



TO: Board of Governors
FROM: Executive Management Team
DATE: April 23, 2015
RE: Mini-Retreat Discussion, WSBA Sections and CLE Business Models

The Officers and members of the Board of Governors, together with the Executive Management Team and key program staff, will gather Saturday morning, April 25, 2015, for a mini-retreat to discuss two inter-related items: (1) WSBA sections, and (2) CLE business models.

Context

The WSBA is guided by its mission, guiding principles, mission-focus areas, and program criteria, which operate together to help the institution continue to transform from one that was a mile wide and inch deep, to one that is an inch wide and mile deep. The Board sets policy, and staff puts policy into operation in alignment with this framework.

Leadership regularly reviews and discusses WSBA policy in light of trends, opportunities, and issues. A mini-retreat is one venue for such discussion: it provides for dialogue and an exchange of ideas that helps put future policy questions into focus. No formal proposals are made, and no action is taken at the mini-retreat. The Officers and Executive Director in consultation with the BOG and Executive Management Team determine topics for the mini-retreat.

1. WSBA SECTIONS

At a recent executive management retreat, we honed in on four issues needing clarity. We have outlined these four questions for discussion:

1. What is the purpose of WSBA Sections and how do we get clarity around this purpose?
2. Should Sections focus more on function than funds?
3. How do we enhance the connection between Section executive leadership and their members?
4. What is/ should WSBA be getting back from the investment it makes in Sections?

Context for Sections Discussion

WSBA supports 28 sections. Most sections are organized around common areas of practice (e.g., family law, criminal law, etc.); some are organized around common types of practice (e.g., solo and small firm, low bono, etc.); and one is organized around career stage (senior lawyers). One in three WSBA active members is a member of at least one WSBA section. There are 10,108 individual members, and a total of 16,784 memberships. *See Attachment 1, WSBA Sections Year in Review, and Attachment 2, Table of WSBA Sections.*

WSBA's purposes and support for sections have evolved over time. Staff will present an overview of section trends and issues for discussion, chief among them a web of policies and practices that foster confusion regarding section independence. This issue is clearly evident as we examine the future of CLE at WSBA, but it is not limited to CLE. *See Attachment 3, Article XI, WSBA Bylaws, Attachment 4, Excerpts from WSBA Fiscal Policies and Procedures, and Attachment 5, Legislative Comment Policy.*

Today, 44 staff across departments support WSBA sections at an annual cost of ~\$700,000 (approximately 14,000 hours, or 6.6 FTE). *See Attachment 6, Section Support by Department.* In addition, staff from our Office of Disciplinary Counsel and Office of General Counsel regularly speak at section CLE seminars and conferences.

\$285,000 of these \$700,000 in costs are recovered through the Per Member Charge of \$17.75 that Sections pay to WSBA from member dues charged to each member. *See Attachment 7, WSBA Sections – Per Member Charge Calculation.* The gap of \$410,000 is subsidized by all WSBA members through the general fund.

Over and above the \$700,000 support detailed in Attachment 6, staff also provides CLE development, coordination, execution and oversight for WSBA sections – the costs of which are also not fully recovered under existing policy. From 2010 through 2014, the WSBA CLE Reserve Fund dropped below \$500,000 as the Sections Fund simultaneously climbed to over \$1,000,000.

Administration and management of WSBA Sections is at times smooth and efficient, and at other times frustrating and concerning. Clarity about the purpose for WSBA Sections will help to analyze whether, under current policies and practices, Sections are advancing these goals, and what is limiting our mutual success. We will conclude our discussion of WSBA Sections by answering whether WSBA Section and related CLE policies need to change.

2. CLE BUSINESS MODELS

With clarity about whether WSBA Section and related CLE policies need to change, we will then move forward to answer:

1. What is the footprint for ALL of WSBA's free and low cost CLE programming? Should WSBA license fees continue to support: New Lawyer Education, Public Service Programs CLE, and Section Mini-CLEs? Should Legal Lunchbox remain the foundation of *additional* free WSBA-CLEs?
2. Should WSBA charge registration and earn revenue from delivering CLEs?
3. Should WSBA continue to subsidize Sections- CLE? Should WSBA produce Section CLE programs in-house, or partner with a vendor for some or all of Section CLE seminars and conferences?

The answers to these questions will point us to a starting place for review of five potential CLE business models for FY 2016 and beyond.

Context for CLE Business Models Discussion

WSBA maintains a CLE fund separate from the general fund. The CLE fund (WSBA-CLE) supports CLE-Publications and Products (desk books, audio visual recordings, MP3s and course books for sale) and Seminars (live seminars and conferences).

WSBA began an analysis of WSBA-CLE in fall 2013. We examined the overall fiscal impact, and reviewed the portfolio of content in light of WSBA's mission-focus areas and program criteria. The content analysis led the Executive Management Team and Board of Governors to a strategic refocus on substantive law in partnership with WSBA sections, skills for 21st Century practice, and ethics and professionalism. The fiscal analysis pointed to the need for a new business model. We presented an overview of trends and issues with the Board of Governors at its November 2014 meeting as part of a generative discussion about the future of WSBA-CLE. At that meeting, the Board generally affirmed that providing CLE programming remains core to WSBA's mission, that it is appropriate to use license fees to support CLE programming, but that the amount of that subsidy would need to be determined. At the January Budget and Audit Committee meeting, we provided an in-depth fiscal analysis of FY14 and an overview of the timeline for bringing forward new business models. We provided an in-depth analysis of FY15 projections at the February meeting and on April 1 brought five potential business models for FY16 and beyond to Budget and Audit. In reviewing the models, Budget and Audit determined that understanding the models first requires a more solid foundation of understanding regarding Section policies. The Treasurer proposed that the CLE models be placed on the Board agenda for consideration after the mini-retreat. There was general agreement to use the mini-retreat in April to discuss both the Section policies as well as the proposed CLE models. See Attachment 8, *WSBA Sections – Impact of CLE Policy Changes (Model C1, Illustrative)*, for an example of the information we will review on Saturday.

Section Input Regarding the Future of CLE

At the Fall 2013 Section Leaders meeting, WSBA notified sections that a cost analysis revealed WSBA does not recover its total, actual costs of producing CLE seminars and conferences with our sections. We let section leaders know we would be examining policies and practices, reviewing our Conference Center Lease, and that we would invite input about changes.

Early in 2014, WSBA hosted several focus groups for section leaders to come examine the CLE fiscal impact issues more closely and to provide feedback on proposed new business models.

At the Spring 2014 Section Leaders meeting, we reported back that:

- Our cost and revenue sharing models would change, and that we would delay implementation until October 1, 2015 to allow sections time to plan for changes
- We are leaning toward replacing the current 35% of gross revenue charge with a per-attendee charge to improve recovery of actual costs, and toward a split of net revenues for all programs
- We would soon (and now do) allow WSBA sections to partner with other MCLE sponsors
- We would continue to support, at no charge, “mini” CLEs that are a maximum of two hours/ two credits
- We would likely not extend the lease of the WSBA Conference Center

In November 2014, we invited Section Leaders to tune in to the BOG meeting for a generative discussion about the future direction of Continuing Legal Education at WSBA. Major themes discussed included:

- A trend toward online participation in live CLE seminars
- Increased demand for free and low-cost CLE offerings, and fiscal impact of meeting this demand
- A widening gap between WSBA’s actual costs and costs recovered from Section co-sponsored programming
- The need for a new business model

We have provided email updates to the Sections Leaders list serve on the January, February and April 1 Budget and Audit Committee meetings and answered questions from section leaders and BOG liaisons. We have a teleconference call scheduled for Wednesday, April 29 at 4pm with section leaders to review what is discussed at the mini-retreat and what to expect on the June Board meeting agenda regarding Sections and CLE policies.

Attachments

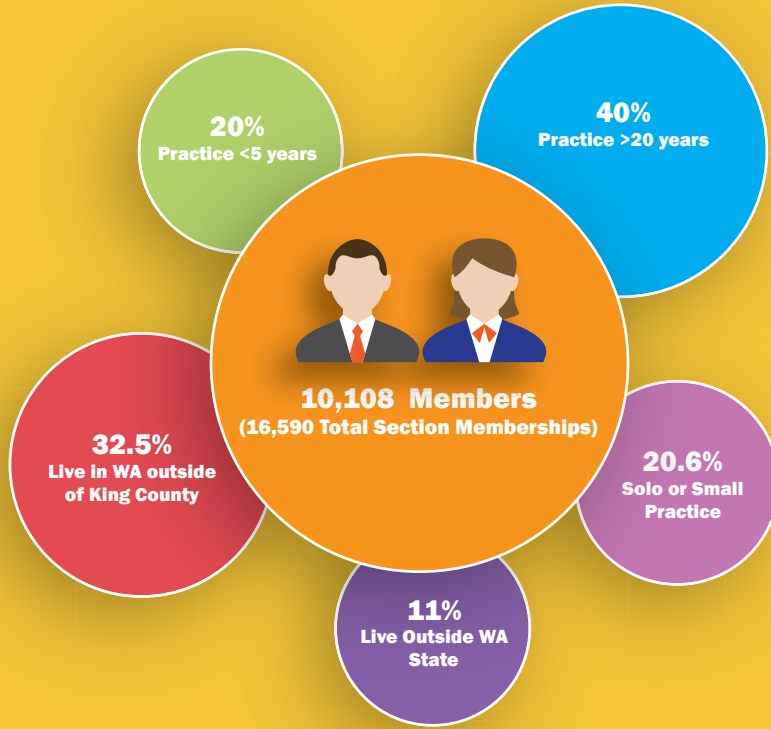
1. Infograph: Sections, 2014 Year in Review
2. Table of WSBA Sections
3. Table of Section support by Department
4. Article XI, WSBA Bylaws
5. WSBA Sections - Per Member Charge Calculation
6. Excerpts from WSBA Fiscal Policies and Procedures
7. Legislative Comment Policy
8. WSBA Sections – Impact of CLE Policy Changes (Model C1, Illustrative)



WSBA Sections

Fiscal Year 2014 In Review

Section Members



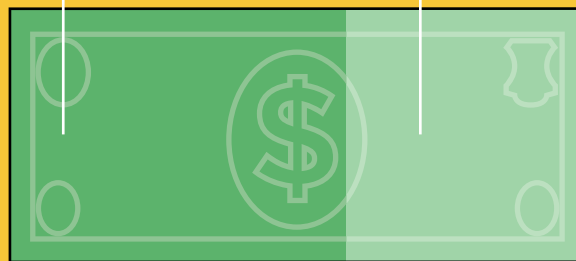
Number of Sections:



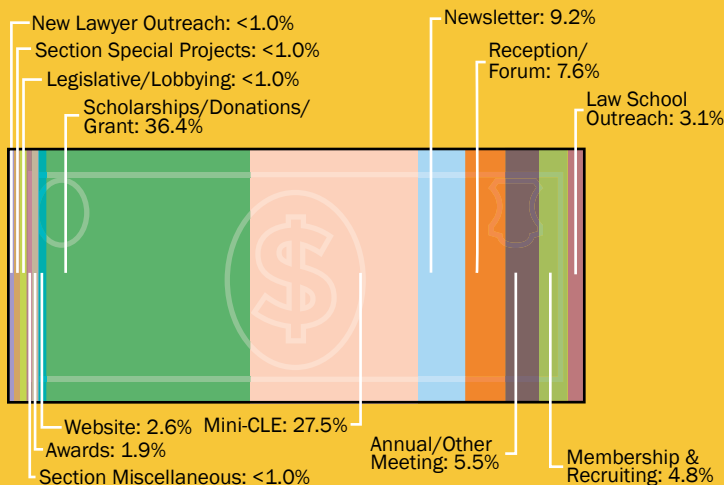
Where Section Dues and Seminar Income Goes

Member Benefits: \$192,277.08

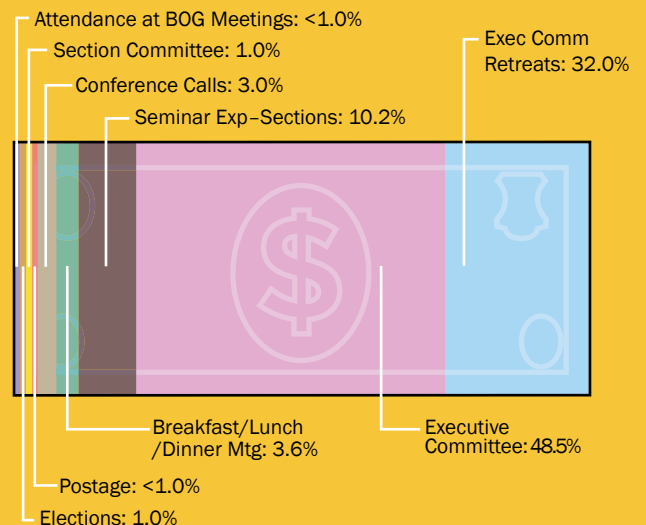
Section Administration Expenses: \$156,012.22



Member Benefits Breakdown



Section Administration Expenses*



*Does not include the per member charge that sections pay to WSBA for administration and infrastructure (\$17.75 per member).

Section	Membership Count (FY14 year-end)	Fund Balance (as of Jan 2015)	Section Formed	Active Web Content ¹	CLEs w/WSBA	CLE w/other Entities ²	Deskbook / Manuals / Sourcebooks	Law School Outreach	Legislation	Listserve ³	Mini-CLE	Newsletter	Receptions/ Forums ⁴	Recognition Awards ⁵	Scholarships & Grants	Social Media ⁶
Real Property Probate Trust	2,363	\$ 121,782.61	1974	X	X				X	X		X	X		X	
Labor and Employment Law	952	\$ 92,362.50	2000		X			X		X			X		X	
Intellectual Property	885	\$ 81,770.44	1973		X			X		X	X		X			X
Business Law	1,287	\$ 75,565.14	1974	X	X	X	X	X	X	X	X	X	X			
Family Law	1,315	\$ 71,079.38	1990	X	X		X		X	X	X		X	X		
Health Law	394	\$ 67,507.72	1973	X	X					X	X					
Criminal Law	530	\$ 66,633.99	1979	X	X				X	X	X	X			X	
Administrative Law	246	\$ 60,275.22	1973	X	X	X	X		X	X	X	X	X	X	X	
Corporate Counsel	927	\$ 59,267.12	1986	X	X					X	X		X			X
Litigation	1,233	\$ 58,623.46	1975		X				X	X		X	X		X	
Taxation	645	\$ 58,488.72	1975		X			X	X	X	X	X	X		X	X
Antitrust, Consumer Protection & Unfair Business Practices	233	\$ 51,424.91	1974	X	X			X	X	X	X		X			
Alternative Dispute Resolution	413	\$ 44,186.76	1991	X	X				X		X	X	X			X
Solo & Small Practice	906	\$ 42,221.09	1989	X	X					X	X					
Elder Law	639	\$ 41,429.25	1994		X				X	X			X		X	
Environmental Land Use Law	931	\$ 38,630.64	1974		X				X	X	X	X	X		X	
Construction Law	568	\$ 37,029.70	1986	X	X	X				X	X	X	X			
Creditor Debtor Rights	685	\$ 36,839.86	1974	X	X	X			X	X		X		X	X	
Indian Law	331	\$ 35,082.91	1988	X	X				X	X		X	X		X	
Animal Law	126	\$ 16,089.10	2002		X					X	X	X	X			
World Peace Through Law	162	\$ 15,813.97	1981							X	X					
International Practice	283	\$ 14,878.98	1984	X						X	X	X	X		X	X
Civil Rights Law	133	\$ 12,736.17	2008	X	X			X	X	X	X	X	X	X		X
Juvenile Law	178	\$ 11,921.63	2006						X	X	X	X	X		X	X
Legal Assistance to Military Personnel	137	\$ 11,751.10	2004	X			X	X	X	X	X		X			
Senior Lawyers	302	\$ 4,925.10	1998		X					X		X	X			
Lesbian Gay Bisexual Transgender Law	105	\$ 4,382.74	2006	X				X		X	X		X			X
Low Bono	54	\$ 1,634.98	2014	X						X						X
	16,963	\$ 1,234,335.19		18	22	4	4	10	16	27	20	16	22	4	12	9

¹ Active web content refers to sites that provide resources and information for members (e.g. links, statements and sample documents) beyond event notices.

² Includes seminars and institutes produced with other Form 1 sponsors such as the Northwest Securities Institute and Northwest Bankruptcy Institute.

³ RPPT, Family, ADR and Low Bono listserve are hosted off-site.

⁴ Events to note: Litigation Annual dinner with State Justices, Taxation Luncheon, International Practice Foreign Lawyers Forum, Corporate Counsel quarterly dinners, ADR member events, Construction law dinner.

⁵ Does not include recognition of outgoing Executive Committee members.

⁶ Social Media includes: Twitter, Facebook and LinkedIn.

Table of Section Support by Department

In FY 2015, a total of 44 staff across WSBA departments support WSBA Sections at an annual cost of ~\$700,000 (approximately 14,000 hours, or 6.6 FTE)

This support is *in addition* to developing, producing, and speaking at Section CLE seminars and conferences.

WSBA Department	Support for WSBA Sections
Administration	Budget development, consultation and monitoring; financial oversight and analysis; policy analysis; contract review; CLE registration, vendor and volunteer expense, payment and reimbursement review, tracking and processing
Advancement	Section leaders liaison, coordination, consultation and support; administrative and marketing support for Section Mini-CLEs; contract analysis and approval; charitable giving/fundraising oversight; young lawyer section liaison program oversight, open sections night and other networking activities
Communications	Strategic messaging development, oversight and coordination; NWLawyer and newsletter review, editing and publication; section marketing, sponsorships, exhibitions; graphic design and printing; section webpages and email communications; CLE webcasts; deskbooks and newsletters; meeting logistics and facilitation
Human Resources	Diversity and inclusion training and support
Information Technology	Section web page development and updates; online member forms and receipts; IT support of section listservs; online store development and section products
Office of Executive Director	Policy oversight; section communications; administration of section bylaw amendments and BOG agenda items
Office of General Counsel	Legal oversight and guidance re: section policies, actions, legislative involvement; contract analysis; template development; review of bylaws amendments and newsletters
Regulatory Services Department	Section membership tracking, updating, reporting , analysis; section rosters and data requests; mailing lists



WSBA Bylaws – Key References for Section Leaders

Each WSBA section has its own set of bylaws and is governed by an Executive Committee. Executive Committee members are often referred to as “Section Leaders” and play a critical role in doing the work of WSBA while also creating benefit for section members. It is the responsibility of the Section Leaders to review & understand all relevant bylaws, policies and procedures, including but not limited to the WSBA Bylaws. The WSBA Bylaw excerpts and references in the summary below are provided as a convenience to Section Leaders. The most updated version of the WSBA Bylaws can be found on the WSBA website (www.wsba.org), or by contacting the Sections Team at sections@wsba.org or calling the WSBA Service Center at 1-800-945-9722.

WSBA Bylaws – Excerpts & References related to Sections (not in numerical order)

XI. SECTIONS

A. DESIGNATION AND CONTINUATION

Sections shall carry on the work of the Bar, each within the jurisdiction defined in its bylaws. A list of all current sections shall be maintained by the Executive Director. Once established, a section shall continue until discontinued as provided in these bylaws or in the section bylaws.

B. BYLAWS.

Each section shall have bylaws consistent with these bylaws. Section bylaws or amendments thereof shall become effective when approved by the Board of Governors.

C. ESTABLISHING SECTIONS

[see WSBA Bylaws for text]

D. BUDGET

Each section shall submit an annual budget request to the Board of Governors, and shall confine its expenditures to the budget and appropriation as approved by the Board of Governors.

E. SECTION REPORTS

Each section shall submit an annual report to the Executive Director and such other reports as requested by the Board of Governors.

F. MEMBERSHIP

1. Any Active member of the Bar may be a voting member of a section and eligible for election to office in the section upon paying the annual dues established by the section. Inactive members may not be voting members of sections.
2. If provided for in the section bylaws, any lawyer admitted to the Bar as an Emeritus/Pro Bono member pursuant to APR 8(e), or specially licensed to practice law pursuant to APR 8(d) (educational purposes), APR 8(f) (House Counsel), or APR 8(g) (Military Lawyer), may be a voting member of the section and eligible for election to office in the section.
3. Law students shall be allowed to be nonvoting members of any Section at a standard annual dues amount set by the Board of Governors.
4. Sections may adopt bylaw provisions authorizing inactive members, and others not eligible for section membership as voting members, to be nonvoting members or “subscribers” of the section.

G. TERMINATING SECTIONS

[see WSBA Bylaws for text]

IV. GOVERNANCE

A. BOARD OF GOVERNORS.

2. Duties

d. Governors appointed to serve as BOG liaison to a WSBA committee, task force, council, section, board, or other WSBA entity are not voting members of those entities. Liaisons may be present during, but shall not participate in, executive session or confidential deliberations except when requested to do so as a resource.

E. REPRESENTATION OF THE BAR.

Except as specifically set forth in these Bylaws, no committee, section, task force, or WSBA entity, or member thereof, member of the BOG, or officer or employee of the Bar shall assume to speak for or represent the Bar, or any committee, section, task force, or entity thereof, before any legislative body, in any court, before any other tribunal or in any communication to the Governor or the Attorney General of the State, unless prior authorization to do so has been specifically granted by the BOG by policy adopted by the BOG or by specific BOG action.

V. APPROPRIATIONS AND EXPENSES

B. EXPENSES; LIMITED LIABILITY.

1. Requests for payment shall be in such form and supported by such documentation as the BOG shall from time to time prescribe.

2. The financial obligation of the Bar to any committee, board, section, or other WSBA entity shall be limited to the amount budgeted and shall cease upon payment of that amount unless the BOG authorizes otherwise.

3. Any liability incurred by any committee, board, section, or other WSBA entity, or by members thereof, in excess of the funds budgeted, shall be the personal liability of the person or persons responsible for incurring or authorizing the same.

4. Any liability incurred by any committee, board, section, or other WSBA entity, or by members thereof, not in accordance with the policies of the BOG or in conflict with any part of these Bylaws, shall be the personal liability of the person or persons responsible for incurring or authorizing the same.

VII. MEETINGS

A. GENERAL PROVISIONS; DEFINITIONS.

1. Definitions.

As used in this article unless the context indicates otherwise:

a. "Meeting" means any regular or special meeting of the Bar, its Board of Governors, or one or more of its governing bodies. "Regular meetings" are recurring meetings held in accordance with a periodic schedule declared by these bylaws or a governing body's resolution, bylaw, or rule.

b. "Governing body" means a board, committee, subcommittee, task force, section, or other body working under the authority of, or administered by, the Bar. The activities of such governing bodies may include, but are not limited to, conducting meetings, taking actions, conducting hearings, or gathering information or member comment.

c. "Action" means the transaction of the official business of the Bar by a governing body including but not limited to receipt of member information, deliberations, discussions, considerations, reviews,

evaluations, and final actions. “Final action” means a collective positive or negative consensus, or an actual vote by a majority of the voting members present, whether in person or by electronic means, at the time of the vote, upon a motion, proposal, resolution, or order.

2. Order of Business.

The President or Chair of the meeting shall determine the order of the business of any meeting.

B. OPEN MEETINGS POLICY.

1. Given the important role of the attorney in society and the Bar’s singular authority over the provision and providers of legal services, except as it may otherwise be limited by these bylaws or by court rules the Bar is committed to conducting all meetings of the Bar, its Board of Governors, and its governing bodies in an open and public manner. Through such openness, the Bar intends to make information available to its members and to the people of Washington that will allow them to become informed about matters regarding the provision of legal services and other topics falling under the Bar’s authority.

All meetings shall be open and public and all persons shall be permitted to attend any meeting, except as otherwise provided in these bylaws or under court rules. A meeting may be held by electronic means. Meeting schedules and contact information shall be made available by the Bar.

2. This Open Meetings Policy shall not apply to duly designated executive sessions, meetings otherwise excluded under the terms of these bylaws, meetings of the BOG Personnel and Awards Committees, the Judicial Recommendation Committee, or to matters regulated by the Rules for Enforcement of Lawyer Conduct, the Admission and Practice Rules, or the Rules for Enforcement of Conduct of Limited Practice Officers.

3. Minutes of all meetings, except for executive sessions, shall be promptly recorded and shall be open to public inspection upon request. Minutes from every BOG public session shall be posted on the WSBA website once approved by the BOG.

4. A member of the public shall not be required, as a condition of attendance at a meeting, to register his or her name and other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

5. In the event that any meeting is interrupted by a group or groups of persons so as to render the orderly conduct of such meeting not feasible, and order cannot be restored by the removal of individuals who are interrupting the meeting, the persons presiding over the meeting may order the meeting room cleared and continue in session or may adjourn the meeting and reconvene at another location selected by majority vote of the members of the governing body. In such a session, final disposition may be taken only on matters appearing on the agenda. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the governing body from establishing a procedure for readmitting an individual or WSBA Bylaws 40 individuals not responsible for disturbing the orderly conduct of the meeting.

6. At any meeting required to be open to the public, no governing body shall vote by secret ballot, except as provided by these bylaws.

7. Each governing body shall set regular and special meetings as needed. It shall not be a violation of these bylaws for a majority of the members of a governing body to travel together or gather for purposes other than a regular or special meeting as these terms are used in these bylaws, provided that they take no final action as defined in these bylaws.

8. A governing body may adjourn any meeting to a time and place specified in the order of adjournment. A quorum is not required to adjourn. If all members are absent from any meeting the chair of the governing body may declare the meeting adjourned to a stated time and place. He or she shall cause

written or electronic notice of the adjournment to be given to all members of the governing body within 48 hours of the adjournment.

9. Any member may timely petition the Board of Governors to declare any BOG final action voidable for failing to comply with the provisions of these bylaws. Any member may petition the BOG to stop violations or prevent threatened violations of these bylaws.

XIV. RECORDS DISCLOSURE & PRESERVATION

A. Given the important role of the attorney in society and the Bar's singular authority over the provision and providers of legal services, the Bar is committed to maintaining its records in a manner that makes them as open and available to its members and the public as is reasonably possible. Through such openness, the Bar intends to make information available to the people of Washington that will allow them to become informed about matters regarding the provision of legal services and other topics falling under the Bar's authority.

These Bylaws apply to Bar records created before July 1, 2014. Access to Bar records created on or after July 1, 2014, is governed by GR 12.4

B. The Bar, in accordance with published rules, shall make available for its members and/or public inspection and copying all Bar records, unless the record falls within the specific exemptions of these bylaws or is made confidential by the Rules of Professional Conduct, the Rules for Enforcement of Lawyer Conduct, the Admission and Practice Rules, the Rules for Enforcement of Limited Practice Officer Conduct, GR 25, or any other applicable statute or rule. To the extent required to prevent an unreasonable invasion of personal privacy interests protected by these bylaws or the above-referenced rules or statutes, the Bar shall delete identifying details in a manner consistent with those rules when it makes available or publishes any Bar record; however, in each case, the justification for the deletion shall be explained fully in writing.

5. The following are exempt from public inspection and copying:

[see WSBA Bylaws for text]

I. Membership information; however

1) status, business addresses, business telephones, facsimile numbers, electronic mail addresses (unless the member has requested that it not be made public), bar number, and dates of admission, shall not be exempt, provided that, for reasons of personal security or other compelling reason, the Executive Director may, on an annual basis, approve the confidentiality of any such information; and

2) age information may be used as a criterion for eligibility for membership in a WSBA committee or section, but only when used in conjunction with year of admission.

Prepared in reference to edition of the Bylaws of the Washington State Bar Association including the comprehensive review of the Bylaws adopted by the Board of Governors at its meeting on September 24, 2010, and all other amendments approved by the Board of Governors through January 23, 2015.



Per-Member Charge Calculation

There are three items that are included in the Per-Member Charge calculation:

1) **SALARIES AND BENEFITS**- The charge includes the salaries and benefits of all staff that directly support Sections. Benefits are calculated as a percentage of total salaries. The percentage is derived from the WSBA's total salaries and benefits budget for the fiscal year. Generally, benefits can range from 35-38% of salaries.

Direct Staff Support

Senior Section Leaders Liaison

Sections Leaders Liaison

Sections Administrative Assistant

Associate Director for Publications and Professional Development

Administrative Staff Time¹

Items included in Employee Benefits:

- Employer Federal Taxes & Insurance
- Medical Coverage
- Retirement Plan Contributions
- Employee Bus Passes
- Employee Assistance Plan & Service Awards

2) **OVERHEAD**- This charge includes expenses related to general operations attributable to all WSBA employees. Overhead cost is calculated based on a per-FTE (full-time equivalent) dollar amount which is derived by taking the total cost of all overhead and dividing it by the total number of WSBA FTEs. This generates a per-FTE cost which is multiplied by the total number of FTEs allocated to Sections (3.15 FTEs for the FY 2013 Per-Member Charge calculation).

Items included in Overhead:

- Rent (does not include CLE Conference Center)
- Furniture, Maintenance, and Leasehold Improvements (miscellaneous repairs, extra HVAC costs, general maintenance costs of the WSBA facility)
- Office Supplies & Equipment
- Computer Software Depreciation (depreciation for purchased & WSBA-developed software including membership data system online licensing software, website design, etc.)
- Telephone & Internet
- Production Services (maintenance and supplies for copiers and other production equipment)
- Workplace Benefits (coffee, tea, water, staff appreciation, etc.)
- Human Resources Direct Expenses (payroll processing, advertising for open positions, staff training, etc.)
- Personal Property Taxes (taxes assessed on WSBA property such as equipment/furniture, etc.)
- Furniture & Equipment Depreciation

¹ Includes cost of staff time for processing of accounts payable and production services

- Computer Hardware Depreciation
- Insurance (professional liability & property insurance)
- Professional Fees-Audit (WSBA annual financial statement audit costs)
- Bank Fees
- Information Technology Dept. Expenses (computer hardware, software, all general technology supplies and support)

3) SECTIONS ADMINISTRATION EXPENSES- these expenses are included in the WSBA’s general fund budget and are mainly costs of administering sections unrelated to staffing costs.

Items included in Sections Administration Expenses:

- Dues Statements (paper, postage, and printing of annual Section membership dues statements)
- Credit card merchant fees (associated with membership payments made using credit/debit cards)
- Section Meetings Expenses (Fall & Spring Section Leaders meeting costs for food, supplies, and conference calls)
- Staff Travel (costs for Sections staff to attend Executive Committee meetings and other Section events)
- Staff Training & Development

CALCULATION:

The cost for all three expenses are combined and divided by the total estimated number of Section memberships for the coming year to arrive at a per-member charge that is allocated to each Section each time a member signs up for a Section. An example of this calculation is as follows:

Salaries for 3.15 FTEs	\$156,472
Benefits (35.23% of estimated salaries)	<u>\$49,523</u>
Total Salaries and Benefits budgeted for Sections	<u>\$205,955</u>

Total Overhead Budget for WSBA= \$2,388,370
 Estimated total WSBA FTEs for FY 2012 = 140.7
 Overhead per FTEs = \$2,388,370/140.7= \$16,975
Estimated overhead to be charged to sections = \$16,975x 3.15 FTEs = \$53,471.25

Total Salaries and Benefits (see above)	\$ 205,955
+ Total Overhead (see above)	\$ 53,471.25
+ Estimated direct expenses for Section Administration	<u>\$ 15,650</u>
Total Sections administration expenses	\$ 275,116.25
Estimated total # of members	15,500 members
Per member charge for FY 13 =	\$17.75/member

Chapter 10: Sections

Overview of Section Funds

The WSBA has unrestricted, designated, and restricted fund balances. See Chapter 4, Unrestricted and Restricted Fund Balance Policy. All funds collected by the WSBA on behalf of a Section are subject to the control and fiscal oversight of the Board of Governors. Beginning in fiscal year 1994, the Board directed that the total difference between revenues, and direct and indirect expenses, for all Sections each year be designated as Section funds. Indirect expenses are that portion of the WSBA's staff time and overhead expenses attributed to support of and work for the Sections (reimbursed through the "per-member" charge). Separate ledgers will be maintained for each Section, making up the total for the Section funds.

It is recommended that a Section's fund balance be consistent with its future needs. Generally, the purposes of a fund balance are to:

- Provide a cushion for an unexpected shortfall in revenue.
- Provide a cushion for an unexpected expense.
- Provide for a specific future event that does not occur annually.
- Provide the ability to take advantage of an unforeseen unique opportunity.

A Section's fund balance should be enough to sustain a consistent level of programming in the event there are severe fluctuations in annual Section membership (six months worth of direct programming expenses are recommended as a guideline). In addition, a Section may plan for specific stated purposes (e.g., scholarships, special events, conferences, publications, and other member benefits). Sections are discouraged from maintaining fund balances in excess of two year's worth of direct programming expenses and specified purposes.

If a Section finds it has accumulated a larger fund balance than recommended above, Section leadership should devise a plan to spend down the fund balance by budgeting and incurring a loss in one or more subsequent fiscal years. Some suggestions are as follows:

- Reduce member dues.
- Subsidize the cost of full-day seminars by reducing the cost per member (the Section will pay the difference between the standard seminar price (\$199 or \$225) and what the Section would like to charge).
- High visibility or national-level speaker for a CLE program.
- Scholarships for law school students.
- Special educational projects (e.g., youth courts, mock trial programs, law school events).
- Improve membership resources (e.g., newsletters, website, law updates, handbooks, publications).
- Annual grant program to help support work of community-based programs providing access to civil legal services.
- Produce or sponsor law-related public information (e.g., Citizens' Rights brochures, sponsor lawforwa.gov website or votingforjudges.org, TVW's "The Docket").
- Donate to Washington State Bar Foundation's Loan Repayment Assistance Program (LRAP).
- Sponsor the WSBA's Leadership Institute Fellows' projects through the Washington State Bar Foundation.

Executive Committees' Fiscal Responsibility

Each Section is entrusted with funds that are paid by its members as dues and that are the fruits of volunteer efforts (such as the Section's share of revenues from CLE programs and mid-year/annual meetings). Each Section's Executive Committee is charged with the duty of approving Section expenditures. As stewards of the Section's finances, the Committee should be responsible in authorizing expenditures in accordance with WSBA and Section policies.

Section Budgets

The WSBA's and the Sections' fiscal year is October 1 through September 30. Section budgets are approved annually by the Board of Governors as part of the WSBA's annual budget. See Chapter 1, Key Fiscal Policies – Budget Policies and Process.

Monthly Financial Reports

Monthly financial statements will be sent to each Section chair, chair-elect, and treasurer within 30 days of the close of each month with the exception of September due to the close of the fiscal year-end. These summary reports will show the Section's annual budget, actual monthly revenue and expenses, and year-to-date revenue and expenses. A detail report of posted transactions will also be provided. Section chairs, chairs-elect, and treasurers should review their Sections' monthly financial statements for accuracy and comparison to budget, and contact the Section Leaders Liaison if they have any questions about the amount of an income or expense item, the category in which it is recorded, or any other concerns.

Section Revenue

Member Dues

Section member dues are collected by the WSBA throughout the year. Each fall, membership renewal forms are sent to all WSBA active members and Section subscribers from the prior fiscal year.

Interest Earned on Section Fund Balances

Annually, each Section will receive interest income on its fund balance. The calculation and journal entry will be made at the close of the WSBA's fiscal year, prior to the annual audit of the WSBA's financial statements. Each Section's share of interest income will be determined by taking the average interest rate earned by the WSBA on its investments that fiscal year (excluding investments of reserve funds) and applying that rate to the average of the final year-end fund balance of each Section in the current and preceding fiscal years.

Programs Co-sponsored with Sections (Plan A and Plan B)

Sections and the WSBA CLE Department are required to work together. All CLEs co-sponsored with a Section or not are charged an administrative fee to cover the CLE Department's staff time and overhead associated with seminars. The administrative charge is a percentage of gross revenues from the CLE. This percentage shall be determined at the beginning of each fiscal year by the CLE Director based on the prior year's overhead expenses and the current year's budget. After deducting the administrative fee and all direct costs of the co-sponsored program (e.g., facilities, speakers, etc.), the Section and the CLE Department will split the net profit or loss 50/50. These programs are labeled "Plan A" programs.

All Section mid-year meetings will be administered pursuant to the foregoing paragraph.

For annual programs that are (a) seen as both fiscally lower risk to Sections (unless specifically decided by the Section in consultation with the CLE Department to allow for the greater risk - e.g., bringing in a high-priced speaker) and (b) part of the administrative structure of the Section, the CLE Department uses a revenue sharing plan that includes charging the program the standard administrative fee but the Section receives 100% of the profit or loss from that program. These programs are labeled "Plan B" programs.

Sections' Smaller Programs in which CLE Staff Provide Limited Assistance (Mini-CLEs)

For smaller enrollment seminar programs that the Sections put on for Section members that are designated "mini-cles," the CLE Department provides limited assistance to the Section at no charge (e.g. advertising support, online registration, etc.). In these cases, the Sections do much more of the preparation and production of the seminars than regular CLE programming. These "mini-cles" are seen as exclusively member-benefit programs and the registration fees must be \$25 or less. The CLE Department provides specific support for these programs. Sections are responsible for working in collaboration with the CLE Department (i.e., following procedures outlined including timely notice, providing onsite registration personnel, etc.). Please consult with the CLE Director for specific procedural information.

Accounting for Profit / Loss on CLE Seminars

It is important for the CLE Department and the program sponsors, many of whom are WSBA Sections, to know the financial results of their seminar as soon as possible. The CLE Department must wait for all revenue and expenses to be posted before the seminar can be "closed." The CLE Department has instituted a four to six week preliminary fiscal summary for Sections. Upon closing a seminar, the CLE Department shall submit a journal entry to the Accountant to transfer the appropriate portion of the gain or loss to the Section. The CLE Department strives to close each Section seminar no later than 60 to 75 days after the date of the event but late arriving bills, most notably faculty expenses, sometimes lengthen this time. The CLE Department will keep the Section informed of the current of the status of the seminar financials.

Section Expenses

A WSBA Section, by duly authorized act of the governing board or committee of the Section, shall be authorized to expend all money as budgeted without prior approval by the Board of Governors, provided the following conditions have been met:

- The expenditure is consistent with the approved budget and WSBA expense policies;
- The expenditure is within the goals of the WSBA as defined by Supreme Court Rule or the Bylaws; and
- The expenditure does not violate the restricted acts of the WSBA as defined by Supreme Court Rule, or the WSBA or Section Bylaws.

If a Section wishes to spend funds otherwise, Section leadership should prepare a written request outlining the purpose and amount of the proposed expenditure and submit it to the Section Leaders Liaison who will submit it to the Chief Operations Officer.

Per-Member Charge

Each Section shall reimburse the WSBA for the cost of administering the various Sections through an annual per-member charge. See Chapter 6, Expenses – Functional Accounting/Allocation of Indirect Expenses for details.

Expenses in Excess of Annual Budget

Personal Liability.

Article VI (F) 3 of the WSBA Bylaws states: "The financial obligation of the Bar to any division, committee or Section shall be limited to the amount budgeted for it and shall cease upon payment of that amount unless the Board of Governors authorizes otherwise."

Article VI (F) 4 of the WSBA Bylaws states: "Any liability incurred by any division, committee or Section, or by members thereof, in excess of the funds budgeted, shall be the personal liability of the person or persons responsible for incurring or authorizing the same."

Article VI (F) 5 of the WSBA Bylaws states: "Any liability incurred by any division, committee or Section, or by members thereof, not in accordance with the policies of the Board of Governors or in conflict with any part of these Bylaws, shall be the personal liability of the person or persons responsible for incurring or authorizing the same."

Expenses Over Budget – Chief Operations Officer Approval

Once a Section has reached its budgeted expenses for the year and spent any additional unbudgeted revenue, no further expenses for the Section will be paid unless a spending plan for the remainder of the fiscal year is approved by the Chief Operations Officer. Requests for additional expenses and a spending plan shall be submitted in writing to the Section Leaders Liaison.

Expenses Over Budget – WSBA Treasurer Approval

Unbudgeted expenses may not deplete the Section's reserve balance to less than 25% of the preceding fiscal year's expenditures. Approval by the WSBA Treasurer is required for unbudgeted expenses which total 25% or more of the Section's annual expense budget or \$1,000, whichever is greater. Requests for such expenditures shall be submitted in writing and approved prior to incurring an obligation for them. The Section leadership shall complete an Approval of Section Expenses in Excess of Annual Budget Form and submit it to the Section Leaders Liaison. The Section Leaders Liaison will inform the Section of the approval (or denial) of their request after review by the WSBA Treasurer and the Chief Operations Officer.

Expense Policies for WSBA Sections

For purposes of the WSBA expense policies, a Section Function is defined as an event or meeting of the Section membership open to all members. Examples include mid-year and annual meetings. Section Functions do not include officer/executive committee meetings or retreats.

The Sections shall comply with the expense policies of the WSBA (see Chapter 6, Expenses), with the following exceptions:

WSBA Policy on Alcohol

The WSBA's policy on alcohol with regard to Sections is as follows:

At the discretion of the Section Executive Committee, and because section revenues are paid voluntarily by section members, alcoholic beverages may be paid for using Section funds at the following Section events:

- At Section Functions, defined as an event or meeting of the Section membership open to all members; and
- At a "Speakers' Dinner" held at a mid-year or annual meeting, where many speakers and volunteers are being honored.

Alcohol served at Executive Committee meetings, retreats, and other events not open to all members shall not be paid for using Section funds.

Spouses/Domestic Partners/Guest Expenses

At the discretion of the Section Executive Committee, the Section may pay for a spouse, domestic partner, or one guest for group meals at Section Functions. Separate transportation, lodging, restaurant expenses, or personal expenses shall not be reimbursed or approved by the Executive Committee.

Executive Committee Meetings

Executive Committee meetings are not Section Functions, and therefore no alcohol may be paid for with Section funds. Meals for Executive Committee meetings shall comply with the per-diem rates established in the WSBA expense policies. The cost of spouses/domestic partners/guests to attend Executive Committee meetings shall not be paid for using Section funds.

Mid-Year or Annual Meetings

Mid-year or annual meetings are open to all members and are Section Functions. They may include a variety of events, such as seminars, the annual membership meeting, an executive committee meeting, a speakers' dinner, etc. The following are some of the costs associated with a mid-year or annual meeting that are not covered by general WSBA policies due to their uniqueness to Sections:

- Registration fees – With Executive Committee approval, registration fees for Committee members or other volunteers contributing to the development of the meeting may be paid for using Section funds.
- Lodging – Reimbursement for lodging may be at the actual rate for the facility at which the event is held, rather than the WSBA limit. The Section shall attempt to secure a reasonable group rate (note: all contracts must be approved by the CLE Director or the Director of Member and Community Relations if a non-CLE event).
- Speakers' Dinner – Some Sections hold a dinner to honor those persons who speak at the seminars or contribute to the meetings. Alcohol at these dinners may be paid for using Section funds.
- Speakers' Expenses – A Section may reimburse a speaker for travel, meals, and lodging in accordance with WSBA and CLE Speaker expense policies.

- Alcohol – Alcohol may be provided using Section funds only at events open to all members (e.g., receptions), with the exception of the Speakers' Dinner.

Social Events

A Section may sponsor a social event (e.g., golf outing, harbor cruise, etc) in conjunction with a mid-year or annual meeting if the event is open to all members. Section funds shall not be used to pay for social events for only officers and/or Executive Committee members.

Retreats

Retreats are generally viewed as an opportunity for the Executive Committee members to meet each other in a less formal setting over an extended period of time, become more familiar with each, bond and form friendships, and lay the groundwork for the coming fiscal year. Section leadership may hold annual retreats so long as the cost is reasonable. The following costs are deemed to be reasonable, but must be approved and authorized by the Section's Executive Committee (i.e., some Sections may not wish to use these higher limits but instead follow the WSBA expense policies):

- Lodging:
 - Retreats shall not include more than two nights lodging.
 - Lodging may be provided for all Executive Committee members, regardless of the distance between the member's house and retreat location.
 - Reimbursement for lodging may be at the actual rate for the facility at which the retreat is held, rather than the WSBA limit. Sections are encouraged to work with the Section Leaders Liaison to negotiate a group rate (note: all contracts must be approved and signed by the Executive Director or the Director of Member and Community Relations).
- Meals – The cost of meals may exceed the per diem rate set forth in WSBA policies, so long as it is a group meal for which the bill is paid directly by the WSBA or paid by an individual and submitted on an expense report for reimbursement (charged to the Section).
- Alcohol – Alcohol shall not be included as part of the retreat costs covered by Section funds since the retreat is not considered a Section Function where all membership may attend.
- Guests – Sections may authorize members to bring families to the retreat (spouses, domestic partners, significant others, and children). Section funds may be used to cover group meal expenses which include guests/families; however, separate transportation, lodging, and individual meals will not be covered.
- Location – Retreats shall be held in Washington State or within 50 miles of the Washington border.

Gifts

According to WSBA expense policies, plaques or modest gifts of appreciation are allowed. Any gifts to outgoing Section leadership or other volunteers must be reasonable. All gifts should be appropriate for the size of the Section, the time invested by the recipient, and within budget. Lavish gifts are not an appropriate use of Section funds. Gifts to volunteers, speakers, Executive Committee members, etc. should comply with WSBA's "plaques or modest gifts of appreciation" policy. Gifts of alcohol (e.g., bottles of wine) are allowed. It is recommended that gifts to outgoing Section chairs using Section funds not exceed \$200; however, the Executive Committee may approve gifts of a higher amount, not to exceed \$500, in special circumstances (e.g., for several years of service). This does not preclude the Section members from paying for any additional amount out of their own pocket.

Scholarships for Section Leaders

Sections shall be cognizant of conflicts of interest when awarding scholarships to attend Section CLEs. Sections may award scholarships to officers or executive committee members so long as the recipient of the scholarship does not vote on the matter.

Other

There may be times when an Executive Committee would like to use Section funds to enable someone with unique circumstances to participate in Section leadership. An Executive Committee may request *advance* approval from the WSBA Executive Director to pay expenses not covered in the WSBA fiscal policies in circumstances where: (a) a volunteer's participation in Section leadership creates an economic hardship, and (b) the volunteer would not be able to serve but for financial assistance from the Section. Such expenses must be prudent and reasonable. Approval will be in the Executive Director's discretion and will not be granted unless approval is requested within a reasonable period of time **before** the expenditure is made.

Chapter 6: Expenses

The President and the Executive Director have the authority to approve any items (i) not included herein that are deemed necessary in the conduct of the WSBA's business, or (ii) that deviate from the policies herein due to extenuating circumstances.

General Expense Reimbursement Policy

General Policy Statement

The Washington State Bar Association (WSBA) has, since its inception, been dependent upon the contribution of time and talent from its members without compensation. Nevertheless, it is incumbent upon the WSBA to provide for the reimbursement of out-of-pocket expenses incurred in conducting the formal affairs of the WSBA. It is the intent of the WSBA Board of Governors to fairly compensate employees and the volunteers of the WSBA for their out-of-pocket expenses while exercising fiscal constraint with its members' funds. The WSBA will not reimburse expenses that are reimbursed to the volunteer or employee from another source.

Scope

This policy is designed to cover all staff and volunteers while engaged in authorized WSBA work, including, but not limited to: the President, President-elect, Immediate Past-President, Board of Governors, Board of Governors-elect, committee/board/task force members, section or division officers and members, and invited guests.

Policy Exceptions:

- WSBA ABA delegates' expenses are reimbursed up to a fixed amount set each year during the budget process.
- CLE speaker/program participant expenses will be reimbursed only to the extent set forth in the "CLE Speakers/Program Participants Expense Policy" (see page 53).
- Certain limited exceptions apply to WSBA Officers, Board of Governors, and the Executive Director. See "Expense Policy for the WSBA Officers and Board of Governors" and "Executive Director Expense Policies" (see pages 50-52).

Only the Board of Governors (or the President or Executive Director when specifically authorized) is authorized to make exceptions to the following policy/guidelines and such exceptions should, whenever feasible, be made in advance of incurring any pertinent expense.

Expenses of Spouses/Domestic Partners/Guests

No reimbursement of expenses incurred by spouses, domestic partners, or guests will be allowed. However, a double accommodation (as compared to a single) will be reimbursed.

Liability

The financial liability of the WSBA to any section, board, task force, or committee is limited to the funds budgeted for it in the current approved budget of the WSBA. If any volunteer, section, division, board, task force, or committee (or any one of its members) incurs a liability that is greater than the funds so budgeted, or incurs a liability in excess of the amounts allowed by this policy, such liability may be the personal obligation of the individual responsible for incurring or authorizing the liability.

Travel/Transportation Expenses

Subject to Section F below, reimbursement will be made for all reasonably necessary travel. Reimbursement of travel expenses to out-of-state, funded committee members to attend committee meetings is limited to the approximate cost of in-state travel¹. Participation in meetings by telephone and carpooling with other staff/volunteers are encouraged.

- A. Private Auto - Mileage:** The WSBA mileage reimbursement rate shall be set effective January 1st of each year for that entire calendar year, at the standard business mileage rate then in effect by the Internal Revenue Service. The Budget and Audit Committee is authorized to make adjustments to the mileage reimbursement rate or the mileage reimbursement policy as needed. Reimbursement will also be made for tolls and parking. Any substantial deviation from a distance shown in a standard mileage guide must be fully explained.

In the event that a private auto is used in lieu of commercial air transportation, the lesser of coach/economy class air-fare or auto mileage will be reimbursed, unless special circumstances exist and are approved by a department director. No reimbursement will be made for lodging en route.

Damage to personal autos while being used on WSBA business is not covered because a portion of the mileage reimbursement is intended to defray the insurance cost to the individual. Fines for traffic violations are also not reimbursable.

B. Private Auto - Parking:

1. Employees who purchase a monthly parking space are eligible for daily parking reimbursement at a prorated rate (1/21 of the monthly parking cost) on days they are required to use their vehicles for business.
2. Employees who normally take public transportation but occasionally need their car for work may be eligible for reimbursement of actual parking costs. This option is expected to be used only occasionally and may apply regardless of whether the employee returns to the WSBA at the end of their work day. In addition, employees whose work assignments temporarily require substantial after-hours and weekend time in the office may request reimbursement for parking, subject to department director approval. Examples of such situations include the following: hearings; bar exam preparation; committee, section, or board meetings; or other projects.
3. Airport parking reimbursements must be reasonable. Since parking at an airport garage is generally more expensive than parking in shuttle lots, persons are encouraged to park in a lesser expensive shuttle lot if possible. For long time periods, airport parking will be reimbursed at the lower of the actual parking costs or an airport shuttle to/from the person's home.
4. **Receipts for parking shall be provided if available. However, the WSBA will pay items \$25 and under without a receipt as long as the date, place, and business purpose is adequately documented. If a receipt is not available, the item may be paid, up to a \$75 per item limit, upon director approval and completion of an Expense Affidavit Form attached to the reimbursement request. Expenditures in excess of \$75 lacking a receipt cannot be paid under any circumstance.**

- C. Airfare:** Reimbursement will be made at coach/economy class airfare. **Detailed receipts² are required for all airfare reimbursements.** Use of private airplanes is permitted although reimbursement is limited to an amount not to exceed coach-class airfare on a commercial air carrier for the same or substantially similar route. Volunteers and staff should seek the lowest possible fares through use of

¹ The approximate cost of in-state travel is deemed to be the cost of traveling from the nearest Washington border. For example, a member traveling from California would be reimbursed for the lesser of either (a) the mileage from Vancouver, WA; or (b) a flight from Portland, OR.

² Receipts for airfare must include the name of passenger, date of the flight, and departure and destination locations. Credit card statements and cancelled checks are not acceptable.

advance booking. The WSBA may or may not reimburse for last-minute fares when the date of a meeting or event was known in enough time to obtain a lower standard fare. The WSBA will pay a cancelled airfare if a meeting is cancelled. Airfare change fees will be paid for changes in a meeting schedule.

- D. **Other:** Reimbursement for any other method of travel will be reimbursed only in an amount that would have been payable had the most economical method of travel been used.
- E. **Rental Cars:** Use of rental cars requires pre-approval of a department director. Rental cars may be used **only** when necessary and economically practical compared to other modes of local transportation or if local transportation is nonexistent. Rental charges should be net of any discounts and will be limited to the rental cost of compact or standard-size cars. **Detailed receipts must be provided for all reimbursements of rental car costs.** It is helpful to rent the car in the name of the WSBA. However, the WSBA's insurance policy contains an endorsement which extends coverage for damage to rental cars even if they are rented in an individual's name as long as they had permission from the WSBA and they are on WSBA-related business (the endorsement is intended to fill in the gaps where someone doesn't or can't rent the car in the WSBA's name). Also, the WSBA will not pay for additional insurance coverage; thus, the renter should decline coverage when renting in the WSBA's name.
- F. Effective FY2013, the following rules apply to WSBA Boards, Committees, Councils, Task Forces and Panels:
 - 1. Volunteers and committees are asked to develop and share cost-saving measures.
 - 2. Virtual meetings are encouraged whenever feasible to accomplish the committee's work.
 - 3. *For face-to-face meetings, WSBA will reimburse (a) committee chairs for their travel expenses, and (b) non-chair members (i) for meetings scheduled for 3 hours or more, or (ii) for travel 50 miles or more one way.*

Lodging/Hotel Accommodations

Hotel/motel accommodations may be reimbursed where an overnight stay is **reasonable and prudent**.

Effective January 1, 2009, the WSBA limit on reimbursement for lodging is \$150 per night before taxes with the exception of downtown Seattle which is \$180 per night before taxes. If no lodging below that limit is available or convenient in the area of the stay, department directors may approve reimbursements above the \$180/night limit (e.g., attendance at a conference where the hotel rates for the conference are above the WSBA limit). If the maximum limit is being reimbursed (i.e., \$150 or \$180), the taxes on only that amount will be paid.

A detailed receipt¹ must be provided for all lodging reimbursements, without exception. Lodging, parking, and reimbursable meals charges may be made to the WSBA Master Account at the Red Lion on Fifth Avenue and the Warwick Hotel in downtown Seattle by following prescribed procedures and obtaining the appropriate approvals in advance.

Incidentals such as entertainment, dry cleaning, personal phone calls, etc. are not reimbursable.

¹ A hotel receipt is sufficient to support expenditures for business travel if it contains the name and location of the hotel, guest name(s), date(s) of stay, and breakdown of charges for lodging, meals, telephone and incidentals.

Meal Expenses

Reasonable meal expenses will be reimbursed, including gratuity. No alcohol purchases will be reimbursed; such purchases should be segregated from meal expense on the receipt (if the individual is paying) or on a separate receipt and paid for by the individual ordering them (if a WSBA credit card is used). Effective October 1, 2012, **the WSBA will reimburse up to \$12 for breakfast, \$18 for lunch, and \$36 for dinner if detailed receipts¹ are provided. If insufficient or no receipts are provided, the WSBA will pay the lesser of the WSBA rate or the maximum federal per diem rates for the location in which the meal expense was incurred (no exceptions).** For a list of federal per diem rates, see IRS Publication 1542 at www.gsa.gov.

If a person is in travel status all day (for all three meals), he/she may combine the allowances set forth above into one per diem amount and reallocate the per-meal allowances as desired (e.g., spend more on lunch and less on dinner). However, the combined rate of \$66 with receipts or the federal rate must be adhered to. This does not apply to persons who are not in travel status all day. If a meal is provided as part of a meeting or conference, no reimbursement will be made for substitute meals.

Expenses Other Than Travel/Transportation, Lodging, and Meals

Receipts should be attached for all other expenditures. However, the WSBA will pay items **\$25 and under** without a receipt as long as the date, place, and business purpose are adequately documented. Any item **over \$25** must be accompanied by a receipt. If a receipt is not available, the item may be paid, up to a \$75 per item limit, upon director approval and completion of an Expense Affidavit Form attached to the reimbursement request. **Expenditures in excess of \$75 lacking a receipt cannot be paid under any circumstance.**

Office Expenses

Despite utilization of services available through the WSBA office, volunteers may occasionally use the resources of their own offices to conduct WSBA business. Where practical, volunteers are expected to absorb, without reimbursement, minor expenditures. However, to the extent that cost records are available to document specific out-of-pocket expenses, such as telephone calls and postage, reimbursement may be made. Expenses for photocopying and facsimile use will be reimbursed at rates deemed reasonable by the Executive Director². No reimbursement will be made for office services not detailed by this policy (for example, voice mail charges, telephone connections, etc.). No reimbursement will be made for personnel costs or professional services without specific advance authorization.

Gifts/Awards

Recognizing that it is an appropriate use of WSBA funds to purchase awards and modest gifts in appreciation for volunteer service, reimbursement will be made for the purchase of reasonable plaques or similar items recognizing an individual's extraordinary volunteer service to the WSBA and/or its component parts. Any gifts of merchandise for such purposes shall be modest and reasonable. Use of WSBA funds, including committee and board budget funds, for gifts to WSBA staff are prohibited except for *de minimis* or token appreciations. All staff liaisons to committees and boards should make sure the group is aware of this policy.

¹ A restaurant receipt is sufficient to support an expenditure for a business meal if it contains the name and location of the restaurant, the date and amount of expenditure, the number of persons, and an indication that a charge (if any) has been made for an item other than meals and beverages.

² Photocopying charges will be reimbursed at the actual out-of-pocket expense up to 15 cents a page. For faxes, the WSBA will reimburse the lesser of (a) the actual cost to send the fax ; (b) up to 25 cents per page; or (c) up to \$5 per transmission. Appropriate documentation detailing the number of pages, fax recipients, etc. is required. The WSBA will reimburse for the telephone costs associated with long distance fax calls if detailed cost records are available.

Miscellaneous

Reimbursement for reasonable and necessary expenses not otherwise described by this policy may be allowed when fully documented, explained, and approved by the Executive Director.

Staff Expenses

Transportation/Lodging/Meals

Staff must have prior authorization, in the form of approval from their supervisor or inherent in their job description, to incur travel, lodging, and meals expense on the job.

Any costs beyond Seattle-Metropolitan area mileage (King, Pierce, and Snohomish Counties) related to attending Board of Governors meetings shall be pre-approved by the appropriate director. All overnight stays at a Board of Governors meeting shall be approved by the Executive Director.

Weekend Work

Working a weekend is treated like any other workday. Meals, daycare, etc. will not be reimbursed. However, in some circumstances staff may be reimbursed for parking if they are required to work on a weekend (see parking reimbursement policy above).

Staff Development Budget

Each director is given an annual Staff Development budget. Each director has sole discretion as to how to use these funds. Some examples of acceptable purposes include: department retreats or activities, meals or snacks at department meetings, coffee or lunches with staff, and tokens or small gifts of appreciation for staff. Such expenses must be reasonable.

Meals With Volunteers

Picking up the tab for lunches with volunteers outside of regular meetings should be done with caution because of consistency, fairness, and appearances. Director approval is required. Any such expenses should be charged to the committee or function budget.

"Buddy" Meal

Staff assigned to be the "buddy" of a new staff member may take the new employee to lunch. Moderately priced lunches (around \$15 per person) should be the norm.

Taxi Rides

As part of the Metro Area FlexPass program, employees who have a FlexPass and use an eligible method of transportation to work may use a taxi to get home if they meet certain emergency criteria. See the Human Resources Department for details. Directors may authorize a WSBA-paid taxi ride home in extenuating circumstances.

"Advances" For Travel or Expenses

The Executive Director, upon a director's recommendation, may approve travel advances. Please allow sufficient time to prepare the check.

Staff Parties and Celebrations

Generally events in which the whole staff is invited to participate, or were approved by the Executive Director and the directors in advance, are paid by the WSBA. These include:

- Activities Committee events (e.g., potlucks, annual holiday party, monthly birthdays, ice cream socials, annual summer picnic, snacks at the annual charity auction, etc.);
- Lunch on annual clean-up day (Columbus Day);
- Refreshments for all-staff meetings; and
- Executive Director's purchase of treats for the entire staff for a special occasion.

Examples of where the WSBA will not pay include (any exceptions to this must be approved in advance by the Executive Director):

- Personal celebrations like showers for weddings or babies;
- Flowers for personal events, like illness or death in the family; and
- Going-away luncheons or gifts.

Professional License Fees

The WSBA will reimburse an employee or directly pay for fees associated with professional licenses that the employee legally must have to perform his/her job at the WSBA, or which the Executive Director determines are in the interest of the WSBA for the employee to have. This includes, for example, the WSBA licensing fees (but not section membership fees) for attorneys whose positions require a license to practice, the State Board of Accountancy licensing fees for CPAs, and the Department of Health licensing fees for LAP psychotherapists. Such reimbursements/payments are prorated for new employees based on the calendar year and date of beginning work at the WSBA, as follows:

Month	% Reimbursed
January	100%
February	92%
March	83%
April	75%
May	67%
June	58%
July	50%
August	42%
September	33%
October	25%
November	16%
December	8%

Professional Liability Insurance

The WSBA reimburses LAP employees for the cost of professional liability coverage for their activities conducted pursuant to their employment with WSBA. If the employee leaves WSBA employment during the insured period, the employee is required to refund to the WSBA that portion of the reimbursement covering any insured period after WSBA employment ends.

Staff Membership Dues

The WSBA may reimburse or pay membership dues for staff to belong to local, state, or national organizations, subject to director approval and budget constraints.

Purchase of Alcohol for Bar Functions

History: No policy existed prior to 2000 when an extremely restrictive policy was adopted. The effect was to make alcohol purchases at WSBA-hosted events a personal expense of the Board of Governors. The 2006 revision (adding an exception) allows WSBA funds to host alcohol costs at events which promote the interests of the WSBA.

The Washington State Bar Association prohibits the use of WSBA general funds to purchase alcoholic beverages. General funds are monies raised from license fees and other sources which support the general operations of the Bar Association.

- No alcoholic beverages purchased by volunteers or staff as part of a meal will be reimbursed. Such purchases shall be segregated from meal expense and paid for by the individual ordering them.
- Alcoholic beverages may be served at Bar functions, at the discretion of the Executive Director or the Board of Governors, as long as they are paid for by the individuals or with sponsorship funds or donations raised for that purpose.
- Alcoholic beverages may be served at section functions. Because section revenues are paid voluntarily by section members, alcoholic beverages may be paid for with section revenues, at the discretion of section leadership, and as long as the expense meets the criteria for section reimbursement of expenses.

The following exception applies:

- Upon approval by the Executive Director, President, and Treasurer, the WSBA may pay for expenses including refreshments and alcoholic beverages for specifically-identified events that promote the interests of the WSBA.

Expense Policies for the WSBA Officers and Board of Governors

Exception to WSBA Expense Policies

The officers and members of the Board of Governors (includes sitting and newly elected officers and Governors) shall comply with the expense policies of the WSBA, with the following exceptions:

Spouse/Domestic Partner/Guest Expenses

Reimbursement will be made for reasonable transportation costs (See "Travel/Transportation Expenses" section in the General Expense Reimbursement Policy) and group meals at Board of Governors meetings. Individual meals for a spouse/domestic partner/guest of an officer or governor may be reimbursed when no group meal is provided (up to the limits set forth in the "Meal Expenses" section of the General Expense Reimbursement Policy). Separate lodging/rooms will not be reimbursed. Any exceptions to this policy shall be approved by the Executive Director, President, and Treasurer.

President's Attendance at Law-Related Events

From time to time, the President of the Washington State Bar Association is invited to attend, in his or her official capacity as President, a ticketed, non-educational event which is sponsored by an outside organization. Usually, these invitations come from local or specialty Bar Associations in the state of Washington, or a similar national organization having a local meeting, or other law-related organizations. The primary purpose of the event may be to raise funds for the organization, or it may be social or networking occasion.

The Board affirms its role as a state wide organization is to reach out to these interest groups, to encourage and support other Bar Associations and law-related organizations, and to further the understanding of the activities and purposes of the WSBA. One of the WSBA's stated purposes is to foster collegiality among its members and goodwill between the Bar and the public. Further, it is the role of the President to serve as spokesperson for the WSBA.

To these ends, it is appropriate for the President to attend such functions, and to be reimbursed for the cost of attendance. If the President is unable to attend, he/she may ask the President-elect, a governor or the Executive Director to attend in this capacity. The WSBA will reimburse the expenses for the one individual who is thus designated as WSBA spokesperson for the event. Exceptions to this policy can be made by the Board of Governors.

Governors' Attendance at Law-Related Events

Like the President, Governors are encouraged to reach out to local and minority bar associations; WSBA sections, committees, and boards; and other law-related organizations. To the extent reasonable, Governors may be reimbursed for costs of attending functions in their official capacity within the guidelines set forth below. When in doubt, Governors should seek advice from the Executive Director. This policy also applies to the President-elect and Immediate Past-President.

- Governors will be reimbursed for reasonable costs to attend (i) local bar associations within their district that he/she does not otherwise regularly attend; and (ii) organizations, sections, committees, and boards to which they are a Board of Governors liaison.
- If Governors are asked by the WSBA to attend other meetings, dinners, or events on behalf of the WSBA, reasonable costs will be reimbursed.
- If Governors are invited by entities other than the WSBA to attend meetings or events as a speaker, participant, or WSBA representative, reasonable costs may be reimbursed with the prior approval of the Executive Director.
- If Governors would like to attend bar events in addition to those in which they are invited, they shall consult with the Executive Director and obtain prior approval.

Officers' and Governors' Travel to and Attendance at National/Regional Events

Educational, training, or networking events for officers and/or Governors are approved as part of the budget process based on the educational/networking value. Examples include the Bar Leaders Conference, Western States Bar Conference, American Bar Association annual or mid-year meetings, or meetings of the National Council of Bar Presidents.

The following policy has been adopted by the Board of Governors:

Officer Conferences

The President is budgeted to attend one National Conference of Bar Presidents meeting and the Western States Bar Conference.

The President-elect is budgeted to attend the Bar Leaders Institute in Chicago, and one National Conference of Bar Presidents meeting.

Governor Conferences

Governors may attend one conference in their second year on the Board of Governors.

Submission of Reimbursement Requests (Expense Reports)

Requests must be approved by the Executive Director, subject to review by the Budget and Audit Committee on request.

Executive Director Expense Policies

The Executive Director is expected to be an ambassador of the WSBA to WSBA committees, Sections and local and specialty bar associations in Washington state, and to other related groups or officials. It is expected that the Executive Director will incur certain expenses in the furtherance of this responsibility.

Exception to WSBA Expense Policies

The Executive Director shall comply with the expense policies of the WSBA, with the following exceptions:

Spouse/Domestic Partner/Guest Expenses

Reimbursement for a spouse, domestic partner, or guest will only be made for meals at Board of Governor functions.

Attendance at Law-Related Events

The Executive Director shall be reimbursed for attendance at law-related events when he/she is attending in his/her official capacity.

Travel

Reimbursement will be made for reasonable travel costs (transportation, lodging, meals and incidentals) to other bar associations when the purpose of the trip is to meet with another bar's Executive Director or elected official(s) for the purpose of furthering WSBA business. This would include local and specialty bar associations in Washington state, and unified or voluntary bar associations in other states. The Executive Director is also reimbursed for attendance fees and travel and lodging expenses to attend work-related educational seminars, such as, but not limited to, American Bar Association, Western States Bar Conference, Bar Leaders Institute, and the National Association of Bar Executives.

Meals

Reimbursement will be made for reasonable meal expenses of the Executive Director and any WSBA or Washington state elected or appointed official(s) when the purpose of the meal is for the Executive Director to conduct WSBA business with the official(s). This would also include Washington state local and specialty bar elected or appointed officials.

Purchase of Awards or Mementos

The Executive Director will be reimbursed for purchases of awards or mementos for volunteers and staff at his/her discretion, as long as the gifts are reasonable, consistent and in recognition of work that benefits the WSBA and/or the legal profession in the state of Washington.

Payment of Executive Director Expenses

A WSBA credit card is provided to the Executive Director to be used only to charge expenses which are otherwise reimbursable WSBA business expenses. The Executive Director should submit receipts and documentation of the purpose (when not self-explanatory) to Accounts Payable on a timely basis following receipt of the credit card invoice in accordance with the WSBA credit card policy. The Executive Director may also submit reimbursement forms for payment via petty cash or check in accordance with the procedures and policies governing those forms. These shall be approved by another director prior to being submitted to Accounts Payable.

Review of Payments to Executive Director

At least quarterly, the Treasurer shall review the payments made to the Executive Director (including salary, benefits, credit card charges, and reimbursements). The Controller prepares a quarterly report for the Treasurer to review and sign.

CLE Speakers/Program Participants Expense Policy

In general, reimbursements to speakers and program participants shall be reimbursed according to the WSBA guidelines. However, it is recognized that the Continuing Legal Education Department operates under a self-supporting business model, and thus has some additional flexibility under the oversight of the CLE Committee, Executive Director, and Board of Governors to use business discretion in developing and delivering business products. Therefore, the following exceptions to the WSBA's general expense reimbursement policies and guidelines apply:

- A. The CLE Director may approve reimbursements for lodging and meal expenses above the WSBA rates, with a receipt. (Note: reimbursements cannot be made above the federal per diem limits without a receipt.)
- B. Honorariums for speakers up to \$5,000 may be approved by the CLE Director.
- C. The CLE Director may recognize speakers or volunteers with reasonable gifts of appreciation.
- D. Registration fees for the specific program or seminar will be waived. However, registration fees for a broader or surrounding event (e.g., a conference) are generally not waived unless approved by the CLE Director. To the extent that a meal is part of the regularly scheduled program, speakers/program participants need not purchase a ticket or reimburse the WSBA for the cost of the meal.
- E. Unless approved in advance by the CLE Director, no reimbursement will be made for expenses incurred in the research or preparation of materials or for telephone calls made in preparation for a presentation or book.
- F. First class airline tickets may be approved by the CLE Director on a case-by-case basis.

Reimbursement of Expenses for Volunteers and Staff

General Guidelines

- All requests for reimbursement shall be made in writing on the WSBA Expense Report and shall be signed and dated by the person seeking reimbursement. Original, signed expense reports shall be submitted.
- Expense reports should be submitted within 60 days of incurring the expense. It is critical to receive all reports from a fiscal year (October 1 - September 30) within 30 days of the close of the fiscal year (October 31). Any requests for reimbursements by volunteers or staff received after the close of the fiscal year-end books may not be paid.
- Original receipts are required if available; copies are acceptable if originals are not available.
- The Executive Director is authorized to reject or modify payment to comply with these policies and guidelines. Appeal of the Executive Director's decision shall be made to the Treasurer who may present the appeal to the Board of Governors if appropriate.

Volunteers Reimbursement Procedures

Each volunteer requesting reimbursement of expenses completes and signs an Expense Report and gives the report and all associated **itemized** receipts to the WSBA staff person who is the liaison to the volunteer.

The WSBA staff person will process the form in a timely manner as follows:

- Checks the report for reasonableness and compliance with WSBA policy;
- Verifies that all associated **itemized** receipts are present;
- Writes the correct general ledger account number on the report;
- Verifies the addition and calculation on the report;
- Signs (as approval) the report; and
- Gives the report to his/her department director or designee for final approval.

The department director or designee reviews the report and approves (signs) it. The department director or designee sends the report to the A/P Bookkeeper for payment.

Staff Reimbursement Procedures

Each WSBA staff member requesting reimbursement for expenses completes and signs:

- A Petty Cash Form for expenses of **less than \$30**; or
- An Expense Report or Check Request for expenses of **\$30 or more**.

The staff member gives the form/report and all associated **itemized** receipts to his/her department director or designee.

The department director or designee will process the form in a timely manner as follows:

- Checks the form/report for reasonableness and compliance with WSBA policy;
- Verifies that all associated **itemized** receipts are present;
- Verifies that the correct general ledger account number appears on the form/report;
- Verifies the addition and calculation on the form/report;
- Signs (as approval) the form/report; and
- Sends the form/report to the A/P Bookkeeper for payment.

Accommodation Fund

Purpose

The WSBA Accommodation Fund and Procedures are established to support the WSBA Accessibility Policy and ensure reasonable accommodation to members' participation in WSBA services, programs and events. Accommodation for services, programs and events is available to all members with disabilities. Reasonable accommodation includes such accommodation as sign language interpretation, sound enhancement, or other accommodation requested by members wishing to participate in WSBA services, programs and events.

Procedures

Persons should request accommodation through the WSBA staff organizing the event (Organizer). The request should describe the event or series of events and the accommodation requested. Dialogue with the person requesting accommodation may be necessary to assure the most appropriate accommodation. All accommodation requests should be made as far in advance as possible, at least two weeks in advance of the event is strongly recommended to allow the best accommodation possible.

The Organizer will review the request and outline the reasonable accommodation available. Reimbursement requests or pay-ahead service requests will be handled by the Organizer to ensure privacy. Should the request be beyond the expertise of the Organizer, even after consultation with Human Resources, outside experts will be consulted.

Other

The Accommodation Fund is intended primarily for use by WSBA members — other resources are available for WSBA staff accommodation and the Accommodation Fund is not intended to cover other overall accessibility accommodation which are budgeted for separately.

The Accommodation Fund is not intended to cover facility or general accommodation needs. These matters will be handled by staff working with the facility at which the meeting or event is to be held.

The amount of funding available for accommodation will be set annually as an estimate of need in the budget process but may be modified by the Budget and Audit Committee if further needs arise to assure accommodation. The Organizer shall work with the Chief Operations Officer to prepare a request for increased funding which will be considered by the Budget and Audit Committee at its next meeting. In time sensitive circumstances the Executive Director can preliminarily approve a request which exceeds the Accommodation Fund, so long as the funds are available within the current fiscal year budget, subject to the Fiscal Responsibility Matrix.

WSBA

LEGISLATION AND COURT RULE COMMENT POLICY

***Revisions adopted 9-18-2014**

Purpose: This policy governs Section, Committee, Division or Council (hereinafter collectively referred to as 'Section') authority to publicly comment on state and federal court rules and legislation, and clarifies the conditions under which such Washington State Bar Association (WSBA) entities can publicly comment on state and federal court rules and legislation. For purposes of this policy, to “comment” means to take a position (for example, expressing support, concerns or opposition) with or without accompanying statements explaining the position, and it also means to provide input (for example, suggested amendments, recommendations or analysis) without taking a position.

Policy: The Board of Governors, the Executive Director, the Legislative Committees, or the Legislative Representative, are authorized to refer legislative proposals (including bills, initiatives, referenda, and resolutions) or proposed court rule changes to Sections of the WSBA for their consideration. Sections are authorized to appear before or otherwise publicly comment on legislation to the Legislature or Congress, or a committee of the Legislature or Congress, or to publicly comment on any state proposed rule change pursuant to Washington Supreme Court General Rule 9(f), or to publicly comment on any federal proposed rule change, upon the following conditions:

1. The Section may not publicly comment on federal legislation or federal court rules without prior written authorization of the Board, and such authorization may be subject to limitations established by the Board.
2. The Section will not publicly comment unless: (a) at least 75% of the total membership of the Section's governing body has first determined that the matter under consideration meets GR-12 ("relates to or affects the practice of law or administration of justice"); and (b) after determining that the matter meets GR-12, that the comments are the opinion of at least 75% of the total membership of the governing body of the Section. A subcommittee or other subset of a Section may not publicly communicate its comments on proposed legislation or court rules. For purposes of commenting on legislation and court rules, subcommittees and subsets of a Section may serve in an advisory capacity to the Section's governing body; however only the Section's governing body may publicly comment on legislation and court rules.

3. The Section shall not publicly communicate comments on a legislative or rule proposal that are in opposition to comments of the Board of Governors without prior written notice to the Board.
4. The Executive Director, the Board of Governors, the Legislative Committees, and the Legislative Representative, shall, as appropriate, be advised on an ongoing basis of decisions, comments, and actions of the Section. The Section shall advise the Legislative Representative of any proposed action intended to publicly communicate its comments on legislation in advance of taking such action; and, unless otherwise authorized by the Executive Director, the Board of Governors, or the Board of Governors Legislative Committee, the Section shall follow the advice, guidance, and recommendations of the Legislative Representative in taking any action.
5. The Sections shall represent to the Legislature, Congress, or to the Chief Justice that their comments are those of the Section only, and not the official comments of the WSBA unless the Section has the written approval of the Board of Governors to represent the Association.
6. In all cases, the Section representatives shall cease to publicly communicate the comments of the Section if requested to do so by the Executive Director, the Board of Governors, the Board of Governor's Legislative Committee or the President of the Bar; and, in the case of comments on legislative proposals, the Section representatives shall also cease to publicly communicate the comments of the Section if requested to do so by the Legislative Representative.
7. Sections are prohibited from joining or affiliating with groups or associations whose legislative advocacy reaches beyond the areas allowable under GR 12: "affecting the practice of law or administration of justice."

WSBA Sections – Impact under of CLE policies, and CLE policies changes, Model C1

Under current fiscal policies, WSBA is not recovering its true costs for producing Section CLE seminars and conferences. Under Plan A (for seminars produced at WSBA), WSBA’s share of seminar proceeds is the administrative fee (35% of gross revenue), plus half the “net” (gross revenue minus direct costs and administrative fee). WSBA’s true costs are nearly the same whether 60 people or 225 people attend.

Under a changed policy, rather than charging based on revenue and splitting an artificial net, WSBA would charge its true cost – the Section would make up the gap if Seminar proceeds don’t cover that cost, and the Section or Section Fund would *keep all proceeds above this cost*.

The following table illustrates the difference in impact to WSBA and to Sections under current policy and under changed policy, in Model C1, comparing a 60-person, 100-person, and 225-person seminar at WSBA.

60-Person Section-CLE Seminar, 6 credits, Plan A

Item	Description	Current Policy (Subsidized)	Changed Policy (NOT subsidized)
Revenue	Gross income from registrations and sponsorship	\$16,500	\$16,500
Direct Costs	Expenses directly associated with a event: travel and meals, honoraria, print marketing and mailing, supplies, accreditation fees, facilities costs	\$3,870	\$3,870
Indirect Costs	Staffing (salaries, taxes, benefits) and overhead (office space), plus share of expenses associated with producing all CLE events, like webcast software, equipment depreciation, credit card merchant fees	\$17,901	\$17,901
Section Split	What the Section gets from the event	\$3,428	(\$5,271)
WSBA Split	What WSBA gets from the event	\$9,203	\$17,901
Difference between WSBA’s costs and WSBA’s split		(\$8,698)	\$0
For a 60 person seminar, 100% of gross revenue does not even cover costs. Under current policy, the Section “takes” a profit, and WSBA loses \$8,698. Under changed policy, WSBA charges its full costs to produce the program and loses nothing – the Section or Section Fund pays \$5,271 to put on the program without WSBA incurring a loss.			

100-Person Section-CLE Seminar, 6 credits, Plan A

Item	Description	Current Policy (Subsidized)	Changed Policy (NOT subsidized)
Revenue	Gross income from registrations and sponsorship	\$27,500	\$27,500
Direct Costs	Expenses directly associated with a event: travel and meals, honoraria, print marketing and mailing, supplies, accreditation fees, facilities costs	\$4,720	\$4,720
Indirect Costs	Staffing (salaries, taxes, benefits) and overhead (office space), plus share of expenses associated with producing all CLE events, like webcast software, equipment depreciation, credit card merchant fees	\$17,869	\$17,869
Section Split	What the Section gets from the event	\$6,577	\$4,911
WSBA Split	What WSBA gets from the event	\$16,202	\$17,869
Difference between WSBA’s costs and WSBA’s split		(\$1,667)	\$0
For a 100 person seminar, the impact of changed policy would be minimal to Sections. The Section or Section Fund would still “take” \$4,911, and WSBA would not incur a loss.			

225-Person Section-CLE Seminar, 6 credits, Plan A

Item	Description	Current Policy (Subsidized)	Changed Policy (NOT subsidized)
Revenue	Gross income from registrations and sponsorship	\$61,875	\$61,875
Direct Costs	Expenses directly associated with a event: travel and meals, honoraria, print marketing and mailing, supplies, accreditation fees, facilities costs	\$4,195	\$4,195
Indirect Costs	Staffing (salaries, taxes, benefits) and overhead (office space), plus share of expenses associated with producing all CLE events, like webcast software, equipment depreciation, credit card merchant fees	\$17,888	\$17,888
Section Split	What the Section gets from the event	\$18,012	\$39,792
WSBA Split	What WSBA gets from the event	\$39,668	\$17,888
Difference between WSBA’s costs and WSBA’s split		\$21,800	\$0
For a 225 person seminar, under current policy WSBA nets a profit and the Section gets a healthy take. Under changed policy, the Section would take considerably more, because WSBA need only recover its actual costs. The “profit” goes to the Section or Section Fund.			