



Money Management Institute Operations and Communications Standards Committee: Governance Structure and Procedures

1. Introduction

This document describes the organizational structure used within the Money Management Institute (MMI) to guide the development of the MMI Operations and Communications Standards.

1.1. Objective of MMI Operations and Communications Standards Committee

The MMI Operations and Communications Standards provide industry definitions and a consistent electronic format for efficiently and effectively communicating information between organizations within the Separately Managed Accounts (SMA) industry.

1.2. Goals of the Governance Structure

The MMI Operations and Communications Standards Committee Governance Structure is intended to:

- Ensure that the standards development processes are open and reflective of the needs of the entire industry, rather than of any individual member or vendor.
- Ensure that standards development will continue without disruption as committee and subcommittee members and industry participant's change.
- Ensure that the time contributions by members are utilized effectively.



2. Organizational Structure

The MMI Operations and Communications Standards Committee are governed using the following organizational hierarchy:

MMI Board of Governors

↳ **MMI Operations and Communications Standards Committee**

↳ **Subcommittees**

↳ **Working groups**

These groups have the following roles:

- MMI Board of Governors approves the overall mission and scope of the Operations and Communications Standards Committee effort.
- The Operations and Communications Standards Committee (the “Standards Committee”) reviews and approves the recommendations, decisions, and work products of the various subcommittees, reporting to the Board of Governors.
- The Business Area Subcommittees (“Subcommittees”) are responsible for developing deliverables in their specific areas of responsibility (e.g., account origination and maintenance).
- Working groups may be constituted by Subcommittees to develop specific deliverables.

In addition, there are two standing Subcommittees of the Standards Committee:

- The Steering Subcommittee, consisting of the chairs of each of the Business Area Subcommittees and of the Standards Committee as a whole, is charged with planning and day-to-day management of the standards development process.
- The Publications Subcommittee is responsible for defining and enforcing content and format standards for the Standards Committee’s publications.

The following sections describe the specific responsibilities of each of these groups with respect to the Operations and Communications Standards Committee. Where applicable, they also describe these groups’ operating rules and procedures.



3. MMI Board of Governors

The MMI Board of Governors has the following responsibilities with respect to the Operations and Communications Standards Committee Effort:

- Review and approve the mission and scope of the Operations and Communications Standards Committee effort.
- Review and approve the annual plan, including budget and high-level goals for the planning year.
- Approve any changes to the governance structure or policies.
- Designate an Executive Committee member to act as a liaison to the Standards Committee
- Endorse deliverables as approved MMI Industry Standards on recommendation by the Standards Committee. This endorsement confirms that in the Board's opinion,
 - the industry standard contributes to one or more of the Standards Committee's planning goals;
 - it has received adequate review through the Standards Committee's defined publication process; and
 - the disposition of comments received during the review cycle has been fair and reasonable.

The Board may also initiate a request to amend the planning goals or the Standards Committee's scope, mission or governance policies during the course of the planning year.

The Board's policies and operating procedures are outside of the scope of this document. Interested parties should consult the Board's liaison member for more information.



4. MMI Operations and Communications Standards Committee

4.1. Introduction

The Standards Committee consists of interested representatives of MMI member firms. It acts as an oversight and approval body for guiding the development of the standards, and as a source of members for the various subcommittees that are responsible for developing specific aspects of the standards.

4.2. Responsibilities

The Standards Committee has the following responsibilities:

- Elect co-chairs, based on input from the Steering Committee.
- Review and approve changes to mission, scope and governance policies.
- Ratify annual plan, including planning goals, Subcommittee structure and objectives.
- Review Business Area Subcommittee status reports.
- Address and resolve disputes within individual Subcommittees as required.
- Review and comment on all deliverables produced by Subcommittees, and approve for publication to the industry at large.
- Review comment dispositions developed by Subcommittees.
- Recommend publication of final draft deliverables as MMI Industry Standards after completion of the public comment period. (This implies acceptance of the disposition of all comments received during the public comment period).

In each case, the Standards Committee can reject the item and return it to the Steering Subcommittee or a Business Area Subcommittee for further work.



4.3. Rules of Operation

The following rules govern the operation of the Standards Committee:

Membership

- Participation in the Standards Committee shall be open to any employee or designate of an MMI member firm.
- No nomination or election shall be required to participate. A prospective member shall indicate to the Standards Committee Secretary his or her intention to participate, either prior to or at a Standards Committee meeting.

Good Standing

- On the initial formation of the Standards Committee, current participants in the MMI Operations and Communications Standards Committee shall become of “good standing” for the purposes of quorum calculations and of voting for the first meeting of the Standards Committee.
- Subsequent to the initial meeting of the Standards Committee, a new Standards Committee member shall become of good standing from the beginning of the second meeting that he or she attends.
- A Standards Committee member shall lose good standing after missing two consecutive Standards Committee meetings, unless he or she notifies the Secretary in advance of an inability to participate in a meeting due to a conflicting commitment. In this case the good standing shall be lost after three consecutive meetings are missed.
- A Standards Committee member who loses good standing may re-achieve good standing as would any new member, by attending two consecutive meetings.
- A Standards Committee member may resign by notifying the Secretary.
- A Standards Committee member who leaves an MMI member firm and does not join another MMI member firm shall automatically be deemed to have resigned from the Standards Committee
- A Standards Committee member in good standing who moves from one MMI member firm to another and continues to participate will remain in good standing.



Quorum

- The Secretary shall be directed to keep a list of MMI member firms having at least one member in good standing on the Standards Committee. This list shall be called the “active” firms.
- A Quorum shall be declared at any Standards Committee meeting where there is at least one member in good standing present from at least one half of the firms on the Secretary’s list of active firms.
- Standards Committee meetings may be held when a quorum is not present; however, no vote may be held unless a quorum is present.

Voting

- Formal votes must be held on the following:
 - Changes to the mission, scope, or governance policies of the MMI Operations and Communications Standards Committee organization
 - Annual plans
 - Recommendations for publication of industry standards
 - Election of chairs
- Formal votes may be held on other matters at the discretion of the Standards Committee chair(s), or by a motion and second from Standards Committee members.
- Each firm shall be accorded one vote. The vote of a given firm may be cast by any member in good standing representing the firm and present at the meeting. If the members representing a firm cannot agree among themselves which member will cast the firm’s vote, the Secretary shall select one member from the firm based on seniority of membership.
- Formal votes are deemed to have carried if the number of firms voting in favor exceeds the number voting against.
- There is no provision for proxy or absentee voting, or voting by alternates who are not in good standing.



Meeting Frequency, Notice and Record Keeping

- Meetings of the Standards Committee shall be held at least quarterly, and may be attended in person or via teleconference.
- The Secretary shall distribute meeting schedules and schedule changes to members in good standing at least two weeks in advance of any meeting.
- The Secretary shall circulate an agenda of each meeting at least three business days in advance of each meeting. The agenda shall contain at least:
 - Approval of minutes of the previous meeting
 - Planned topics of discussion.
 - A list of all items requiring a vote.
 - An “Any Other Business” item allowing other items to be added.
- The Secretary shall keep and distribute minutes of each meeting. These minutes shall include, at minimum, meeting participants (identifying participants in good standing as well as other participants, by firm), resolutions approved, and actions assigned.
- All notices of meeting schedules, agendas, and meeting minutes shall be distributed by electronic mail. A member shall notify the Secretary if his or her e-mail address changes.

Selection of Co-chairs and Secretary

- Two co-chairs shall be elected for two year terms, with no term limits.
- The Steering Subcommittee shall be responsible for nominating members to act as co-chairs at the end of each term, or if a co-chair resigns.
- Members in good standing not nominated by the Steering Committee shall be able to nominate themselves to stand for election as co-chair, providing they have at least one member in good standing to second their nomination.
- If at the Standards Committee meeting where an election for a chair is scheduled to be held, only one member has been nominated for the co-chair position, the nominee shall be deemed elected by acclamation as long as a quorum is present.
- The co-chairs shall appoint the Standards Committee Secretary, who is responsible for performing the actions identified above.
- The co-chairs shall be responsible for planning the agenda for and chairing each Standards Committee meeting, as well as participating in the Steering Subcommittee as described below.



5. Steering Subcommittee

5.1. Introduction

The Steering Subcommittee develops and implements the annual plan, based on guidance from the Standards Committee and the MMI Board of Governors.

5.2. Responsibilities

The Steering Subcommittee has the following responsibilities:

- Recommend the mission and scope of the Standards Committee.
- Evaluate proposals received from MMI members and industry participants, e.g. via the MMI website, on the MMI Operations and Communications Standards Committee scope and mission, and return feedback on these proposals.
- Propose high-level goals for the planning year.
- Recommend changes in the Standards Committee's governance policies necessary to meet the planning goals.
- Implement any changes in the Standards Committee's subcommittee structure necessary to meet the planning goals or implement the governance policies.
- Charge the subcommittees with objectives for meeting the planning goals.
- Agree with the subcommittees on statements of work for the planning year.
- Report to the Standards Committee on:
 - status of progress toward achieving planning goals;
 - changes to Subcommittee structure, objectives, or statements of work;
 - recommendations to amend planning goals (i.e., with respect to scope or time frame);
 - recommendations to amend the Standards Committee's governance policies; and
 - recommendations to amend the Standards Committee's scope or mission.
- Submit deliverables produced by other Subcommittees to the Standards Committee for approval.
- Address any rejection by the Standards Committee of a recommendation, for example by:
 - a change to the statement of work under which the deliverable is being prepared;
 - a change to the Business Area Subcommittee's planning objectives; or
 - a change to the Standards Committee's planning goals;



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- Nominate new Standards Committee co-chairs at the end of each two-year chairmanship period.



5.3. Rules of Operation

Membership and Good Standing

- All Subcommittee chairs and the Standards Committee co-chairs are automatically members in good standing.
- Regular attendance at the Steering Subcommittee meetings is a responsibility of each Subcommittee chair. If a Subcommittee does not attend any two consecutive Steering Subcommittee meetings, a Standards Committee co-chair may discuss this issue with the Subcommittee members and may request the Subcommittee to elect a new chair.

Quorum and Voting

- Formal votes are not required for any specific decision or recommendation.
- If consensus cannot be achieved within the group, a simple majority vote may be held at the discretion of the co-chairs.
- In any formal vote, at least one half of the members of the Subcommittee must be present for a quorum to be declared.
- Each member shall have one vote, irrespective of his or her firm.

Meeting Frequency and Record Keeping

- Meetings shall be held at least monthly.
- Record keeping is at the discretion of the Standards Committee co-chairs, except that if any formal vote is held, a record must be kept of the members present and the result of the vote.
- As a good practice, the co-chairs or secretary should distribute meeting agenda ahead of each meeting and distribute minutes of each meeting listing attendees, decisions, and actions.

Chair

- The Steering Subcommittee shall be chaired by one or both of the Standards Committee co-chairs, or by another Subcommittee member designated by the co-chairs.



6. Publication Subcommittee

6.1. Introduction

The Publication Subcommittee defines format and content requirements for deliverables, and reviews deliverables for consistency with these requirements.

6.2. Responsibilities

The Publications Subcommittee has the following responsibilities:

- Elect a Publications Subcommittee chair.
- Define standards of content and format for the Publication Committee's publications.
- Review deliverables produced by other Business Area Subcommittees to ensure that they follow format, content and other guidelines.
- Report any issues or proposed changes to the Business Area Subcommittee to resolve.
- If there are substantive changes to a deliverable in response to Publication Subcommittee feedback, re-review the deliverable.
- Release the deliverable to the Steering Subcommittee for subsequent review.

6.3. Rules of Operation

Membership

- Membership in the Publications Subcommittee is open to Standards Committee members, to other employees of MMI-firms, and to MMI non-members at the discretion of the Chair.
- Prospective members shall notify the Subcommittee chair of their intention to participate.



Quorum and Voting

- Decisions shall normally be made by consensus.
- Formal votes are required for:
 - Electing the Publications Subcommittee chair.
 - Approving a deliverable for release to the Standards Committee.
- If consensus cannot be achieved within the group, a simple majority vote may be held at the discretion of the chair.
- The chair has the right to require that participants must have participated in a minimum number of meetings (such as two) before being given the right to vote.
- The chair shall determine whether a quorum is present.
- Each member shall have one vote, irrespective of his or her firm.
- In any case of dispute over the fairness or legitimacy of voting or other decision making, the dispute shall be reported to a Standards Committee co-chair.

Meeting Frequency and Record Keeping

- Meeting frequency is at the discretion of the Publications Subcommittee chair, and will be dictated in part based on the development schedule of the other Business Area Subcommittees
- Record keeping is at the discretion of the chair, except that if any formal vote is held, a record shall be kept of the members present and the result of the vote.
- As a good practice, the Subcommittee chair should distribute meeting agenda ahead of each meeting and distribute minutes of each meeting listing attendees, decisions, and actions.

Chair

- The Publication Subcommittee chair is elected to a two year term, with no term limits.
- The Publication Subcommittee chair must be an MMI member.



7. Business Area Subcommittees

7.1. Introduction

A number of Subcommittees may be established by the Steering Subcommittee to meet the annual planning goals.

7.2. Responsibilities

The responsibilities of each Business Area Subcommittee include:

- Elect a chair.
- Develop statements of work for presentation and approval by the Steering Committee.
- Form working groups as necessary to carry out the tasks in its statements of work.
- Identify any gaps in skills available to its working groups, and fill them with new members.
- Report on status to the Steering Subcommittee. Business Area Subcommittee reports will include:
 - changes in working group structure;
 - status of progress against statements of work;
 - requests to amend statements of work (i.e., with respect to deliverables or time frame); and
 - requests to amend planning objectives.
- Agree the deliverables are ready for review and comment.
 - the deliverable is within the scope of the approved statement of work; and
 - the deliverable addresses some or all of the subcommittee's planning objectives.
- Submit the deliverables to the Publications Subcommittee for review.
- Review and dispose of comments, either by incorporating updates or rejecting the comment.
- Agree that the deliverables are ready for final approval.
- Submit the deliverables for final approval by the Standards Committee via the Steering Subcommittee.



7.3. Rules of Operation

Membership

- Membership in the Subcommittees is open to Standards Committee members, to other employees of MMI-firms, and to MMI non-members at the discretion of the Chair.
- Prospective members shall notify the Subcommittee chair of their intention to participate.

Quorum and Voting

- Formal votes are required to:
 - Elect a chair
 - Recommend a change to the statement of work
 - Approve a deliverable for submission to the Publications Committee for review and comment.
 - Recommend a deliverable for submission as an MMI Industry Standard.
- If consensus cannot be achieved within the group, a simple majority vote may be held at the discretion of the chairs.
- The chair has the right to require that participants must have participated in a minimum number of meetings (such as two) before being given the right to vote.
- The chair shall determine whether a quorum is present.
- Each member shall have one vote, irrespective of his or her firm.

Meeting Frequency and Record Keeping

- Meeting frequency is at the discretion of the Subcommittee chair.
- Record keeping is at the discretion of chairs, except that if any formal vote is held, a record shall be kept of the members present and the result of the vote.
- As a good practice, Subcommittee chairs should distribute meeting agenda ahead of each meeting and distribute minutes of each meeting listing attendees, decisions, and actions.



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Chair

- Subcommittee chairs are elected to a two year term, with no term limits.
- Subcommittee chairs must be an MMI member.

Working Groups

- Working groups shall be created at the discretion of the Subcommittees, and working group chairs shall be appointed by the subcommittees.
- Decisions shall be made by consensus where possible.
- In the case of dispute within a working group, the matter shall be returned to the Business Area Subcommittee.



8. Publication Approval Process

Each deliverable goes through the following process before publication as an MMI Industry Standard:

- Business area Subcommittee working groups complete work and submit deliverable to the Subcommittee.
- Business area Subcommittee reviews and comments on deliverable.
- Business area Subcommittee agrees that the deliverable is ready for review, as documented above under Business Area Subcommittee Responsibilities.
- Publication Subcommittee agrees that the deliverable meets format and content requirements. Failing that, the deliverable is returned to the business area Subcommittee for remediation and if necessary is re-reviewed.
- Steering Subcommittee submits the deliverable as an **MMI Internal Draft** to the Standards Committee, and schedules a comment period, the length of which shall not be less than thirty (30) days.
- Standards Committee reviews the deliverable and returns comments to the business area Subcommittee.
- Business area Subcommittee develops a disposition for each comment. Possible comment dispositions include:
 - Comment will be addressed as part of current deliverable. If there are comments in this category, the revised deliverable will begin a new publication process.
 - Comment will be addressed in a later release.
 - Comment is out of scope for the statement of work under which the deliverable has been produced, or in the opinion of the Subcommittee the comment should be rejected for other reasons.
- Standards Committee approves the deliverable for industry review and comment, and schedules a comment period, the length of which shall not be less than thirty (30) days. The document is published as an **MMI Industry Draft**.
- Industry comments are returned to business area Subcommittee, which develops a disposition for each comment, as above. If necessary, the Subcommittee revises the deliverable and resubmits it for review and comment.
- When all comments have been addressed, the Subcommittee submits the deliverable for approval as an MMI Industry Standard. As part of this submission the disposition of all comments is documented.



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- The Standards Committee recommends the deliverable for publication as an **MMI Industry Standard**.
- The MMI Board endorses the deliverable and it is published as an MMI Industry Standard.