting. (11/11/95)

QUORUM AT BORD MEETINGS: Once a quorum has been established at a BORD meeting, a majority of that quorum is required to pass any motion. (11/4/00)

BORD ATTENDANCE AT LEADERSHIP SEMINARS: All incoming, outgoing and ongoing BORD members are required to attend the Leadership Seminar each year. (11/4/00)

BORD MEETINGS: All BORD meetings held in 2002 (with the exception of the Installation weekend) will be in the vicinity of LAX. The chair of the meetings will continue to rotate.

AMENDED: Starting with the next meeting the BORD will return to the traditional method of rotating meetings throughout different regions. (4/13/02)

BORD DINNERS: IPSSA will host dinner expenses for BORD members, their spouses, representatives from financial, insurance and executive offices and invited guests at BORD meetings. (6/22/02)

BORD-APPOINTED LIAISONS: BORD-appointed liaisons will be reviewed and vote on for either renewal or change at the installation meeting of the newly constituted BORD. The term of the position will run for a period of one year, concurrent with the standing BORD or at the discretion of that BORD. Written reports from liaisons will be due no less than two weeks prior to each BORD meeting to both the Outreach Committee and the executive office. (6/22/02)

INSTALLATION BANQUET: Complimentary Installation Banquet tickets for former BORD members will be limited to those who have served during the two years prior to each banquet. (11/9/02)

If a BORD member is unable to attend the leadership banquet, his/her complimentary tickets can be assigned to another person in the region. (1/16/06)

EXECUTIVE OFFICE AND FINANCIAL OFFICE COMPENSATION REVIEW: the BORD shall review the compensation of the executive and financial offices under the direction of the Administration and Finance committees on a yearly basis. Such reviews and any changes in compensation to be recommended by the committee shall occur prior to the November meeting so that any such changes will be reflected on the next year's proposed budget. (2/6/04)

OFFICER ELECTION PROCEDURES: Prior to each annual meeting any member who will be sitting on the new BORD and desiring to seek any of the offices of the corporation (being president, chief financial officer or secretary) shall submit to the executive director a letter of intent to seek that office. After the annual meeting, as set forth in the IPSSA bylaws, the new BORD shall meet for the election of those officers. That meeting shall be chaired by the executive director or someone designated by the BORD if the executive director is not available. All those who have submitted letters of intent shall be given the opportunity orally to make their case for election to the office for which they have declared. Members in nomination may be asked to leave the room during discussion of their candidacies. After all discussion a vote by written ballot shall take place monitored by the executive director who shall tally the votes and declare the results. The ballots shall then be destroyed by the executive director. (2/6/04)

INDUSTRY TRADE SHOWS: A maximum of five BORD members and the executive director should participate at industry trade shows. Spouse travel-related expenses at trade shows will not be covered. (11/6/04)

IPSSA will provide two complimentary half-page black and white ads for national and regional industry trade shows, in exchange for exhibit space at those shows. Show seminar schedules will be published on a space-available basis. (8/4/07)

GUESTS: Member guest comments during BORD meetings will be heard at the discretion of and on the terms set by the BORD at each particular meeting. Question and answer time will be available at the end of each BORD meeting. (8/6/05)

NON-BUDGETED DISBURSEMENTS: Any non-budgeted disbursement of more than \$15,000 should be presented to regional Boards for discussion 30 days before the BORD decides to make that disbursement. (5/6/06)

REIMBURSEMENT OF EXPENSES:

1. **Purpose** -- The Board of Regional Directors (BORD) of the Independent Pool and Spa Service Association (IPSSA) recognizes that BORD members and officers of IPSSA may be required to travel or incur other expenses from time to time to conduct association business and to further the mission of this non-profit organization. The purpose of this policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) a uniform and consistent approach exists for the timely reimbursement of authorized expenses incurred by officers and directors. It is the policy of IPSSA to reimburse only reasonable and necessary expenses actually incurred by officers and directors.

When incurring business expenses, IPSSA expects officers and directors to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend IPSSA's money as carefully and judiciously as the individual would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent, except for mileage reimbursement, in which case, purpose of trip and mileage driven appropriate.

2. **Reimbursable Travel** -- The following qualify for reimbursable travel:

- All BORD meetings and related conferences.
- Trade Shows (for those approved by the entertainment committee).
- Committee meetings, as approved by the respective committee chair.
- Travel and other reasonable expenses required to perform duties as Regional Director: ie: travel to regional and chapter meetings, etc.
- All other travel undertaken at the request of the President.

3. **Expense Report** -- All requests for reimbursement shall be made using the standard IPSSA expense report. The report may be downloaded from the IPSSA website, or by contacting the financial office. The expense report shall be submitted within 30 days of the completion of travel (if travel reimbursement is requested) and must include:

- The individual's name.
- If reimbursement for travel is requested, the date, origin, destination and purpose of the trip.
- The amount of each expense categorized under the appropriate expense report line item with supplemental description, if needed.

All expense reports must be signed and dated by the Officer or Director requesting the reimbursement.

4. **Receipts** -- Receipts are required for all expenditures in excess of \$25. No expense in excess of \$25 will be reimbursed to officers or directors unless the individual requesting reimbursement submits with the expense report written receipts from each vendor showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable).
5. **Reimbursable Expenses** -- The following expenses are considered reimbursable:
 - Airfare: The lowest available coach fare should be booked (e.g. 21 day advance purchase). Board meeting dates are published well in advance allowing for timely reservations. For events not associated with an approved conference or board meeting (e.g. chapter visits or approved trade shows), advance approval of the CFO is required and a determination as to whether air or an alternative mode of travel will be made. Costs related to upgrades utilizing frequent flyer miles are not reimbursable. Delays (weather, mechanical) in travel beyond the control of the individual will generally be considered reimbursable; however a full justification/explanation and appropriate documentation must accompany the expense report.
 - Lodging: For IPSSA BORD meetings and approved trade shows are booked by the Executive Office at negotiated hotel rates. Other lodging expense should be pre-approved by the respective committee chair, or the finance committee.
 - Transportation: (i) – If by personal car the current IRS mileage rate should be used. The cost should not exceed the lowest available airfare, plus necessary ground transportation. (ii) Transportation to and from the airport to hotels should be by the lowest cost available – i.e. – hotel/airport shuttle, taxi, however, rental cars will be reimbursed, if needed. The mileage deduction is not applicable for rental car usage; only the actual cost of the rental car and any gasoline purchased will be reimbursed.
 - Parking/Tolls: Parking costs and tolls incurred when using your personal vehicle or rental car are reimbursable.
 - Meals: Meal costs, including tip, are authorized up to \$80.00 per person daily average per event when conducting IPSSA business outside of BORD meetings. Every care should be taken to ensure that costs are kept to a reasonable level. (2/5/10)
 - Airport Parking: Airport parking costs are reimbursable. Individuals should select the lowest cost option.

- Spouse Expenses: IPSSA will reimburse BORD member's spouse (or significant other) expenses only when that person accompanies the BORD member at IPSSA BORD meetings.

Spouse travel-related expenses at industry trade shows will not be eligible for reimbursement. Spouse meal expenses at trade shows are reimbursable up to \$80 per day. (11/7/09)

- Airfare for Chapter Representatives: If a spouse does not travel with the BORD member, one (1) representative can be selected from a regional Board to travel in the spouse's place. The one representative will have his/her travel paid through BORD expense. If an additional room or other expenses are incurred, the BORD will not reimburse the expense. All reservations made will be at the lowest rate available.
- Telephone Postage, Photocopying: These expenses are to be itemized on a monthly basis on the reimbursement of expenses form and submitted to the Financial Office.

6. **Non-Reimbursable Expenditures** -- IPSSA maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a nonprofit organization. Expenses that are not reimbursable include, but are not limited to:

- Personal alcohol other than that provided at the hospitality suite and at IPSSA provided dinners at BORD meetings (5/2/09)
- Fees for upgrades of air, hotel and auto costs
- Entertainment
- Personal travel during an IPSSA trip
- Spousal expenses except as described above
- Limousine travel
- Business conferences which are not approved by the President or related committee chair.
- Laundry service
- Traffic citations
- Auto repairs
- In-room movies, costs for use of hotel gym, massage or sauna
- In-room internet access for personal, non-business related use

7. **Exceptions** -- Exceptions to this policy must have the prior written approval of the Chief Financial Officer.

(12/2/08)

Requests for reimbursement of BORD meeting expenses should be made within thirty days of that meeting. (5/6/06)

The CFO is not authorized to sign checks payable to him or herself. (8/2/08)

IPSSA CREDIT CARDS: Expense report forms and back-up documentation for IPSSA credit card statements must be received within 30 days after requested by the financial office. Failure to do so will result in loss of credit card privileges. (11/7/09)

COMMITTEE BUDGETS: Committee chairs will be responsible for keeping within their budgets. The chair must get approval from the BORD to go over budget, with a specific plan and dollar amount. (11/3/07)

Committee chairs must approve expenses incurred by any non-BORD members who serve on their committees. (5/3/08)

Expenses for BORD-appointed persons who are conducting business on behalf of IPSSA will be reimbursed upon approval by the appropriate committee chair. (8/2/08)

Committees must have BORD approval to spend more than \$2,500 for non line item expenses allotted to that committee. (5/3/08)

Chairs of committees must give detailed line item budgets for their committee's 2008 annual budget allowance and for all budget processes going forward. (5/3/08)

The Executive Committee will oversee the budget and expenditures for the annual meeting and the BORD meetings. (11/7/09)

CHAPTER CHECKING ACCOUNTS: Each year all regional directors must sign a document authorizing chapters to open new checking accounts. (11/3/07)

AUDIT COMMITTEE CHARTER AND POLICY: The primary role of the audit committee is to instill confidence that the funds of the organization are used in a manner consistent with good financial practice. This includes making certain that funds are used only for the purposes for which they were intended and in ways that do not violate the principles that resulted in tax-exempt status.

The Audit Committee, also known as the Finance Committee, is to be composed of the Chief Financial Officer who will act as chair, the Assistant Financial Officer, the President (CEO), along with other BORD members who may be invited to sit on the Finance Committee.

The Independent Pool and Spa Service Association Board of Regional Directors (BORD) delegates to the Audit Committee the following responsibilities:

- Oversee financial office responsibilities, including:
 - a) Development and refinement of policies and procedures.
 - b) Implementation of established policies and procedures.
 - c) Oversight of internal control structure.
 - d) Oversight of monthly accounting and fund investments.

- Oversee budget development and tracking.
- Review financial statements prior to being finalized.
- Review the Form 990 that is filed with the Internal Revenue Service (IRS).

The IPSSA officers have specific legal obligations to ensure that IPSSA provides full, fair, accurate, timely, and understandable financial reports and internal controls. Officers may not divulge confidential or proprietary information except as authorized by the chief executive officer.

Any officer who knows, or has reason to believe, of violations to this or other IPSSA policies and procedures is expected to report the violation to the CEO. Reporting may be anonymous. No officer will be subject to retaliation, discrimination, or other adverse treatment for reporting known or suspected violations of this and other IPSSA policies and procedures. Each year, IPSSA officers are required to state in writing that they have no knowledge of material violations to this and other IPSSA policies other than those that may have been previously reported, if any.

(12/2/08)

JOINT VENTURE POLICY: This Joint Venture Policy of the Independent Pool and Spa Service Association requires that the organization evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard the organization's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

- 1) Joint ventures or similar arrangements with taxable entities. For purposes of this policy, a joint venture or similar arrangement (or a venture or arrangement) means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the organization controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:
 - a) 95% or more of the venture's or arrangement's income for its tax year ending within the organization's tax year is excluded from unrelated business income taxation [including but not limited to:
 - i) dividends, interest, and annuities;
 - ii) royalties;
 - iii) rent from real property and incidental related personal property except to the extent of debt-financing; and
 - iv) gains or losses from the sale of property; and
 - b) the primary purpose of the organization's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
- 2) Safeguards to ensure exempt status protection. The organization will:

- a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the organization's exempt status is protected; and
- b) take steps to safeguard the organization's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
 - i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the organization;
 - ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 - iii) that the venture or arrangement not engage in activities that would jeopardize the organization's exemption; and
 - iv) that all contracts entered into with the organization be on terms that are arm's length or more favorable to the organization.

(12/2/08)

POLICY ON THE PROCESS FOR DETERMINING COMPENSATION: This Policy on the Process for Determining Compensation of the Independent Pool and Spa Service Association applies to the compensation of staff or independent contractors who manage the business of the association.

The process includes all of these elements: (1) review and approval by the Board of Regional Directors or compensation committee of the organization; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

1. Review and approval. The compensation of the firm(s) is reviewed and approved by the Board of Regional Directors or compensation committee of the organization, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
2. Use of data as to comparable compensation. The compensation of the firm(s) is reviewed and approved using data as to comparable compensation for similarly qualified firms.
3. Contemporaneous documentation and recordkeeping. There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

(12/2/08)

CHAPTERS AND REGIONS

NUMBER OF MEMBERS IN A CHAPTER: Chapters should have at least ten members in order to maintain a sick member's route. (3/20/88)

CLAIMS BY NEW CHAPTERS ON PREVIOUS CHAPTERS: If members leave a chapter in good faith to form a new IPSSA chapter, regardless of motivation or numbers, there will be no claims on any funds from the original chapter except for any prepaid services. (3/20/88)

START UP LOANS TO NEW CHAPTERS: All new chapters, on request, will receive a \$100 grant for start-up expenses, effective January 1, 1989. (1/21/89) (Revision): New chapters requesting the \$100 start-up grant shall return the money to IPSSA at the end of one year. (3/11/89) Revised: All new chapters, on request, will receive a loan of up to \$500 for start-up expenses, to be repaid at the end of one year. (11/12/05)

NEW CHAPTERS: When forming a new chapter, all charter members who are not already members of IPSSA will be given the Screening New Members test and be required to pass the test. All subsequent new members will be required to pass the test as well as attend three monthly meetings. (3/13/92). The Regional BORD member will administer the test. (3/13/92).

NEW CHAPTERS: "Guidelines for Formation of a New Chapter" shall be used for all new chapters effective immediately. (6/27/92)

BANK ACCOUNTS: All financial reporting entities (chapters and regions) must hold verifiable bank accounts. (11/12/94)

DIRECT DEPOSIT OF CHAPTER FUNDS: Chapter funds will be distributed via direct deposit into the chapter accounts. Funds will be withheld until a completed authorization card is received by IPSSA Inc. (6/5/99)

SICK LEAVE ROUTE COVERAGE: All chapters are required to have a written sick route coverage plan submitted to the IPSSA Executive Office. New chapters must submit their plans within six months after formation or be subject to dissolution. (2/2/91)

SICK ROUTE CARDS: Sick route and contact cards (IPSSA forms SR 1 and SR2) are adopted for all new chapters, effective January 1996. Existing chapters are encouraged to accept and adopt the cards. (9/30/95)

SUBMISSION OF TAX DATA INFORMATION: All chapters are required to submit financial data to IPSSA Inc. a minimum of once a quarter. This information must be in the form of bank statements and detailed check registers. (9/28/91) This policy was later revised wherein chapters' distributions will be held by the IPSSA if tax data reports are not submitted by the last day of the month following the end of each quarter. Due dates: 4/30; 7/31; 10/31; and 1/31. (3/13/92)

FINE FOR CHAPTERS FAILING TO PROVIDE TAX DATA ON A TIMELY BASIS: Effective July 1, 1994, chapters/regions failing to provide tax data to IPSSA Inc. within thirty days following the end of each quarter will be fined \$50 plus \$2 per day thereafter until all required data is submitted. If extenuating circumstances occur, the chapter

should contact its Regional Director who will then present the case to the BORD.
(5/14/94)

ANNUAL LEADERSHIP SEMINAR: It is mandatory that all incoming chapter presidents and incoming treasurers attend the annual Leadership Seminar. (3/11/95)

FINE FOR FAILING TO ATTEND LEADERSHIP SEMINAR: Chapter presidents and treasurers who take office in the previous election period are required to attend the subsequent leadership seminar. If they fail to attend the chapter will be fined \$250 for each person (2/7/03)

LEADERSHIP SEMINAR TRAVEL FUNDS: IPSSA will provide up to \$1,000 for each new chapter for travel expenses to leadership seminars. (11/12/05)

TERMS OF OFFICE: All elected BORD members and chapter officers will assume their duties at the Annual Meeting.

Chapters are required to notify the Financial Office of the results of chapter elections by the end of the year. (5/6/06)

BYLAWS: All chapters and regions of IPSSA are prohibited from having or establishing bylaws. They, however, are encouraged to have standing rules, policies and procedures to better govern their chapters and/or regions. Any chapter or region not complying shall be in violation and could cause termination, suspension or expulsion under Section 4.7 of IPSSA's bylaws. (8/10/02)

EXPANSION POLICY: Expansion will be divided into two distinct areas, Existing Area Expansion and New Area Expansion. Existing Area Expansion (EAE) includes the states within which IPSSA has Regions. New Area Expansion (NAE) includes any of the other States. Only states will be considered, not individual cities.

GOALS, PROCEDURES AND REPORTS (EAE)

Goals:

1. Increase membership in each existing chapter by 5% per year.
2. Increase chapters as new areas develop following the urban sprawl.
3. Increase chapters as numbers grow within existing chapters to insure manageable size of chapters to accomplish individual chapter goals.

Procedures:

1. Impress upon members the importance of networking with non-members and explaining the benefits of belonging to a legal association with full range of insurance benefits to include life insurance.
2. Maintain and/or expand the educational benefits at chapter level by utilizing Associate member guest speakers and letting them know we are expanding and seeking new members.

3. Maintaining the IPSSA Information boards at the various distributors, to include Chapter President names and chapter meeting locations.

Reports

1. Region reports at BORD meetings should contain complete census data on each chapter as well as a region wrap.
2. Regional Directors should monitor chapters to determine if more chapters are needed to cover the respective geographical areas to make chapter meetings more accessible and attract members who under current alignment do not want to travel great distances.

New Area Expansion (NAE)

Considerations

1. Requirements for IPSSA to do business in the state and the need to contact and retain legal assistance.
2. Time and distance from current operating locations.
3. Availability of personnel to perform over extended periods. BORD Members change annually. Ongoing committee assignments.
4. Funding availability that is budgeted as opposed to evaluation of every issue.
5. New states with at least 40 members may be designated prospective Regions.
6. A need for 150 interested service techs to insure viability.

Plans

1. Committee would need to evaluate the items under consideration then make contact with distributors to get mailing lists if available, numbers of service companies.
2. Once an area of interest is identified, a tabletop type set up in distributors would be coordinated. Minimum of three day effort in one geographical area. One day at each distributor in the area.
3. Sign in sheets, handouts even our booth if available. Identify potential leaders or POCs that could help facilitate coordination. Our personnel should be well versed on all IPSSA benefits, history and our Industry goals.
4. A minimum of two trips per season, well publicized and may be Bar-B-Q lunches at each location.
5. Follow up correspondence to all interested parties.
6. All trips must be well planned and not spur of the moment incursions.

Procedures

1. Identify an area
2. Gather data, numbers, POCs, associate members willing to provide any type of assistance.
3. Set up a schedule, because a well planned out trip will reflect on our organization.
4. Team designated to go must be knowledgeable, competent and reflect high standards of true professionals.

5. Presentation rehearsal before the BORD to prepare them for questions and responses.
6. Utilize the same personnel as much as possible to create ongoing recognition.

Implementation

- 1) The expansion committee will identify a leader in the new area and the BORD will confirm or deny that person as the leader of a prospective region and confirm the recognition of a prospective region.
 - a) Appointed leader would be responsible for acting as a Regional Director for the chapters which are formed in the prospective Region.
 - b) Appointed leader would be responsible for carrying the proxy votes of each chapter to the sponsoring Region's regional meeting whether by telephonic meeting or in person.
 - c) There must be a minimum of 40 members enrolled in chapters in the new area to be considered for prospective Region status.
- 2) The leader of the prospective Region will have no vote with the BORD, but will be required to travel to and participate in the BORD meetings and file reports/updates.
- 3) All chapters in the prospective Region must comply with new chapter startup procedures that require a minimum of 10 members per chapter with a Chapter Board, sick route plan, pass the IPSSA exam & have a chapter attendance plan as outlined in IPSSA Guidelines for Formation of New Chapters.
- 4) Prospective Region will have quarterly meetings following the same rules as set forth in IPSSA Bylaws regarding Regions: 6.2 b., c., e., f. and g.
- 5) The prospective region remains part of the census of an existing Region (sponsoring region) until such time as qualifications are met to be a separate New Region.
- 6) The prospective Region leader will be reimbursed for travel and other expenses incurred on behalf of the prospective Region.
- 7) Prospective Regions need to attain a membership of 150 or more members within 2 years of being designated a prospective Region. Once a prospective Region is designated it is the responsibility of the elected leaders in the prospective Region to plan and implement policies so as to achieve the minimum number of members in the time allocated. Guidance and assistance will be provided by the Host Region, Expansion Committee, & IPSSA Inc.. After the two year period, the BORD will review the progress and growth of the prospective Region and vote on extending the prospective Region for another year term. These extensions may be renewed as the BORD deems necessary for completion of the qualifications.
- 8) When the prospective Region reaches the goal of 150 members, then a motion to confirm that prospective Region as a New Region will be on the agenda of the next BORD meeting. The prospective Region will vote to elect a Regional Director before that BORD meeting.

(5/15/04, revised 11/1/08)

HOW TO HANDLE A COMPLAINT FROM A MEMBER OF YOUR CHAPTER:

1. Any member of IPSSA can file a complaint.

2. A complaint must be filed with the chapter president in writing.
3. The chapter president must inform his/her regional director immediately of the complaint and keep the regional director informed of any actions taken.
4. The chapter president will handle the complaint and add it to the agenda for the next chapter Board meeting. The chapter president is responsible for documenting all correspondence, conversations, and information relating to the complaint.
5. The chapter Board can take any of the follow actions:
 - Decide the complaint has merit and make a ruling on the matter.
 - Decide the complaint has merit and refer it to a specially appointed hearing committee to make a ruling on the matter. Within ten days of the hearing, the member making the complaint will be notified in writing regarding the hearing, date, time, and location.
 - Decide the complaint does not have merit.
6. Any decision by the chapter Board must be recorded in the chapter Board's minutes, and communicated in writing to the member who made the complaint.
7. Once read it shall be determined valid or not valid.
 - **Valid:** a certified letter shall be sent out to both parties involved. The letter shall include:
 - **Not Valid:** a certified letter shall be sent to the member submitting the grievance. Explaining why it was determined not valid.
8. After the grievance is heard and a decision is taken to expel or suspend the accused member. A certified letter shall be sent to the accused member.
9. Expulsion: When expelling a member you shall inform the member of his rights. These rights are located in IPSSA bylaws under Article IV, Section 4.7.c.1-6; Procedure for Expulsion or Suspension. A copy of this Article should be included with this letter.
10. It is always good to speak the suspended or expelled member of his\her rights.
11. Steps to Appeal.
 - a. Chapter
 - b. Region
 - c. Board of Regional Directors (BORD)

12. The President should notify the Regional Director when a grievance is filed by a member before any action is taken.

13. All procedures found in IPSSA bylaws, standing rules, and policies and procedures shall be followed.

(11/12/05)

MATCHING GRANTS: A matching grant fund of \$25,000 per year shall be budgeted by the BORD for assisting individual regions and chapters for community involvement, safety programs, and promoting IPSSA to the public. The spirit of the matching grant is to foster IPSSA promotions by facilitating new ideas from individual members, chapters and regions.

The matching grant funds shall be allocated evenly by region in each given year. In the event that a region does not request funds in a given year, that region's representative may elect to reallocate their portion to the matching grant fund for redistribution. Any redistribution of funds must be approved by the BORD.

The BORD will match, dollar for dollar, up to the budget amount once a matching grant is approved by the regional Board.

Each region shall determine how to use its allotment of funds without BORD approval once it has been approved by the regional Board.

Individual members, chapters and regions of IPSSA in good standing qualify for matching grants.

- Matching grant requests must be submitted in writing to the regional director.
- The regional director shall qualify the request to meet the spirit of the matching grant program.
- The region must approve the grant by either a regional Board meeting, regional Board teleconference, or e-mail ballot, and the results will be posted in the regional minutes.
- The regional director shall then request the funds from the IPSSA BORD president or chief financial officer without BORD approval, as long as the requested amount does not exceed the region's budgeted amount.

The BORD shall review the matching grant program on a year-to-year basis and may elect to increase or decrease the fund in the following year's budget as it fits the need of IPSSA. (8/4/07)

CONTRACT SIGNING AUTHORITY: Chapters and/or regions shall not enter into contractual agreements without receiving prior approval from the IPSSA Executive Office. Chapters/regions shall submit these documents well in advance so as to permit review by legal counsel, at the discretion of the Executive Office. This does not apply to

contracts for the use of facilities in which to hold regular meetings by chapters and/or regions. (11/1/08)

EDUCATION

WATER CHEMISTRY CERTIFICATION TEST ADMINISTRATION: BORD members may appoint members in their regions they deem qualified and who are water chemistry certified to administer the IPSSA water chemistry exam in their regions. (11/9/02)

Effective May 1, 2007, the IPSSA water chemistry certification exam will be based on IPSSA's *Basic Training Manual-Part 1* and will be made available on-line. Hard-copy versions of the exam can be made available upon request. (2/2/07)

Prospective members taking the Basic Water Chemistry Exam online have ten opportunities to pass before they are shut out of the website. At that time the president of the chapter they are attempting to join will be notified. The president, after contacting the individual, can determine if the test should be administered personally or if the website should be enabled for an additional ten opportunities. If the individual still is unable to pass the test the Regional Director will be notified. (11/7/09)

CERTIFICATE: All persons who pass the water chemistry exam will receive the same certificate, regardless of their membership status. (4/13/02)

INDIVIDUALS WHO PASS THE WATER CHEMISTRY CERTIFICATION TEST PRIOR TO BECOMING IPSSA MEMBERS: Will be issued an IPSSA Certificate and decal upon joining IPSSA. (9/25/93)

WATER CHEMISTRY CERTIFICATION: All IPSSA members in Los Angeles County who hold a current L.A. County Health Department license will receive an IPSSA certificate and decal in lieu of taking the IPSSA test. (10/1/94). In order for all of IPSSA to be consistent as it relates to the IPSSA Water Chemistry Certification test, the 1994 policy exempting Regions 3 and 4 from taking the test be rescinded. This motion does not affect members of Regions 3 and 4 who qualified under the 1994 policy. (8/28/99)

LANGUAGE BARRIERS: If because of language barriers or learning disabilities a member fails to pass but demonstrates due diligence in attempting to pass the IPSSA Water Chemistry test, s/he may submit in writing for a thirty-day extension. The regional director has the sole discretion to accept or deny any extension. (2/22/02)

MANDATORY PASSING OF WATER CHEMISTRY TEST: Anyone applying for membership after March 1, 2004, must pass the IPSSA water chemistry exam before becoming a full member. (2/6/04)

Members of all regions and/or chapters that are created after March 1, 2007 must pass the IPSSA water chemistry exam within six months of filing a valid membership application form. It will be the responsibility of the chapter president and/or regional

director to monitor this requirement. 24 months after creation, chapters and regions no longer will qualify for this exception. (5/3/08)

SUBMISSION OF TESTS TO EXECUTIVE OFFICE: All answer sheets for tests shall be sent to the IPSSA Executive Office by a BORD member or an appointed test administrator within seven days of being administered or that BORD member's region or that test administrator's chapter will be charged \$100. Regional Directors will be notified when fines are assessed. (2/13/98, 5/14/05, and 5/6/06)

EDUCATIONAL REBATES: A continuing educational scholarship fund is established in the amount of \$200 to any California member who acquires a C-61 license; any Arizona member who gets a C-6 or L-6; any Texas member who completes either NSPI Tech I or II or CPO, AFO and, any Nevada member who acquires a required state license or NSPI I or II or CPO, AFO whichever is applicable. The scholarship is limited to a maximum of \$25,000 a year. Members must first be IPSSA Water Chemistry Certified in order to qualify, commencing March 15, 1999. (11/20/99)

AMENDED: All members will have one year from the date of completion of accredited and applicable courses to provide receipts to the financial office for the rebate of monies spent. (5/17/03)

AMENDED: The educational rebate program was discontinued effective January 1, 2005. (8/7/04)

NON-MEMBERS ADVERTISING WATER CHEMISTRY CERTIFICATION: A non-member firm or employee agrees that he/she will not advertise, display or otherwise promote IPSSA Water Chemistry certification or otherwise use the IPSSA or Independent Pool and Spa Service Association, Inc. name in connection with its advertising and promotions activities. (4/8/00)

GENERAL

MAILING LIST: The IPSSA general membership mailing list will not be given out to anyone including members, associate members or outside organizations. This policy has been established to protect members from possibly being placed on inappropriate and or indiscriminate lists. If any party desires to reach all members, the following options are available: 1) Flyer or ad in *The IPSSAN*, 2) a special arrangement with the IPSSA Executive Office. This would include supplying the office with the number of letters or mailers to be sent (specific regions may be requested). For a fee plus postage, IPSSA will mail the information to the membership. Chapter presidents lists will be released to Associate Members. A chapter may release its own membership list if it chooses to do so. (6/4/88)

The fee for regular and associate members to use the IPSSA mailing list (according to the policy listed above) is 50 cents per name; the fee for nonmembers is 60 cents per name. Inserts into monthly dues statements should be used only for IPSSA-related communications, and not for commercial communications. (11/7/09)

The Financial Office will determine the processing fee for mailing at the November BORD meeting for the following calendar year. (11/7/09)

EXCEPTION: An exception to the Mailing List policy: participating wholesalers in the Membership Discount Program will receive an IPSSA general membership mailing list with the exception of members who wish to be excluded from such list (members to be notified and inform IPSSA within one month of this policy). (5/31/97)

LEGAL QUESTIONS: IPSSA members are not authorized to contact IPSSA corporate counsel on any matter, without prior approval from the Executive Office. (5/6/06)

NON-ENDORSEMENT OF PRODUCTS/SERVICES BY IPSSA INC., CHAPTERS AND REGIONS: IPSSA, Inc., chapters and regions may not endorse products/services. (6/22/91)

ADVISORY COMMITTEE: An Advisory Committee comprised of three to five individuals will be utilized by the BORD. Nominees will be reviewed and selected by the BORD. (11/16/91)

NEW MEMBERSHIP PACKET: A new membership packet will be sent to each new member. The new member packet fee will be \$15.00 (8/4/07)

PRESENTATION OF THE DOUG TANNER LIFETIME MEMORIAL AWARD: This award will be presented at the annual IPSSA Installation/Dinner-Dance in the years in which a candidate is chosen. (8/22/93)

CONFLICT OF INTEREST: This Conflict of Interest Policy of the Independent Pool and Spa Service Association: (1) defines conflicts of interest; (2) identifies classes of individuals within the organization covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

1. Definition of conflicts of interest. A conflict of interest arises when a person in a position of authority over the organization may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
2. Individuals covered. Persons covered by this policy are the organization's officers, directors, chief employed executive and chief employed finance executive.
3. Facilitation of disclosure. Persons covered by this policy will annually disclose or update to the Chair of the Board of Regional Directors on a form provided by the organization their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
4. Procedures to manage conflicts. For each interest disclosed to the Chair of the Board of Regional Directors, the Chair will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Regional Directors and other individuals

covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the organization; or (d) ask the person to resign from his or her position in the organization or, if the person refuses to resign, become subject to possible removal in accordance with the Organization's removal procedures. The organization's chief employed executive and chief employed finance executive will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Chair of the Board of Regional Directors in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

(12/2/08)

ENDORSEMENT OF THE SCP and SUPERIOR SPEC PARTNERSHIP PROGRAM:

This program to assist SPEC by having that company offer an optional \$.25 donation on all of the company's invoices. (9/25/93)

ROBERT'S RULES OF ORDER: Robert's Rules shall be the authority on all questions of parliamentary procedure which are not otherwise specifically covered by the Bylaws.(3/5/99)

INTERIM EXPANSION POLICY: Requests concerning the development of chapters in outlying states will be responded to in writing. (11/12/94)

LICENSING: IPSSA encourages its members to hold all required licenses including a contractor license when appropriate as they apply to the service, maintenance and repair of recreational/ therapeutic water features and associated equipment whether public and/or private. (11/4/00)

THE IPSSAN: Letters to the editor containing erroneous or unverifiable information will be edited or rejected. No letter that makes personal attacks on someone's character will be published. The editorial staff reserves the right to edit or reject submitted material that does not meet these standards. (11/12/05)

AMENDED: Letters to the editor must be signed in order to be published, and must be accompanied by an address, valid e-mail address, and a daytime phone number for verification purposes. (Your phone number will not be printed.) Unsigned letters will not be published unless a compelling reason for withholding your name is given. Letters to the editor containing erroneous or unverifiable information will be edited or rejected. No letter that makes personal attacks on someone's character will be published. The editorial staff reserves the right to edit for length or grammar or reject submitted material that does not meet these standards. Letters requiring a response will be held for publication until the response is received. (8/4/07)

The IPSSAN should be printed no later than the 25th of each month. (5/6/06)

The IPSSAN will be made available to employee members if requested by the regular member, to be mailed to the regular member's business address. (11/7/09)

TREASURY: The balance of the rounded up amount on dues billings that does not go to the chapters should go to the IPSSA general treasury. (4/13/02)

SCHOLARSHIP FUND: An option to make donations to the Scholarship Fund may be placed on the IPSSA monthly dues invoices. (11/9/02)

Monies allocated by IPSSA Inc. to the Scholarship Fund should be transferred to the fund's bank account(s) on June 1 of each year. (5/14/05)

AMENDED: The annual donation from the general fund to the scholarship fund should be transferred by February 28 of each year. (2/2/07)

WEB SITE: Retired members may have access to the members-only section of the IPSSA web site. (2/7/03)

The members-only page of the IPSSA web site will be accessible only to IPSSA regular and associate members. (8/2/08)

MEMBER INSPECTION OF CORPORATE RECORDS: Members shall be give the right to inspect the records of the corporation to the extent required by law. All member requests for records shall be in writing and shall state the purpose for the records requested. The purpose for the record request must indicate a reasonable basis for the request and the basis must be reasonably related to such member's interest as a member. If a member makes an appropriate request, the following types of records may be inspected: 1) The corporation's articles and bylaws and any amendments thereto; 2) The corporation's books and records of account; 3) Minutes of the proceedings of the BORD, the members and any committee; 4) A list of names and addresses of the members. Inspection requests shall be directed to the president of the corporation who will determine if the corporation should comply with the inspection request. In most cases, requests for inspection of the corporation's books of account or for the membership list should be directed to legal counsel to determine whether a member's request for such records is reasonable. Generally records must be provided in a reasonable time; however, the membership list should be provided within ten (10) days of the member's request (subject to the advice of legal counsel). (5/17/03)

TERRY COWLES MEMORIAL AWARD: Nomination and review guidelines for this annual award program submitted. The award consists of an inscribed plaque and complimentary dinner tickets, hotel room for the recipient and a guest to attend the next annual IPSSA leadership banquet, and a check in the amount of \$1,000. Each region is eligible to nominate a member for this award. Region nominations are to be selected by the incumbent region Boards at their third quarterly Board meeting. Nominations should be delivered to the IPSSA, Inc. executive office using this form not later than October 20 for consideration at the November BORD meeting. The incumbent Board of Regional Directors shall make the selection of that year's recipient at its November meeting. The member being nominated shall have contributed to the improvement of IPSSA and/or the pool service industry by any or all of the following: demonstrates professionalism

(known to be an excellent technician, pursues course work to improve skills, conducts business in an ethical and professional manner, etc.); contributes to IPSSA (willingly does sick route when called upon; serves as chapter, region, or other officer or chairman within the organization, etc.); assists other service industry members (helps chapter members or other pool service professionals with chemical problems, difficult repairs, either through hands-on assistance or by sharing information); contributes to his/her community (participates in church, charitable, or other community activities). (2/2/07, amended 8/2/08)

COLLECTION AGENCY: Members may use the Green Flag Profit Recovery program through Transworld Systems as a collection agency through IPSSA for a fee of \$25.00 per account submitted for collection. The net proceeds from this program after paying the Green Flag fee and Cramer & Associates fee will be earmarked for future member benefits programs. This program and is subject to review by legal counsel. (11/3/07)

Associate members also may use the Green Flag Profit Recovery program through Transworld Systems. (5/3/08)

WHISTLEBLOWER POLICY: This Whistleblower Policy of the Independent Pool and Spa Service Association: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the organization; (2) specifies that the organization will protect the person from retaliation; and (3) identifies where such information can be reported.

1. Encouragement of reporting. The organization encourages complaints, reports or inquiries about illegal practices or serious violations of the organization's policies, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the organization's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
2. Protection from retaliation. The organization prohibits retaliation by or on behalf of the organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The organization reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
3. Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the organization's chief employed executive or Chair of the Board of Regional Directors; if both of those persons are implicated in the complaint, report or

inquiry, it should be directed to legal counsel. The organization will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the organization may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

(12/2/08)

DOCUMENT RETENTION AND DESTRUCTION POLICY: This Document Retention and Destruction Policy of the Independent Pool and Spa Service Association identifies the record retention responsibilities of staff an independent contractors, volunteers, and members of the Board of Regional Directors for maintaining and documenting the storage and destruction of the organization's documents and records.

- 1) Rules. The organization's staff and independent contractors, volunteers, and smembers of the Board of Directors and are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the financial, legal or administrative staffs/departments or their equivalents; (b) all other paper and electronic documents will be destroyed after three years. (c) No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.
- 2) Terms for retention.
 - a) Retain permanently:
 - i) Governance records – Charter and amendments, bylaws, other organizational documents, governing board and board committee minutes.
 - ii) Tax exemption determination letters and related correspondence.
 - iii) Intellectual property records – Copyright and trademark registrations and samples of protected works.
 - iv) Member records.
 - b) Retain for eight years:
 - i) Tax records – Filed state and federal tax returns/reports and supporting records, files related to tax audits.
 - ii) Government relations records – State and federal lobbying and political contribution reports and supporting records.
 - c) Retain for five years:
 - i) Financial records - both paper and electronic detail of all financial records including past bank statements and budgets.
 - d) Retain for three years:
 - i) Lease, insurance, and contract/license records – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).
 - e) Retain for one year:
 - i) All other electronic records, documents and files – Correspondence files, publications, survey information.
- 3) Exceptions. Exceptions to these rules and terms for retention may be granted only by the Board of Regional Directors.

(12/2/08)

MEMBERSHIP
General and Employees

GENERAL:

FORMER IPSSA MEMBERS RE-APPLYING FOR MEMBERSHIP: Any member who has resigned from membership in IPSSA may re-apply for membership. A re-applying member must submit a new application for membership to a current IPSSA chapter. The re-applying member must meet all of the current IPSSA bylaws and chapter standing rules when applying. (9/10/88)

AMENDED: Any former member may re-apply for membership. A re-applying member must submit a new application for membership to a current IPSSA chapter. The re-applying member must meet all of the current IPSSA bylaws and chapter standing rules when applying, and must have passed the IPSSA water chemistry certification exam. (8/4/07)

DISCIPLINARY ACTION: A member may not avoid disciplinary action by any of IPSSA's governing bodies by resignation of one's membership. Any disciplinary action that is taken in regard to that member will be placed in the member's permanent record. (11/9/02)

EMPLOYEES:

EMPLOYEES: Members with employee(s), who perform the work of servicing, cleaning, maintaining, or repairing pools or spas, must provide Liability Insurance for each employee. Regular members shall pay all liability premiums and/or any other required IPSSA fees and insurances for his/her employees(s) through IPSSA Management Company.

Employee(s) of regular members may also be required to participate in other IPSSA programs as may be instituted by the IPSSA Chapter or BORD. Any rights and privileges of membership for employee(s) shall be determined by the respective individual chapters except that employee(s) may not hold chapter, regional or BORD office and may not vote. Attendance requirements, if any, shall be set by each individual chapter.

Any removal of a regular member from good standing as set forth in Article VII will automatically terminate IPSSA liability coverage for that member's employee(s).

Any employee who may qualify to become a regular member must submit an application and fulfill the admission and membership requirements of a regular member. Employee(s) admitted to membership prior to June 4, 1988 shall maintain their current

membership. Failure of a member to declare his/her employee(s) and conform to these conditions shall subject member to applicable provisions of the Bylaws. (6/4/88).

BENEVOLENT FUND: Employee members may be members of the Benevolent Fund. (4/13/91)

The Benevolent Fund program will be terminated as of November 3, 2007, with the remaining balance to be distributed to decedents who are members in the fund as of November 3, 2007 at the rate of \$2,000 per decedent until the fund is depleted.

Beneficiaries of members who die prior to November 3, 2007 will be paid per the current Benevolent Fund rules. Beneficiaries of Fund members who die on or after November 3, 2007 will receive up to \$2000, until funds are depleted. Once funds are depleted, no further disbursements will be made. (11/3/07)

EMPLOYEE MEMBERSHIP APPLICATION: An Employee Membership application will be utilized, effective September 1, 1992. (8/22/92)

ADULT FAMILY MEMBERS: Adult family members employed in pool service as their major vocation (servicing, maintaining, repairing, cleaning pools) must apply for separate membership to receive benefits. The BORD established that family members could also be classified as employees. If operating as a partner in the business, they would be classified as a regular member. (6/4/88)

MEMBERSHIP EXPULSION OR TERMINATION: At the announcement of any grievance process which may result in the termination or expulsion of any member, it shall be the responsibility of the chapter president to notify the regional director, who will be responsible for ensuring that the grievance process is conducted according to procedures specified in the IPSSA bylaws, standing rules and policies and procedures. (2/6/04)

Any action, contemplated by a Chapter or a Region, under Section 4.7, Termination of Membership: Suspension or Expulsion of Members, should not be initiated until either the Regional Director or the BORD is notified of the impending action. Once notification has been made procedures in the bylaws will be followed.

1. Member / chapter will be given 15 day written notice of the proposed action. The reasons for the proposed action. Registered mail with return receipt is the desired means of notification.

2. The member / chapter shall be given an opportunity to be heard either orally or in writing at least 5 days before the effective date of the action Either the chapter board or the Regional board will conduct the hearing and if requested the hearing must be announced and scheduled ASAP. Minutes of the hearing must be kept and copies made available to all parties.

3. If the member / chapter is not satisfied with the decision they then have the right to appeal to the Region or BORD. This request for review must be in writing and received by the appropriate entity within 30 days of the previous decision.

4. All correspondence must be in writing and all minutes of proceedings except deliberation must be included in the next appropriate meeting minutes.
5. The Regional Director should insure that all procedures are followed through the process. (2/4/05)

USE OF IPSSA LOGO: Decals to be used only on IPSSA members' vehicles. Decals may not be placed on any equipment. Logo may be used on members' business cards, billing statements, stationery, web sites and business marketing materials. Logo may be used in members' yellow page advertising. Logo may be used by associate members in advertising upon submission and approval by IPSSA. Companies that are chapter supporters must be associate members of IPSSA before being considered for permission to use the IPSSA logo and only upon submission and approval by IPSSA. Logo may be used by chapters on stationery, newsletters, signs (for table-top shows and other activities), and certificates of appreciation. Logo may be used by Western Pool and Spa Show, Pool Industry Expo, Texas Pool and Spa Expo, Southwest Pool and Spa Show, and Desert Pool and Spa Show. Logo may be used on all IPSSA merchandise purchased by IPSSA (shirts, hats, jackets, sweatshirts, tank tops). (11/1/08)

IPSSA MANAGEMENT COMPANY POLICIES AND PROCEDURES

BILLING

BILLING PROCEDURES: Dues invoices will be issued on the 20th of the preceding month. If a dues payment is not received in the financial office by the 15th of the month, a \$25 fine will be assessed to that member and a ten-day notice will be mailed that membership and insurance will be cancelled if dues are not paid by the last day of that month. \$20 of the fine will be earned by IPSSA Management Company and \$5 will cover financial office expenses. If the dues payment is postmarked on or before the 10th of the month, the \$25 fine will be reversed. In addition, the Financial Office has the authority to waive one late fee per calendar year per member. (5/6/06, 8/5/06 and 11/4/06)

SUBMISSION OF INITIAL FEE: All new members will submit a check for two months for insurance and fees and \$15 (employee members are not required to pay \$15) for a new membership packet to IPSSA Management Company. (6/5/99, amended 8/4/07)

COLLECTION OF FEES: Chapters will collect only their own initiation fees from new members and will refrain from collecting either first or last month's insurance and administrative fees. (3/5/99)

REINSTATEMENT FEE: A reinstatement fee will only be required for the employer if dues are late. (8/22/92, amended 8/5/06)

\$50 REINSTATEMENT FEE: A reinstatement fee of \$50 will be instituted immediately for members who fail to pay their dues and fines within the required period of time. (2/2/91, amended 2/2/07)

WAIVING REINSTATEMENT FEES/ACH OR CREDIT CARD SIGN-UP: The reinstatement fee of \$50 shall be waived if a member agrees to go on automatic withdrawal payments or automatic credit card payments of monthly insurance and fees. (6/5/99, amended 5/3/08)

WAIVING FEE FOR LATE PAYMENTS (with documentation): A BORD member may waive the \$50 reinstatement fee for late payment in cases where proper documentation is presented to him/her and IPSSA Management Company. If further clarification is required, the Finance chairman of the BORD should be contacted. (7/30/94)

ELECTRONIC BILLING: Effective July 1995, electronic billing will be made available to members, permitting members to have their fees and dues automatically deducted from their checking accounts or paid by credit cards. (3/11/95, amended 5/3/08)

NSF FEES AND REPLACEMENT PAYMENTS: Fees for NSF checks or ACH transactions will be the rate charged by the bank plus \$10. \$5 of the additional fee will be earned by IPSSA Management Company and \$5 by the financial office manager. Replacement payments for NSF checks or ACH transactions must be made by certified check, money order or credit card. (5/6/06, amended 8/2/08)

WITHHOLDING CHAPTER FUNDS FOR REGIONAL FINES: Regions have the right to withhold funds from chapter receipts. (8/26/00)

EMPLOYEE DUES: All dues billings for employee members will be billed to the regular member. (5/6/06)

CHAPTER FINES: No invoices for chapter fines will be issued by IPSSA Management Company, effective January 1, 2005. (11/6/04)

AMENDED: The financial office is authorized to invoice chapter fines on IPSSA Management Company statements. (2/4/05)

All chapter fines will be billed on the first of the month and payable by the end of that month. (5/6/06)

DUE DATES FOR FINES: All fines levied under the provisions of Sec. 4.7.a.4 of the bylaws are due and payable by a date set by either the BORD, region or chapter that levies the fine. In the event of an appeal and the fine determination is reversed then the BORD, Region or Chapter that levied the fine will refund it within 10 days of reversal. (2/4/05)

All fines levied by the BORD, region or chapter must be paid by the 15th of the next month. If the fine payment is not received in the financial office, a ten-day notice will be

mailed that membership and insurance will be cancelled if the fine is not paid by the last day of that month. (2/2/07, revised 11/1/08)

CHAPTER NOTIFICATION: The Financial Office will send notification to chapter presidents when a membership in that chapter is cancelled. (5/6/06)

MEMBERSHIP CANCELLATION: Members requesting cancellation of membership must do so in writing to the Financial Office. (11/3/07)

EFFECTIVE DATE OF MEMBERSHIP: New applicants who have met all chapter requirements shall become effective on the first day of the month following receipt of membership documents by the Financial Office. (11/1/08)

OPTIONAL INSURANCE: Any optional insurance billed by the financial office will be subject to a \$.75 billing and maintenance charge per line item. (5/2/09)

INSURANCE

CLAIMS:

THREE CLAIM/THREE YEAR TERMINATION POLICY: Manufacturers' defects will not be included in this policy. (8/17/91)

INSURANCES: All claims filed by employees during the 90 day probationary period, as required by the Bylaws, will count as a claim against both the employee and employer as a part of the "three claims in three years" termination policy. (3/13/92)

MULTIPLE CLAIMS: Members who have three paid liability claims within a five-year period shall be expelled from IPSSA, not subject to an appeal. (2/10/96, amended 11/06/04)

OTHER:

SUB-CONTRACTORS INSURANCE: IPSSA members must require sub-contractors to have \$500,000 liability insurance and to list the IPSSA member as an additional insured. (3/31/90)

OPEN-ENDED LIABILITY INSURANCE POLICY: The Liability insurance policy will be changed from an annual renewal date to an open-ended one. (8/4/90)

INSURANCE FOR EMPLOYEES: All employees of IPSSA members must be insured except for spouses and minor children under the age of 18. (5/2/92)

SPOUSES/MINOR CHILDREN: Spouses and minor children will be included under one liability insurance premium, as allowed by the insurance company, but they each may be required to pay chapter dues and the IPSSA administrative fee in order to

receive other privileges of IPSSA membership (sick route coverage, voting rights, and eligibility to hold office). (8/17/91)

DEDUCTIBLES: Deductibles for claims are to be billed to the IPSSA member at the time that the claim is filed. (6/4/88)

If a member refuses to pay the deductible on an insurance claim, the chapter will be billed for that deduction. (5/6/06)

ACCIDENTAL DEATH AND DISABILITY INSURANCE: Chapters that want to provide this optional coverage to members must have 100% participation. (2/6/09)

ANTITRUST POLICY AND COMPLIANCE GUIDELINES

IPSSA ANTITRUST LAW COMPLIANCE POLICY: It is the policy of the Independent Pool and Spa Service Association (IPSSA) and its members strictly to comply with laws and regulations applicable to their activities, including federal and state antitrust laws. It is further the policy of IPSSA to assist its members and volunteers in complying with federal and state antitrust laws. IPSSA members and leaders are expected to adhere to antitrust laws conscientiously. IPSSA will neither knowingly permit nor condone anti-competitive behavior, whether willful or inadvertent, in connection with any IPSSA activity.

ANTITRUST LAWS: The antitrust laws seek to preserve a free competitive economy. As a general rule, competitors may not restrain competition among themselves through understandings or agreements as to the price, the production or the distribution of their products, or other agreements that unreasonably restrict competitive capabilities or opportunities of their competitors, their suppliers or their customers. The antitrust laws also prohibit monopolization and attempts to monopolize, unfair methods of competition, unfair or deceptive acts or practices, most discrimination in prices between different purchasers in the sale of a commodity, exclusive dealing arrangements, most tying sales and requirements contracts, some joint ventures/mergers/consolidations, and similar activities. A more complete discussion of the antitrust laws (Sherman Act, Federal Trade Commission Act, the Clayton Act, the Robinson-Patman Act, and California's Cartwright Act) is available upon request from IPSSA.

However, antitrust laws are often unclear in terms of applicability to any given conduct. Whether or not an antitrust violation exists depends purely on the specific conduct and facts involved in each instance. Notwithstanding the nebulous nature of the antitrust law, penalties for violating them, both civil and criminal, are severe. Certain activities can result in felony criminal convictions with penalties of up to three (3) years in prison and \$100K fines for individuals and \$1,000K fines for corporations per offense. Also, treble damages are available to private persons enforcing the antitrust laws.

Association members and leaders, in particular, have compelling reasons to understand and comply with antitrust laws because antitrust violation commonly consist of two elements: 1) **concerted action** with produces 2) an **unreasonable restraint of competition**. Since IPSSA's activities involve meetings and activities of competitors (IPSSA members), the *concerted action* element can generally be established without difficulty. The only other element necessary to prove a basic antitrust violation is to show that the action amounts to an *unreasonable restraint of competition*. So, agreements or activities of association members that are anti-competitive or have an anti-competitive effect, whether conducted as association business or not, could result in serious antitrust consequences.

MEMBER RESPONSIBILITIES: IPSSA programs are carefully designed and monitored on an ongoing basis to ensure compliance with antitrust law. Every IPSSA member, whether organizational or individual, has a duty and responsibility under the law to avoid and prevent antitrust violations. Every IPSSA member needs to understand basic antitrust laws, to recognize areas of potential antitrust risk, and to overtly object to and refuse to participate in any activity that poses antitrust risk until that risk is properly assessed and cleared by legal counsel or other qualified advisor.

AREAS OF RISK: It is not possible to provide a complete or specific list of activities that amount to an antitrust violation. However, it is helpful to identify areas of risk, where close attention can be paid to the possible anti-competitive nature of the agreements or activity involved. Some areas of risk include discussions of the following:

- Controlling or influencing current or future prices (for purchase or sale), controlling or influencing price increases or decreases, or stabilization or standardization of prices. Note: Discussion of prices established by third parties not influenced or controlled by the discussing parties is generally not, standing alone, anti-competitive or illegal.
- What constitutes a "fair" profit level
- Procedures for establishing selling prices, cash discounts, credit terms
- Control of sales levels, inventory levels or timing of sales
- Allocation or division of markets or geographical divisions of markets among competitors
- Agreements, recommendations or suggestions that members refuse to deal with certain other persons or firms (boycott)
- Whether or not the pricing practices of any competitor/industry member are unethical, or constitute an unfair trade practice
- Agreements limiting or restricting advertising

Again, some discussions relating to activities identified above will not amount to antitrust violations. However, discussions relating to them require thorough prior antitrust analysis and guidance in the discussion.

IPSSA MEETINGS: To avoid even the appearance of impropriety, as well as to avoid inadvertent violation of antitrust laws, all IPSSA board and committee meetings will be conducted in accordance with the following rules:

1. A written agenda will be prepared and distributed in advance of each meeting. Agendized issues with potential antitrust implications will be reviewed and discussed by the chairman, executive director and legal counsel, if deemed appropriate. Additions to the agenda having potential antitrust implications should be postponed, or discussions of such matters held with legal counsel or other qualified advisor present.
2. Accurate, detailed meeting minutes of every meeting will be prepared and reviewed. Audio, video or other recordings of meetings will not be permitted. Minutes will be approved at the next meeting.
3. In the event of concern regarding potential antitrust implications of a discussion, discussion must be discontinued pending resolution of the matter through the executive director or legal counsel, if necessary.
4. In the event that any member has a concern about potential antitrust implications of discussion during a meeting, he or she shall interrupt discussion and state that concern immediately. If discussion is not terminated and the concern resolved, the concerned member should state that he or she is leaving the meeting for that reason, and leave.
5. Conversations involving discussion of matters in violation of this policy will not be tolerated at a IPSSA meeting, and violating parties may be ejected from the meeting by the chairman.

These antitrust policies and guidelines have been prepared for general reference only. It is intended to inform IPSSA leaders and members of basic antitrust principles to assist them in acting responsibly in the conduct of IPSSA and members business activities. It must not be considered as a substitute for competent legal advice. It is recommended that interested persons confer with competent legal counsel concerning this and other significant legal issues.