

AMERICAN COUNSELING ASSOCIATION

GOVERNING COUNCIL GLOSSARY

ACA Mission Statement: To enhance the quality of life by promotion the development of professional counselors, advance the counseling profession, and using the profession and practice of counseling to promote respect for human dignity and diversity.

Accrual Accounting: Financial statements prepared on an accrual basis recognize revenue when earned and expenses when an obligation is realized.

Articles of Incorporation: Organized documents which detail the name, address, purpose, registered agent and incorporators of a corporation. This document is normally filed with the Secretary of State or the State Corporation Commission. ACA is incorporated in the District of Columbia and is authorized to do business in the State of Virginia.

Balance Sheet: Indicates the financial position of an organization at a particular point in time. It consists of assets, liabilities and equity (fund balance or net worth) sections and most importantly the date that these elements are being reported.

“Bob Barret” Rule: Any motion of significant cost must be costed out by the Financial Affairs Committee before being considered by Governing Council.

Budget: A budget is simply a tool. It is a quantified set of assumptions that translated the intangible goals of a strategic plan and converts them into the programs, benefits, and projects needed to carry out the mission of the organization.

Bylaws: Internal rules adopted by the corporation for its internal management.

Consent Agenda: Items put forth to be considered in one motion. Approval of the Consent Agenda means approving all of the items contained therein. Request may be made to remove items from the Consent Agenda and they will be considered separately.

Deferred Revenues: Also referred to as unearned revenues. Under the accrual basis of accounting, revenues are recognized when earned not when they are received. Consequently, although membership dues are received in its entirety each month it is recognized over the term of an individual's membership, generally one year. Membership dues and convention related revenues are the most significant deferred revenues reported by the Association.

Division:

AACE – Association for Assessment in Counseling and Education
AADA – Association for Adult Development and Aging
ACC – Association for Creativity in Counseling
ACEG – Association for Counselors and Educators in Government
ACES – Association for Counselor Education and Supervision
ALGBTIC – Association for Lesbian, Gay, Bisexual and Transgender Issues in Counseling
AMCD – Association for Multicultural Counseling and Development
AMHCA – American Mental Health Counselors Association
ARCA – American Rehabilitation Counseling Association
ASCA – American School Counselor Association
ASERVIC – Association for Spiritual, Ethical and Religious Values in Counseling
ASGW – Association for Specialist in Group Work
C-AHEAD – Counseling Association for Humanistic Education and Development
CSJ – Counselors for Social Justice
IAAOC – International Association of Addictions and Offender Counselors
IAMFC – International Association of Marriage and Family Counselors
NCDA – National Career Development Association
NECA – National Employment Counseling Association

Fiduciary Responsibility: Volunteers leaders' implicit responsibility to act in the best interest of ACA. Among the duties falling under a volunteer's fiduciary responsibility are:

Duty to Care: The duty to care requires an individual to exercise ordinary and reasonable care in the performance of their duties, exhibiting honesty and good faith. The "ordinary man" rule often applies when measuring the responsibility.

Duty of Loyalty: The duty of loyalty requires a duty to avoid conflicts of interest and provide undivided allegiance to the mission of the organization. Loyalty in appearance, as well as fact, are equally critical.

Duty of Obedience: The duty requires an individual to operate within and in accordance with an organization's governing documents that include Articles of Incorporation, Bylaws, and policies and procedures. Compliance with federal and state laws, regulations, and procedures are as required.

Reliance on Experts: A volunteer leader is entitled to rely on information, opinions, reports or statements prepared by committees, consultant and/or staff that the leader believes to be reliable and competent in the matters being presented. Once identified or accepted as an expert, any information, opinions, reports or statements cannot be ignored and must be given ample and proper consideration.

Fiscal Year: ACA's fiscal year runs from July 1st of one year through June 30th of the next year. We are currently in FY'07. Beginning July 1, we will be in FY '08.

Form 990: The annual information return required to be filed by tax exempt organizations with gross receipts greater than \$25,000. This document, related returns and schedules are subject to public inspection and are required to be filed within 5 ½ months following the completion of an organization's reporting year unless an extension has been requested and approved.

Generally Accepted Business Practices: Standard practices, policies and procedures that ensure an organization is operating efficiently.

Interest Networks: Consists of persons who organize on a national basis to promote a professional interest not otherwise provided for in the ACA structure.

Internal Financial Statements: Consists of a minimum of two reports: the Balance Sheet and the Statement of Revenue and Expenses. When prepared and understood in a complete, accurate and timely manner these reports will provide the financial pulse of an organization and allow leaders to make informed decisions as they fulfill their fiduciary responsibility.

KBG (Knowledge-Based Governance): A *philosophy* of governance and decision-making that forms a basis for the installation of an underlying process of ongoing strategic thinking and strategy development.

Policies and Procedures: Specific operating rules and policies which the organization operates under on a day-to-day basis.

Realizing a Profit: A non profit or tax exempt organization can engage in business activities similar to any other profit organizations. However, some of the activity may be subject to unrelated business income taxes. The significant difference between profit organizations and non profits or tax exempt is that any "profits" or excess revenues over expenses of non profits or tax exempts must be expended on the organization's tax exempt purpose as opposed to a return on investment to a profit organization's individual stockholders.

Restricted Funds or Designated Funds: Restricted equity or fund balances are restricted in their use by either a donor or by the governing body. Consequently, these resources are limited in their use. ACA's restricted or designated funds include:

Donor Designated Funds:

Legal Defense Fund
Human Concern Fund
Professional Counselor Advocacy Fund

Board Designated Funds:

Replacement Reserves Fund – designates resources for the replacement of equipment, furniture, etc.

Ethics Reserves Fund – designated for ethical complaint awards in excess of ACA's insurance coverage.

Proceeds Fund – represents proceeds from the sales of the 5999 Stevenson Avenue property, requires 2/3 vote of Governing Council to access these fund.

Excess Revenue Fund – represents monies designated from those years in which ACA generated significant excess revenues over expenses, requires 2/3 vote of Governing Council to access these funds.

Roberts Rule of Order: The rules of parliamentary procedure followed by ACA.

Statement of Revenue and Expenses: Also referred to as a Profit and Loss Statement or as an Income Statement. This report, unlike a Balance Sheet, does not represent the organization's financial position at a particular point in time, by an organization's financial performance over a certain period of time. Typically, the period represent the completed part of a fiscal year.

Task Forces: Group established to carry out specific function(s) in a specific period of time. It is usually for a year.

Tax Exempt Designation: ACA is a 501 (c) (3) tax exempt organization. The IRS defines these organizations as "Corporations and any community chest, fund or foundations organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or to foster national or international amateur sports competitions or for the prevention of cruelty to animals..."

Tax Exempt Organization: Any business, association or entity that has applied for tax exemption and has had it awarded by the Internal Revenue Service. These organizations are exempt from federal and state tax as well as federal unemployment tax.

Tax Identification Number: A number issued by the IRS identifying a particular organization. In is comparable to an individual's social security number.