WASHINGTON STATE
BAR ASSOCIATION

BOARD OF GOVERNORS MEETING

July 18-19, 2025

Meeting Materials

The Marcus Whitman Hotel &
Conference Center, Walla Walla, WA

Zoom and Teleconference

Board of Governors Meeting
Marcus Whitman Hotel, Walla Walla, WA
July 18-19, 2025

WSBA Mission: To serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

ALL ITEMS ON THIS AGENDA ARE POTENTIAL ACTION ITEMS

To participate by Zoom or Teleconference:

Friday, July 18th : Meeting ID: 815 6188 4619 Passcode: 848016
https://wsba.zoom.us/j/81561884619?pwd=wNsvJtwtUxyoI1F07HHcezR42GJ2j6.1

Saturday, July 19th : Meeting ID: 835 2728 5696 Passcode: 030076
https://wsba.zoom.us/j/83527285696?pwd=dATGvrtTShIDJKs9aJXfUuxhiV3LEs.1

To participate by phone, call +1 253-205-0468

FRIDAY, JULY 18, 2025

10:30 AM – CALL TO ORDER & WELCOME

MEMBER & PUBLIC COMMENT

☐ **MEMBER AND PUBLIC COMMENTS**

Overall public comment is limited to 30 minutes and each speaker is limited to 3 minutes. The President will provide an opportunity for public comment for those in the room and participating remotely. Public comment will also be permitted at the beginning of each agenda item, at the President's discretion.

STANDING REPORTS

☐ **PRESIDENT'S REPORT**

☐ **EXECUTIVE DIRECTOR'S REPORT**.....5

CONSENT CALENDAR

☐ **CONSENT CALENDAR** 21

The WSBA is committed to full access and participation by persons with disabilities to Board of Governors meetings. If you require accommodation for these meetings, please contact accommodations@wsba.org.

A governor may request that an item be removed from the consent calendar without providing a reason and it will be discussed immediately after the consent calendar. The remaining items will be voted on *en bloc*.

- Approve May 2, 2025, Board of Governors Meeting Minutes 21
- Approve May 29, 2025, Board of Governors Special Meeting Minutes 26
- Approve FY26 Chair Appointments 28
- Approve Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a (Second Read) 69
- Approve Proposed Charter for an Oath Review and Drafting Task Force 562
- Approve Client Protection Board Gift Recommendations.....72
- Approve Recommendations of the Judicial Recommendation Committee.....569
- Approve Proposed Amendments to Dispute Resolution Section Bylaws 73

AGENDA ITEMS & UNFINISHED BUSINESS

☐ **BUDGET & AUDIT COMMITTEE ITEMS**, Treasurer Kari Petrasek and Director of Finance Tiffany Lynch

- **First Draft of FY26 Budget**.....85
- **Second Read: License Fee Policy** 151
- **Proposed Amendments to the WSBA Facilities Advisory Subcommittee Charter**.....157

12:00-1:00 PM – RECESS FOR LOCAL HERO LUNCH

ELECTION

☐ **INTERVIEW & SELECTION OF FY26 TREASURER** 164

AGENDA ITEMS & UNFINISHED BUSINESS

☐ **FIRST READ: LICENSE FEE EXEMPTION BASED ON FINANCIAL NEED**, Gov. Jordan Couch and Chief Regulatory Counsel Renata Garcia 197

☐ **PROPOSED FEES FOR ENTITY REGULATION PILOT PROJECT**, Chief Regulatory Counsel Renata Garcia and Chair of Practice of Law Board, Lesli Ashley. 203

☐ **RECOMMENDATION FROM MEMBER ENGAGEMENT COUNCIL TO CHANGE WSBA FISCAL POLICY TO ALLOW PURCHASE OF ALCOHOL WITH SECTION FUNDS**, Gov. Matthew Dresden and Gov. Mary Rathbone, Co-Chairs, and Assistant General Counsel Catherine Schur 216

☐ **SECOND READ: WYLC PROPOSED BYLAW AMENDMENT TO YOUNG LAWYER TITLE AND DEFINITION**.....380

5:00 PM – RECESS

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SATURDAY, JULY 19, 2025

9:00 AM – RESUME MEETING

☐ **REVIEW REVISED LEGISLATION AND RULEMAKING COMMENT POLICY** 570

EXECUTIVE SESSION

☐ **RECEIVE AND DISCUSS LEGAL ADVICE WITH RESPECT TO WSBA'S LEGISLATIVE ACTIVITIES**

GOVERNOR ROUNDTABLE

☐ **GOVERNOR ROUNDTABLE**

MEETING FEEDBACK

☐ **MEETING FEEDBACK**

11:00 AM – ADJOURN

INFORMATION

- Limited Practice Officer Exam Suggested Study Topic.....422
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WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

FROM: Executive Director Terra Nevitt

DATE: June 25, 2025

RE: Executive Director's Report

Summer Bar Exam Planning

Regulatory Services staff are busy gearing up for the July bar exam. It will be a big one! As of now, we have 838 applicants registered to sit for the lawyer bar exam, which is a 14% increase from last summer. We also have 31 applicants registered for the LPO exam. We are also seeing an increase in the number of requests for testing accommodations and with that, the number of proctors needed. We have received 81 requests for testing accommodations which is a 37% increase from last summer. We anticipate hiring about 70 proctors to handle the increased need for individual exam administration. The exams will be administered at the Tacoma Convention Center on July 28 (LPO exam) and July 29-30 (bar exam) with some accommodated applicants testing at the Hilton Garden Inn in Tacoma through August 1.

Board of Governor Elections

The election for the Board of Governors Governor At-Large position concluded at 5pm on June 2, 2025. Congratulations to Gov. Christopher Bhang who was reelected to the position. Voter turnout was 4.73%. More information about the election results is available here.

Next Steps for the WSBA Ambassador Program

The Rule of Law Ambassador Program kicked off on Law Day, May 1, with more than 1,600 legal professionals across the state re-taking their oath, emphasizing their duty to protect and uphold the Constitution. We subsequently released the Rule of Law Ambassador Tool Kit, which includes evolving resources to help our volunteer ambassadors accomplish the goals of the program: To educate and engage with their local communities about the rule of law and to build trust and confidence in the legal system. One resource in the toolkit, a free CLE called ""Rule of Law and Constitutional Crises for Lawyer Ambassadors," had more than 2,000 registrants for the live program (it's now available on-demand).

What's next? We are planning a series of lunchtime ambassador "drop-in" programs focused on skills and inspiration, featuring people such as Carl Smallwood from the Divided Communities Project at the Moritz College of Law (he also led the Board through ambassador training last July); and a series of townhalls throughout the state in the fall, focused on helping polarized communities recognize commonalities and have real conversations intended to further understanding of and confidence in the rule of law and the justice system. Interested legal professionals can sign up to receive all the latest ambassador information at ambassadors@wsba.org.

Phishing Emails Target WSBA Members

On June 24, WSBA received reports of fraudulent emails that went out that day impersonating me. This scam appears to be impacting bar associations throughout the country. While we cannot prevent such emails from being sent or received by WSBA members, we did act quickly to notify them of the scam across all our communications channels. You can review that message here.

Attachments

Q1 2025 Discipline Report
Q2 FY25 Fiscal Update
Media Report
Outreach Report
Member Demographics Report
Litigation Report (confidential)

MEMO

To: Terra Nevitt, WSBA Executive Director

From: Douglas J. Ende, WSBA Chief Disciplinary Counsel & Director of the Office of Disciplinary Counsel

Date: June 16, 2025

Re: Quarterly Discipline Report, 1st Quarter (January – March) 2025

A. Introduction

The Washington Supreme Court's exclusive responsibility to administer the systems for discipline of licensed legal professionals (including disability systems) is delegated by court rule to WSBA. See GR 12.2(b)(6). Staff and volunteers carrying out the functions delegated by the Rules for Enforcement of Lawyer Conduct (ELC) act under the Supreme Court's authority. The investigative and prosecutorial function is discharged by the employees in the Office of Disciplinary Counsel (ODC), which is responsible for investigating allegations and evidence of professional misconduct and incapacity and prosecuting violations of the Washington Supreme Court's Rules of Professional Conduct.

The Quarterly Discipline Report provides a periodic, high-level overview of the functioning of the Office of Disciplinary Counsel. The report graphically depicts key discipline-system indicators for the 1st Quarter 2025. Note that all numbers and statistics herein are considered tentative/approximate. Final figures will be issued in the 2025 Discipline System Annual Report.

B. REMINDER: Limitations on Governor/Officer Involvement in Discipline Matters

By rule, the Supreme Court has expressly restricted the involvement of Governors, Officers, and the Executive Director in investigative, prosecutorial, or adjudicative decisions in the discipline system. The BOG does not have right or responsibility to review or influence decisions or recommendations in individual discipline/disability cases. Rule for Enforcement of Lawyer Conduct (ELC) 2.2(b). Accordingly, the BOG does not adopt disciplinary policies that constrain or alter the discretion of disciplinary counsel or other constituents of the discipline system with respect to the handling of individual matters. Inquiries or complaints about the handling of particular grievances or cases (from licensed legal professionals or grievants) should immediately be referred to the Chief Disciplinary Counsel and/or WSBA General Counsel and should not be responded to directly. Current and former members of the Board of Governors, Executive Directors, and Officers cannot knowingly advise or represent individuals regarding pending or likely disciplinary grievances or proceedings. ELC 2.14.

C. Summary of Disposition of Formal Matters[1]

Public Dispositions

Disbarments (2):

Nathan McAllister #37964
Talwinder L. Singh #56762

Suspensions (3):

Thomas Michael Geiger #6885 (30 Days) (*Stipulation*)
Timothy South #26267 (1 Year)
Philip Saint John Wakefield #22599 (8 Months)(*Stipulation*)

Reprimands (1):

John Phillip Abrams #31068 (*Stipulation*)

Resignation in Lieu of Discipline (1):

Kenneth Richard Zigler Jr. #41723

Reciprocal Discipline (2):

Frederic Ernest Cann #15962 (6 Month Suspension)
Travis Richard Walker #50110 (Admonition)

Disability Found (2):

Benjamin Andrew Pepper #49692
Kurt Bradley Peterson #27580

Admonitions Issued by RC (1):

Andrekita Silva #17314

Proceeding Dismissed (1):

Lorraine Lee #20751 (reciprocal)

Interim Suspensions (4):

Interim ELC 7.1: Interim Suspension for Conviction of a Crime

Matthew Philip Goldman #54657

Interim ELC 7.2: Interim Suspension in Other Circumstances

Mark Ture Elliott #54007
Joseph W. Kuhlman #42884

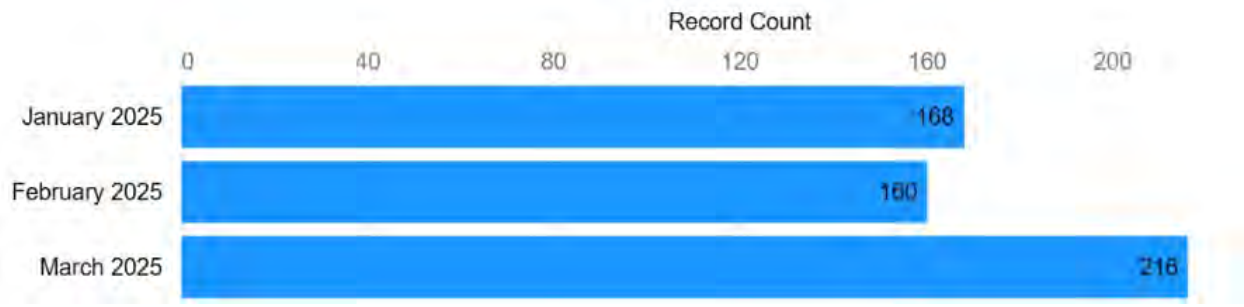
Interim ELC 7.3: Automatic Suspension When Respondent Asserting Incapacity

Andrew Michael Reeves #47116

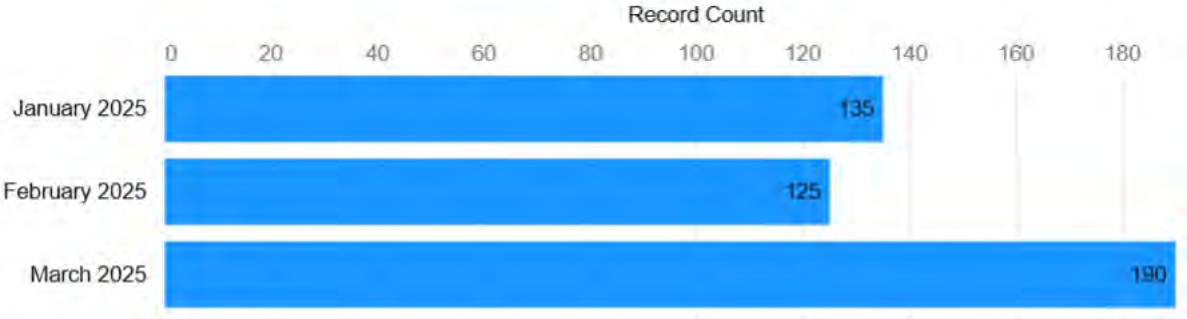
[1] Names in red font denote discipline occurring in the current reporting quarter.

D. Grievances and Dispositions[2]

Number of Grievances Received	**2025 YTD: 544**
	2024: 1,818



Number of Grievances Resolved	**2025 YTD: 450**
	2024: 1,805



Diversion Statistics

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2025 Total *(to date)*	2024 Total
New Diversion Files	1				1	9
Completed Diversion Files	1				1	16
Terminated Diversion Files	0				0	2

[2] These figures may vary from subsequent quarterly reports and statistical summaries owing to limitations on data availability at the time of issuance of these quarterly reports.

Disciplinary Actions and Statistics

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2025 Total *(to date)*	2024 Total
Formal Complaints Filed	4				4	29
Reciprocal Discipline Files Opened	5				5	12
Stipulations	3				3	21
Resignations in Lieu	1				1	9
Hearings Held[3]	2				2	8
Open Proceedings	43				43	35

Matters Acted on by Reviewing Bodies

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2025 Total *(to date)*	2024 Total
Supreme Court	9				9	52
Disciplinary Board	4				4	24
Review Committee	91				91	453

E. Final Disciplinary Actions

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2025 Total *(to date)*	2024 Total
Disbarments	2				2	15
Resignations in Lieu	1				1	9
Suspensions	3				3	16
Reprimands	2				2	11
Admonitions	1				1	0
Total	9				9	51

F. Disability Found

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	2025 Total *(to date)*	2024 Total
Disability Found	2				2	5

[3] Includes default hearings.

G. Discipline Costs Collected[4]

Quarterly Discipline Costs Collected	Total
1st Quarter	$8,518.13
2nd Quarter	TBD
3rd Quarter	TBD
4th Quarter	TBD
2025 Total	**$8,518.13**
2024 Total	**$62,429.12**

[4] The cost figures may vary from amounts indicated in previous quarterly reports, statistical summaries, and annual reports, owing to limitations on the data available at the time of issuance of these quarterly reports and the final cost figures available after WSBA Finance staff closes the monthly books.

WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors
Budget and Audit Committee

From: Tiffany Lynch, Director of Finance

Subject: FY 2025 Second Quarter Financial Update

Date: April 25, 2025

GENERAL FUND

The March 31, 2025 financials marks the end of the second quarter of fiscal year 2025. With 50% of the year complete, the General Fund is outperforming against budget with revenue ahead of budget, indirect expenses on target, and direct expenses under budget. The result is a net income of $967,055 without the use of Facilities or Special Projects and Innovation Fund reserves and $1,189,658 with the use of those reserves, as of March 31, 2025. Below is a narrative which highlights the areas of interest and estimates moving forward.

REVENUE

Total revenue is ahead of budget at 56% (+$1,286,701) which includes the following areas of note:

a. *Licensing Fee*s are on budget at 50%. The majority of fees were collected in January and February along with the majority of late fees in March. The remaining revenue will consist of license fees for newly admitted members. Based on what has been collected, it is likely that WSBA will come in on or slightly under budget by the end of the year.
b. *Bar Exam Fees* are ahead of budget by $406,620 (+29%) due to timing of the collection of fees for the Summer 2025 exam, which typically concludes in May.
c. *Donations (Diversity & Public Service Programs)* revenue has been fully collected (at 100% of budget) for the fiscal year. Funds are provided by the Washington State Bar Foundation to support WSBA programming each year.
d. *Interest income* is ahead of budget for the year by $75,670 (+13%). The budget assumes a decline in interest rates from the prior year. Rates are trending lower and are expected to go down further during the second half of the fiscal year, however WSBA has been able to lock in a portion of investments at higher rates allowing for higher than budgeted income YTD.
e. *Law Clerk Fees* are over budget by $30,993 (+15%) and the FY25 reforecast budget has been increased to account for this additional revenue. Program participants are able to enroll throughout the year and pay a prorated fee at the time of enrollment. All continuing enrolled individuals pay annual fees between November and January, which makes up most of the revenue collected to date.
f. *MCLE Revenue* is ahead of budget by $231,200 (+19%) from higher than anticipated fees which are impacted by the seasonality of CLE reporting period deadlines.

g. *New Member Product Sales* is over budget by $40,353 (+67%). The FY25 reforecast budget has been increased to account for this additional revenue plus another $50,000 anticipated to be earned through the rest of the fiscal year from the release of a new practice primer.
h. *Reimbursement from Sections* is over budget for the year by $83,856 (+30%). This revenue is derived from the per-member charge that reimburses WSBA for the cost of administering Sections for the membership year (January-December). Because WSBA's membership year and fiscal year are different, three months of the reimbursement collected for October-December will be allocated to FY26 in September and we expect that this will bring revenue back in alignment with the budget.

EXPENSES

Total expenses are under budget by $410,762 (-1.7%), which includes the following areas of note:

a. *Direct Expenses* are under budget by $379,975 (-12%). Direct program costs such as board/council/taskforce meetings, event expenses, supplies, staff travel, etc. vary depending on the timing of activities. It is normal for WSBA's direct expenses to run under budget in the first half of the year. We expect spending in these areas to pick up as we move into the second half of the fiscal year.
b. *Indirect Expenses* are on budget at 50% with minimal savings variance of $30,788.
    i. Salaries, Taxes, & Benefits had a combined savings of $12,827. Temporary salaries are running ahead of budget due to the timing of seasonal staff supporting the licensing renewals. This is offset by savings for taxes, retirement, and medical expenses that budgeted based full staffing levels.
    ii. Other Indirect Expenses had combined savings of $17,960 mainly due to the lower cost YTD for legal fees, Computer Pooled Expenses (IT direct expenses), and Human Resources Pooled Expenses (HR direct expenses). Some areas are running ahead or over budget; many of which will be adjusted in the FY25 reforecast budget. Many of the expenses that are running ahead of budget are related to the WSBA office space downsizing project which began in FY24 and will be completed in FY25. We do expect more legal fees to be paid later in the fiscal year, along with IT direct expenses.

CONTINUING LEGAL EDUCATION (CLE)

The CLE fund includes CLE Seminars, CLE Products, and Deskbook cost centers which collectively have budgeted a surplus of $65,001 for FY 2025. March 31, 2025 results reflect an actual surplus of $129,327. Revenue is running slightly under budget by ($22,611) (-1%) due to lower than anticipated seminar registrations and product sales and timing of receipt of deskbook royalties. The FY25 reforecast budget includes adjustments to lower these revenue areas. Expenses overall are under budget by $119,437 (-7%), mostly due to lower expenses from timing of direct expenses that have not been incurred yet for seminars held later in the fiscal year.

CLIENT PROTECTION FUND (CPF)

The Client Protection Fund (CPF) budgeted a surplus of $241,176 for FY 2025. Actual results as of March 31, 2025 reflect a surplus of $878,330. Revenue is ahead of budget for the year by $357,105 (+38%), primarily from member assessments which are recognized upon collection during annual license renewals. Overall expenses are under budget by $400,637 (-58%) mainly from Gifts to Injured Clients that were approved for payment in prior years but not claimed and therefore remain unpaid. The CPF allows

for a number of years to go by before determining that the gift will go unclaimed, and the funds are "refunded" to the CPF and the expenses for Gifts to Injured Clients in the current year are reduced.

SECTIONS FUND

The Sections Operations cost center represents the collective total of financial activity for all 29 sections. Sections budgeted a loss of ($394,722) for FY 2025. Actual results as of March 31, 2025 reflect a surplus of $86,011. Section Dues revenue and Reimbursement to WSBA for Indirect Expense costs are over budget because Sections collect the majority of their dues in January and February and similar to Reimbursement from Sections in the General Fund, one quarter of the dues and reimbursement expenses will be allocated to FY26 as a result of the difference between the membership year and fiscal year. Direct expenses of Section Activities are running under budget by $239,588 (-32%) lower than budget and are based on the timing of programming and Section activities throughout the year.

WASHINGTON STATE
BAR ASSOCIATION

MEMO

To: Board of Governors

From: Jennifer Olegario, Communications and Outreach Manager, and Sara Niegowski, Chief Communications Officer

Date: June 17, 2025

Re: **Summary of Media Contacts**, **April 8 to June 17, 2025**

Date	**Journalist and Media Outlet**	**Inquiry**
April 23	Chris Ingalls, King 5 News	Inquired about grievances against lawyer Barbara Bowden, given his investigative reporting into allegations against her. Responded that we have no public information for that member.
April 29	Olivia Harnack, Lincoln County Record Times	Inquired about a confidential grievance matter. Responded with standard media statement.
May 7	Daniel Lieberman, "Matter of Fact with Soledad O'Brien"	Wanting information to determine whether to do a national story in Washington regarding the public defender shortage. Referred him to CPD, Washington Defender, and Office of Public Defense leaders.
May 22	Anna Stolley Persky, ABA Journal	Inquired about SMC Judge Pooja Vaddadi's grievance against Seattle City Attorney Ann Davis. Sent standard media response for confidential disciplinary matters.
May 29	Joe Webb, KHQ Spokane	Inquired about John W. Kuhlmam's Interim Suspension Order.
June 2	Kendra Gilbert, KING5	Inquired about upcoming caseload limits for public defenders.
June 5	Chris Ingalls, King 5 News	Inquired whether lawyer Shannon Marie McMinimee has lost her license. Replied that

		there is a pending petition for an interim suspension before the Supreme Court, referred to Disciplinary Board Clerk for records.

News Releases

- Lawyers on Law Day Send a Message of Unity to Washingtonians (April 22)
- Washington State Bar Association Honors James Rodriguez as Local Hero (May 2)

News Coverage (May 1 Law Day)

YAKIMA

- Yakima attorneys renew oaths to support rule of law on Law Day (Yakima Herald Republic)
- Opinion: Defenders of justice turn out for Law Day (Yakima Herald Republic)

SEATTLE

- Hundreds of WA Attorneys Retake Their Oath to Retake the Constitution (Seattle Times)
- Reaffirming oaths on Law Day was matter of principle and of the heart (Seattle Times)
- King County Lawyers vow to defend 'rule of law' from misinformation and intimidation (KUOW)

SPOKANE

- Law Day in Spokane (Spokesman-Review)
- Law Day marked in several Northwest cities, including Colville (Spokane Public Radio)

COLVILLE

- 'Due process is not controversial': Lawyers in Rural Communities Come Together for National Law Day (Spokesman Review)

TRI-CITIES

- Lawyers recommit to defend constitution and educate public on constitutional law in Benton County (Apple Valley News)

VANCOUVER

- Clark County attorneys recommit to principles during National Law Day of Action (The Columbian)
- Editorial: Contrasting messages on upholding the Constitution (The Olympian)

WHATCOM

- Local attorneys reaffirm commitment to the Constitution (Salish Current)

KELSO

- Supreme Court justice addresses Law Day event (Peninsula Daily News)

News Coverage (General)

- "'Deal' between lawyer, treatment center may have led to patient's death in Western WA," (KING5, April 18)
- "WA adds public defender dollars, but 'nowhere near' enough, counties say," (The Seattle Times, April 29)
- "Thurston County honors recipient of bar association's Local Hero Award," (The Chronicle, April 30)
- "Thurston County's legal pillar receives Washington State Bar's Local Hero Award," (The Jolt Times, April 30)
- "Municipal Court Judge Pooja Vaddadi files bar complaint against City Attorney Ann Davidson and her former criminal chief," (PubliCola, May 9)
- "Judge who accuses city attorney of lying takes her concerns to the state bar," (ABA Journal, June 2)
- "Washington's Supreme Court slashes public defender caseload limits," (Washington State Standard, June 9)
- "WA Supreme Court orders much lower caseloads for public defenders," (The Seattle Times, June 10)

# # #

WASHINGTON STATE
BAR ASSOCIATION

MEMO

To: Board of Governors

From: Darlene Parker, Outreach Coordinator

Date: June 17, 2024

Re: **Summary of Outreach, March 1st – June 16th**

The purpose of this report is to bring attention to the legal community events that WSBA has participated in over the last quarter. This includes attendance at county, affinity, and specialty bar events, as well as activities hosted by Supreme Court Commissions, law schools, legal aid organizations, and other legal entities. We have also included speaking engagements and presentations given by WSBA leadership and staff. If we missed an event you attended, please let us know!

Date	Event Title	Bar Association or Legal Entity
Thursday, March 6th	Qlaw Donor & Volunteer Appreciation and 2SLGBTQIA+ Legal Support Program Opening Celebration	QLAW
Saturday, March 8th	32nd Annual LBAW Gala: Viva La Mujer - A Celebration of Women	Latino Bar Assoc. of Washington (LBAW)
Saturday, March 8th	Barrister's Ball	Clark County Bar Assoc.
Wednesday, March 26th	2025 Professionalism Dinner	Spokane County Bar Assoc.
Thursday, March 27th	New Lawyers Division Spring Sioree	King County Bar Assoc.
Friday, March 28th	Pro Term Training Reception	UW Tacoma Student Center
Tuesday, April 8th	Historical Context of Lawyer Admissions & Licensure Pathways Recommendations	UW School of Law
Thursday, April 10th	125th anniversary of the UW of Law	UW School of Law
Friday, April 18th	Swearing in Ceremony	Tacoma-Pierce County Bar Assoc.
Monday, April 21st	Formal Swearing in Ceremony	Clark County Bar Assoc.
Thursday, April 24th	Lunch with Washington State Big City and County Executive Directors	
Thursday April 24th-Friday April 25th	Bar Leaders' Summit	WSBA

Wednesday, April 30th	"Past, Present, & Future of Diversity in Bar Admissions" - A vital conversation on the evolving landscape of diversity and inclusion in the legal profession	DEIR
Thursday, May 1st	Law Day's Dinner Event	Skagit County Bar Assoc.
Friday, May 2nd	Celebrating AAPI Heritage Month: Recent History on The Bench	Korean American Bar Assoc Asian Bar Assoc. South Asian Bar Assoc. Filipino Lawyers of WA Seattle Chinese Bar Assoc.
Tuesday, May 6th	Breakfast with Champions	King County Bar Assoc.
Friday, May 16th	Historical Context of Lawyer Admissions & Licensure Pathways Recommendations	UW School of Law
Friday, May 16th	TCBA Annual Meeting & Dinner	Thurston County Bar Assoc.
Friday, May 16th	NWIRP Annual Gala	Northwest Immigrant Rights Project
Friday, May 16th	Qlaw 20th Annual Banquet	LGBTQ+ Bar Assoc. (QLAW)
Friday, May 16th	57th Annual Philip L. Burton Memorial Scholarship Dinner	Loren Miller Bar Assoc.
Wednesday, May 21st	Joint Minority Mentorship Program Rule of Law Panel Discussion	JMMP
Wednesday, May 28th	ELAP Breakfast for Justice	Eastside Legal Assistance Program
Thursday, May 29th	Award Ceremony	The Cardozo Society
Wednesday, June 11th	TÁĆELŚW SIÁM: A Call to Justice for Indigenous Peoples.	Washington State Minority and Justice Commission
Monday, June 16th	50 Year Luncheon	WSBA

Date	Speaking Engagements	Host or Venue	Speaker
Friday, March 28th	Pro Tem Reception, UW Tacoma	UW Tacoma	Sunitha Anjilvel
Tuesday, April 1st	Ethics Refresher	WSBA	Dan Crystal
Wednesday, April 2nd	Woman of the Year	Seattle University School of Law	Sunitha Anjilvel
Thursday, May 1st	Law Day, Olympia	WSBA Rule of Law Ambassador Program	Sunitha Anjilvel
Friday, April 25th	Bar Leaders' Summit	WSBA	Dan Crystal Adely Ruiz
Wednesday, May 7th	Attorney Mental Health	WSBA	David Graf
Friday, May 9th	Decision Fatigue	WSBA	Adely Ruiz Margeaux Green

Wednesday, May 14th	From Burnout to Balance: Regaining control of your practice	King County Bar Assoc.	Adely Ruiz
Friday, May 16th	Washington Leadership Institute	UW School of Law	Sunitha Anjilvel
Tuesday, May 20th	Deploying your Values to Set Boundaries with your Practice	DFI	Adely Ruiz
Wednesday, May 21st	Rule of Law Panel	JMMP	Sunitha Anjivel
Monday, June 2nd	2025 DMCJA Spring Program	District and Municipal Court Judges' Association	Sunitha Anjivel
Thursday, June 5th	APEX in Community Watch Party	WSBA	Sunitha Anjivel
Monday, June 16th	50-Year Member Tribute Lunch	WSBA	Sunitha Anjivel

WASHINGTON STATE
BAR ASSOCIATION

BOARD OF GOVERNORS MEETING MINUTES

Port Angeles, WA

May 2, 2025

DRAFT

Call to Order and Welcome (link)

The meeting of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Sunitha Anjilvel on Friday, May 2, at 9:05 a.m. Governors in attendance were:

Chris Bhang
Mary Rathbone
Matthew Dresden
Tom Ahearne
Kevin Fay
Kristina Larry
Todd Bloom
Nam Nguyen
Jordan Couch
Kari Petrasek
Emily Arneson
Parvin Price

Officers and Executive Staff in attendance were President Sunitha Anjilvel, President-Elect Francis Adewale, Immediate-Past President Dan Clark, Executive Director Terra Nevitt, Chief Communications and Outreach Officer Sara Niegowski, Director of Finance Tiffany Lynch, Chief Regulatory Counsel Renata Garcia, Director of Advancement Kevin Plachy, Chief Equity & Justice Officer Diana Singleton, General Counsel Laurie Powers, Deputy Director Dua Abudiab, Chief Disciplinary Counsel Doug Ende and HR Director & Chief Culture Officer Glynnis Klinefelter Sio.

Also in attendance were Adely Ruiz, Andrea Jarmon, Andy Anderson, Dan Crystal, Dan Coon, Aziza Ozgoren, Brent Williams-Ruth, Catherine Schur, Jennifer Olegario, Julianne Unite, Justin Bingham, Nancy Hawkins, Nicole Chen, Nicole Gustine, Miryam Gordon, Paula Emery, Paris Eriksen, Raina Wagner, Rex Nolte, Sharon Sakamoto, Shelly Bynum, Toby Marshall and Tracy Flood

President Anjilvel opened the meeting with a memorial recognition of Justice Susan Owens, noting her service on the Washington Supreme Court and her contributions to justice and equity.

Executive Session (link)

At 9:11 a.m., the Board entered executive session under WSBA Bylaw VII.B.7.a.1-6 to receive legal advice. The session ended at 9:21 a.m., and the Board returned to the public session.

Member & Public Comments (link)

Judge Andrea Jarmon commented on WSBA's support for county and affinity bar associations and commented on an APEX award nomination. Brent Williams-Ruth raised concerns about the structure of executive sessions, suggested changes to the president-elect's role and BOG appointment terms and questioned the definition of "technical assistance" in legislative matters.

President's Report (link)

President Anjilvel reported on Law Day 2025 activities, noting participation in thirteen events statewide and an estimated 1,200 attendees.

Executive Director's Report (link)

Executive Director Nevitt referred to her written report and invited questions. She also recognized Heather Sprouse, WSBA's new Community & Engagement Specialist, and summarized the Bar Leaders Summit, which drew over 60 participants from various bar associations.

Consent Calendar (link)

Executive Director Nevitt introduced the consent calendar for approval. Immediate Past-President Dan Clark requested removal of the APEX Awards for separate discussion. Gov. Kari Petrasek moved to approve the consent calendar, excluding the APEX Awards. The motion passed unanimously.

Interview & Selection of President-Elect (link)

Executive Director Nevitt described the election process. Candidate Kari Petrasek spoke about her experience, equity and justice priorities, and plans for rural outreach. She responded to questions from the Board regarding her goals and time management plans. Ballots were collected by Executive Director Nevitt, and votes were counted with the assistance of Parliamentarian Alec Stevens and Immediate Past-President Clark. President Anjilvel announced that Kari Petrasek was elected as the FY26 President-Elect.

Second Reading: Equity and Justice Plan (link)

DEI Council Co-Chairs Raina Wagner and Nam Nguyen, with Planning Committee Co-Chairs Sharon Sakamoto and Miriam Gordon, presented the revised Equity and Justice Plan. Gov. Tom Ahearne moved to change the title to "Justice for All." This motion was debated, with arguments highlighting the importance of maintaining the term "equity" to reflect the plan's goals and values. Motion failed 8 to 4. Gov. Jordan Couch moved to approve the plan as presented. Motion passed unanimously.

DRAFT

FY25 Reforecast Budget (link)

Treas. Petrasek and Director Tiffany Lynch presented the FY25 reforecast for the General Fund, CLE Fund, and Client Protection Fund (excluding the Sections Fund). Adjustments included a $25,000 decrease in revenue, a $259,000 increase in expenses, and a net reserve use increase of $284,000. Gov. Fay moved to approve the reforecast. The motion passed unanimously.

First Reading: License Fee Philosophy (link)

Treas. Petrasek and Director Lynch presented updates to the proposed license fee philosophy and resources including a dedicated webpage and communication one-pager. Discussion focused on member education, fee adjustment timing, and the need for transparent communication. Further member feedback will be gathered before the next reading.

Interim Report of the Member Well-Being Task Force (link)

Task Force Chair Justin Bingham reported on survey development and the work group structure. The Task Force remains on schedule to deliver its final report by March 2026. Governors discussed mental health initiatives and the possibility of a wellness summit in Washington State. The Board expressed appreciation for the Task Force's progress and commitment to timely completion.

Recommendation Re: Client Protection Fund Assessment and Practice Rule 15 Changes (link)

Director Lynch and Treas. Petrasek presented recommendations from the Client Protection Fund Board. The key proposals included maintaining the Client Protection Fund assessment at $20 for 2026, increasing the initial gift payment from $5,000 to $10,000, and raising the per claim limit on gifts from $150,000 to $250,000. These recommendations were approved by the Budget and Audit Committee. The Board discussed the implications of these changes, noting the fund's current balance of over $5 million and the historical context of the claim limit increase. Gov. Couch moved to adopt the recommendations. The motion passed 11 to 1.

WSBA Governor At-Large (link)

Executive Director Nevitt noted that the DEI Council forwarded two candidates for the at-large seat and that the bylaws allow the Board to add more candidates if fewer than three are forwarded. After discussion, including concerns about past election processes and the importance of respecting the Council's vetting, Gov. Couch moved to approve the two candidates as proposed by the DEI Council. The motion passed unanimously with one abstention. At-Large candidates are Christopher Bhang and Uzma Hamid.

Amicus Curiae Request Re: *In Re Detention of ME* (link)

General Counsel Laurie Powers presented the request, highlighting the urgency due to the upcoming briefing deadline. Toby Marshall, representing King County Department of Public Defense, emphasized the importance of adhering to WSBA standards for indigent defense, particularly regarding caseload limits and judicial influence. After discussion, Gov. Couch moved to table action pending additional information and member input, with a decision due by June 1. The motion passed 7 to 5.

DRAFT

First Reading: Proposed Amendments to WSBA Bylaws Re Committees (link)

Chief Regulatory Counsel Renata Garcia presented a proposed amendment to the WSBA Bylaws concerning committee membership eligibility. The amendment aims to align Article IX with previously approved changes in Article III, allowing inactive, honorary, and pro bono members to serve on WSBA committees, including as chair or vice chair. Executive Director Nevitt suggested to place the amendment on the consent calendar for the next meeting to expedite the process. The Board expressed support for the amendment, recognizing its potential to alleviate challenges in filling committee positions. No objections were raised, and the proposal will proceed to a second reading.

Governor Roundtable & Meeting Feedback (link)

Governors discussed public member inclusion on regulatory bodies, revisions to the oath for new WSBA members, and guidelines for section engagement with legislators. Gov. Chris Bhang shared his involvement with the Indian Law Section and encouraged participation in their upcoming CLE event. The discussion concluded with acknowledgments of staff contributions.

Executive Session (link)

The Board entered executive session at 3:45 p.m. to discuss an APR 2(b) request for reconsideration of an application for admission by motion; amicus briefing in *Perkins Coie LLP v. U.S. Department of Justice*; and the APEX Awards Recommendations. The Board returned to public session at 4:45 p.m. Gov. Fay moved to approve the APEX Awards Recommendations. The motion passed unanimously.

Adjournment

There being no further business, President Anjilvel adjourned the meeting at 4:47 p.m. on Friday, May 2, 2025.

Respectfully submitted,

_____

Terra Nevitt
WSBA Executive Director & Secretary

DRAFT

Board of Governors Meeting – Motions List
Olympia, WA
May 2, 2025

1. Approve the consent calendar, excluding the APEX Awards. Passed unanimously.
2. Elect Kari Petrasek as President-Elect. Passed unanimously.
3. Approve the Equity and Justice Plan as presented. Passed unanimously.
4. Approve the FY25 reforecast budget. Passed unanimously.
5. Adopt Client Protection Fund assessment recommendations. Passed 11 to 1
6. Accept two DEI-Council-forwarded candidates for Governor At-Large. Passed unanimously with one abstention.
7. Table the decision on amicus curiae request, pending further input by June 1. Passed 7 to 5
8. Approve the APEX Awards slate. Passed unanimously.

DRAFT

WASHINGTON STATE
BAR ASSOCIATION

BOARD OF GOVERNORS SPECIAL MEETING MINUTES

Virtual

May 29, 2025

Call to Order and Welcome

The meeting of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Sunitha Anjilvel on May 29, at 11:03 a.m. Governors in attendance were:

Kevin Fay
Mary Rathbone
Parvin Price
Todd Bloom
Alain Villeneuve
Tom Ahearne
Kristina Larry Jordan Couch
Kari Petrasek
Matthew Dresden
Chris Bhang

Officers and Executive Staff in attendance were: President Sunitha Anjilvel, Immediate-Past President Dan Clark, President-Elect Francis Adewale, Executive Director Terra Nevitt, and General Counsel Laurie Powers. Others in attendance included Aziza Ozgoren, Maialisa Vanyo, Paris Eriksen, Cate Schur, Jennifer Olegario, Nina Crosby, and Chanel Rhymes.

Amicus Brief Discussion

The meeting began with a discussion about the necessity of entering an executive session. General Counsel Laurie Powers and Executive Director Terra Nevitt advised that it was not required. General Counsel Powers reminded the Board that the issue of filing an amicus brief was previously discussed in May, and the Board deferred the decision pending additional comments. She highlighted the Board's role in weighing in on the ethical obligations of legal professionals, given WSBA's role in regulating the legal profession and protecting the public. Powers referred to the amicus policy, questioning whether the issue was of substantial importance to the Bar and if it was something the WSBA could and should address. If the decision was to move forward, the choice of counsel would need to be discussed in executive session.

Discussion followed, including a desire to oppose the position that caseload standards are too low; clarification that the standards at issue in the matter are the prior ones, not the new ones; oversight of the brief development by the Executive Committee; concerns about WSBA taking a position on a divisive issue among members; the redundancy of a brief given the clear position on standards; and a perspective

that the focus of the brief would be on the impact of court orders on attorney ethics, which would affect all members.

Gov. Tom Ahearne proposed addressing an amicus brief focusing solely on whether a superior court order can require an attorney to violate their legal ethics.

Executive Session

The Board entered an executive session at 11:59 a.m. The session concluded, and the public session resumed at 12:08 p.m.

Gov. Jordan Couch moved to approve an amicus brief focusing solely on the narrow issue of whether a court can require violation of an attorney's ethics. The motion failed with a vote of 5 to 4.

Adjournment

There being no further business, President Anjilvel adjourned the meeting at 12:12 p.m. on Thursday, May 29, 2025.

Respectfully submitted,

_____

Terra Nevitt, Secretary

DRAFT

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

FROM: Francis Adewale, WSBA President-elect

RE: 2025-2026 Chair Appointments

DATE: June 18, 2025

Consent: Appointment of the 2025-2026 WSBA committee and board chairs listed below.

The WSBA has a number of standing committees that are created and authorized by the BOG to study matters relating to the general purposes and business of the Bar which are of a continuous and recurring character. Pursuant to the WSBA Bylaws, IX(B)(1)(c), the President-elect annually selects the Chair or Vice Chair of each committee, with the BOG having the authority to accept or reject that selection. Below is the slate of WSBA committee chairs for the 2025-2026 year. The candidates' resumes are attached. All eligible members of the committees listed below were encouraged to apply for the Chair position. Additional Chair appointments will be forthcoming.

Committee/Board	Recommended for Appointment
Board of Bar Examiners	Chair: Bruce Turcott Vice-chair: Cathy Helman
Character and Fitness Board	Chair: Gabriel Rothstein Vice-Chair: Craig Diamond
Client Protection Board	Chair: Carla Higginson
Committee on Professional Ethics	Chair: Mark Fucile
Council on Public Defense	Chair-elect: Victoria Blumhorst
Diversity, Equity & Inclusion Council	Co-Chair: Alec Stephens
Judicial Recommendation Committee	Vice-Chair: Alicia Kingston
Law Clerk Board	Chair: Christell Casey
Legislative Review Committee	Chair: Matthew LeMaster
Pro Bono and Public Service Committee	Co-chair: Andrew Dugan

From: B Turcott <blturcott@gmail.com>
Sent: Tuesday, May 13, 2025 12:54 PM
To: Bar Leaders <BarLeaders@wsba.org>
Subject: [External]Renewal application for BOBE Chair

Dear President-elect Adewale:

Please accept my renewal application for Chair, Board of Bar Examiners (BOBE), for FY 2025-26.

I have been a member of the Board of Bar Examiners since 2007. I graded most exams and assisted with training new graders until becoming Chair in October 2020. I have been Chair through several transitions: remote grading Winter/Summer 2021, in-person grading Winter 2022, remote grading Summer 2022, and in-person grading Winter 2023-Winter 2025. In 2021, I participated with WSBA admissions staff in the initiation of Exam360 grading software, replacing the paper grading process.

I have given presentations to the Executive Committee, Board of Governors, and Joint Minority Mentorship Program. I was appointed to the WSBA Equity and Diversity Committee and Washington Bar Licensure Task Force. We are always working to recruit new BOBE members to attain a full grader pool. With the Vice-Chair, admissions staff, and Board of Governors liaison, I participate in recruiting, selecting, onboarding, and training BOBE members. It has been a pleasure to work with WSBA staff and BOBE members through the years.

I also participate in National Conference of Bar Examiners (NCBE) annual meetings and am a member of the NCBE Outreach and Communications Committee. I am a member of the NCBE 2026 Leadership by virtue of Washington's decision to be a pioneer in administering the NextGen bar exam in Summer 2026, and I look forward to assisting in this transition, which will involve a very different grading process.

It would be a pleasure to continue to assist WSBA as BOBE Chair.

My resume is attached.

Sincerely,

Bruce Turcott
blturcott@gmail.com
(360) 701-4052

Bruce L. Turcott
4308 5th Avenue NW
Olympia, Washington 98502
(360) 701-4052
blturcott@gmail.com

Legal Experience

Editor, *Cannabis Law Deskbook*, AG Alliance (2022-2024)
Tracked developments in cannabis law across fifty-six U.S. jurisdictions and abroad, managed two dozen volunteer authors, edited annual editions and interim updates published by Thomson Reuters. Coordinated development and delivery of cannabis law and regulation courses in partnership with University of Arizona Law. Led monthly cannabis roundtable meetings of two dozen state Attorneys General offices.

Senior Counsel, Attorney General's Office (2000-2022)
Licensing and Administrative Law Division (2004-2022)
Lead counsel to Liquor and Cannabis Board, including implementation of Initiative 502 legalizing marijuana from 2012-2022. Co-chair of Attorney General's I-502 implementation work group. Drafted final orders for Director of Licensing. Advised Board of Accountancy and Executive Ethics Board. Served as co-counsel in defense of Initiative 1183 that privatized liquor. Served as prosecutor for 18 business and professional licensing programs, lead counsel for Employment Security Department, counsel for Environmental Hearings Office, team leader, and paralegal and law clerk supervisor. Won 2018, 2013, and 2012 AGO Excellence Awards. Won 2012, 2010, and 2009 Iditarod Awards for complex litigation. AGO fiscal note coordinator and division legislative coordinator.
Social and Health Services Division (2000-2004)
Served as lead counsel for Department of Social and Health Services contracts, financial recovery, information technology, lands and buildings, public disclosure, and public assistance programs. Represented state in mental health commitment hearings. Coordinated division bill analysis.

Department of Social and Health Services, Division of Child Support
Legislative Liaison (1998-2000) and Claims Officer (1992-1998)
Developed request legislation and obtained sponsors and passage. Coordinated bill analysis and participated in DSHS cabinet bill review. Presented at conferences and prosecutor trainings. Represented agency in approximately 500 adjudicative proceedings to establish child support.

Session Attorney, Code Reviser's Office (1991-1993)
Drafted 679 bills at request of legislators and agencies. Advised bill requesters on legislative process.

Legal Counsel to CNMI School System; Assistant Attorney General (1990-1991)
Served as counsel for Board of Education, U.S. Commonwealth of the Northern Mariana Islands Public School System personnel, procurement, and all legal matters. Assisted Governor mediate employee strike.

Law Clerk, Chief Judge Sidney C. Volinn (1988-1989)
Drafted Ninth Circuit Bankruptcy Appellate Panel opinions.

Chief, Div. of Law; Assistant Attorney General; Federated States of Micronesia (1986-1988)
Directed delivery of legal services to executive branch of newly self-governing former U.S. Trust Territory, including capital construction, fishery patrol, immigration, and national police. Wrote 50 attorney general opinions. Advised agency rulemaking. Supervised contract review. Drafted bills, testified, advised President.

Law Clerk, Justice Barbara Durham, State Supreme Court (1986)
Drafted majority opinions, concurrences, and dissents. Wrote pre-hearing bench memoranda.

Other Experience

Instructor, English as a second language, Everett Community College, 1979-1981

Teaching Assistant, ESL intensive summer institute, University of Washington, 1979

Sous Chef, Gerard's Relais de Lyon, Bothell, 1976-1977

Education and Bar Admission

J.D., University of Washington School of Law, 1985

M.Ed., Higher Education, University of Washington, 1979

B.A., Anthropology, University of Hawaii, 1974

Admitted to practice in Washington, 1985; Federated States of Micronesia Supreme Court, 1986; U.S. District Court, W.D. Washington, 1989, E.D. Washington, 2000; Ninth Circuit, 2007; Tenth Circuit, 2016

Publications

"Washington's Implementation of Legalized Cannabis: A Model for Other States and the Federal Government,"100 Wash. L. Rev. 125 (2025).

Co-managing editor, Cannabis Law Deskbook, AGA/Thomson Reuters, published 2021, 2022, 2023, 2024.

"Constitutional Jurisprudence of the Federated States of Micronesia Supreme Court," 6 UCLA Pac. Basin L.J. 103 (1989).

"Beginnings of the Federated States of Micronesia Supreme Court," 5 U. Haw. L. Rev. 361 (1983).

Honors and Community Service

- National Conference of Bar Examiners, Communications and Outreach Comm., 2021-present; 7/26 NextGen Leadership Comm., 2024-present
- Chair, Board of Bar Examiners, Washington State Bar Association, 2020-present; Member, 2007-present
- State Supreme Court, Washington Bar Licensure Task Force, 2020-2022
- Washington State Bar Association, Equity & Disparity Workgroup, 2020-2023
- Founding Chair, Conference of Western Attorneys General AG Alliance Cannabis Project Advisory Council, 2019-2020
- Chair, National Association of Attorneys General Informal Cannabis Working Group, 2018-2022
- Frequent presenter on cannabis law, client advice, and administrative law; guest lecturer to UW Law School cannabis law seminar 11 times
- Compact of Free Association Islander Health Care Program Advisory Committee, 2018-2022
- Arbitrator, Financial Industry Regulatory Authority, 2013-2023
- Attorney General's Excellence Awards, 2012, 2013, 2018
- Volunteer, WSBA Call to Duty – Pro Bono Legal Services for Veterans
- Volunteer Judge, University of Washington School of Law moot court and national competitions
- Former Board member and officer of Capitol Land Trust; negotiated conservation easements
- Member by invitation, American Society of Legal Writers
- American Jurisprudence Award, Professional Responsibility
- Won first-year law school moot court competition

CATHY M. HELMAN

[redacted] ◦ SPOKANE, WA [redacted]

May 31, 2025

Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, Washington 98101

Dear Bar Leaders,

Please allow me to retain my position as the vice-chair of the Board of Bar Examiners. I became a bar examiner in February 2014 and vice-chair in the fall of 2020. I have graded both the summer and winter exams every year and filled in for absentee graders when emergencies have arisen. I truly enjoy reading answers submitted by the applicants and seeing the different approaches when analyzing a challenging legal question. As vice-chair, I've enjoyed training new graders and providing support to the members of the Board of Bar Examiners before, during, and after the grading process.

The position as vice-chair of the Board of Bar Examiners has provided an opportunity to view the bar exam from a new angle. I've learned more about the processes that go into developing and administering the bar exam. I am currently a member of the Washington Bar Licensure Steering Committee for developing alternative pathways to the bar exam. I have worked with the bar leaders to ensure that the bar exam provides a fair and equitable process for admission into the Washington State Bar Association and the practice of law. I look forward to continuing in this role and using my experience to maintain the integrity of the bar exam and the grading process.

Thank you for your consideration.

Sincerely,
Cathy M. Helman

CATHY M. HELMAN

[redacted] ◦ SPOKANE, WA [redacted]

[redacted] ◦ [redacted]

EMPLOYMENT

Office of Administrative Hearings, Spokane Valley**,** WA
Administrative Law Judge — November 2016- Present

- Presides over hearings for licensing cases, public assistance benefits, and child support payments
- Conducts prehearing conferences, motion hearings, and evidentiary hearings
- Issues written orders with detailed findings of fact and conclusions of law

Burke Law Group, PLLC (now Allen Fischer, PLLC), Spokane**,** WA
Associate — July 2015- May 2018

- Appellate contract with the Office of Public Defense for representation of indigent clients
- Prior work representing clients in Family Law Superior Court and Appellate Court matters, including dissolutions, paternity, child support, adoption actions, and Social Security appeals

Washington State Court of Appeals, Division III, Spokane**,** WA
Law Clerk for Hon. Teresa Kulik (ret.) and Hon. Robert Lawrence-Berrey — June 2011- July 2015

- Researched and wrote legal memoranda/first draft opinions for over 160 appeals court cases
- Conducted extensive research on criminal, civil, and dependency and termination matters
- Assessed oral arguments of litigants and counseled the Judge on the merits

Washington State Court of Appeals, Division III, Spokane, WA
Legal Intern for Jay Bromme, Staff Attorney — August 2009- May 2010

- Drafted decisions for prisoner Personal Restraint Petitions

EDUCATION

Gonzaga University School of Law, Spokane, WA
Juris Doctor, *cum laude* — December 2010

Utah Valley University, Orem, UT
Bachelor of Science, Communications, *summa cum laude* — May 2008

PROFESSIONAL AFFILIATIONS

Washington State Bar Association — Admitted May 2011

- Board of Bar Examiners- Exam grader — February 2013- May 2021
- Board of Bar Examiners- Co-chair — May 2021- Present

Paris Eriksen

From: Emily Crane
Sent: Tuesday, May 20, 2025 9:31 AM
To: Bar Leaders
Subject: CFB: Chair Application
Attachments: Chair_Gabriel Rothstein_Resume.pdf

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Hello,

I am sending this on behalf of Gabriel Rothstein, current Chair of the Character and Fitness Board, who is reapplying for Chair. **Resume** is attached. Please see the below **Statement of Interest**.

"I am interested in continuing to serve as the chair of the Character and Fitness Board of the Washington State Bar. I find the work that we are doing to be incredibly important as well as enjoyable. I believe that my chairmanship would be a benefit to the board as well as to the bar. I strive to make sure that everyone in the room is heard and their opinions and thoughts matter. Additionally, I strive to ensure that each person coming before the bar is heard and their arguments are evaluated and listened to."

Please confirm receipt. Thank you!

Best,

Emily Crane | Paralegal II | Office of General Counsel
Washington State Bar Association | 206-727-8204 | emilycr@wsba.org
1325 Fourth Avenue, Suite 600 | Seattle, WA 98101-2539 | www.wsba.org
The WSBA is committed to full access and participation by persons with disabilities. If you have questions about accessibility or require accommodation please contact accommodations@wsba.org.

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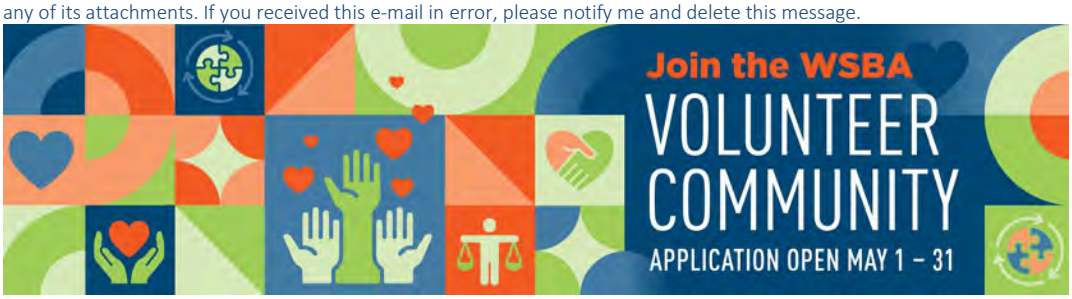

GABRIEL ROTHSTEIN

[redacted], Wa • [redacted] • grothstein@snocopda.org

EXPERIENCE

Snohomish County Public Defender's Office, Everett Washington,
71.09/SVP Unit April 2023- Present
Represent clients under the 71.09 Civil Commitment/Sexually Violent Predator Law. This includes all aspects of the representation arguing motions, probable cause, trial. Clients are housed at the Special Commitment Center (SCC) as well as on LRA's in the community.
Felony Unit, July 2019 – April 2023
Represent adult clients charged with felony offenses in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings.
Lead of Juvenile Unit, November 2017- Present
Represent juvenile clients in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings. Supervise multiple lawyers in the juvenile unit. Attend meetings regarding youth advocacy and working to address issues in juvenile court.
Juvenile Unit, September 2016 - November 2017
Represent juvenile clients in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings.
Felony Unit, April 2013 – September 2016
Represent adult clients charged with felony offenses in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings.
Misdemeanor Supervisor, April 2010 – March 2013
Supervise approximately 12 lawyers in the misdemeanor unit. Aid and assist new lawyers in advocating for clients and managing the art of defending people accused of crimes.
Felony Unit, September 2006 – March 2010
Represent adult clients charged with felony offenses in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings.
Adult Drug Court Attorney, 2008-2010
Represented and advocated adults in the drug court program. Simultaneously carrying half of a felony caseload.
Misdemeanor Unit, January 2005- August 2006
Represent adult clients charged with misdemeanor offenses in all stages of criminal hearings from probable cause through arraignment, pre-trial motions, trial, and post-trial hearings

Housing Justice Project, Seattle, Washington
Volunteer Attorney 2004

Unemployment Law Project, Seattle Washington
Volunteer Attorney 2004

EDUCATION

UCLA School of Law, Los Angeles, CA
Attended 2001-2003, Juris Doctorate, May 2003

Rutgers School of Law, Newark, New Jersey
Attended 2000-2001

Emory University, Atlanta, GA
Bachelor of Arts, Sociology, June 1997 3.1

Hobbies: Skiing and Beach Volleyball

Paris Eriksen

From: Emily Crane
Sent: Tuesday, May 20, 2025 2:02 PM
To: Bar Leaders
Subject: CFB: Vice Chair Application
Attachments: Vice Chair_Craig Diamond_Resume.pdf

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Hello,

I am sending this on behalf of Craig Diamond, current Vice Chair of the Character and Fitness Board. **Resume** is attached. Please see the below **Statement of Interest**.

DBMC LLP
Diamond Baker Mitchell Cole, LLP

CRAIG A. DIAMOND. Esq.*
(Also Admitted in NY and WA)
(*Fellow, American Board of Trial Advocates
AV Rated by Martindale-Hubbell)
CDiamond@DiamondBaker.com

To whom it may concern, please consider this my letter of interest to remain as the vice-chairman of the Character and Fitness Board for the Washington State Bar.

Please feel free to contact me if you have any questions in this regard.

CRAIG A. DIAMOND
DIAMOND BAKER MITCHELL COLE, LL
149 Crown Point Court, Suite B
Grass Valley, CA 95945
(530) 272-9977 (tel)

Please confirm receipt of this email. Thank you!

Best,

Emily Crane | Paralegal II | Office of General Counsel
Washington State Bar Association | 206-727-8204 | emilycr@wsba.org
1325 Fourth Avenue, Suite 600 | Seattle, WA 98101-2539 | www.wsba.org
The WSBA is committed to full access and participation by persons with disabilities. If you have questions about accessibility or require accommodation please contact accommodations@wsba.org.

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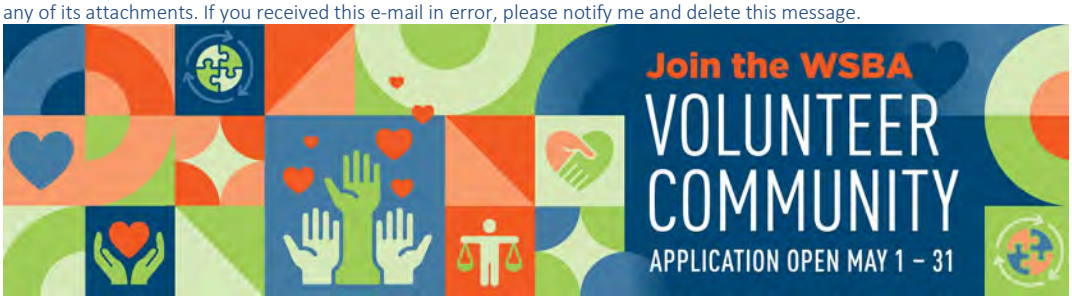

Craig A. Diamond
Curriculum Vitae

Craig A. Diamond has tried cases throughout the State of California during his more than three decades of practicing law. He has tried brain damage, wrongful death, traumatic amputations, products and premises liability cases, large value construction defect cases as well as commercial matters for both plaintiffs and defendants. He has also appeared before the California First and Third District Courts of Appeal, the Ninth Circuit Court of Appeals and before the United States Supreme Court.

Some of Craig's litigation accomplishments consist of, but not limited to;

- Appearance before the United State Supreme Court with a favorable 9-0 ruling.
- $ 55.3 million bad faith verdict for client.
- $ 1.3 million fraud verdict for client.
- $ 6.8 million brain injury verdict for client.
- Slip and Fall brain injury defense verdict for client.
- $5.9 million Jury Verdict for Wrongful Termination
- Traumatic amputation defense verdict for client.

Craig was also a firefighter for 15 years, and a fire investigator for 12 years. He was voted "Firefighter of the year" in 1996. His motto: "I learned my courtroom composure at the nozzle of a hose in the middle of a burning building... if you can stay composed there, the courtroom is a breeze."

During his spare time, he is a sports enthusiast, currently trying to learn the proper game of golf. He also enjoys woodworking, working on the property while tending to his horses, and, of course, the dogs. Though less active than when he rowed on the UCLA Crew, he still enjoys rowing on his ergonomic machine, watching sports and participating when he can.

Craig is A-V Rated by the peer reviewed Martindale-Hubbell publication.

He is also a member of the American Board of Trial Advocates; an approved Mediator for the Third District Court of Appeal; and an approved Settlement Judge Pro Tem for the Sacramento County Superior Court.

ADMISSIONS:

California, Washington and New York State Bars, all United States District Courts in California, United States Ninth Circuit Court of Appeals, United States Supreme Court.

EDUCATION:

J.D. 1979, Hastings College of the Law, University of California San Francisco, California.
B.A. 1976, University of California at Davis

COMMUNITY SERVICES:

Mediator, Volunteer, Third District Court of Appeals
Judge *Pro Tem*, Sacramento County Courts.
Judge *Pro Tem,* Nevada County Courts.
Judge *Pro Tem*, Placer County Courts.
Founding Fellow, Foundation of the State Bar of California.
Formerly Board of Directors - Nevada County Legal Assistance.
Formerly Board of Directors – Lawyer Referral Service of Northern California
Formerly Committee of Bar Examiners of the State Bar of California - Vice Chairman of Ethics Subcommittee.
California State Fire Marshall Certified Fire Origin and Cause Investigator
Formerly Grass Valley Volunteer Firefighter
Pro bono service to local Domestic Violence and Sexual Assault Coalition 20 years
Pro bono service to local Women of Worth resource.

Contact Information:

Craig A. Diamond
Diamond Baker Mitchell Cole, LLP
149 Crown Point Court, Suite B
Grass Valley, CA 95945
Ofc: (530) 272-9977 ext. 201
[redacted]

cdiamond@diamondbaker.com

HIGGINSON BEYER
A PROFESSIONAL SERVICES CORPORATION

CARLA J. HIGGINSON
Attorney & Counselor at Law
carla@higginsonbeyer.com

GARRETT J. BEYER
Attorney & Counselor at Law
garrett@higginsonbeyer.com

TELEPHONE:
360.378.2185 *(Friday Harbor)*
[redacted]

FACSIMILE:
360.378.3935

www.higginsonbeyer.com

Friday Harbor office:
175 SECOND STREET NORTH
FRIDAY HARBOR, WASHINGTON 98250

Seattle office:
[redacted]

June 16, 2025

VIA EMAIL to: barleaders@wsba.org

Re: Client Protection Board Chair Position

To Bar Leaders:

For the past three years, I have served on the Client Protection Board, and prior to that, served as the liaison from the Board of Governors to that Board. This Board is tasked with administering the Client Protection Fund created by our state Supreme Court pursuant to APR 15(a) and (b) and the procedural rules adopted by the Board of Governors and approved by the Supreme Court. I am conversant with the processes and criteria that apply to the review of applications for gifts that are presented to the Board. I have many years of experience as an actively practicing attorney which is of great help when reviewing the requests for gifts.

I have recently applied to serve a second term on the Client Protection Board, and I am now applying to serve as its Chair. My abbreviated resume is enclosed. I have significant experience in both serving on and chairing many boards, both within the WSBA and in the community. I have worked cooperatively with the other members of this Board over the years and with the knowledgeable and competent staff who support this Board. I would welcome this opportunity to expand my level of service and commitment by serving as the Chair of the Client Protection Board.

Please let me know if I may provide any further information as you consider my application, and thank you for your time in reviewing this request to serve.

Very truly yours,

HIGGINSON BEYER

Carla J. Higginson

Carla J. Higginson
Attorney & Counselor at Law
CJH/tbm
Encl.
S:\BAR ASSN\WSBA MATTERS\CLIENT PROTECTION FUND\letter of interest to serve as CPB chair 06-16-2025.wpd

ABBREVIATED CURRICULUM VITAE

CARLA J. HIGGINSON
175 Second Street North
Friday Harbor, Washington 98250
Telephone: (360) 378-2185
Facsimile: (360) 378-3935
Email: carla@higginsonbeyer.com

Education

Western Washington University: B.A. 1976, *cum laude;* Outstanding Senior in Speech Communications; Minors in Biology and Music Performance

University of Washington School of Law: Juris Doctor, 1979

Admitted to Practice

Washington State, 1980
Federal District Court, Western District of Washington, 1980
United States Supreme Court, 1987

Professional Experience

Current employment:

Managing partner and attorney, Higginson Beyer, P.S, Friday Harbor: 1980-present; general practice with a significant portion devoted to civil litigation; other practice areas include family law, estate planning, business formation and transactional work, elder law, and real estate & criminal defense - felonies & misdemeanors.

Judicial positions:

Municipal Court Judge, Friday Harbor: 1981-1989

Colleges & University positions:

Board of Trustees, Bastyr University, Seattle: 1982 - 1984
Adjunct Professor, Skagit Valley College, two terms

Administrative agency position:

San Juan County Planning Commission: 1994-1999, including two terms as chair

Non-profit organizations and volunteer work:

Friday Harbor High School mock trial coordinator and judge, 2002-2019

Officer & director, San Juan Recovery (substance abuse and mental health treatment facility & developmental disabilities), Friday Harbor: 1981-1990 & 1999-2008

Founder & president, San Juan Pilots Association, Friday Harbor: 1987-1992, and volunteer attorney, 1987-present

Incorporating attorney & volunteer attorney, Animal Protection Society, Friday Harbor: 1982-2006

Incorporating attorney & volunteer attorney, Hospice of San Juan, Friday Harbor: 1985-present

Volunteer attorney, San Juan Historical Society, 2000-present

Volunteer attorney, Friday Harbor Presbyterian Church, 2010-present

San Juan County Bar Association: president, eight terms; secretary, four terms (currently serving eightj term as president)

Washington State Bar Association Board of Governors, 2018-2022

Limited Practice Board, 2022-present

Client Protection Board, 2022-present

Professional speaking engagements:

Frequent speaker over the first 35 years of my practice at Continuing Legal Education seminars sponsored by the Washington State Bar Association on a variety of topics including ethics. Selected as one of the best ten speakers of the year in five different years. Speaker on legislation at Elder Law CLE in 2023 & 2024.

Current Professional Memberships

WSBA Real Property, Probate & Trust Section
Elder Law Section (Executive Committee member 2022-2024)
Family Law Section
Solo & Small Practice Section

Domestic Relations Attorneys of Washington (DRAW)

San Juan County Bar Association, 1980-present

SPOKANE COUNTY COUNSEL FOR DEFENSE
VICTORIA BLUMHORST
DIRECTOR, COUNSEL FOR DEFENSE

MAILING ADDRESS:
1116 W. BROADWAY
4TH FLR ANNEX
SPOKANE, WASHINGTON 99260-0285

LOCATION:
SPOKANE COUNTY
COURTHOUSE
OFFICE: (509) 477-3443
FAX: (509) 477-3448

June 17, 2025

Washington State Bar Association
Board of Governors
BarLeaders@wsba.org

Greetings,

I am writing to express my interest in serving as Chair of the Council on Public Defense (CPD). I have spent my entire legal career representing indigent criminal defendants, starting at the Spokane County Public Defender's Office in 2006 and then transferring to the conflict office for Spokane County, Counsel for Defense in 2019. In December of 2020 I took over as the director of Counsel for Defense.

I am currently a board member with the Washington Defender Association and through them I hold a membership position on the CPD. Prior to becoming a member of the CPD, I volunteered on the CPD's standards subcommittee which recommend significant changes to the current Standards of Indigent Defense. Following approval by the CPD, these new standards had a near unanimous passage by the Washinton State Bar Association Board of Governors.

I understand the important work the CPD does to address new and recurring challenges that directly impact public defense. I am committed to effectuating change that will benefit the entire system. I have enjoyed the dedication, passion, and work of the CPD and would be honored to serve as their Chair.

I have attached my resume for your review and consideration. I would be happy to answer any questions or discuss my interest further if desired.

Victoria Blumhorst
Director, Counsel for Defense
1116 W. Broadway
Spokane WA 99260
vblumhorst@spokanecounty.org

Victoria L. Blumhorst

[redacted] Spokane [redacted] WA [redacted]

[redacted]

vblumhorst@spokanecounty.org

WSBA # 38087, Admitted November 2006

Experience

Counsel for Defense
Director **December 2020 - Present**

Appoint, train, counsel, and supervises attorneys, investigator, and support staff. Advises professional staff on complex issues, defense strategies and procedures. Monitor and evaluate work ensuring performance is consistent with prevailing professional standards. Assign, track, and review caseloads. Responsible for fiscal policy and budget expenditures of the office. Maintain partial caseload.

Counsel for Defense
Senior Attorney **May 2019 – December 2020**

Represent indigent defendants charged with adult felony offenses in state court. Also represented juvenile defendant's in detention and modification hearings. Completed director succession training in budgeting, staff supervision, hiring of attorneys and staff, and assignment of felony cases. Reviewed office expenses, expenditures, and payroll. Authorized to approve payroll and payables. Represent CFD at Criminal Liaison Committee Meetings.

Spokane County Public Defender's Office
Senior Attorney **October 2013 – April 2019**
Assistant Public Defender **November 2006 – October 2013**

Represented indigent defendants charged with adult felony offenses in state court. Responsible for all aspects of casework form initial appointment through final disposition. Negotiated plea agreements, wrote and argued numerous substantive motions and conducted felony trials. Supervised numerous interns including Rule 9 interns. Mentored and developed new attorneys. Administered and oversaw tasks assigned to secretaries, paralegals, and investigators.

Honors

Judy Clarke Public Service Scholarship **May 2017**
Awarded by the Federal Defenders of Eastern Washington and Idaho to attend the June 2017 National Criminal Defense College

Notable Legal Trainings

Office of Public Defense Leadership Institute **June 2025**

Washington Defender Association Leadership Conference **April 2025**

National Consortium on Racial and Ethnic Fairness in the Courts	**May 2023**
Foundations for Racial Justice Training Shriver Center	**November 2022**
Avoiding Burnout in Public Defense WDA	**October – November 2021**
Systemic Racism Chapter 2 CLE Spokane County Bar Association	**October 2021**
Washington Defender Association Leadership Development	**September – October 2020**
Systemic Racism CLE Spokane County Bar Association	**September 2020**
Washington Association of Criminal Defense Lawyers Conference	**June 2018**
National Criminal Defense College	**June 2017**
TLC Defense of the Damned Criminal Defense Seminar	**May 2015**
TLC Regional Seminar – Closing Arguments	**October 2014**
Race and Criminal Justice in the West	**September 2011**

Member

Washington Defender Association – Board Member	**2021 – Present**
Council on Public Defense	**2024 – Present**
WA Gender and Justice Commission	**2022 - Present**
Washington Defender Association - Member	**2006 – Present**
Washington Association of Criminal Defense Lawyers	**2021 - Present**
Spokane County Bar Association	**2012 – Present**

Education

University of Missouri – Columbia School of Law, Columbia MO
Juris Doctor: May 2006
GPA: 83.7 Official Class Rank: 41/142
Board of Advocates:
2006 Mock Trial Competition Winner
2005 Mock Trial Competition Semifinalist
2004 Negotiation Competition Semifinalist
CALI Award for Excellence: Pre-Trial Litigation Fall 2005

University of Missouri – St. Louis, St. Louis MO
B.A. Political Science: May 2003
Honors: Dean's List four semesters

Southern Illinois University – Carbondale, Carbondale IL
January 1999 – May 2001
Honors: Dean's List two semesters

Notable Supervisor Trainings

Spokane County Human Resources
Supervisor Connections Cohort 5 — **January 2021 – July 2021**

Spokane County Human Resources
Leaders Learn Classes:

Project Management 101	**October 2020**
Intro to Labor Relations	**March 2020**
Overview of WA Leave Laws	**September 2018**
Managing Team Conflict	**August 2018**

Washington Counties Risk Pool Courses:

Managing Challenging Conversations	**April 2022**
Supervisor Boot Camp	**August 2021**
Legal Guide to Due Process, Performance Management	**June 2021**
Evaluating Employee Performance in the New Normal	**March 2021**
Management and Supervisory 201	**October 2020**
Management and Supervisory 101	**September 2020**
Best Practices for Managing Remote Employees	**September 2020**
Ethics Training for County Government	**July 2020**
Managing 365	**August 2019**

Paris Eriksen

From: Maialisa Vanyo <MVanyo@co.whatcom.wa.us>
Sent: Monday, June 16, 2025 4:50 PM
To: Bar Leaders
Cc: christopher.swaby@clark.wa.gov; Schwarz, Jason; Bonnie Sterken
Subject: [External]CPD In-coming Chair

Follow Up Flag: Follow up
Flag Status: Flagged

To Whom It May Concern:

I anticipate that Victoria Blumhorst will be submitting her resume and letter of interest to be considered for the In-coming Chair position on the Council for Public Defense. I fully support her appointment.

Victoria has been a public defender for 18 years in Spokane County, and is currently the Director of Counsel for Defense, one of the public defense agencies in Spokane County. Victoria serves as the Washington Defender Association representative on the CPD and takes an active role in discussions and on committees. Victoria is passionate about and versed in the current issues facing public defense and she will be an excellent addition to our CPD leadership team.

Thank you for your consideration.

Respectfully,
Maialisa Vanyo (she/her)
Chief Deputy

Whatcom County Public Defender's Office
We listen. We care. We fight.
215 N. Commercial Street, Bellingham, WA 98225
(360) 778-5686 phone || [redacted]

This message is intended only for the people to whom it is addressed and may include confidential attorney-client/attorney-work product communication.
If this message is not addressed to you, please notify me and delete it.

Mark J. Fucile
Fucile & Reising LLP
1120 SE Madison Street
Portland, OR 97214
503.860.2163
Mark@frllp.com
www.frllp.com

Professional Biography

Education

- University of California, Los Angeles School of Law
  Juris Doctor, 1982
  —Managing Editor, UCLA Pacific Basin Law Journal
  —Comment Author, UCLA Pacific Basin Law Journal
  —Los Angeles County Bar Association Scholarship
- Lewis & Clark College
  Bachelor of Science in Business Management, 1979
  —Phi Kappa Phi National Honorary
  —Delta Mu Delta National Business Honorary

Military

- Captain, United States Marine Corps
  Active Duty, 1982-1985
  Platoon Leaders Class College Program, 1975-79

Bar Admissions

States & DC

- Oregon
- Washington
- Idaho
- Alaska
- District of Columbia

Federal Courts

- U.S. District Court, Oregon
- U.S. District Court, Western District of Washington
- U.S. District Court, Eastern District of Washington
- U.S. District Court, Idaho
- U.S. District Court, Alaska
- U.S. District Court, District of Columbia
- U.S. Court of Appeals, Ninth Circuit
- U.S. Court of Appeals, Federal Circuit
- U.S. Court of Appeals, District of Columbia Circuit
- U.S. Supreme Court

General Professional Associations

- American Bar Association
- Oregon State Bar
- Washington State Bar Association
- Idaho State Bar
- Alaska Bar Association
- District of Columbia Bar
- King County (Seattle) Bar Association
- Multnomah (Portland) Bar Association
- Owen M. Panner Inn of Court (Master Member Emeritus)
- Multnomah Bar Judicial Screening Committee (2010-12)

Professional Recognition

- A-V Rated, Martindale-Hubbell, Current
- Super Lawyers, 2007-09, 2011-25 Professional Liability
- Best Lawyers in America, 2010-25 Ethics & Professional Responsibility
- Multnomah Bar Award of Merit, 2010
- Washington State Bar Association Professionalism Award, 2022

Legal Employment

- United States Marine Corps, 1983-1985
  Office of the Staff Judge Advocate
  Marine Corps Recruit Depot, San Diego
  —Defense Counsel
  —Prosecutor
  —Special Assistant U.S. Attorney
  Following a nearly year-long training course required of all Marine officers, I prosecuted and defended Marines and sailors in courts-martial and related administrative proceedings at major training and operations commands in Southern California. I also prosecuted civilians in federal court charged with committing crimes on-base. I received the Navy Commendation Medal for service at this duty station.

- Stoel Rives LLP, 1985-2005
  —Partner, Litigation Group
  —Ethics Partner
  I began as a litigation associate and was eventually promoted to capital partner in the Litigation Group of Oregon's largest law firm. My practice focused on legal ethics, product liability defense and real estate condemnation. I also worked as one of the Firm's Ethics Partners, handling internal professional ethics, attorney-client privilege, and risk management issues for offices throughout the Northwest.

- Fucile & Reising LLP, 2005-present
  —Co-founder and Partner

- University of Oregon School of Law, 2013-present
  —Adjunct Instructor, Portland Campus
  I teach the Legal Profession course, which focuses on legal and judicial ethics, as an adjunct for the School of Law's Portland Campus.

Practice Areas

Legal Ethics

I counsel lawyers, law firms and corporate and governmental legal departments throughout the Northwest on professional ethics and risk management. My work has included trying lawyer disciplinary cases at the hearing level, briefing and arguing lawyer regulatory cases before the Oregon Supreme Court and handling law firm-related litigation. I have also served an expert witness on legal ethics and related issues in Oregon, Washington, Idaho, and Alaska.

Related Professional Activities

- Editor-in-Chief/contributing author, WSBA Legal Ethics Deskbook
- Contributing editor/author, WSBA Law of Lawyering in Washington
- Contributing editor/author, OSB Ethical Oregon Lawyer
- Chair, WSBA Committee on Professional Ethics (2013-17); Member, WSBA CPE (2017-19, 2023-present)
- Chair, WSBA Rules of Professional Conduct Committee (2002-03) Member, WSBA RPC Committee (1998-2003; 2004-2012)
- Member, OSB Legal Ethics Committee (2001-03; 2020-2024)
- Member, ISB Professionalism & Ethics Section
- Member, appointed special committees in Oregon and Washington on revisions to Rules of Professional Conduct
- Reporter, appointed WSBA RPC Committee Review Work Group
- Member, appointed OSB Discipline System Review Committee
- Co-Chair, WSBA Law of Lawyering Conference (2012-2023)
- Ethics Columnist, WSBA *Bar News* (formerly *NWLawyer*)
- Ethics Columnist, *Multnomah Lawyer*
- Contributor on ethics and law firm risk management to:
  —Oregon State Bar *Bulletin*
  —Idaho State Bar *Advocate*
  —WSBA *NWSidebar*
  —DRI *For the Defense*
  —IADC *Defense Counsel Journal*
  —ABA *Professional Lawyer*

  (List of articles and reprints available at www.frllp.com.)

Related Professional Associations

- Association of Professional Responsibility Lawyers
- ABA Center for Professional Responsibility

Related Presentations

- American Bar Association
- American Law Institute
- Defense Research Institute
- Oregon State Bar
- Oregon Association of Defense Counsel
- Oregon Trial Lawyers Association
- Oregon Law Institute
- University of Oregon School of Law
- Multnomah Bar Association
- Washington State Bar Association
- King County Bar Association
- Washington Defense Trial Lawyers
- Washington State Trial Lawyers Association
- University of Washington School of Law
- Gonzaga University School of Law
- Idaho State Bar
- The Seminar Group

(List of presentations and reprints available at www.frllp.com.)

Product Liability Defense

I have handled over 300 product liability cases since the late 1980s, including jury trials in state and federal courts in Oregon and Washington. I have defended both national and Northwest manufacturers in cases involving automobiles, industrial and building products and heavy equipment. I was active for many years in national and state professional defense organizations, including the invitation-only International Association of Defense Counsel, the Defense Research Institute, the Oregon Association of Defense Counsel, and the Washington Defense Trial Lawyers. I have written for the IADC Defense Counsel Journal and DRI's For the Defense magazine.

Condemnation

Over the past 30 years, I have handled over 250 real estate condemnation cases, including many jury and court trials over possession, the right to take and valuation. I have both prosecuted and defended direct and inverse condemnation cases involving a wide variety of commercial, residential, industrial and specialty properties in Oregon state and federal courts. I have also handled the "court side" of land use cases for developers. I have written on condemnation for the Oregon State Bar Litigation Journal and the Oregon State Bar Real Estate and Land Use Digest.

fucile & reising | LLP

June 4, 2025 **BY EMAIL ONLY**

Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101

Re: Application for Chair of the Committee on Professional Ethics

Dear WSBA:

I respectfully apply for Chair of the Committee on Professional Ethics.

I have been a member of the CPE for the past two years. The current Chair, Monte Jewell, asked me to apply to chair the Committee for the coming 2025-26 term.

I offer the following for your consideration.

First, I was the CPE's inaugural chair when it was created in 2013 and served as chair for its initial four years. I also chaired its predecessor, the RPC Committee, for the 2002-03 term. This experience has given me a keen appreciation for our hardworking volunteers and the critical need to use their valuable volunteer time productively.

Second, I work in legal ethics through a private advisory practice for lawyers, law firms, and corporate and governmental legal departments throughout the Northwest and I also teach legal ethics for the University of Oregon School of Law at its Portland campus. This experience provides me with daily insights into emerging and continuing ethics issues facing lawyers today across a broad spectrum of practice areas that, in turn, would help frame the selection of topics for advisory opinions that will hopefully benefit the Membership.

Third, in terms of goals, I would hope to foster camaraderie among Committee members by considering the expanded use of hybrid meetings (*i.e.*, blended in-person and Zoom at the option of the attendee) from largely Zoom-only as we move farther away from the Pandemic and to mentor lawyers on the Committee to eventually replace me as chair (if selected).

Thank you for your consideration and please let me know if you have any questions.

Best regards,

Mark J. Fucile
Mark@frllp.com
503.860.2163

fucile & reising llp
1120 se madison st
portland or 97214

Alec Stephens
Attorney-at-Law

Sent via e-mail to barleaders@wsba.org

June 6, 2025

Francis Adewale

President-Elect

Washington State Bar Association

SUBJECT: APPLICATION FOR APPOINTMENT AS CO-CHAIR OF THE DEI COUNCIL

Dear President-Elect Adewale,

It is with great interest that I seek appointment to become Member Co-Chair of the WSBA DEI Council. As you may be aware, I served 2 years as BOG Co-Chair of the WSBA Diversity Committee, which was the prior iteration of the DEI Council. Prior to my two terms on the BOG, I was chair of the Civil Rights Law Section, and you will find that I have dedicated my entire professional career to civil rights law, policy and advocacy. I have included my resume' and bio for your information.

I seek to co-chair the DEI Council at a time when not only is DEI under attack, but there is a strategic effort to erase the history of animus towards those of us who have been past and current victims to have that history forgotten and made irrelevant. The result is to then question the need for the recently approved Equity and Justice Plan. That will be a part of the challenge of identifying and implementing measures to achieve the goals outlined in the Plan.

Moving forward, I would want to make sure that the DEI Council continues to engage all of the members of WSBA and hear from and respond to those who may not be supportive of the Plan as well as supporters of the Plan. I believe my experiences inside and outside of WSBA present the qualifications needed for next steps.

It is my hope that I receive this appointment, but in the event I do not, I will continue to serve on the DEI Council and contribute to the fullest extent.

Sincerely,

Alec Stephens

Attachment: Alec Stephens Resume' & Bio

5718 55th Ave., S. Seattle, WA 98118 206-941-5690

E-mail: Alecstephensjr@gmail.com

Alec Stephens
5718 55th Ave., S.
Seattle, Washington 98118

(206) 941-5690 (Office/Voice-mail Messages)
Alecstephensjr@gmail.com

SUMMARY: A lawyer specializing in civil rights, human rights, and equal opportunity laws and policies, with experience as an administrator, researcher, writer, and policy analyst.

EDUCATION/LICENSES:

University of Miami, Coral Gables, Florida. Bachelor of Business Administration, December 1975 (Major: Business Management & Organization).

University of Puget Sound (now Seattle University) School of Law, Tacoma, Washington. Juris Doctor, August 1980.

Admitted to the Washington State Bar Association, 1981.

EMPLOYMENT HISTORY:

2015 to Present: Owner, Alec Stephens Consulting

2006 – 2014: Diversity Programs Technical Advisor, Sound Transit, Seattle, Washington (Retired)

1997 – 2006: Diversity Programs Manager, Sound Transit, Seattle, Washington.

1995 – 1997: Minority/Women/Disadvantaged Business Enterprise (M/W/DBE) Program Supervisor, Regional Transit Authority, Seattle, Washington.

1994 - 1995: Senior Minority & Women Business Enterprise and Contract Compliance Specialist, King County Department of Metropolitan Services (Metro), Seattle, Washington.

1992 - 1994: Minority and Women Business Enterprise Liaison Officer, West Point Construction Project, Municipality of Metropolitan Seattle (Metro), Seattle, Washington.

1988 - 1991: Acting Supervisor and Supervisor of Minority & Women Business Enterprise and Contract Compliance Section, Metro, Seattle, Washington.

1986 - 1988: Minority & Women Business Enterprise and Contract Compliance Specialist, Metro, Seattle, Washington.

1985 - 1986: Director of Economic Development & Employment, Seattle Urban League, Seattle, Washington.

1981 - 1985: Regional Attorney, U. S. Commission on Civil Rights, Northwestern Regional Office, Seattle, Washington.

1980 - 1981: Staffperson, National Lawyers Guild Seattle Chapter, Seattle, Washington.

1979 - 1980: Intern, Equal Employment Opportunity Commission, Seattle District Office (EEOC - Law Students Civil Rights Research Council Internship Program), Seattle, Washington.

1978 - 1979: National Co-Director, Law Students Civil Rights Research Council, Atlanta, Georgia.

PROFESSIONAL ASSOCIATIONS:

Member - Washington State Bar Association (WSBA)
WSBA Civil Rights Law Section
WSBA Sections Policy Work Group (2016)
WSBA DEI Council
Loren Miller Bar Association

Officer - National Co-Chair, National Lawyers Guild Affirmative Action/Anti-Discrimination Committee (1980 - 1983)
President, National Conference of Black Lawyers, Northwest Chapter (1987 - 1988)
Vice President, National Conference of Black Lawyers, Northwest Chapter (1982, 1983 and 1985)
Trustee, Civil Rights Law Section, Washington State Bar Association (2011-2012)
Chair-Elect and Chair, Civil Rights Law Section, Washington State Bar Association (2013 - 2016)
Immediate Past Chair, Civil Rights Law Section, Washington State Bar Association (2016 -2017)
Board of Governors (BOG), At-Large Member, Washington State Bar Association (2017 to 2023)
BOG Executive Committee (2018-20 & 2022-23)
BOG Chair, Personnel Committee (2019-20 & 2022-23); Co-Chair (2021) & Member (2017 to 2023)
BOG Co-Chair, WSBA Diversity Committee (2017-19) & Member (2017 to 2023)
WSBA DEI Council Member (2023 to Present)
BOG Member, Budget & Audit Committee (2017-20 & 2021 to 2023); Legislative Committee (2019-20 & 2021-23)
Chair, WSBA Equity & Disparity Workgroup (2020 to 2023)
BOG Parliamentarian (2020-21 & 2024 to Present)

CIVIC ORGANIZATIONS AND ACTIVITIES:

Member, Leadership Tomorrow, Class of 2008
Member, (Pro) Parks Levy Oversight Committee, City of Seattle (October 2005 to September 2015)
Member, Pastoral Council, St. Therese Catholic Church (July 2004 to 2010); Co-chair (July 2005 to 2009)

Chair, Long Range Planning Team, St. Therese Catholic Church (2009 to 2010)
Chair, Principal's Search Team, St. Therese Catholic School (2010-11)
Chair, Affirmative Action Committee, Washington State Democratic Party (August 2005 to February 2017)
Volunteer Teacher, Speech & Debate, St. Therese Catholic Academy, 2015-16 School Year through First Trimester 2016-17 School Year.
Instructional Leader, "Know Your Government" Preparatory Course for Seattle 4H Youth (1992 to 2006)
Member, Education & Marketable Skills Task Force, Greater Seattle Effort for the Summit for America's Future, "A Sound Promise for Youth, 1997
Leadership Council, "It's About Time for Kids" Initiative, 1996-to 1999
Governor's Federal Funding Roundtable for Families and Children, 1996
Chair/Facilitator, King County Consortium of Community Public Health and Safety Networks (1995 – 1997)
Chair and Board Member, Seattle Area Community Public Health and Safety Network (Seattle City Council Representative, Appointed 1994, Chair 1995 to 1997).
President, African American Academy of Seattle Public Schools PTA (1993-94 and 1994-95 School Years).
Member, Church Council of Greater Seattle Board of Directors (1993 - 1996).
Chair, Disproportionality Task Force, Seattle Public Schools (1985-90).
.

PUBLICATIONS:

U. S. Commission on Civil Rights, Northwestern Regional Office, Statement, "External Review of Complaints of Police Misconduct in Portland, Oregon" (1982).

U. S. Commission on Civil Rights, Northwestern Regional Office, Bringing an Industry into the 1980's: Affirmative Action in Seafood Processing (1983). (Conducted legal sufficiency review and editorial review.)

U. S. Commission on Civil Rights, Northwestern Regional Office, Bigotry and Violence in Idaho (1985).

PERSONAL:

Married to Helena Stephens 1992 to Jan. 2025 (her death); five adult children; five grandchildren.

REFERENCES:

Furnished Upon Request.

Alec Stephens Legal & Professional Bio

Alec Stephens is an attorney specializing in civil rights law and policy and serves as a member of the Washington State Bar Association (WSBA) Board of Governors (BOG) from 2017 to 20. He was elected for another 3-year term which ends in 2023. As a member of the Board of Governors, he also served on the Executive Committee, was Chair of the Personnel Committee, and served as BOG Co-Chair of the WSBA Diversity Committee. Prior to serving on the BOG he also served two terms as Chair of the WSBA Civil Rights Law Section. He served as chair of the WSBA Equity and Disparity Workgroup, authorized by the BOG in response to the national dialogue on racism and unlawful use of force. He was also Parliamentarian for the BOG.

Mr. Stephens received his law degree from the University of Puget Sound (now Seattle University) law school, and a Bachelor of Business Administration from the University of Miami (Fla.).

Alec has been a civil rights lawyer since his admission to the Bar in 1981 and was national co-director of the Law Students Civil Rights Research Council, and national co-chair of the National Lawyers Guild Affirmative Action/Anti-Discrimination Committee. In 1981, Alec began his legal and professional career as Northwestern Regional Attorney for the U.S. Commission on Civil Rights.

With the restructuring of the Civil Rights Commission, he served as Director of Economic Development and Employment at the Seattle Urban League in 1985 and began work on contracting opportunities for Minority and Women's Business Enterprises at the Municipality of Metropolitan Seattle (Metro) in 1986. Over the next nine years, Alec was an M/WBE Specialist. Supervisor, and Liaison Officer on the West Point Treatment Plant Construction Project. Shortly after the consolidation of Metro with King County, Alec was recruited in 1995 to join the Regional Transit Authority (RTA—now Sound Transit) to put in place and implement Disadvantaged Business Enterprise, Title VI Compliance and Employment and Contracting programs and policies.

In late 2014 he retired as Diversity Technical Advisor in the Diversity Programs Office of Sound Transit, where he was the initial manager and architect for diversity programs to provide contracting and employment opportunities for People of Color and Women, was on the negotiating team and oversaw implementation of Sound Transit's Project Labor Agreement, and coordinated the Agency's compliance with federal non-discrimination requirements in accordance with Title VI of the 1964 Civil Rights Act.

Active in civic affairs, he has served as a member of the City of Seattle Parks Levy Oversight Committee and was the first chair of the Seattle Public Schools Disproportionality Task Force. Having an interest in politics, he has held leadership positions in Democratic Party politics at the legislative district, county and state levels, including 10 years as chair of the state Affirmative Action Committee, two terms a 37th Legislative District Chair(1999-2000 & 2017-18), and over 15 years as a member of the State Central Committee. As a parishioner of St. Therese Catholic Church, he is former member and chair of the Pastoral Council and served as a volunteer speech & debate teacher at the St. Therese Catholic Academy.

He was married to Helena Stephens from 1992 until her death in January 2025.

Alicia Kingston

Spokane, Washington| [redacted] | [redacted]

Education

The George Washington University Law School Washington, D.C.
Juris Doctor May 2019
Activities: Student Bar Association (*2018-2019 President*), Black Law Student Association (*Member*), Equal Justice Foundation (*2017 – 2018 Vice-President of Auction*), Alternative Dispute Resolution Board (*Member*), Federal Communications Law Journal (*Volume 71 Notes Editor*)

University of Memphis Memphis, TN
B.A., *magna cum laude*, in Political Science May 2016
Activities: Alpha Delta Pi (*Chapter President*), St. Jude Up 'til Dawn (*Fundraising Director*), Student Government Association (*Speaker of the Senate*) Student Ambassador Board (*Member*)

Experience

Washington State Office of Civil Legal Aid
Spokane, WA
Fall 2024 - Present

Eviction Defense Program Manager
- Oversee and manage 26 contracts for the Appointed Counsel and Pre-filing Eviction Defense Programs
- Providing all program guidance and court coordination for unlawful detainer actions
- Create and implement all training, including an in-person training, for eviction defense attorneys
- Supervise additional program staff

Spokane, WA
Spring 2023 – Fall 2024

Reentry/Eviction Defense Program Counsel
- Coordinate and oversee the Appointed Counsel and Pre-filing Eviction Defense Programs
- Providing program guidance, training, and court coordination for unlawful detainer actions
- Creation of program for re-entry civil relief with the Community Reinvestment Act and *State v. Blake*

Northwest Justice Project Spokane, WA
Summer 2021- Spring 2023

Assistant Managing Attorney
- Supervise Right to Counsel Attorneys in Eastern Washington and provide litigation support for 7 advocates
- Coordinate and develop Right to Counsel Program statewide with a focus on 5 countries in Eastern Washington

Staff Attorney
- Advocate for indigent tenants in the first statewide right to counsel program
- Educate organizations on tenant rights and need for expanding protections for indigent tenants

Legal Aid of Western Ohio Toledo, OH
Staff Attorney Fall 2019 – Summer 2021
- Advocate for low-income clients regarding housing and consumer issues
- Develop partnerships with agencies to expand resources for clients
- Advocate for policies changes to expand tenant protections

The George Washington University Law School, Professor Laurie Kohn Washington, D.C.
Research Assistant Spring 2019
- Researched restorative justice practices for offenders of sexual harassment and sexual assault

Solidarity Center Washington, D.C
Law Clerk Spring 2019
- Researched new legal developments regarding gender-based violence against women in the workplace

International Human Rights Clinic Washington, D.C.
Student Attorney Fall 2018
- Led the GW Law Jacob Burns International Human Rights Clinic defense team for a high valued detainee at Guantanamo Bay

National Partnership for Women and Families Washington, D.C.
Legal Intern Summer 2018
- Researched family and medical leave laws, paid sick day laws, and unemployment insurance laws for all states for Raising Expectations

Alicia Kingston

Spokane, Washington| [redacted] | [redacted]

I write to express my interest in serving as the Vice Chair for the WSBA Judicial Recommendation Committee. I hope for a profession that is inclusive, diverse, and one that finally opens the door and provide true and meaningful access to justice for everyone regardless of economic status. Justice Sonia Sotomayor said, “We educated, privileged lawyers have a professional and moral duty to represent the underrepresented in our society to ensure that justice exists for all, both legal and economic justice.”

This quote, hanging above my desk, is the fundamental and basic responsibility that I carry as a lawyer. As a member of this committee, I understand the great responsibility we have in helping to shape our judiciary. I have practiced across the county, in front of numerous judicial officers, I have seen how “justice” is administered differently depending on the individual on the bench. I am currently serving on the Washington State Supreme Court’s Disability Justice Taskforce, and we are working to educate judicial officers on working with folks with disabilities.

I look for candidates who deeply care about the law and the impact is has on society, candidates who want to continue to learn and better their understanding of the law, and candidates who understand the call form our Supreme Court in their June 4, 2020, letter. As the Vice Chair, I would work to support the Chair in training new members to ensure they are fully equipped for the role. I would continuously review the committee’s manual and suggest improvements as needed. There is great work to be done, and I look forward to continuing it.

CHRISTELL CASEY

CHRISTELL@WATTS-AT-LAW.COM

509-207-7615

Volunteer Experience or Leadership

RULE 6 LAW CLERK BOARD MEMBER 2017-PRESENT

TROOP 313 – ADVANCEMENT CHAIR- 2008-2019

TROOP 313 – COMMITTEE CHAIR 2019 TO 2023

SCRIPT COMMITTEE CHAIR HAM ON REGAL 2022, 2023, 2025

SCENE DIRECTOR HAM ON REGAL 2023, 2025

HEAD DIRECTOR HAM ON REGAL 2024

EXPERIENCE

LEGAL ASSISTANT/PARALEGAL
From May 2008-September 2010
CASEY LAW OFFICES, P.S.

TRIAL PARALEGAL/LAW CLERK
From September 2010-April 2015
CASEY LAW OFFICES, P.S.

TRIAL ATTORNEY - PERSONAL INJURY
From April 2015- September 2017
CASEY LAW OFFICES, P.S.

FAMILY LAW ATTORNEY
From 2017 to present
THE LAW OFFICE OF JULIE C. WATTS, PLLC

EDUCATION

DEGREE / DATE EARNED
School

Nassau Community College - One Education Dr., Garden City, NY 11531 1994-1996

Eastern Washington University - 1998-2002 Bachelors of Arts, Major in Psychology

Washington State Rule Law Clerk Program - 2010-2014

Davis Wright Tremaine LLP

Suite 3300
920 Fifth Avenue
Seattle, WA 98104-1610

Matthew D. LeMaster
206.757.8077 tel
[redacted]

mattlemaster@dwt.com

June 3, 2025

Washington State Bar Association
Attn: Bar Leaders
1325 Fourth Avenue, Suite 600
Seattle, WA 98101-2539
barleaders@wsba.org

Re: Legislative Review Committee Chair Application

Dear Bar Leaders:

I am writing to express my interest in chairing the Legislative Review Committee (the "Committee") in 2025. I believe in the mission of the Committee and I believe I have the skill and energy to act as Chair.

I have been on the Committee since 2015. I have seen how the Committee carefully reviews and evaluates specific legislation from various sections of the WSBA. I have seen how the diversity of the backgrounds and practices of the members of the Committee has, on many occasions, fostered necessary and thoughtful feedback and facilitated the improvement of potential legislation.

I believe the Committee has a very important role. It is a process oriented Committee that compels the sections of the WSBA to pause and reflect on the intended and unintended consequences of legislation. The Committee benefits the WSBA's membership because of the Committee's rigorous review of potential legislation. As a result, legislation has a heightened level of credibility and an increased probability of passage.

The Committee's role is not uncontroversial. A number of members, each year ask "why does the Committee exist." I believe the answer is clear: to provide an additional and important "check" to make sure a broad array of voices are heard as legislation moves through the WSBA's processes.

If selected, I will do my best to work with Sanjay Walvekar to ensure everyone has a voice and the business of the Committee proceeds in an efficient manner. I worked closely with Mr.

Walvekar several years ago to cause the passage of important amendments to the Limited Liability Companies Act and the Limited Partnership Act. I really enjoyed working with Mr. Walvekar.

For the foregoing reasons, I would request that you thoughtfully evaluate my application. I have enclosed my CV. Please contact me with any questions.

Very truly yours,

Matthew D. LeMaster

cc: Sanjay Walvekar
sanjayw@wsba.org

Davis Wright Tremaine LLP

Matt LeMaster (He/Him)

PARTNER

Seattle
T [redacted]
F

Chair, M&A Practice
Co-chair, Veteran Attorneys Affinity Group

M [redacted]
E mattlemaster@dwt.com

Education

J.D., University of Washington School of Law, 1997

B.S., University of Oregon, 1990

Admitted to Practice

Washington

Matt LeMaster is the chair of DWT's mergers and acquisitions practice. He focuses on business transactions, corporate governance, mergers and acquisitions, and finance. He has specific experience in media, technology, advanced manufacturing, distribution, senior living and hospitality.

Matt has been designated by Chambers USA as a leading lawyer (Band 3) in Corporate and Commercial law in Washington state.

Chambers reviewers noted his "quick response and concise answers in the midst of stressful negotiations" and his ability "to become part of the team and help solve problems to accomplish business goals."

In addition to his specific knowledge of transactions and mergers and acquisitions, Matt acts as principal outside counsel to Coast Hotels USA, Icom America Inc., Modjoul Inc., and Convoy Supply Inc. Matt is also an affiliate professor at the University of Washington School of Law, where he teaches a course on mergers and acquisitions.

Matt co-chairs DWT's veteran's affinity group, and helps manage equity partner compensation as a member of DWT's share committee.

Practice Highlights

Mergers & acquisitions

Matt's core practice involves assisting his clients to achieve transformational business changes through mergers, acquisitions, financings, and other transactions.

Outside general counsel

Matt regularly assists significant ventures as outside general counsel who have daily legal requirements, but have no in-house counsel.

Industry expertise

Matt is deeply focused on media, technology, advanced manufacturing, distribution, senior living and hospitality industry verticals.

Experience

Media and Technology

Acquisition of television stations

Assisted in acquisition from Cox Media of asset purchase of twelve television stations.

Formation and financing of Modjoul, Inc.

Managed the formation, structuring, and financing of a robotics company.

Formation and financing of Visus Therapeutics, Inc.

Managed early stage formation and investment of eye therapeutics company.

Acquisition of i1Biometrics

Represented client in the acquisition of high-tech mouth guard sensing company.

Disposition of Implement.com

Represented client in the disposition of a cloud-based technology consulting company.

Sale of Blueview Technologies

Represented client in sale of sonar technology company.

Sale of business for Geospiza, Inc.

Represented Geospiza, Inc., a bioinformatics company, in its merger with PerkinElmer.

Advanced Manufacturing and Distribution

Acquisition of Valence Surface Technologies subsidiaries

Represented client in acquisition of advanced manufacturing businesses.

NxEdge Inc.

Represented company that specializes in machining, anodizing, coating, and cleaning of process components for semiconductor industry in auction and sale.

Acquisitions by Convoy Supply

Represented building products company in multiple asset acquisitions.

Acquisition of Granite Building Products, Inc.

Represented acquisition of stock of building products company.

Acquisition of Icom Canada

Represented Icom America, Inc. in acquisition of Canadian operations.

Senior Living and Hospitality

Management of legal affairs for Leisure Care

Represented Leisure Care and affiliates in the acquisition, financing, and negotiation of management agreements for multiple senior living facilities.

Acquisitions by Coast Hotels

Represented client in the acquisition of hotel facilities.

Disposition of hotel properties for The Peninsula Group

Represented client in the divestitures of multiple hotel facilities and follow-on acquisitions of replacement commercial properties.

Hotel management agreements and technical services agreements

Represented multiple clients in the drafting and implementation of long-term hotel management agreements, for owners and operators, including Red Lion Hotels Corporation and Coast Hotels.

Liquor licensing counsel

Provides liquor licensing counsel for multiple hotel and restaurant ownership groups including Red Lion Hotels Corporation and Coast Hotels.

Gaming counsel

Represented Grant Thornton Limited in gambling licensing matters in receivership of Washington Gaming, Inc. and provided gaming counsel to Wells Fargo Gaming in connection with debt refinancing of a casino borrower.

Memberships & Affiliations

- Co-Chair, 2021-present; Member, 2016-present – WSBA Partnership and LLC Law Committee
- Co-director, Global Business Law Institute, University of Washington School of Law, 2019-present
- Affiliate Professor, University of Washington School of Law, Mergers and Acquisitions A 534, 2019-present
- Seattle Rotary Club 4, Member, 2019-present
- Rotary Business Mentor, University of Washington, Foster Consulting and Business Development Center, 2022-present
- Leadership Council, University of Washington School of Law, Member, 2020-present
- Stewardship Committee, University of Washington School of Law, Member, 2020-present
- American Bar Association, M&A Committee, Member, 2020-present
- Advancement Committee, University of Washington School of Law, Member, 2019-2020
- University of Oregon School of Law, Mentor, 2021-present
- University of Washington School of Law, Mentor, 2019-present
- Leadership Council on Legal Diversity, Mentor, 2019-present
- Association for Corporate Growth, Member, 2015-present
- National Association of Corporate Directors, Member, 2018-present
- Law Firm Annual Challenge, University of Washington School of Law, Chair, 2018
- ALIS Planning Committee, Member, 2012-2018
- Mercer Island Youth Football Coach and Football Advisory Board, Director, 2011-2016
- Pacific Rim M&A Institute, Founder and Director, 2014-2016
- Northwest Education Fund, Director, 2015-2018
- Legislative Committee, Washington State Bar Association, Member, 2011-2016, 2020-present
- Childhaven, Director, 2010-2012
- Bellevue Rotary Club, Member, 2002-2010; Director, 2004-2007
- Business Law Section, Washington State Bar Association – Immediate Past Chair, 2009-2010; Chair, 2008-2009; Chair-Elect and Treasurer, 2007-2008; Chair, Mid-Year Meeting, June 2007; Vice Chair, 2006-2007; Recorder, 2005-2006; Co-chair, Publications Committee, 2002-2005
- Washington State Business Leaders Network, Director, 2006-2009

- Washington Attorneys Assisting Community Organizations (WAACO), Director, 2008-2009
- Hire America's Heroes, Director, 2007-2009
- American Bar Association, Committee on State and Local Bar Relations, Member, 2007-2010
- American Bar Association, Negotiated Acquisitions Committee, Member, 2006-2016
- Seattle University Directors Academy, Advisory Board, Director, 2007-2009
- King County Bar Association, Corporate/In-House Section, Co-Chair, 2003-2005
- King County Bar Association, Community Involvement Committee, Chair, 2002-2003
- King County Bar Association, Board of Trustees, Young Lawyer Division, Director, 2001-2002
- Advance Bellevue, Graduate, 2002

Professional Recognition

- Named as one of "America's Leading Lawyers for Business" by Chambers USA in Corporate/Commercial Law (Washington), 2017-2022; Named a "Recognised Practitioner" in Corporate/Commercial Law (Washington), 2016; Leisure & Hospitality (Nationwide), 2019
- Named one of the "Best Lawyers in America" by Best Lawyers in Corporate Law, 2012-present; in Leisure and Hospitality Law, 2021-present
- Selected to "Washington Rising Stars" and "Washington Super Lawyers," Thomson Reuters
- Avvo Rating 10/10

Background

- Captain, U.S. Army, Combat Engineer, obtained Airborne, Ranger, and German Badge for Military Proficiency qualifications; graduate of NATO Winter Long-Range Reconnaissance Patrol School
- Varsity Football, ROTC Cadet Battalion Commander, George C. Marshall Outstanding Cadet, Distinguished Military Graduate – University of Oregon
- Climbed "The Grand," Grand Tetons, 2019; completed the "Decalibron," climbed Mounts Democrat, Cameron, Lincoln, and Bross in one day, 2020; climbed the "Mountaineer's Route" on Mount Whitney, 2022

Insights

Chambers USA Recognizes Davis Wright Tremaine for Leadership Across Key Industry Sectors and Honors the Firm for Excellence in 51 Practices, 06.05.23

Davis Wright Tremaine Advises INSP in the Purchase of TV Stations in 12 Markets from Cox Media Group, 08.01.22

Panelist, "M&A Financing and Market Update," Northwest Middle Market Growth Conference 2022, 07.14.22

Chambers USA Recognizes Davis Wright Tremaine for Excellence in Key Practice Areas and Industry-Leading Success With DEI, 06.07.22

"Veterans Day Conversation," Davis Wright Tremaine Webinar, 11.11.21

Davis Wright Tremaine Recognized by Chambers USA for Industry-Leading Excellence in Key Practice Areas, 05.21.21

Co-author, "Frequently Asked Questions and Current Trends in Representations and Warranties Insurance in Private M&A Deals," California Business Law Reporter, May 2021

Mentioned in "Global Business Law Institute Appoints New Chair, Members to Industry Advisory Board," University of Washington School of Law, 05.12.20

Davis Wright Tremaine Recognized by Chambers USA for Industry-Leading Excellence in Key Practice Areas, 04.28.20

Davis Wright Tremaine Recognized by Chambers as One of the Country’s Leading Law Firms for Business, 05.29.19

Addressing Homelessness Block by Block, 2018

Moderator, "Private Equity Investing in Aerospace and Defence Companies," Capital Roundtable, New York, N.Y., 09.13.18

ANDREW DUGAN
ATTORNEY AND LEGAL ADVOCATE

May 21, 2025

WSBA Board of Governors
c/o BarLeaders@wsba.org

Re: Application for Re-Appointment to Co-Chair of Pro Bono & Public Service Committee

Dear Members of the WSBA Board of Governors,

I am writing to respectfully request reappointment to the WSBA Pro Bono and Public Service Committee, and to express my interest in continuing to serve as Co-Chair. It has been a privilege to lead the Committee this past year, and I would be honored to continue building on the momentum we've established to promote a culture of service across Washington's legal community.

Over the past two years—first as a Committee member and now as Co-Chair—I have helped guide the Committee's initiatives around statewide networking, policy development, and education. I am particularly proud of our work to:

- Launch new Pro Bono Pub-lico networking events in collaboration with local bar associations and Volunteer Lawyer Programs to connect attorneys with community-based service opportunities;
- Explore rule changes to enhance recognition of pro bono service and increase participation among WSBA members;
- Elevate our communications and outreach efforts, including Bar News articles and Legal LunchBox CLE programming, to center access to justice and equity in public service conversations.

As Executive Director of Skagit Legal Aid and Program Lead for the Paralegal Studies program at Whatcom Community College, I bring both strategic leadership and frontline experience coordinating pro bono partnerships, supervising volunteers, and training emerging legal professionals. I also bring a rural, community-based perspective that complements the Committee's statewide mission.

I am deeply committed to advancing the WSBA's goals of service, equity, and justice. With your support, I hope to continue serving as Co-Chair and working alongside an exceptional group of professionals to grow a robust and inclusive pro bono culture in Washington.

Thank you for your consideration.

Sincerely,

Andrew Dugan

ANDREW DUGAN

Attorney & Legal Advocate

PROFESSIONAL PROFILE

Goal-focused enthusiastic attorney with 10+ years' demonstrable experience thriving in ever-changing environments in the public, private, and nonprofit sectors.

CONTACT DETAILS

Telephone: [redacted]
Email: [redacted]
Address: [redacted]

CORE COMPETENCIES

- Legal Aid
- Landlord-Tenant Law
- Restorative Justice
- Consumer Law
- Civil Rights
- Victim Advocacy
- Immigration
- Family Law
- Regulatory Compliance

PROFESSIONAL EXPERIENCE

Executive Director
Skagit Legal Aid
July 2020 - present

- Successfully launched a new nonprofit legal services organization in a large rural community with a focus on incorporating racial equity goals of removing barriers that perpetuate poverty and inequity
- Managed all program services and coordinated regular legal clinics serving indigenous immigrant farmworkers, tribal members, and people impacted by the criminal justice system, respectively
- Supervised and mentored attorneys, support staff, interns, and volunteers
- Drafted grant applications and successfully increased organization funding
- Developed and maintained working relationships with Skagit County attorneys to facilitate pro bono referrals
- Developed and presented legal training seminars for both legal and public audiences concerning various legal issues
- Prepared regular program reports for funders and board of directors
- Represented low income individuals in variety of civil actions affecting housing, family, consumer debt, and restorative justice issues
- Created new community partnerships to increase access to equitable legal services
- Launched and supervised paralegal internship and law clerk externship program

Adjunct Instructor
Whatcom Community College
September 2022 -Present

- Prepared syllabus in accordance with course objectives
- Instructed paralegal students during regular virtual class session
- Provided substantive materials and created assignments for students in areas affecting contract law, consumer law, and access to justice issues
- Responded to student inquiries and feedback

Legal Clinic Attorney
Equality Ohio
February 2019 - July 2020

- Represented low income LGBTQ clients concerning a broad range of civil legal matters
- Successfully launched a new office of a new legal clinic by building and expanding relationships with new and existing community partners, establishing regular client intake opportunities, and developing an attorney referral network
- Supervised and mentored law clerks and pro bono legal volunteers
- Developed and presented legal training seminars for both legal and public audiences concerning various legal issues impacting LQBTQ individuals
- Co-founded a widely popular criminal and eviction record sealing clinic conducted quarterly that provided free services to hundreds of clients

Compliance Attorney
Manley Deas Kochalski
October 2013 - January 2019

- Developed and implemented change management policies and procedures for a prominent default litigation firm
- Identified legal and contractual vulnerabilities and collaborated with others to implement corrective action plans
- Provided ongoing advice to operational managers regarding legal compliance issues and process improvement
- Drafted and regularly updated standard pleadings for use in default litigation cases across the firm's six jurisdictions
- Developed and presented legal training seminars encompassing consumer financial and real estate laws for all firm employees
- Represented clients in contested eviction actions while respecting tenant rights

ACADEMIC BACKGROUND

Capital University Law School

Doctor of Jurisprudence Degree
May 2013

- Fellow, Marshall-Brennan Constitutional Literacy Program
- Extern, Federal Public Defender

The Ohio State University

Bachelor of Science in business administration degree
June 2010

- Graduated Cum Laude
- Community Ambassador, Off-Campus Student Services
- Member, Phi Sigma Pi National Honor Fraternity
- Study Abroad, Egypt and Brazil

PROFESSIONAL LICENSES AND AFFILIATIONS

Washington Law License (57092)
Admitted September 2020

Ohio Law License (0090691)
Admitted November 2013 (inactive)

United Stated District Court - Southern District of Ohio
Admitted 2014

Maine Law License (005695)
Admitted February 2016 (inactive)

Washington State Bar Association Pro Bono and Public Service Committee
Chairperson (2024 - present)

Pro Bono Council
Co-Chairperson (2023 - present)

Skagit County Bar Association
Executive Committee Ex-Officio Member
Speaker - Various CLE Courses

National Legal Aid & Defender Association
Speaker - Annual Conference 2022

Leadership Skagit
Class of 2021

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Renata Garcia, Chief Regulatory Counsel

DATE: June 17, 2025

RE: Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a

CONSENT: Proposed amendments to the WSBA Bylaws relating to license status for eligibility for service on a WSBA committee are presented for action.

Background

In 2024, a member status workgroup recommended amendments to the WSBA Bylaws permitting inactive, honorary, or pro bono members to serve on WSBA committees. At the Board of Governors meeting in October 2024, the Board of Governors approved the amendments and the Court thereafter approved the amendments effective December 31, 2024. See WSBA Bylaws Art. III Sec. B.2 and 4, which relate to the benefits of different license statuses.

Overlooked in that project was Art. IX Sec. B.1.a regarding eligibility for membership on a WSBA committee. Except for the language relating to chairs and vice chairs of committees, the proposed amendments here align the committee section of the WSBA Bylaws with the intent of the member status workgroup and the sections of the Bylaws already amended. With regard to chairs and vice chairs, there does not appear to be a reason to exclude inactive, honorary, or pro bono members from serving as chair or vice chair. Each committee nomination team will be in the best position to choose the appropriate people to lead its committee.

This item was on the agenda for first reading at the Board of Governors meeting in May 2025.

Attachments

1. Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a – Markup Version
2. Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a – Clean Version

Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a. **April 8, 2025**
Markup Version

IX. COMMITTEES, COUNCILS, AND OTHER BAR ENTITIES

B. COMMITTEES AND OTHER BAR ENTITIES

1. Committees

Committees are created and authorized by the BOG to study matters relating to the general purposes and business of the Bar which are of a continuous and recurring character. The number, size, and functions of each committee will be determined from time to time by the BOG.

a. All active members of the Bar may serve as ~~C~~committee members, Chairs, and Vice Chairs ~~must be Active members of the Bar~~. Inactive, Honorary, and Pro Bono members of the Bar may be appointed to serve as Chairs, Vice Chairs, or voting or nonvoting members on any committee as deemed appropriate. Exception~~s~~: ~~(a) up to two Pro Bono members are permitted to serve on the Pro Bono and Public Service Committee (PBPSC) and may be appointed to serve as the Chair, Co-Chair, or Vice-Chair of that committee; and (b)~~ faculty of Washington state law schools who are not ~~Active~~ members of the Bar are permitted to serve on the Committee on Professional Ethics (CPE).

Proposed Amendments to WSBA Bylaws Art. IX Sec. B.1.a. **April 8, 2025**

Clean Version

IX. COMMITTEES, COUNCILS, AND OTHER BAR ENTITIES

B. COMMITTEES AND OTHER BAR ENTITIES

1. Committees

Committees are created and authorized by the BOG to study matters relating to the general purposes and business of the Bar which are of a continuous and recurring character. The number, size, and functions of each committee will be determined from time to time by the BOG.

a. All active members of the Bar may serve as committee members, Chairs, and Vice Chairs. Inactive, Honorary, and Pro Bono members of the Bar may be appointed to serve as Chairs, Vice Chairs, or voting or nonvoting members on any committee as deemed appropriate. Exception: faculty of Washington state law schools who are not members of the Bar are permitted to serve on the Committee on Professional Ethics (CPE).

WASHINGTON STATE
BAR ASSOCIATION

Office of General Counsel
Nicole Gustine, Assistant General Counsel

TO: WSBA Board of Governors

FROM: Nicole Gustine, Assistant General Counsel

DATE: May 9, 2025

RE: Confidentiality of Client Protection Board Recommendations

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The Board of Governors (BOG) is responsible for approving gifts from the Client Protection Board. Per Court Rule, all of the materials, reports, and deliberations shall not be public. (APR 15 Procedural Regulations, Regulation 13(b)). As such, the recommendations are placed on the Consent Calendar. If discussion is requested by any Governor, it shall be taken up in Executive Session.

> **APR 15**
> **CLIENT PROTECTION FUND PROCEDURAL REGULATIONS**
> **REGULATION 13. CONFIDENTIALITY**
>
> (a) Matters Which Are Public. On approved applications, the facts and circumstances which generated the loss, the Client Protection Board's recommendations to the Trustees with respect to payment of a claim, the amount of claim, the amount of loss as determined by the Client Protection Board, the name of the lawyer, LLLT, or LPO causing the loss, and the amount of payment authorized and made, shall be public.
>
> (b) Matters Which Are Not Public. The Client Protection Board's file, including the application and response, supporting documentation, and staff investigative report, and deliberations of any application; the name of the applicant, unless the applicant consents; and the name of the lawyer, LLLT, or LPO unless the lawyer, LLLT, or LPO consents or unless the lawyer's, LLLT's, or LPO's name is made public pursuant to these rules and regulations, shall not be public.

The following report of CPB recommendations contains only pre-approved applications, and is therefore provided to you as a Trustee, confidentially. The report will not appear in the BOG meeting's public session materials. Please take the time to review the materials thoroughly prior to the BOG public session meeting.

Pursuant to ELC 3.4(l), the Chief Disciplinary Counsel has authorized the release of otherwise confidential disciplinary information to the Board of Governors for the purpose of reviewing and deciding on Client Protection Fund Board recommendations. The Board of Governors is advised of its obligation to maintain the confidentiality of these materials.

Please do not discuss any details regarding the matters, including the names or amounts related to the matter, at the public session meeting.

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Paula Emery, Chair, Dispute Resolution Section (paula@pemerylaw.com, 206-291-6095)

DATE: May 30, 2025

RE: Proposed Amendments to Section Bylaws

ACTION: Approve Dispute Resolution Section Bylaws

The proposed bylaw amendments address the need to modernize the dispute resolution section's operational framework to better support all practitioners. These changes include clarifying membership categories, adjusting administrative responsibilities, refining executive committee procedures, and simplifying procedural language throughout. Specifically, the amendments formalize non-voting subscriber membership, shift certain duties on the executive committee from the Secretary to the Chair, adjust voting thresholds, modify notification periods, and make various grammatical improvements. Success will be measured by increased section participation and improved operational efficiency. Next steps include implementing the revised bylaws and monitoring their effectiveness in streamlining section governance.

Background

The Board of Governors last approved amendments to the section's bylaws on September 22, 2022. The BOG's authority and responsibility to approve proposed section bylaws once approved by the section is found in Article XI.E of the WSBA Bylaws.

Community Input

The executive committee of the section determined to review the section's bylaws at the annual executive committee retreat in October 2024. A subcommittee of the section conducted a review of the bylaws and proposed amendments at the executive committee meeting in December 2024. The executive committee dedicated much of its regular March 2025 meeting to reviewing the proposed amendments and voted unanimously to approve the section bylaws as amended at the executive committee meeting on April 25, 2025.

The participation details for every executive committee meeting, with the agenda, are posted to the section's webpage. All section members are invited to provide their feedback through the section listserv, by contacting any member of the executive committee directly, or by attending any executive committee meeting, which are held virtually via Zoom.

Information for Fiscal Analysis

The section does not anticipate a significant fiscal impact from the amended bylaws, though an increase in subscriber members may result from some of the language changes made for ease of understanding by dispute resolution practitioners who do not possess law degrees, coupled with efforts by the section to encourage subscriber members to join the section.

Information for Equity Analysis

The proposed amendments to the dispute resolution section bylaws enhance the section's ability to recruit and develop new practitioners by clarifying membership categories, including non-voting subscriber members, and formally allowing these subscribers to serve as non-voting advisors on the executive committee. The shift from "may" to "should" regarding annual section meetings encourages more regular engagement opportunities for all members. These procedural improvements, alongside administrative updates to meeting notices and voting thresholds, create a more accessible and inclusive governance structure that can better support practitioners from diverse backgrounds entering, practicing in, or transitioning to the fields of mediation and arbitration.

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is available in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The fiscal impact to WSBA resulting from the proposed recommendations are primarily limited to the amount of staff time used to incorporate any approved bylaw revisions to relevant records. The staff time that would be allocated to this work is included in the overall duties of existing WSBA staff and would not require additional staff or allocation of resources from other internal sources. As mentioned under "Information for Fiscal Analysis", the proposed language changes regarding subscriber membership may result in increased membership dues revenue, however this is unlikely to have a significant impact without targeted outreach by the section.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into the recommended policy or bylaw changes presented to the Board of Governors and to identify any potential impacts on the diversity and inclusion of the profession or fairness in access to resources and opportunities. The proposed changes to the bylaws are to promote clarity in membership eligibility and roles. As written, they are unlikely to have an impact, positive or negative, on the diversity and inclusion of the section.

Attachments

- Clean copy of proposed Dispute Resolution section bylaws
- Red-lined version of proposed Dispute Resolution section bylaws

WASHINGTON STATE BAR ASSOCIATION
DISPUTE RESOLUTION SECTION
BYLAWS

(As Last Amended and Approved by the Washington State Bar Association Board of Governors on September 22, 2022, and including 2019 amendments)

ARTICLE I. NAME

This section shall be known as the "Dispute Resolution Section" (hereinafter referred to as the "Section") of the Washington State Bar Association (hereinafter referred to as "Association").

ARTICLE II. MEMBERSHIP

Any member of the Association, House Counsel (APR 8(f)), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, may be enrolled as a voting member of this Section upon payment of annual Section dues in the amount and for the purpose approved by the Board of Governors of the Association pursuant to Article 5.5 of these Bylaws. In addition, others interested in dispute resolution processes may be subscribers of the Section by paying the Section dues established by the Section and approved by the Board of Governors. Law students may be subscribers of the Section by paying the standard annual law student dues amount set by the Board of Governors. Subscriber members are non-voting members of the Section and may not hold an elected office.

ARTICLE III. OFFICERS

The officers of this Section shall be the Chair, Vice-Chair, Secretary and Treasurer. No individual may hold more than one officer position at a time.

ARTICLE IV. DUTIES OF OFFICERS

4.1 Chair

The Chair presides at all meetings of the executive committee and of the Section membership. The Chair has such other executive powers and performs such other duties as are consistent with these bylaws and the Bylaws of the Association. The Chair shall send notices of executive committee meetings and membership meetings consistent with these bylaws. The Chair has discretion to appoint other members of the executive committee to perform some of the tasks normally performed by the Chair.

4.2 Vice Chair

The Vice Chair shall perform all duties of the Chair during the latter's absence or inability to act and, when so acting, shall have all the executive powers and perform such other duties as are consistent with these bylaws and the Bylaws of the Association. The Vice Chair shall have such other powers and perform such other duties consistent with these bylaws as, from time to time, may be requested by the Chair or the executive committee.

4.3 Secretary

The Secretary shall be responsible for taking minutes at each meeting of the Section and the executive committee, and the transcription and distribution of such minutes to the members of the Section and to the Association for publication and record retention.

4.4 Treasurer

The Treasurer shall be responsible for maintaining accurate records of the finances of this Section, tracking the dues and other receipts of the Section, and approving the necessary disbursements thereof, consistent with the budget and subject to such procedures as shall be prescribed by the executive committee or the Board of Governors of the Association. The Treasurer will work with the Association to ensure that the Section complies with Association fiscal policies and procedures, work with the Association to prepare the Section's annual budget, and review the Section's monthly financial statements for accuracy and comparison to budget.

4.5 Term.

The term of office of each Officer shall commence on October 1 and shall be for one year, except that the term for Chair shall be for two years, and the Executive Committee voting term for Immediate Past Chair shall expire when a new Immediate Past Chair assumes the position.

ARTICLE V. EXECUTIVE COMMITTEE

5.1 Membership

There shall be an executive committee composed of all the officers of this Section, the Immediate Past Chair of this Section, the Young Lawyer Liaison and up to eight (8) other At-Large members. The executive committee may add non-voting advisor positions from among section subscribers.

5.2 Term.

The term of each member of the executive committee, other than officers, shall begin on October 1, and be for three years, or until the member resigns or is removed for cause. The terms shall be staggered so that approximately three members will have terms expiring each year. The executive committee may, by majority vote, appoint members to the executive committee to fill an unexpired term. When a member is appointed to fill a vacancy in an unexpired term, the member will do so until the next annual election when an individual will be elected to serve the remainder of the vacated term. Any member may be removed from the executive committee by a two-thirds majority vote of the voting members. Grounds for removal shall include, but are not limited to, regular absence from executive committee meetings (failing to attend two-thirds, i.e., eight out of twelve, of the monthly meetings) and events, failing to perform job duties, unprofessional or discourteous conduct or whenever, in the executive committee's judgment, the executive

committee member is not acting in the best interest of the Section membership. The member shall be provided the reason(s) in writing and may present their reasons for the acts or omissions at the next regular meeting of the Executive Committee meeting. If a majority of the Executive Committee still determines that the member should be removed, a replacement shall be appointed.

5.3 Duties

The executive committee shall supervise and direct the affairs and determine the policies of this Section, subject to and in accordance with these bylaws and the Bylaws and policies of the Association.

5.4 Meetings

The executive committee may act at a meeting called pursuant to these bylaws. A majority of the voting members of the executive committee shall constitute a quorum to transact business. Meetings shall be called by the Chair or by a majority of the members of the executive committee. Notice of such meetings shall be given to members of the executive committee and made reasonably available to the public not less than five days prior to such meeting.

5.5 Dues

The executive committee shall have the right to assess annual Section membership dues upon each member of this Section, subject to approval by the Board of Governors of the Association.

ARTICLE VI. COMMITTEES

6.1 Standing Committees

The Section Chair shall have the power to designate standing committees. The chair of each standing committee shall be selected for the next year, which begins October 1, by the Section Chair or Vice Chair, upon the approval of the executive committee. The committee chair shall serve for one year, unless reappointed by the next Section Chair or Vice Chair. In addition, the Section Chair shall have the power, in consultation with the executive committee, to appoint such ad hoc committees as are necessary for the purpose of furthering the objectives of this Section.

6.2 Members

The Chair shall have the power to designate the members of standing committees of this Section in consultation with the executive committee. The members of the standing committees shall be selected from among members of this Section by the Chair in consultation with each committee chair.

ARTICLE VII. MEETINGS OF MEMBERS

7.1 Meetings

This Section should hold an annual meeting of its members at any time called for by the Chair subject to approval of the executive committee. Special meetings of the members may be called by the Chair, Vice Chair, or a majority of the members of the executive committee.

7.2 Notices

Notice of the time and place of all meetings shall be given to all members of this Section and made reasonably available to the public at least five days prior to the meeting date.

7.3 Quorum

Ten voting members shall constitute a quorum for the transaction of business at any meeting of this Section.

7.4 Rules of Order

All meetings of this Section shall be guided by Robert's "Rules of Order, Newly Revised" or The Standard Code of Parliamentary Procedure, Latest Edition (formerly the Sturgis Standard Code of Parliamentary Procedure).

ARTICLE VIII. ELECTIONS

8.1 Time

This Section shall hold a regular annual election of officers, except for the second year of office of the Chair, and At-Large members of the executive committee for open At-Large seats. Nominations and elections will be held at a time consistent with the Association Bylaws.

8.2 Nominating Committee

The nominating committee shall consist of the Immediate Past Chair, the current Chair and the Vice Chair, and one Section member who is not currently a voting member of the executive committee. The nominating committee shall nominate one or more members of this Section for each of the offices of Chair, Vice Chair, Secretary and Treasurer, and for the open At-Large executive committee positions. All applicants will apply through an electronic application process administered by the Association. The executive committee will also have an alternative nominating process to allow for nominations to occur outside of the nominating committee process. The executive committee will approve a list of nominees for each open position. Persons nominated through an alternative nomination process will be included on the final list of approved nominees.

8.3 Procedure

The Association will administer the elections by electronic means and certify the results, unless the Section develops its own equivalent electronic election process. In the event of a tie, the winner will be determined by a single toss of a coin.

ARTICLE IX. AMENDMENTS TO BYLAWS

These bylaws may be amended at the annual meeting of the Section by a majority vote of the voting members of the Section present. These bylaws may also be amended at any regular or special meeting of the executive committee of the Section called for the purpose of amending the bylaws and upon five days written notice to members of the executive committee and made reasonably available to the public, and by a majority vote of the voting members of the executive committee present, once a quorum is established. No amendment to these bylaws shall become effective until approved by the Board of Governors of the Association. These bylaws are subject to the Bylaws of the Association.

As last amended and adopted by the executive committee of the Section on September 20, 2019. Approved by the Board of Governors of the Association on November 23, 2019.

WASHINGTON STATE BAR ASSOCIATION
DISPUTE RESOLUTION SECTION
BYLAWS

(As Last Amended and Approved by the Washington State Bar Association Board of Governors on September 22, 2022, and including 2019 amendments)

ARTICLE I. NAME

This section shall be known as the "Dispute Resolution Section" (hereinafter referred to as the "Section") of the Washington State Bar Association (hereinafter referred to as "Association").

ARTICLE II. MEMBERSHIP

Any ~~Active or Inactive~~ member of the Association~~, Honorary,, Pro Bono member (APR 8(e)), Judicial Member~~, House Counsel (APR 8(f)), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, may be enrolled as a voting member of this Section upon ~~request and~~ payment of annual Section dues in the amount and for the purpose approved by the Board of Governors of the Association pursuant to Article 5.5 of these Bylaws. In addition, others ~~of~~interested in dispute resolution processes may be subscribers of the Section by paying the Section dues established by the Section and approved by the Board of Governors.~~,~~ ~~and l~~Law students may be subscribers of the Section by paying the standard annual law student dues amount set by the Board of Governors. Subscriber members are non-voting members of the Section and may not hold an elected office.

ARTICLE III. OFFICERS

The officers of this Section shall be the Chair, Vice-Chair, Secretary and Treasurer. No individual may hold more than one officer position at a time.

ARTICLE IV. DUTIES OF OFFICERS

4.1 Chair

The Chair ~~, as chief executive officer, shall~~ presides at all meetings of the executive committee and of the Section membership. The Chair has~~, and have~~ such other executive powers and performs such other duties as are ~~not in~~consistent with these bylaws and~~or~~ the Bylaws of the Association. The Chair shall send notices of executive committee meetings and membership meetings consistent with these b~~B~~ylaws. The Chair has discretion to appoint other members of the executive committee to perform some of the tasks normally performed by the Chair.

4.2 Vice Chair

The Vice Chair shall perform all duties of the Chair during the latter's absence or inability to act and, when so acting, shall have all the executive powers and perform such other duties as are ~~not in~~consistent with these bylaws and~~or~~ the Bylaws of the Association. The Vice Chair shall have such other powers and perform such other duties ~~not in~~consistent with these bylaws as, from time to time, may be requested by the Chair or the executive committee.

4.3 Secretary

The Secretary~~-~~ shall be responsible for ~~the~~ taking ~~of~~ minutes at each meeting of the Section and the executive committee, and the transcription and distribution of such minutes to the members of the Section and to the Association for publication and record retention. ~~The Secretary shall also send timely notices of executive committee meetings and the annual meeting.~~

4.4 Treasurer

The Treasurer shall be responsible for maintaining accurate records of the finances of this Section, tracking the dues and other receipts of the Section, and approving the necessary disbursements thereof, consistent with the budget and subject to such procedures as shall be prescribed by the executive committee or the Board of Governors of the Association. The Treasurer will work with the Association to ensure that the Section complies with Association fiscal policies and procedures, work with the Association to prepare the Section's annual budget, and review the Section's monthly financial statements for accuracy and comparison to budget.

4.5 Term.

The term of office of each Officer shall commence on October 1 and shall be for one year, except that the term for Chair shall be for two years, and the Executive Committee voting term for Immediate Past Chair shall expire when a new Immediate Past Chair assumes the position.

ARTICLE V. EXECUTIVE COMMITTEE

5.1 Membership

There shall be an executive committee composed of all the officers of this Section, the Immediate Past Chair of this Section, the Young Lawyer Liaison and up to eight (8) other At-Large members. ~~All other past Chairs of this Section shall be non-voting ex officio members of the executive committee.~~

The executive committee may add non-voting advisor positions from among section subscribers.

5.2 Term.

The term of each member of the executive committee, other than officers, shall begin on October 1, and be for three ~~(3)~~ years, or until the member resigns or is removed for cause. The terms shall be staggered so that approximately three ~~(3)~~ members will have terms expiring each year. ~~Therefore, before elections are held for the beginning of the October 1, 2020 term, three of the executive committee terms expiring September 30, 2020 shall be designated to expire September 30, 2022 instead of 2023.~~ The executive committee may, by majority vote, appoint members to the executive committee to fill an unexpired term. When a member is appointed to fill a vacancy

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in an unexpired term, the member will do so until the next annual election when an individual will be elected to serve the remainder of the vacated term. ~~-~~Any member may be removed from the executive committee by a two-thirds majority vote of the ~~sitting~~ voting members. ~~-~~Grounds for removal shall include, but are not limited to, regular absence from executive committee meetings (failing to attend two-thirds, i.e., eight out of twelve, of the monthly meetings) and events, failing to perform job duties, unprofessional or discourteous conduct or whenever, in the executive committee's judgment, the executive committee member is not acting in the best interest of the Section membership. The member shall be provided the reason(s) in writing and may~~, if he or she chooses,~~ present their ~~his or her~~ reasons for the ~~his or her~~ acts or omissions at the next regular meeting of the Executive Committee meeting. If a majority of the Executive Committee still determines that the member should be removed, a replacement shall be appointed.

5.3 Duties

The executive committee shall supervise and direct the affairs and determine the policies of this Section, subject to and in accordance with these bylaws and the Bylaws and policies of the Association.

5.4 Meetings

The executive committee may act at a meeting ~~duly~~ called pursuant to these bylaws. A majority of the voting members of the executive committee shall constitute a quorum to transact business. Meetings shall be called by the Chair or by a majority of the members of the executive committee.~~, and~~ N~~n~~otice of such meetings shall be given to members of the executive committee and made reasonably available to the public not less than five ~~three~~ days prior to such meeting.

5.5 Dues

The executive committee shall have the right to assess annual Section membership dues upon each member of this Section, subject to approval by the Board of Governors of the Association.

ARTICLE VI. COMMITTEES

6.1 Standing Committees

The Section Chair shall have the power to designate standing committees. The chair of each standing committee shall be selected for the next year, which begins October 1, by the Section Chair or Vice Chair, ~~elect, if applicable,~~ upon the approval of the executive committee. The committee chair shall serve for one year, unless reappointed by the next Section Chair or Vice Chair~~ elect~~. In addition, the Section Chair shall have the power, in consultation with the executive committee, to appoint such ad hoc committees as are necessary for the purpose of furthering the objectives of this Section.

6.2 Members

The Chair shall have the power to designate the members of standing committees of this Section in consultation with the executive committee. The members of the standing committees shall be

selected from among members of this Section by the Chair in consultation with each committee chair.

ARTICLE VII. MEETINGS OF MEMBERS

7.1 Meetings

This Section should~~may~~ hold an annual meeting of its members at any time called for by the Chair subject to approval of the executive committee.~~-~~ Special meetings of the members may be called by the Chair, Vice Chair, or a majority of the members of the executive committee.

7.2 Notices

Notice of the time and place of all meetings shall be given to all members of this Section and made reasonably available to the public at least five days prior to the meeting date.

7.3 Quorum

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7.4 Rules of Order

All meetings of this Section shall be guided by Robert's "Rules of Order, Newly Revised" or The Standard Code of Parliamentary Procedure, Latest Edition (formerly the Sturgis Standard Code of Parliamentary Procedure).

ARTICLE VIII. ELECTIONS

8.1 Time

This Section shall hold a regular annual election of officers, except for the second year of office of the Chair, and At-Large members of the executive committee for open At-Large seats. Nominations and elections will be held at a time consistent with the Association Bylaws ~~between March and May each year~~.

8.2 Nominating Committee

The nominating committee shall consist of the Immediate Past Chair, the current Chair and the Vice Chair, and one Section member who is not currently a voting member of the executive committee. The nominating committee shall nominate one or more members of this Section for each of the offices of Chair, Vice Chair, Secretary and Treasurer, and for the open At-Large executive committee positions. All applicants will apply through an electronic application process administered by the Association. The executive committee will also have an alternative nominating process to allow for nominations to occur outside of the nominating committee process. The executive committee will approve a list of nominees for each open position. Persons nominated through an alternative nomination process will be included on the final list of approved nominees.

8.3 Procedure

The Association will administer the elections by electronic means and certify the results, unless the Section develops its own equivalent electronic election process. In the event of a tie, the winner will be determined by a single toss of a coin.

ARTICLE IX. AMENDMENTS TO BYLAWS

These bylaws may be amended at ~~any~~ the annual meeting of the Section by a majority vote of the voting members of the Section present. These bylaws may also be amended at any regular or special meeting of the executive committee of the Section called for the purpose of amending the bylaws and upon five~~seven~~ days written notice to members of the executive committee and made reasonably available to the public, and by a majority vote of the voting members of the executive committee present, once a quorum is established. No amendment to these bylaws shall become effective until approved by the Board of Governors of the Association. These bylaws are subject to the Bylaws of the Association.

As last amended and adopted by the executive committee of the Section on September 20, 2019.

Approved by the Board of Governors of the Association on November 23, 2019.

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WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors

From: Tiffany Lynch, Director of Finance

cc: Executive Leadership Team

Re: FY 2026 Budgets – 1st Draft

Date: June 9, 2025

The Budget and Audit Committee reviewed the first draft of the FY 2026 budget at their meeting on June 9, 2025.

The WSBA budget serves as both a policy document and a management tool, allocating funds to meet our regulatory duties, protect the public, and support our members in their legal practices. Annually prepared, it provides funding for the various programs and services aligned with our mission. During the year, the budget may be subject to amendments, reallocations, or reforecasts to address unforeseen deviations from the original plan.

This memo outlines variances between the FY26 first draft and FY25 reforecast budget, with additional information supporting the key areas of change. Individual cost center budget details are included in attachments along with a WSBA Budget Glossary (*see attachment F*) for reference.

BUDGET COMPARISON: FY25 vs FY26

ALL FUNDS BUDGET[1]	FY25 Reforecast	FY26	Difference	% Change
REVENUE	$25,771,357	$26,168,283	+$396,926	+1.5%
EXPENSE	$27,210,081	$27,661,743	+$451,662	+1.7%
Direct Expense	*$4,069,731*	*$4,032,802*	*($36,929)*	*(0.9%)*
Indirect Expense	*$23,140,350*	*$23,628,941*	*+$488,591*	*+2.1%*
NET INCOME/(LOSS)	**($1,438,724)**	**($1,493,460)**	**+$54,736[2]**	
Use of Facilities Reserve	$181,993	$0	($181,993)	
Use of Special Projects & Innovation Reserve	$319,028	$80,972	($238,056)	
NET INCOME/(LOSS) w/use of designated reserves	**($937,703)**	**($1,412,488)**	**+$474,785[2]**	

The first draft of the FY26 WSBA budget is divided into three funds: (1) General Fund, (2) CLE Fund, and (3) Client Protection Fund (a fourth fund for Sections will be presented in August.) Each has its own designated

[1] Includes General, CLE, and Client Protection Funds. Sections funds will be presented in August.
[2] A positive number indicates an increase in the net loss amount from Budget to Reforecast.

reserves, which are either increased or reduced each year depending on the financial operating results of the designated cost centers.

WSBA's largest revenue source is attorney license fees, comprising of almost 70% of the organization's annual revenue budget, while the WSBA's largest expense is for indirect costs, which include (1) Salaries, (2) Benefits, and (3) Other Indirect/Overhead expenses. Indirect costs make up approximately 85% of the expense budget and are impacted by increased market costs for labor, employee benefits, etc.

(1) GENERAL FUND

The General Fund captures the majority of WSBA's work, including regulatory functions and most services to members and the public. License fees are the primary source of revenue that supports the 41 cost centers within the General Fund. The first draft FY26 General Fund budget is based on attorney license fees for the 2026 calendar year of $468, which increased by $10 for the first time since 2020.

The FY25 budget included the use of designated reserve funds to support the completion of an office space downsizing project (using the Facilities Reserves) and the initial stages of development of two regulatory projects, Entity Regulation Pilot and License Pathways (using the Special Projects and Innovation Reserves). At the start of FY25, the total amount of funds designated for the Special Projects and Innovation fund was $400,000, most of which is expected to be used in FY25. The estimated remaining balance is reflected in the chart below ($80,972); however, this could change if the Board of Governors chooses to allocate additional funds to the reserve. Both regulatory projects are continuing in FY26. (*See attachment A for General Fund detailed cost center budgets.)*

General Fund Budget	FY25 Reforecast	FY26	Difference	% Change
▪ Revenue	$23,266,107	$23,625,938	+$359,831	+1.5%
▪ Expenses	$24,813,982	$25,232,845	+$418,863	+1.7%
▪ Net Income/(Loss)	($1,547,875)	($1,606,907)	+$59,032[3]	
▪ Use of Facilities Reserves	$169,205	$0	($169,205)	
▪ Use of Special Projects & Innovation Reserves	$319,028	$80,972	($238,056)	
▪ **NET INCOME/(LOSS) w/use of designated reserves**	**($1,059,640)**	**($1,525,935)**	**+$466,295[3]**	

(2) CLE FUND

The CLE Fund is a board-designated operating reserve, consisting of net income from the CLE activities, to cover net loss and extraordinary costs of CLE programs, products, and/or capital acquisitions as needed. The FY26 CLE Fund Budget consists of three cost centers: (1) CLE Products; (2) CLE Seminars; and (3) Deskbooks. (*See attachment B for CLE Fund detailed cost center budgets.)*

CLE Fund Budget	FY25 Reforecast	FY26	Difference	% Change
▪ Revenue	$1,574,710	$1,596,865	+$22,155	+1.4%
▪ Expenses	$1,704,825	$1,732,711	+$27,886	+1.6%
▪ Net Income/(Loss)	($130,115)	($135,846)	+$5,731[2]	
▪ Use of Facilities Reserves	$11,269	$0	($11,269)	
▪ **NET INCOME/(LOSS) w/use of Facilities Reserves**	**($118,846)**	**($135,846)**	**+$17,000[3]**	

[3] A positive (+) difference means an increase in the net income or loss and a negative (-) difference means that there is a decrease in the net income or loss from the FY25 Reforecast.

(3) CLIENT PROTECTION FUND (CPF)

The Client Protection Fund (CPF) is a legally restricted fund created in 1995 by the Washington Supreme Court and WSBA to compensate those financially victimized by lawyer dishonesty or failure to account for client funds or property. It is principally funded by an annual assessment on all active members and *pro hac vice* admissions, as required by the Washington Supreme Court. (*See attachment C for Client Protection Fund detailed cost center budgets.)*

Client Protection Fund Budget	FY25 Reforecast	FY26	Difference	% Change
▪ Revenue	$930,540	$945,480	+$14,940	+1.6%
▪ Expenses	$691,271	$696,187	+$4,916	+0.7%
▪ Net Income/(Loss)	$239,269	$249,293	+$10,024[4]	
▪ Use of Facilities Reserves	$1,518	$0	($1,518)	
▪ **NET INCOME/(LOSS) w/use of Facilities Reserves**	**$240,786**	**$249,293**	**+$8,507**	

CAPITAL BUDGET

The FY26 Capital Budget includes the cost of purchasing, refreshing, and/or replacing outdated hardware and office equipment. Capital labor costs include development, customization, and/or upgrades to in-house systems and projects. Anticipated FY26 projects include the completion of development of the Law Clerk database system (currently underway in FY25) and MCLE system upgrades. *(See attachment D for capital budget details.)*

KEY AREAS OF CHANGE

Provided below is a list of the key areas of change between the FY25 reforecast and FY26 budget followed by relevant narrative information for items with an asterisk.

Revenue Changes from FY25 Reforecast ($20,000 or greater)	Budget Impact
GENERAL FUND:	**+$359,831**
▪ **License fees:** increase of $10 for full active fee membership starting 2026 and anticipated net increase in members and late fees.	+$300,050
▪ **MCLE fees:** actual revenue figures are consistently trending higher; increase to align closer to actual.	+104,450
▪ **Entity Regulation:** application and annual fees for new program expected to launch in FY26. Fee model pending Board of Governors approval.	+$75,500
▪ **NMP Product Sales (NME):** reduction based on planned content releases for FY26.	($30,000)
▪ **Bar News Job Target**: reduction in advertising revenue for job postings, consistent with actual FY25 revenue trends.	($60,000)
CLE FUND:	**+$22,155**
▪ **Digital Video Sales (CLEP):** increase based on anticipated sales for FY26.	+$30,000
▪ **Deskbook Sales (DESK):** reduction based on actual sales trends from FY24 and FY25.	($24,880)
CLIENT PROTECTION FUND:	**+$14,940**
Total Increase in Revenue from FY25 Reforecast	**+$396,926**

[4] A positive (+) difference means an increase in the net income or loss and a negative (-) difference means that there is a decrease in the net income or loss from the FY25 Reforecast.

Indirect Expense Changes from FY25 Reforecast ($20,000 or greater)	Budget Impact
SALARIES:	**+$233,107**
▪ **Compensation Increases*:** net annual increases for existing employees.	+$191,972
▪ **FTEs*:** Increase of 1.0 FTE (see narrative for details).	+$70,937
▪ **Temporary Employees*:** see narrative for details.	($48,818)
BENEFITS:	**+$32,823**
▪ **Medical:** estimated rate increase of 4% across all plans based on historical increases.	+$94,068
▪ **Retirement:** decrease tied to anticipated change in employer contribution rate from 9.11% to 8.4%.	($80,957)
OTHER INDIRECTS:	**+$222,661**
▪ **Computer Pooled Expenses*:** IT direct expenses (see narrative for details).	+$221,910
▪ **Professional Fees- Legal:** increase based on anticipated needed for FY26.	+$50,000
▪ **Depreciation: Furniture, Leasehold Improvement, & Office Equipment:** increase to account for completion of downsizing project leasehold improvements.	+$64,456
▪ **Records Management:** prior costs included office downsizing project which is complete. FY26 budget does not include any records storage as we have transitioned to electronic files.	($21,349)
▪ **Furniture, Maintenance, and Leasehold Improvements:** prior costs included office downsizing project, which is complete.	($27,167)
▪ **Move/Downsizing Costs:** FY25 costs were one-time related to office downsizing project.	($28,208)
▪ **Rent:** prior cost included separate annual charge for leasehold excise tax, which is now included in monthly rent rate.	($36,945)
Total Increase in Indirect Expense from FY25 Reforecast	**+$488,591**

Direct Expense Changes from FY25 Reforecast ($20,000 or greater)	Budget Impact
GENERAL FUND:	**($112,997)**
▪ **Board of Governors (net):** combination of reductions and increases to various line items. Primary increases in BOG meetings (more meetings held outside of WSBA offices) and BOG conference attendance (Western States Bar Conference held in Hawaii); reduction in BOG Elections and Travel & Outreach.	+$54,265
▪ **Entity Regulation (net)*:** new cost center for FY26 (see narrative for details).	+$27,973
▪ **Depreciation (Law Clerk):** increase in cost for completion of software development.	+$23,732
▪ **Printing & Copying (BN):** reduced to align with actual cost trends in FY25 and anticipated increases for FY26.	($20,500)
▪ **Conference & Institute Expense (ATJ):** ATJ conference held in FY25. Expense is every other year.	($30,000)
▪ **Consulting Services (Regulatory Reform):** prior costs for one-time funds to support development of Entity Regulation Pilot and Licensure Pathways projects.	($47,500)
▪ **Admissions (net):** includes multiple reductions to adjust for NextGen bar exam beginning in February 2026, including cost of UBE examinations, proctors, and disability accommodations.	($94,359)
CLE FUND:	**+$75,368**
▪ **Obsolete Inventory (DESKBOOKS):** increase based on plans to write off remaining inventory of aged products unlikely to sell.	+$70,450
CLIENT PROTECTION FUND:	**+700**
Total Decrease in Direct Expense from FY25 Reforecast	**($36,929)**

A. Cost Center Changes:

The General Fund budget includes three changes to cost centers: 1) renaming of *Service Center* to *Facilities and Operations*, 2) addition of *Entity Regulation* to separate costs previously budgeted under *Regulatory Reform*, and 3) *Regulatory Reform* no longer includes costs for Entity Regulation, only costs for the Licensure Pathways project.

B. Indirect Expenses:

1) ***Compensation Increases (+$191,972):*** WSBA assigns job grades based on responsibility, skill, knowledge, and education, paired with steps reflecting years of experience. Each grade and step combination has a specific salary, based on market rates. Annually, we review to ensure our compensation stays competitive, conducting in-depth studies periodically. The last study of this kind was done in 2024 and led to a 3% increase to the market midpoint implemented in FY25. This year, the Human Resources Director conducted a review of market conditions. The review indicated that our current structure is still aligned with the market and no changes are recommended. The FY26 salaries budget assumes that each employee will advance to the next step within their grade and includes salary savings from position turnover in FY25. This occurs because the compensation structure assigns a lower step to new employees, resulting in lower compensation than the former employee who was often at a higher step in the job grade upon termination.

2) ***Staffing Needs (+$70,937)*****:** a total of 1.0 FTE has been identified for a *Program Lead* position to support the Entity Regulation Pilot Project. Throughout FY25, WSBA staff and volunteers have been developing the pilot project's structure. Starting FY26, WSBA will start receiving applications and additional staff will be needed to assist applicants, analyze applications, make recommendations regarding each proposal, implement entity reporting schedules, and monitor entity compliance. Inclusion of this FTE is contingent upon approval of proposed Entity Regulation fees, which will be presented to the Board of Governors at their July meeting. The proposal includes fiscal modeling that incorporates the addition of the Program Lead FTE. As a reminder, the Budget and Audit Committee previously recommended approval of these fees at their May 19, 2025 meeting.

3) ***Temporary Staffing (-$48,818):*** The FY25 reforecast for temporary staffing includes remaining funds to support the downsizing of WSBA office space through scanning of paper records that were stored both on and off site. The project will be completed in FY25; therefore, we have decreased the budget for FY26, which is primarily for seasonal work support.

4) ***Computer Pooled Expenses (+$221,910):*** There are two main areas of increase: 1) **Consulting Services** for the implementation of a new association management system, which is the most widely used system across the organization. The FY25 budget includes funds to support the identification and preliminary steps of implementation; however, we expect the majority of implementation to occur in FY26. 2) **Software Maintenance & Licensing** for addition of Microsoft Copilot licenses for all WSBA staff.

C. Direct Expenses:

1) ***Entity Regulation (+27,973):*** As mentioned throughout this memo, the Entity Regulation Pilot Project is now presented in a separate cost center. Direct expenses include outreach, investigations, software hosting for the application process, and staff conferences and training.

PROJECTED FUND BALANCES

The next draft of the budget we will provide updated fiscal projections reflecting anticipated future license fee revenue and expenses for the general fund. In the meantime, the impact of the FY26 Budget on WSBA's reserve balances is presented in the chart below.

	BALANCE @ 9/30/2024	FY25 REFORECAST	FY26 BUDGET 1st DRAFT	ESTIMATED BALANCE @ 9/30/2026
GENERAL FUND	$10,126,350	($1,547,875)	($1,606,907)	**$6,971,568**
OPERATING	$2,500,000	$0	$0	**$2,500,000**
FACILITIES	$207,286	($207,286)	$0	**$0**
SPECIAL PROJECTS & INNOVATION	$400,000	($319,028)	($80,972)	**$0**
UNRESTRICTED	$7,019,064	($1,021,561)	($1,525,935)	**$4,471,568**
CLE FUND	$1,344,457	($118,846)	($135,846)	**$1,089,765**
CLIENT PROTECTION	$4,759,353	+$240,786	+$249,293	**$5,249,432**

OTHER PLANNING CONSIDERATIONS

While we strive to anticipate budget needs, certain decisions by the Board of Governors or the Supreme Court could impact our final budget and fiscal projections. Potential impacts on the FY26 budget include the adoption of WSBA's strategic plan, implementation of recommendations from the Legal Technology and Member Well-Being Task Forces, proposed fees and model for the Entity Regulation Pilot, changes to the License Fee Hardship Exemption, and the proposed License Fee Policy. Some of these items will be decided prior to presentation of the final budget in September; however, for those that remain outstanding, WSBA's fiscal policies allow us to adapt through fund reallocation, amendments, and reforecasting, which may be necessary in FY26.

ATTACHMENTS

A	**Draft FY26 General Fund Budget**
B	**Draft FY26 CLE Budget**
C	**Draft FY26 CPF Budget**
D	**Draft FY26 Capital Budget**
E	**Budget Glossary**

Attachment A

Washington State Bar Association Financial Summary
Fiscal Year 2026 Budget
1st Draft

Category	FY26 Budget Revenues	FY26 Budget Indirect Expenses	FY26 Budget Direct Expenses	FY26 Budget Total Expenses	FY26 Budget Net Result
Access to Justice	-	257,224	115,700	372,924	(372,924)
Admissions/Bar Exam	1,479,440	958,575	387,845	1,346,420	133,020
Advancement FTE	-	311,963	6,600	318,563	(318,563)
Bar News	529,600	322,411	382,945	705,356	(175,756)
Board of Governors	-	230,728	414,565	645,293	(645,293)
Conference and Broadcast Services	-	80,723	-	80,723	(80,723)
Character & Fitness Board	-	157,032	22,000	179,032	(179,032)
Communications Strategies	3,000	715,610	178,495	894,105	(891,105)
Communications Strategies FTE	-	255,708	-	255,708	(255,708)
Discipline	85,000	6,459,495	179,309	6,638,804	(6,553,804)
Diversity	135,000	387,739	60,775	448,514	(313,514)
Entity Regulation	75,500	161,583	27,973	189,556	(114,056)
Facilities and Operations	-	743,307	2,565	745,872	(745,872)
Finance	600,000	1,198,902	4,920	1,203,822	(603,822)
Foundation	-	171,245	19,185	190,430	(190,430)
Human Resources	-	520,981	-	520,981	(520,981)
Law Clerk Program	224,000	176,875	65,863	242,738	(18,738)
Legislative	-	263,682	24,790	288,472	(288,472)
Legal Lunchbox	34,000	57,748	8,100	65,848	(31,848)
Licensing and Membership Records	494,260	799,928	22,680	822,608	(328,348)
Licensing Fees	17,792,666	-	-	-	17,792,666
Limited License Legal Technician	17,287	71,191	10,000	81,191	(63,904)
Limited Practice Officers	182,000	97,230	32,704	129,934	52,066
Mandatory CLE	1,338,250	678,584	155,532	834,116	504,134
Member Wellness Program	9,000	236,905	13,100	250,005	(241,005)
Member Services & Engagement	15,300	296,769	125,020	421,789	(406,489)
Mini CLE	-	129,859	-	129,859	(129,859)
New Member Education	142,000	114,131	3,700	117,831	24,169
Office of General Counsel	-	1,093,610	26,750	1,120,360	(1,120,360)
Office of the Executive Director	-	920,921	142,635	1,063,556	(1,063,556)
OGC-Disciplinary Board	-	205,183	133,145	338,328	(338,328)
Practice of Law Board	-	85,172	16,200	101,372	(101,372)
Practice Management Assistance	62,000	148,575	95,695	244,270	(182,270)
Professional Responsibility Program	-	213,365	7,990	221,355	(221,355)
Public Service Programs	132,635	234,611	309,200	543,811	(411,176)
Publication and Design Services	-	120,042	5,000	125,042	(125,042)
Regulatory Services FTE	-	432,590	12,590	445,180	(445,180)
Regulatory Reform	-	177,673	37,000	214,673	(214,673)
Sections Administration	275,000	310,361	2,400	312,761	(37,761)
Technology	-	2,099,352	-	2,099,352	(2,099,352)
Volunteer Engagement	-	245,986	36,301	282,287	(282,287)
Subtotal General Fund	**23,625,938**	**22,143,573**	**3,089,272**	**25,232,845**	**(1,606,907)**
Expenses using special projects				(80,972)	80,972
Total General Fund - Net Result from Operations	**23,625,938**			**25,151,873**	**(1,525,935)**
CLE-Seminars and Products	1,491,745	1,053,061	312,050	1,365,111	126,634
CLE - Deskbooks	105,120	243,220	124,380	367,600	(262,480)
Total CLE	**1,596,865**	**1,296,281**	**436,430**	**1,732,711**	**(135,846)**
Total CLE Fund - Net Result from Operations	**1,596,865**			**1,732,711**	**(135,846)**
Total All Sections	**-**		**-**	**-**	-
Client Protection Fund-Restricted	**945,480**	**189,087**	**507,100**	**696,187**	**249,293**
Total CPF Fund - Net Result from Operations	**945,480**			**696,187**	**249,293**
Totals	**26,168,283**	**23,628,941**	**4,032,802**	**27,661,742**	**(1,493,459)**
Totals Net of Use of Special Projects Funds	**26,168,283**	**23,628,941**	**4,032,802**	**27,580,770**	**(1,412,487)**

Washington State Bar Association
Budget Comparison

Cost Center			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
All	FY26 FTE	148.50						
	FY25 REFORECAST FTE	147.50						
Revenue	40200	COPY FEES	-	-	-		427	-
	40205	DIVERSION	10,000	9,000	(1,000)	-10%	11,050	1,500
	40210	RECORDS REQUEST FEES	-	-	-		315	270
	40300	DONATIONS & GRANTS	270,280	267,635	(2,645)	-1%	265,000	269,846
	40500	INTEREST - INVESTMENTS	802,050	800,000	(2,050)	0%	1,305,951	483,349
	40600	LICENSE FEES	16,853,241	17,062,474	209,233	1%	16,279,888	8,104,910
	40605	ENTITY LICENSE FEES	-	-	-		-	-
	40610	ENTITY LATE LICENSE FEES	-	-	-		-	-
	40625	LICENSE FEES - NEW ADMITTEES	429,375	465,192	35,817	8%	423,252	219,992
	40650	LICENSE FEES - LATE FEES	200,000	250,000	50,000	25%	383,255	413,106
	40675	LICENSE FEES - REINSTATEMENTS	10,000	15,000	5,000	50%	27,605	6,441
	40705	EXAM SOFTWARE REVENUE	27,500	9,500	(18,000)	-65%	30,615	-
	40800	PUBLICATIONS REVENUE	1,250	-	(1,250)	-100%	1,949	2,279
	40900	ROYALTIES	74,800	74,800	-	0%	83,891	40,611
	40950	NME PRODUCT SALES	150,000	120,000	(30,000)	-20%	114,482	100,353
	41000	SHIPPING & HANDLING	210	210	-	0%	99	90
	41100	STATUS CERTIFICATE FEES	27,000	29,000	2,000	7%	29,600	16,725
	41450	SPONSORSHIPS	13,500	11,500	(2,000)	-15%	11,566	9,000
	41500	ANNUAL OR OTHER MEETING REV	5,575	-	(5,575)	-100%	4,710	-
	41650	RECEPTIONS REVENUE	-	-	-		2,500	-
	41700	CONFERENCES & INSTITUTES	3,738	-	(3,738)	-100%	3,739	-
	41800	SEMINAR REGISTRATIONS	748,000	742,535	(5,465)	-1%	671,186	263,121
	41805	MINI-CLE REVENUE	32,890	-	(32,890)	-100%	32,152	20,895
	41825	SEMINAR REVENUE-OTHER	20,000	32,500	12,500	63%	51,802	800
	41850	SEMINAR SPLITS W/ CLE	(10,300)	(150,000)	(139,700)	1356%	(0)	-
	41855	CLE SECTION SPLITS PROJECTIONS	-	-	-		-	-
	41875	SEMINAR SPLITS W/ OTHERS	20,000	-	(20,000)	-100%	32,231	-
	42207	BAR EXAM FEES	1,280,780	1,300,000	19,220	2%	1,176,215	1,056,810
	42230	BAR EXAM LATE FEES	98,200	95,000	(3,200)	-3%	56,700	39,300
	42232	HOUSE COUNSEL APPLICATION FEES	56,260	55,000	(1,260)	-2%	33,080	23,510
	42233	APPLICATION FEES	-	28,000	28,000		-	-
	42234	ANNUAL FEES	-	47,500	47,500		-	-
	42270	RULE 9/LEGAL INTERN FEES	12,500	13,000	500	4%	16,950	2,900
	42275	LAW CLERK FEES	234,000	220,000	(14,000)	-6%	201,068	234,993
	42281	LLLT LICENSE FEES	17,731	17,000	(731)	-4%	15,296	7,914
	42285	FOREIGN LAW CONSULTANT FEES	1,940	1,940	-	0%	3,100	970
	42286	LAW CLERK APPLICATION FEES	3,200	4,000	800	25%	5,000	2,400
	42287	SPECIAL ADMISSIONS	3,000	5,000	2,000	67%	6,435	4,805
	42288	INVESTIGATION FEES	25,300	26,000	700	3%	29,300	14,700
	42290	PRO HAC VICE	425,000	435,000	10,000	2%	496,975	204,781
	42291	LLLT LATE LICENSE FEES	-	137	137		404	305
	42450	AUDIT REVENUE	1,000	1,000	-	0%	170	213
	42570	50 YEAR MEMBER TRIBUTE LUNCH	100	1,000	900	900%	1,900	-
	42710	BNEWS DISPLAY ADVERTISING	405,000	405,000	-	0%	418,264	246,560
	42720	BNEWS SUBSCRIPT/SINGLE ISSUES	100	100	-	0%	108	108
	42730	BNEWS CLASSIFIED ADVERTISING	2,500	2,500	-	0%	2,761	2,521
	42760	JOB TARGET ADVERTISING	180,000	120,000	(60,000)	-33%	152,139	47,390
	43100	DESKBOOK SALES	30,000	5,120	(24,880)	-83%	18,240	3,899
	43200	COURSEBOOK SALES	3,500	3,500	-	0%	1,060	650
	43400	DIGITAL VIDEO SALES	870,000	900,000	30,000	3%	1,057,552	603,919
	43450	SECTION PUBLICATION SALES	1,000	-	(1,000)	-100%	630	-
	43455	LEXIS/NEXIS ROYALTIES	75,000	75,000	-	0%	69,907	20,716
	43525	CASEMAKER ROYALTIES	25,000	25,000	-	0%	37,575	8,212
	44100	WSBA LOGO MERCHANDISE SALES	500	2,000	1,500	300%	2,414	-
	44350	RECOVERY OF DISCIPLINE COSTS	70,000	65,000	(5,000)	-7%	54,568	31,105
	44450	DISCIPLINE HISTORY SUMMARY	19,000	19,000	-	0%	18,510	10,920
	44820	CPF RESTITUTION	10,000	10,000	-	0%	27,839	17,361
	44840	CPF MEMBER ASSESSMENTS	720,540	735,480	14,940	2%	548,235	697,335
	45040	MEMBER CONTACT INFORMATION	5,000	5,000	-	0%	5,706	3,173
	45060	PHOTO BAR CARD SALES	200	260	60	30%	276	336
	45110	LPO EXAMINATION FEES	20,000	16,000	(4,000)	-20%	18,600	10,900
	45115	LPO EXAM LATE FEES	3,000	2,000	(1,000)	-33%	2,300	1,400
	45120	LPO LICENSE FEES	160,000	158,000	(2,000)	-1%	156,974	77,067
	45125	LPO LATE LICENSE FEES	2,000	2,000	-	0%	3,600	3,390
	45210	ACTIVITY APPLICATION FEE	600,000	670,000	70,000	12%	724,600	368,100
	45215	ACTIVITY APPLICATION LATE FEE	220,000	250,000	30,000	14%	266,650	148,150
	45220	MCLE LATE FEES	229,300	235,150	5,850	3%	270,525	209,300
	45230	ANNUAL ACCREDITED SPONSOR FEES	39,000	36,250	(2,750)	-7%	37,500	39,750
	45250	ATTENDANCE LATE FEES	120,000	120,000	-	0%	120,050	55,400
	45255	COMITY CERTIFICATES - REQUEST	13,800	13,000	(800)	-6%	13,497	11,125
	45260	COMITY CERTIFICATES - SUBMIT	16,000	17,000	1,000	6%	16,575	18,075
	47100	TRIAL ADVOCACY PROGRAM	15,000	12,000	(3,000)	-20%	12,098	-
	48010	REIMBURSEMENTS FROM SECTIONS	275,000	275,000	-	0%	275,415	358,856
	48200	SECTION DUES REVENUE	438,280	-	(438,280)	-100%	425,235	420,246
	48225	FISCAL/MEMBERSHIP YEAR ADJUSTMENT	-	-	-		-	141,745
	Total Revenue		**26,416,840**	**26,168,283**	**(248,557)**	**-1%**	**26,569,261**	**15,104,598**

	50006	ACCOMMODATION FUND	-	-	-		(0)	-
Direct	**50015**	DEPRECIATION	12,000	35,732	23,732	198%	-	-
	50020	BANK FEES	2,500	500	(2,000)	-80%	(3,210)	(2,523)
	50033	CONSULTING SERVICES	238,700	357,350	118,650	50%	337,934	79,643
	50037	MODERATE MEANS	300,000	300,000	-	0%	278,889	102,441
	50050	EQUIPMENT, HARDWARE & SOFTWARE	2,400	2,635	235	10%	6,012	1,318
	50060	POSTAGE	142,000	142,900	900	1%	139,745	79,790
	50070	PRINTING & COPYING	265,500	244,800	(20,700)	-8%	211,944	118,781
	50080	PUBLICATIONS PRODUCTION	350	350	-	0%	129	-
	50085	YLL SECTION PROGRAM	1,300	1,300	-	0%	-	520
	50095	CLE COMPS	1,000	-	(1,000)	-100%	-	-
	50100	STAFF TRAVEL/PARKING	108,471	103,271	(5,200)	-5%	67,586	23,911
	50110	STAFF CONFERENCE & TRAINING	137,432	169,850	32,418	24%	86,719	43,984
	50120	STAFF MEMBERSHIP DUES	22,260	23,403	1,143	5%	16,362	12,941
	50130	SUBSCRIPTIONS	11,346	12,722	1,376	12%	9,205	4,962
	50135	TRANSCRIPTION SERVICES	-	-	-		-	-
	50140	SUPPLIES	7,200	6,365	(835)	-12%	3,007	3,221
	50145	SURVEYS	-	-	-		17,500	-
	50155	DIGITAL/ONLINE DEVELOPMENT	2,000	2,000	-	0%	572	572
	50160	TELEPHONE	94,575	93,575	(1,000)	-1%	89,645	44,570
	50165	CONFERENCE CALLS	2,207	-	(2,207)	-100%	940	283
	50185	MEETING EXPENSE	-	2,000	2,000		-	-
	52110	PRO BONO & PUBLIC SERVICE COMMITTEE	2,500	-	(2,500)	-100%	782	-
	52121	ATJ BOARD RETREAT	6,000	6,000	-	0%	2,718	2,371
	52125	LEADERSHIP TRAINING	41,000	45,000	4,000	10%	21,847	1,624
	52140	ATJ BOARD EXPENSE	58,500	58,500	-	0%	41,683	31,404
	52210	FACILITY, PARKING, FOOD	109,500	113,500	4,000	4%	132,934	47,695
	52215	EXAMINER FEES	44,500	43,750	(750)	-2%	31,500	21,750
	52221	UBE EXAMINATIONS	118,000	46,200	(71,800)	-61%	134,108	41,448
	52225	BOARD OF BAR EXAMINERS	42,500	45,000	2,500	6%	22,040	2,502
	52230	BAR EXAM PROCTORS	23,000	10,000	(13,000)	-57%	13,737	9,432
	52235	CHARACTER & FITNESS BOARD EXP	18,000	12,000	(6,000)	-33%	2,064	3,340
	52240	DISABILITY ACCOMMODATIONS	80,000	61,500	(18,500)	-23%	77,913	25,184
	52245	CHARACTER & FITNESS INVESTI	1,100	1,600	500	45%	(59)	700
	52246	INVESTIGATION	-	9,900	9,900		-	-
	52250	LAW SCHOOL VISITS	2,000	1,500	(500)	-25%	1,379	21
	52255	LAW CLERK BOARD	8,000	9,000	1,000	13%	5,716	2,494
	52258	LAW CLERK OUTREACH	30,000	20,000	(10,000)	-33%	5,476	-
	52270	DEPRECIATION-SOFTWARE	-	-	-		10,697	-
	52511	BAR LEADERS SUMMIT	35,000	35,000	-	0%	-	-
	52520	ABA DELEGATES	16,000	18,000	2,000	13%	18,649	5,360
	52521	VOLUNTEER RECOGNITION	2,000	2,000	-	0%	-	-
	52540	SECTION/COMMITTEE CHAIR MTGS	700	500	(200)	-29%	80	-
	52570	APEX	52,500	52,500	-	0%	47,315	5
	52573	50 YEAR MEMBER TRIBUTE LUNCH	35,000	38,000	3,000	9%	25,600	3,358
	52585	WASHINGTON LEADERSHIP INSTITUTE	100,000	100,000	-	0%	80,000	100,000
	52590	BAR LEADERS CONFERENCE	-	-	-		-	-
	52660	JUD RECOMMEND COMMITTEE	2,250	3,250	1,000	44%	-	1,334
	52680	DEI COUNCIL	5,900	7,600	1,700	29%	3,948	419
	52681	DIVERSITY EVENTS & PROJECTS	43,100	37,100	(6,000)	-14%	11,016	5,841
	52683	LLLT BOARD	11,500	9,000	(2,500)	-22%	1,341	368
	52687	INTERNAL DIVERSITY OUTREACH	7,500	4,200	(3,300)	-44%	-	-
	52688	EXAM WRITING	19,000	15,000	(4,000)	-21%	8,400	4,200
	52689	LLLT EDUCATION	1,000	1,000	-	0%	-	35
	52691	OUTREACH EXPENSES	10,000	10,000	-	0%	-	-
	52692	OUTREACH & COMMUNICATION	-	10,000	10,000		-	-
	52710	GRAPHICS/ARTWORK	1,000	1,000	-	0%	1,103	-
	52750	EDITORIAL ADVIS COMMITTEE EXP	300	300	-	0%	20	-
	52810	BOG MEETINGS	148,000	200,000	52,000	35%	164,195	61,893
	52812	NEW GOVERNOR ORIENTATION	10,000	7,000	(3,000)	-30%	2,570	154
	52820	BOG COMMITTEES' EXPENSES	2,000	5,000	3,000	150%	18	3,708
	52821	BOG RETREAT	40,000	40,000	-	0%	30,180	38,128
	52822	BOG CONFERENCE ATTENDANCE	39,500	56,500	17,000	43%	55,335	15,372
	52823	PRESIDENT'S PHOTO	3,300	3,300	-	0%	1,652	-
	52830	BOG TRAVEL & OUTREACH	50,000	45,000	(5,000)	-10%	28,413	8,739
	52840	ED TRAVEL & OUTREACH	6,000	6,000	-	0%	5,601	1,600
	52874	PUBLIC DEFENSE	4,000	4,000	-	0%	2,213	2,279
	52878	COMMUNICATIONS OUTREACH	15,000	15,000	-	0%	3,956	1,668
	52880	BOG ELECTIONS	42,000	30,000	(12,000)	-29%	12,545	4,018
	52891	LONG RANGE STRATEGIC PLANNING COUNC	-	-	-		-	-
	52940	BOARD OF TRUSTEES	3,600	3,600	-	0%	1,245	62
	52960	PRESIDENT'S DINNER	10,000	12,000	2,000	20%	11,129	0
	53210	COST OF SALES - DESKBOOKS	5,000	2,800	(2,200)	-44%	5,154	450
	53220	COST OF SALES - COURSEBOOKS	300	300	-	0%	69	48
	53225	COST OF SALES - SECTION PUBLIC	500	-	(500)	-100%	429	-
	53250	A/V DEVELOP COSTS (RECORDING)	-	-	-		-	-
	53260	OBSOLETE INVENTORY	48,250	118,700	70,450	146%	6,927	-
	53255	CLE-EQUIP-DEPRECIATION	2,012	-	(2,012)	-100%	2,040	1,020
	53265	SPLITS TO SECTIONS	300	-	(300)	-100%	185	-
	53270	DESKBOOK ROYALTIES	300	-	(300)	-100%	305	-
	53280	ONLINE EXPENSES	-	-	-		0	-
	53282	SOFTWARE HOSTING	68,074	71,457	3,383	5%	64,420	32,919
	53283	ON24 OVERAGE CHARGE	4,500	4,500	-	0%	6,067	4,414
	53285	ONLINE PRODUCT HOSTING EXPENSES	54,000	54,000	-	0%	49,000	22,078
	53320	POSTAGE & DELIVERY-DESKBOOKS	300	300	-	0%	-	-
	53330	POSTAGE & DELIVRY-COURSEBOOKS	200	200	-	0%	43	53
	53610	COURSEBOOK PRODUCTION	500	150	(350)	-70%	18	-
	53620	POSTAGE - FLIERS/CATALOGS	-	-	-		-	-
	53640	ACCREDITATION FEES	3,000	2,500	(500)	-17%	1,822	2,064
	53660	SEMINAR BROCHURES	-	-	-		-	-

53690	FACILITIES	165,000	175,000	10,000	6%	173,104	23,671
53700	SPEAKERS & PROGRAM DEVELOP	48,100	45,800	(2,300)	-5%	36,399	766
53730	HONORARIUM	4,500	4,500	-	0%	-	-
53731	INSURANCE REBATE	(3,375)	-	3,375	-100%	(2,528)	-
53740	CLE SEMINAR COMMITTEE	200	200	-	0%	-	-
54026	IMAGE LIBRARY	4,800	4,800	-	0%	4,752	4,756
54027	BAR OUTREACH	20,000	15,000	(5,000)	-25%	6,082	121
54130	PRO BONO OUTREACH	4,000	4,000	-	0%	1,978	1,087
54310	COURT REPORTERS	100,000	100,000	-	0%	106,891	49,272
54320	OUTSIDE COUNSEL EXPENSES	1,000	500	(500)	-50%	250	-
54360	LITIGATION EXPENSES	41,000	31,000	(10,000)	-24%	43,229	5,068
54370	DISABILITY EXPENSES	15,000	15,000	-	0%	7,026	3,699
54391	LAW LIBRARY DESKBOOK ACCESS	10,000	10,000	-	0%	-	9,311
54400	TRANSLATION SERVICES	12,000	10,000	(2,000)	-17%	9,448	1,559
54430	PRACTICE MONITOR EXPENSES	-	-	-		-	-
54512	STAFF TRAINING- GENERAL	36,800	29,300	(7,500)	-20%	10,295	777
54520	RECRUITING AND ADVERTISING	8,000	8,000	-	0%	6,110	2,170
54530	PAYROLL PROCESSING	50,000	65,950	15,950	32%	47,470	28,340
54540	SALARY SURVEYS	1,000	3,000	2,000	200%	1,973	-
54590	TRANSFER TO INDIRECT EXPENSE	(111,300)	(114,950)	(3,650)	3%	(68,911)	(33,012)
54610	LIBRARY MATERIALS/RESOURCES	4,000	4,000	-	0%	250	187
54645	LEGAL TECH TASK FORCE	5,000	3,500	(1,500)	-30%	-	2,750
54715	MEMBER WELL-BEING TASK FORCE	4,250	4,500	250	6%	1,000	1,042
54810	GIFTS TO INJURED CLIENTS	500,000	500,000	-	0%	418,710	(145,180)
54820	CPF BOARD	2,000	2,000	-	0%	887	144
54910	RENT - OLYMPIA OFFICE	-	-	-		-	-
54920	CONTRACT LOBBYIST	15,000	12,500	(2,500)	-17%	12,500	9,000
54940	LEGISLATIVE COMMITTEE	1,250	1,250	-	0%	2	130
54970	BOG LEGISLATIVE COMMITTEE	300	300	-	0%	-	-
55010	LICENSING FORMS	-	-	-		-	-
55110	LPO EXAM FACILITIES	-	-	-		-	-
55130	LPO BOARD EXPENSES	4,000	4,000	-	0%	278	356
55165	LPO OUTREACH	1,000	500	(500)	-50%	-	-
55210	MCLE BOARD EXPENSES	4,000	4,000	-	0%	-	1,010
55220	DEPRECIATION-SOFTWARE	142,183	146,557	4,374	3%	124,381	72,072
55250	VLEX FASTCASE	85,000	87,000	2,000	2%	84,042	84,568
55265	SPEAKERS & PROGRAM DEVELOPMENT	575	500	(75)	-13%	-	-
55266	NEW LAWYER OUTREACH EVENTS	5,000	5,000	-	0%	2,029	3,519
55270	NEW LAWYERS COMMITTEE	15,000	15,000	-	0%	2,584	778
55285	OPEN SECTIONS NIGHT	-	-	-		-	-
55310	DISCIPLINARY BOARD EXPENSES	5,000	3,000	(2,000)	-40%	797	-
55320	CHIEF HEARING OFFICER	40,000	41,200	1,200	3%	39,996	19,998
55330	HEARING OFFICER EXPENSES	4,000	4,000	-	0%	874	79
55340	HEARING OFFICER TRAINING	1,000	1,000	-	0%	-	-
55370	APPOINTED COUNSEL	50,400	50,645	245	0%	49,600	25,200
55380	DISCIPLINARY SELECTION PANEL	1,000	1,000	-	0%	-	-
55419	COURT RULES COMMITTEE	1,000	1,000	-	0%	-	-
55510	PRACTICE OF LAW BOARD	16,000	16,000	-	0%	1,157	-
55555	NEW EXPENSE ACCOUNT NEEDED	-	-	-		-	-
55610	CPE COMMITTEE	1,000	1,000	-	0%	386	286
55615	WILLS	2,000	1,000	(1,000)	-50%	-	-
55620	CUSTODIANSHIP	5,000	5,000	-	0%	125	51
55970	MEMBER ENGAGEMENT COUNCIL	500	500	-	0%	-	-
55980	SMALL TOWN AND RURAL COUNCIL	7,500	7,500	-	0%	55	-
55981	SMALL TOWN & RURAL COUNCIL OUTREACH & ACTIVITIES	65,000	70,000	5,000	8%	29,282	-
55911	CLOUD INFRASTRUCTURE	130,000	130,000	-	0%	43,143	27,273
56100	COMPUTER HARDWARE	66,200	65,000	(1,200)	-2%	64,018	40,758
56150	COMPUTER SOFTWARE	530,000	498,000	(32,000)	-6%	268,912	248,082
56225	HARDWARE SERVICE & WARRANTIES	50,000	50,000	-	0%	30,498	21,699
56230	SOFTWARE MAINT & LICENSING	400,000	470,000	70,000	18%	338,290	160,809
56500	COMPUTER SUPPLIES	-	-	-		-	-
56550	THIRD PARTY SERVICES	65,000	65,000	-	0%	38,658	47,841
56900	TRANSFER TO INDIRECT EXPENSES	(1,478,500)	(1,700,410)	(221,910)	15%	(1,141,736)	(664,232)
57320	TRIAL ADVOCACY EXPENSES	2,025	3,200	1,175	58%	1,254	-
57450	REGULATORY SCHOOL	12,000	10,000	(2,000)	-17%	-	7,767
57460	LAW SCHOOL OUTREACH	500	500	-	0%	-	-
58125	ANNUAL OR OTHER MEETING EXPENS	22,700	-	(22,700)	-100%	15,141	1,792
58150	ATTENDANCE AT BOG MEETINGS	2,200	-	(2,200)	-100%	0	-
58175	AWARDS	5,810	1,000	(4,810)	-83%	667	-
58200	BREAKFAST/LUNCH/DINNER MTG EXP	4,000	-	(4,000)	-100%	82	-
58225	CONFERENCE/INSTITUTE EXPENSE	30,000	-	(30,000)	-100%	(135)	19,167
58300	EXECUTIVE COMMITTEE EXPENSES	70,270	-	(70,270)	-100%	21,744	19,010
58305	EXECUTIVE COMM EXP - OTHER	58,500	-	(58,500)	-100%	50,027	1,669
58315	HONORARIUM	9,100	-	(9,100)	-100%	-	-
58325	LDSHIP/PROF DEVELOP/RETREATS	89,910	-	(89,910)	-100%	53,779	47,031
58326	LEGISLATIVE/LOBBYING	2,000	-	(2,000)	-100%	-	-
58350	MEMBERSHIP & RECRUITING EXP	38,570	-	(38,570)	-100%	11,394	2,041
58375	NEWSLETTER/PUBLICATION EXPENSE	14,950	-	(14,950)	-100%	7,388	3,258
58400	PER MEMBER CHARGE	280,433	-	(280,433)	-100%	275,378	267,064
58415	FISCAL/MEMBERSHIP YEAR ADJUSTMENT	-	-	-		-	91,793
58450	RECEPTION/FORUM EXPENSE	62,510	31,000	(31,510)	-50%	21,592	13,897
58500	NEW LAWYER OUTREACH	5,220	-	(5,220)	-100%	120	-
58525	SCHOLARSHIPS/DONATIONS/GRANT	220,200	-	(220,200)	-100%	80,096	51,373

	58550	SECTION COMMITTEE EXPENSE	2,000	-	(2,000)	-100%	-	-
	58600	SECTION SPECIAL PROJECTS	8,020	-	(8,020)	-100%	-	-
	58615	LAW SCHOOL OUTREACH	27,510	-	(27,510)	-100%	7,629	739
	58620	MINI-CLE EXPENSE	50,516	-	(50,516)	-100%	18,894	3,016
	58625	SEMINAR EXPENSE - SECTIONS	76,000	-	(76,000)	-100%	28,989	6,685
	58675	WEBSITE EXPENSES	10,380	-	(10,380)	-100%	4,822	2,876
	58680	ELECTIONS	-	-	-		-	-
	58750	SEMINAR SCHOLARSHIPS	8,000	-	(8,000)	-100%	3,676	-
		Total Direct Expenses	**5,109,934**	**4,032,802**	**(1,077,132)**	**-21%**	**3,817,336**	**1,620,943**
					-			
Indirect	**51110**	SALARIES	14,691,362	14,954,270	262,909	2%	13,290,031	7,024,860
	51120	BUDGETED TEMPORARY EMPLOYEES	261,668	212,850	(48,818)	-19%	302,485	162,920
	51121	UNANTICIPATED TEMPS	-	-	-		813	24,900
	51122	STAFF REPLACEMENT TEMPS					208,046	91,438
	51126	EMPLOYEE PLACEMENT FEES					900	24,773
	51130	VACATION & COMP TIME ACCRUALS					19,858	118,060
	51199	SALARY EXPENSE			-		-	-
	51210	EMPLOYEE ASSISTANCE PLAN	4,800	4,800	(0)	0%	4,800	2,400
	51220	EMPLOYEE SERVICE AWARDS	2,610	2,260	(350)	-13%	1,480	1,360
	51230	FICA (EMPLOYER PORTION)	1,112,598	1,130,891	18,292	2%	1,003,129	533,468
	51240	L&I INSURANCE	72,487	68,652	(3,835)	-5%	59,309	29,544
	51245	WA STATE FAMILY MEDICAL LEAVE (ER POR	33,236	41,260	8,024	24%	28,506	16,797
	51250	MEDICAL (EMPLOYER PORTION)	2,057,482	2,151,550	94,068	5%	1,880,001	1,018,777
	51270	RETIREMENT (EMPLOYER PORTION)	1,322,122	1,241,165	(80,957)	-6%	1,242,168	632,953
	51280	TRANSPORTATION ALLOWANCE	34,000	25,944	(8,056)	-24%	28,799	23,612
	51290	UNEMPLOYMENT INSURANCE	71,847	77,483	5,636	8%	67,559	32,733
	51299	BENEFITS EXPENSE			-		-	-
	51310	WORKPLACE BENEFITS	56,400	60,150	3,750	7%	58,052	8,039
	51340	HUMAN RESOURCES POOLED EXP	111,300	114,950	3,650	3%	68,911	33,012
	51405	MEETING SUPPORT EXPENSES	9,950	9,950	-	0%	7,592	4,283
	51409	RENT EXPENSE	-	-			1,302,980	448,947
	51410	RENT	960,000	923,055	(36,945)	-4%	415,523	98,448
	51411	MOVE/DOWNSIZING EXPENSES	28,208	-	(28,208)	-100%	36,887	24,906
	51413	RENT - CONFERENCE CENTER	-	-			(33,800)	(12,600)
	51420	PERSONAL PROP TAXES-WSBA	8,400	6,500	(1,900)	-23%	6,195	3,479
	51430	FURNITURE, MAINT, LH IMP	75,617	48,450	(27,167)	-36%	32,987	35,122
	51435	SAFETY & SECURITY	-	10,000	10,000		-	-
	51440	OFFICE SUPPLIES & EQUIP	22,164	19,635	(2,529)	-11%	16,455	9,517
	51450	FURN, LH IMP, & OFFICE EQUIP DEPREC	159,628	224,084	64,456	40%	115,775	57,066
	51470	COMPUTER HARDWARE DEPREC	42,000	47,971	5,971	14%	39,315	19,272
	51480	COMPUTER SOFTWARE DEPREC	49,339	36,319	(13,020)	-26%	69,220	25,089
	51500	INSURANCE	288,200	273,491	(14,709)	-5%	265,583	130,260
	51501	WORK HOME FURNITURE & EQUIP	14,000	10,500	(3,500)	-25%	3,996	1,030
	51505	PROFESSIONAL FEES-AUDIT	41,000	43,500	2,500	6%	38,400	36,577
	51510	PROFESSIONAL FEES- LEGAL	200,000	250,000	50,000	25%	101,591	63,259
	51512	ONLINE LEGAL RESEARCH	86,000	89,000	3,000	3%	26,439	45,751
	51513	ACCOMODATIONS FUND	6,500	6,500	0	0%	-	-
	51514	TRANSLATION SERVICES	12,000	25,000	13,000	108%	6,814	3,018
	51515	TELEPHONE & INTERNET	33,600	33,600	-	0%	32,390	16,320
	51520	POSTAGE - GENERAL	15,500	12,000	(3,500)	-23%	8,796	2,909
	51525	RECORDS MANAGEMENT	28,849	7,500	(21,349)	-74%	62,062	19,672
	51530	BANK FEES (INDIRECT)	30,000	27,000	(3,000)	-10%	23,638	8,463
	51620	PRODUCTION MAINT & SUPPLIES	13,000	13,250	250	2%	8,976	5,184
	51710	COMPUTER POOLED EXPENSES	1,478,500	1,700,410	221,910	15%	1,141,736	664,232
	51810	GAIN (LOSS) ON ASSETS	-	-			10,667	-
	51925	ALLOWANCE FOR OPEN POSITIONS	(200,000)	(200,000)	-	0%	-	-
	51955	CAPITAL LABOR & OVERHEAD	(75,000)	(75,000)	-	0%	(75,555)	(66,920)
	51900	OTHER INDIRECT EXPENSE			-		-	-
	51935	INSURANCE REBATE	(19,016)	-	19,016	-100%	(20,950)	-
		TOTAL INDIRECT EXPENSES:	**23,140,350**	**23,628,941**	**488,590**	**2%**	**21,908,556**	**11,422,932**
		TOTAL ALL EXPENSES:	**28,250,284**	**27,661,742**	**(588,542)**	**-2%**	**25,725,892**	**13,043,875**
		NET INCOME (LOSS):	**(1,833,444)**	**(1,493,459)**	**339,985**	**-19%**	**843,370**	**2,060,724**

Washington State Bar Association
Budget Comparison

INDIRECT EXPENSES

Cost Center **FY26 FTE** **148.50**
All **FY25 REFORECAST FTE** **147.50**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
INDIRECT	**51110**	SALARIES	14,691,362	14,954,270	262,909	2%	13,290,031	7,024,860
	51120	BUDGETED TEMPORARY EMPLOYEES	261,668	212,850	(48,818)	-19%	302,485	162,920
	51121	UNANTICIPATED TEMPS	-	-	-		813	24,900
	51122	STAFF REPLACEMENT TEMPS	-	-			208,046	91,438
	51126	EMPLOYEE PLACEMENT FEES	-	-			900	24,773
	51130	VACATION & COMP TIME ACCRUALS	-	-			19,858	118,060
	51925	ALLOWANCE FOR OPEN POSITIONS	(200,000)	(200,000)	-	0%	-	-
	51935	INSURANCE REBATE	(19,016)	-	19,016	-100%	(20,950)	-
	51955	CAPITAL LABOR & OVERHEAD	(75,000)	(75,000)	-	0%	(75,555)	(66,920)
	51199	**SALARY EXPENSE**	**14,659,014**	**14,892,120**	**233,107**	**2%**	**13,725,627**	**7,380,031**
	51210	EMPLOYEE ASSISTANCE PLAN	4,800	4,800	-	0%	4,800	2,400
	51220	EMPLOYEE SERVICE AWARDS	2,610	2,260	(350)	-13%	1,480	1,360
	51230	FICA (EMPLOYER PORTION)	1,112,598	1,130,891	18,292	2%	1,003,129	533,468
	51240	L&I INSURANCE	72,487	68,652	(3,835)	-5%	59,309	29,544
	51245	WA STATE FAMILY MEDICAL LEAVE (ER PORTION)	33,236	41,260	8,024	24%	28,506	16,797
	51250	MEDICAL (EMPLOYER PORTION)	2,057,482	2,151,550	94,068	5%	1,880,001	1,018,777
	51270	RETIREMENT (EMPLOYER PORTION)	1,322,122	1,241,165	(80,957)	-6%	1,242,168	632,953
	51280	TRANSPORTATION ALLOWANCE	34,000	25,944	(8,056)	-24%	28,799	23,612
	51290	UNEMPLOYMENT INSURANCE	71,847	77,483	5,636	8%	67,559	32,733
	51299	**BENEFITS EXPENSE**	**4,711,182**	**4,744,004**	**32,823**	**1%**	**4,315,751**	**2,291,645**
	51310	WORKPLACE BENEFITS	56,400	60,150	3,750	7%	58,052	8,039
	51340	HUMAN RESOURCES POOLED EXP	111,300	114,950	3,650	3%	68,911	33,012
	51405	MEETING SUPPORT EXPENSES	9,950	9,950	(0)	0%	7,592	4,283
	51409	RENT EXPENSE	-	-			1,302,980	448,947
	51410	RENT	960,000	923,055	(36,945)	-4%	415,523	98,448
	51411	MOVE/DOWNSIZING EXPENSES	28,208	-	(28,208)	-100%	36,887	24,906
	51413	RENT - CONFERENCE CENTER	-	-			(33,800)	(12,600)
	51420	PERSONAL PROP TAXES-WSBA	8,400	6,500	(1,900)	-23%	6,195	3,479
	51430	FURNITURE, MAINT, LH IMP	75,617	48,450	(27,167)	-36%	32,987	35,122
	51435	SAFETY & SECURITY	-	10,000	10,000		-	-
	51440	OFFICE SUPPLIES & EQUIP	22,164	19,635	(2,529)	-11%	16,455	9,517
	51450	FURN, LH IMP, & OFFICE EQUIP DEPREC	159,628	224,084	64,456	40%	115,775	57,066
	51470	COMPUTER HARDWARE DEPREC	42,000	47,971	5,971	14%	39,315	19,272
	51480	COMPUTER SOFTWARE DEPREC	49,339	36,319	(13,020)	-26%	69,220	25,089
	51500	INSURANCE	288,200	273,491	(14,709)	-5%	265,583	130,260
	51501	WORK HOME FURNITURE & EQUIP	14,000	10,500	(3,500)	-25%	3,996	1,030
	51505	PROFESSIONAL FEES-AUDIT	41,000	43,500	2,500	6%	38,400	36,577
	51510	PROFESSIONAL FEES- LEGAL	200,000	250,000	50,000	25%	101,591	63,259
	51512	ONLINE LEGAL RESEARCH	86,000	89,000	3,000	3%	26,439	45,751
	51513	ACCOMODATIONS FUND	6,500	6,500	0	0%	-	-
	51514	TRANSLATION SERVICES	12,000	25,000	13,000	108%	6,814	3,018
	51515	TELEPHONE & INTERNET	33,600	33,600	-	0%	32,390	16,320
	51520	POSTAGE - GENERAL	15,500	12,000	(3,500)	-23%	8,796	2,909
	51525	RECORDS MANAGEMENT	28,849	7,500	(21,349)	-74%	62,062	19,672
	51530	BANK FEES (INDIRECT)	30,000	27,000	(3,000)	-10%	23,638	8,463
	51620	PRODUCTION MAINT & SUPPLIES	13,000	13,250	250	2%	8,976	5,184
	51710	COMPUTER POOLED EXPENSES	1,478,500	1,700,410	221,910	15%	1,141,736	664,232
	51810	GAIN (LOSS) ON ASSETS	-	-	-		10,667	-
	51900	**OTHER INDIRECT EXPENSE**	**3,770,155**	**3,992,816**	**222,661**	6%	**3,867,178**	**1,751,255**
		TOTAL INDIRECT EXPENSES:	**23,140,350**	**23,628,941**	**488,590**	**2%**	**21,908,556**	**11,422,932**

Washington State Bar Association
Budget Comparison

ACCESS TO JUSTICE

Cost Center	**FY26 FTE**	**1.64**
ATJ	**FY25 REFORECAST FTE**	**1.63**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	2,800	2,800	-	0%	1,588	315
	50110	STAFF CONFERENCE & TRAINING	2,495	4,400	1,905	76%	912	1,530
	52121	ATJ BOARD RETREAT	6,000	6,000	-	0%	2,718	2,371
	52125	LEADERSHIP TRAINING	6,000	10,000	4,000	67%	4,150	1,624
	52140	ATJ BOARD EXPENSE	58,500	58,500	-	0%	41,683	31,404
	52874	PUBLIC DEFENSE	4,000	4,000	-	0%	2,213	2,279
	58225	CONFERENCE/INSTITUTE EXPENSE	30,000	-	(30,000)	-100%	(135)	19,167
	58450	RECEPTION/FORUM EXPENSE	30,000	30,000	-	0%	9,497	13,170
	TOTAL DIRECT EXPENSES		**139,795**	**115,700**	**(24,095)**	**-17%**	**62,625**	**71,861**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	155,733	161,099	5,366	3%	138,676	79,734
	51299	BENEFITS EXPENSE	51,565	52,030	465	1%	48,134	25,591
	51900	OTHER INDIRECT EXPENSE	42,302	44,096	1,793	4%	43,699	19,964
	TOTAL INDIRECT EXPENSES:		**249,600**	**257,224**	**7,624**	**3%**	**230,509**	**125,290**
	TOTAL ALL EXPENSES:		**389,395**	**372,924**	**(16,471)**	**-4%**	**293,135**	**197,151**
	NET INCOME (LOSS):		**(389,395)**	**(372,924)**	**16,471**	**-4%**	**(293,135)**	**(197,151)**

Washington State Bar Association
Budget Comparison

ADMISSIONS

Cost Center **FY26 FTE** **6.65**
ADMISS **FY25 REFORECAST FTE** **6.17**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40705	EXAM SOFTWARE REVENUE	27,500	9,500	(18,000)	-65%	30,615	-
	42207	BAR EXAM FEES	1,280,780	1,300,000	19,220	2%	1,176,215	1,056,810
	42230	BAR EXAM LATE FEES	98,200	95,000	(3,200)	-3%	56,700	39,300
	42232	HOUSE COUNSEL APPLICATION FEES	56,260	55,000	(1,260)	-2%	33,080	23,510
	42270	RULE 9/LEGAL INTERN FEES	12,500	13,000	500	4%	16,950	2,900
	42285	FOREIGN LAW CONSULTANT FEES	1,940	1,940	-	0%	3,100	970
	42287	SPECIAL ADMISSIONS	3,000	5,000	2,000	67%	6,435	4,805
	TOTAL REVENUE		**1,480,180**	**1,479,440**	**(740)**	**0%**	**1,323,095**	**1,128,295**
DIRECT EXPENSES:								
	50060	POSTAGE	2,000	2,900	900	45%	1,993	1,810
	50100	STAFF TRAVEL/PARKING	24,000	24,000	-	0%	20,487	8,264
	50110	STAFF CONFERENCE & TRAINING	10,100	11,000	900	9%	6,348	4,302
	50120	STAFF MEMBERSHIP DUES	495	495	-	0%	555	245
	50140	SUPPLIES	4,000	2,500	(1,500)	-38%	1,824	3,033
	52210	FACILITY, PARKING, FOOD	100,000	104,000	4,000	4%	125,601	43,083
	52215	EXAMINER FEES	44,500	43,750	(750)	-2%	31,500	21,750
	52221	UBE EXAMINATIONS	118,000	46,200	(71,800)	-61%	134,108	41,448
	52225	BOARD OF BAR EXAMINERS	42,500	45,000	2,500	6%	22,040	2,502
	52230	BAR EXAM PROCTORS	23,000	10,000	(13,000)	-57%	13,737	9,432
	52240	DISABILITY ACCOMMODATIONS	65,000	50,000	(15,000)	-23%	73,578	25,184
	52245	CHARACTER & FITNESS INVESTI	1,000	1,500	500	50%	(59)	700
	52250	LAW SCHOOL VISITS	2,000	1,500	(500)	-25%	1,379	21
	53282	SOFTWARE HOSTING	45,609	45,000	(609)	-1%	43,806	22,058
	52270	DEPRECIATION-SOFTWARE	-	-	-		10,697	-
	TOTAL DIRECT EXPENSES		**482,204**	**387,845**	**(94,359)**	**-20%**	**487,593**	**183,833**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	531,757	580,575	48,818	9%	541,081	282,226
	51299	BENEFITS EXPENSE	187,665	199,197	11,533	6%	170,209	95,368
	51900	OTHER INDIRECT EXPENSE	163,842	178,803	14,961	9%	180,597	78,982
	TOTAL INDIRECT EXPENSES:		**883,264**	**958,575**	**75,311**	**9%**	**891,887**	**456,576**
	TOTAL ALL EXPENSES:		**1,365,468**	**1,346,420**	**(19,048)**	**-1%**	**1,379,480**	**640,408**
	NET INCOME (LOSS):		**114,712**	**133,020**	**18,308**	**16%**	**(56,385)**	**487,887**

Washington State Bar Association
Budget Comparison

ADVANCEMENT FTE

Cost Center	**FY26 FTE**	**1.41**
ADV FTE	**FY25 REFORECAST FTE**	**1.96**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50110	STAFF CONFERENCE & TRAINING	3,300	6,600	3,300	100%	8,846	120
	TOTAL DIRECT EXPENSES		**3,300**	**6,600**	**3,300**	**100%**	**8,846**	**120**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	264,525	216,525	(48,000)	-18%	246,488	130,354
	51299	BENEFITS EXPENSE	74,703	57,527	(17,176)	-23%	68,782	36,305
	51900	OTHER INDIRECT EXPENSE	50,098	37,912	(12,187)	-24%	50,660	23,292
	TOTAL INDIRECT EXPENSES:		**389,327**	**311,963**	**(77,364)**	**-20%**	**365,930**	**189,950**
	TOTAL ALL EXPENSES:		**392,627**	**318,563**	**(74,064)**	**-19%**	**374,776**	**190,070**
	NET INCOME (LOSS):		**(392,627)**	**(318,563)**	**74,064**	**-19%**	**(374,776)**	**(190,070)**

Washington State Bar Association
Budget Comparison

BAR NEWS

Cost Center **FY26 FTE** **2.13**
BN **FY25 REFORECAST FTE** **2.13**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40900	ROYALTIES	2,000	2,000	-	0%	1,543	-
	42710	BNEWS DISPLAY ADVERTISING	405,000	405,000	-	0%	418,264	246,560
	42720	BNEWS SUBSCRIPT/SINGLE ISSUES	100	100	-	0%	108	108
	42730	BNEWS CLASSIFIED ADVERTISING	2,500	2,500	-	0%	2,761	2,521
	42760	JOB TARGET ADVERSTISING	180,000	120,000	(60,000)	-33%	152,139	47,390
	TOTAL REVENUE		**589,600**	**529,600**	**(60,000)**	**-10%**	**574,814**	**296,579**
DIRECT EXPENSES:								
	50060	POSTAGE	135,000	135,000	-	0%	122,543	75,851
	50070	PRINTING & COPYING	262,500	242,000	(20,500)	-8%	211,369	117,305
	50110	STAFF CONFERENCE & TRAINING	-	2,200	2,200		-	0
	50120	STAFF MEMBERSHIP DUES	150	220	70	47%	135	-
	50130	SUBSCRIPTIONS	225	225	-	0%	203	204
	50155	DIGITAL/ONLINE DEVELOPMENT	2,000	2,000	-	0%	572	572
	52710	GRAPHICS/ARTWORK	1,000	1,000	-	0%	1,103	-
	52750	EDITORIAL ADVIS COMMITTEE EXP	300	300	-	0%	20	-
	TOTAL DIRECT EXPENSES		**401,175**	**382,945**	**(18,230)**	**-5%**	**335,944**	**193,931**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	207,867	199,151	(8,716)	-4%	213,708	106,641
	51299	BENEFITS EXPENSE	67,753	65,989	(1,764)	-3%	70,936	32,322
	51900	OTHER INDIRECT EXPENSE	54,444	57,271	2,827	5%	59,554	25,218
	TOTAL INDIRECT EXPENSES:		**330,063**	**322,411**	**(7,652)**	**-2%**	**344,199**	**164,180**
	TOTAL ALL EXPENSES:		**731,238**	**705,356**	**(25,882)**	**-4%**	**680,143**	**358,112**
	NET INCOME (LOSS):		**(141,638)**	**(175,756)**	**(34,118)**	**24%**	**(105,328)**	**(61,533)**

Washington State Bar Association
Budget Comparison

BOARD OF GOVERNORS

Cost Center	**FY26 FTE**	**1.73**
BOG	**FY25 REFORECAST FTE**	**1.40**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-	-	-	-
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	-	-	-		(0)	-
	50140	SUPPLIES	500	765	265	53%	610	84
	52125	LEADERSHIP TRAINING	15,000	15,000	-	0%	1,681	-
	52810	BOG MEETINGS	148,000	200,000	52,000	35%	164,195	61,893
	52820	BOG COMMITTEES' EXPENSES	2,000	5,000	3,000	150%	18	3,708
	52821	BOG RETREAT	40,000	40,000	-	0%	30,180	38,128
	52822	BOG CONFERENCE ATTENDANCE	39,500	56,500	17,000	43%	55,335	15,372
	52830	BOG TRAVEL & OUTREACH	50,000	45,000	(5,000)	-10%	28,413	8,739
	52880	BOG ELECTIONS	42,000	30,000	(12,000)	-29%	12,545	4,018
	52960	PRESIDENT'S DINNER	10,000	12,000	2,000	20%	11,129	0
	52812	NEW GOVERNOR ORIENTATION	10,000	7,000	(3,000)	-30%	2,570	154
	52823	PRESIDENTS PHOTO	3,300	3,300	-	0%	1,652	-
	TOTAL DIRECT EXPENSES		**360,300**	**414,565**	**54,265**	**15%**	**308,326**	**132,095**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	112,836	135,043	22,207	20%	103,300	62,723
	51299	BENEFITS EXPENSE	40,463	49,169	8,707	22%	30,140	22,954
	51900	OTHER INDIRECT EXPENSE	35,785	46,516	10,731	30%	40,219	20,505
TOTAL INDIRECT EXPENSES:			**189,084**	**230,728**	**41,645**	**22%**	**173,659**	**106,182**
TOTAL ALL EXPENSES:			**549,384**	**645,293**	**95,910**	**17%**	**481,985**	**238,277**
NET INCOME (LOSS):			**(549,384)**	**(645,293)**	**(95,910)**	**17%**	**(481,985)**	**(238,277)**

Washington State Bar Association
Budget Comparison

CONFERENCE AND BROADCAST SERVICES

Cost Center	**FY26 FTE**	**0.55**
CBS	**FY25 REFORECAST FTE**	**0.00**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	TOTAL DIRECT EXPENSES		-	-	-		-	-
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	-	49,269	49,269		-	-
	51299	BENEFITS EXPENSE	-	16,666	16,666		-	-
	51900	OTHER INDIRECT EXPENSE	-	14,788	14,788		-	-
	TOTAL INDIRECT EXPENSES:		**-**	**80,723**	**80,723**		**-**	**-**
	TOTAL ALL EXPENSES:		**-**	**80,723**	**80,723**		**-**	**-**
	NET INCOME (LOSS):		**-**	**(80,723)**	**(80,723)**		**-**	**-**

Washington State Bar Association
Budget Comparison

CHARACTER & FITNESS BOARD

Cost Center **FY26 FTE** **0.85**
CFB **FY25 REFORECAST FTE** **0.75**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	52235	CHARACTER & FITNESS BOARD EXP	18,000	12,000	(6,000)	-33%	2,064	3,340
	54310	COURT REPORTERS	15,000	10,000	(5,000)	-33%	687	3,096
	TOTAL DIRECT EXPENSES		**33,000**	**22,000**	**(11,000)**	**-33%**	**2,750**	**6,436**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	95,315	103,891	8,576	9%	95,864	48,149
	51299	BENEFITS EXPENSE	27,582	30,286	2,704	10%	28,077	13,617
	51900	OTHER INDIRECT EXPENSE	19,170	22,855	3,684	19%	20,109	8,931
	TOTAL INDIRECT EXPENSES:		**142,068**	**157,032**	**14,964**	**11%**	**144,050**	**70,697**
	TOTAL ALL EXPENSES:		**175,068**	**179,032**	**3,964**	**2%**	**146,800**	**77,134**
	NET INCOME (LOSS):		**(175,068)**	**(179,032)**	**(3,964)**	**2%**	**(146,800)**	**(77,134)**

COMMUNICATION STRATEGIES

Cost Center	**FY26 FTE**	**5.39**
COMM	**FY25 REFORECAST FTE**	**6.05**

Washington State Bar Association
Budget Comparison

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	42570	50 YEAR MEMBER TRIBUTE LUNCH	100	1,000	900	900%	1,900	-
	44100	WSBA LOGO MERCHANDISE SALES	500	2,000	1,500	300%	2,414	-
	TOTAL REVENUE		**600**	**3,000**	**2,400**	**400%**	**4,314**	**-**
DIRECT EXPENSES:								
	50050	EQUIPMENT, HARDWARE & SOFTWARE	-	-	-		1	-
	50100	STAFF TRAVEL/PARKING	5,895	5,895	-	0%	3,213	1,111
	50110	STAFF CONFERENCE & TRAINING	11,100	11,300	200	2%	9,199	8,721
	50120	STAFF MEMBERSHIP DUES	1,800	1,800	-	0%	1,164	-
	50130	SUBSCRIPTIONS	4,000	4,000	-	0%	2,237	670
	52511	BAR LEADERS SUMMIT	35,000	35,000	-	0%	-	-
	52570	APEX	52,500	52,500	-	0%	47,315	5
	52573	50 YEAR MEMBER TRIBUTE LUNCH	35,000	38,000	3,000	9%	25,600	3,358
	52878	COMMUNICATIONS OUTREACH	15,000	15,000	-	0%	3,956	1,668
	54027	BAR OUTREACH	20,000	15,000	(5,000)	-25%	6,082	121
	TOTAL DIRECT EXPENSES		**180,295**	**178,495**	**(1,800)**	**-1%**	**98,767**	**15,654**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	465,232	417,995	(47,237)	-10%	344,958	183,709
	51299	BENEFITS EXPENSE	170,889	152,690	(18,199)	-11%	118,866	70,143
	51900	OTHER INDIRECT EXPENSE	154,640	144,924	(9,716)	-6%	139,218	64,017
	TOTAL INDIRECT EXPENSES:		**790,762**	**715,610**	**(75,152)**	**-10%**	**603,042**	**317,868**
TOTAL ALL EXPENSES:			**971,057**	**894,105**	**(76,952)**	**-8%**	**701,809**	**333,523**
NET INCOME (LOSS):			**(970,457)**	**(891,105)**	**79,352**	**-8%**	**(697,495)**	**(333,523)**

COMMUNICATION STRATEGIES FTE

Cost Center	**FY26 FTE**	**1.00**
COMM FTE	**FY25 REFORECAST FTE**	**1.00**

Washington State Bar Association
Budget Comparison

		FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:							
TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:							
TOTAL DIRECT EXPENSES		-	-	-		-	-
INDIRECT EXPENSES:							
51199	SALARY EXPENSE	179,737	183,193	3,456	2%	171,493	94,458
51299	BENEFITS EXPENSE	45,265	45,627	362	1%	47,337	23,626
51900	OTHER INDIRECT EXPENSE	25,560	26,888	1,327	5%	26,684	11,909
TOTAL INDIRECT EXPENSES:		**250,562**	**255,708**	**5,146**	**2%**	**245,513**	**129,992**
NET INCOME (LOSS):		**(250,562)**	**(255,708)**	**(5,146)**	**2%**	**(245,513)**	**(129,992)**

Washington State Bar Association
Budget Comparison

DISCIPLINE

Cost Center **FY26 FTE** **39.00**
DISC **FY25 REFORECAST FTE** **38.90**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	42450	AUDIT REVENUE	1,000	1,000	-	0%	170	213
	44350	RECOVERY OF DISCIPLINE COSTS	70,000	65,000	(5,000)	-7%	54,568	31,105
	44450	DISCIPLINE HISTORY SUMMARY	19,000	19,000	-	0%	18,510	10,920
	TOTAL REVENUE		**90,000**	**85,000**	**(5,000)**	**-6%**	**73,248**	**42,238**
DIRECT EXPENSES:								
	50080	PUBLICATIONS PRODUCTION	350	350	-	0%	129	-
	50100	STAFF TRAVEL/PARKING	25,000	15,000	(10,000)	-40%	13,800	4,900
	50110	STAFF CONFERENCE & TRAINING	37,345	37,800	455	1%	28,498	17,439
	50120	STAFF MEMBERSHIP DUES	7,090	7,659	569	8%	6,418	6,608
	50160	TELEPHONE	4,000	3,000	(1,000)	-25%	2,740	1,117
	54310	COURT REPORTERS	60,000	60,000	-	0%	61,666	26,916
	54320	OUTSIDE COUNSEL EXPENSES	1,000	500	(500)	-50%	250	-
	54360	LITIGATION EXPENSES	40,000	30,000	(10,000)	-25%	43,226	4,932
	54370	DISABILITY EXPENSES	15,000	15,000	-	0%	7,026	3,699
	54400	TRANSLATION SERVICES	12,000	10,000	(2,000)	-17%	9,448	1,559
	TOTAL DIRECT EXPENSES		**201,785**	**179,309**	**(22,476)**	**-11%**	**173,200**	**67,169**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	4,053,832	4,131,360	77,528	2%	3,734,909	1,995,726
	51299	BENEFITS EXPENSE	1,272,455	1,279,516	7,061	1%	1,115,581	617,994
	51900	OTHER INDIRECT EXPENSE	995,577	1,048,618	53,042	5%	1,015,908	463,032
	TOTAL INDIRECT EXPENSES:		**6,321,864**	**6,459,495**	**137,631**	**2%**	**5,866,398**	**3,076,752**
	TOTAL ALL EXPENSES:		**6,523,649**	**6,638,804**	**115,155**	**2%**	**6,039,598**	**3,143,921**
	NET INCOME (LOSS):		**(6,433,649)**	**(6,553,804)**	**(120,155)**	**2%**	**(5,966,350)**	**(3,101,683)**

Washington State Bar Association
Budget Comparison

DIVERSITY

Cost Center **FY26 FTE** **2.69**
DIV **FY25 REFORECAST FTE** **2.69**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40300	DONATIONS & GRANTS	135,000	135,000	-	0%	135,000	135,000
	TOTAL REVENUE		**135,000**	**135,000**	**-**	**0%**	**135,000**	**135,000**
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	7,000	3,000	(4,000)	-57%	58,775	45
	50100	STAFF TRAVEL/PARKING	3,700	3,700	-	0%	874	268
	50110	STAFF CONFERENCE & TRAINING	3,000	4,400	1,400	47%	2,154	162
	50120	STAFF MEMBERSHIP DUES	700	775	75	11%	90	480
	50145	SURVEYS	-	-	-		17,500	-
	52680	DEI COUNCIL	5,900	7,600	1,700	29%	3,948	419
	52681	DIVERSITY EVENTS & PROJECTS	43,100	37,100	(6,000)	-14%	11,016	5,841
	52687	INTERNAL DIVERSITY OUTREACH	7,500	4,200	(3,300)	-44%	-	-
	TOTAL DIRECT EXPENSES		**70,900**	**60,775**	**(10,125)**	**-14%**	**94,356**	**7,215**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	227,749	234,855	7,106	3%	149,846	112,372
	51299	BENEFITS EXPENSE	79,569	80,556	988	1%	46,796	38,330
	51900	OTHER INDIRECT EXPENSE	68,757	72,328	3,570	5%	71,929	31,873
	TOTAL INDIRECT EXPENSES:		**376,075**	**387,739**	**11,664**	**3%**	**268,572**	**182,574**
	TOTAL ALL EXPENSES:		**446,975**	**448,514**	**1,539**	**0%**	**362,928**	**189,789**
	NET INCOME (LOSS):		**(311,975)**	**(313,514)**	**(1,539)**	**0%**	**(227,928)**	**(54,789)**

Washington State Bar Association
Budget Comparison

ENTITY REGULATION

				FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
Cost Center	**FY26 FTE**	**1.15**							
ER	**FY25 REFORECAST FTE**	**0.00**							
REVENUE:									
	42233	APPLICATION FEES		-	28,000	28,000		-	-
	42234	ANNUAL FEES		-	47,500	47,500		-	-
	TOTAL REVENUE			**-**	**75,500**	**75,500**		**-**	**-**
	50110	STAFF CONFERENCE & TRAINING		-	4,400	4,400		-	-
	52246	INVESTIGATION		-	9,600	9,600		-	-
	52692	OUTREACH & COMMUNICATION		-	10,000	10,000		-	-
	53282	SOFTWARE HOSTING		-	3,973	3,973		-	-
	TOTAL DIRECT EXPENSES			**-**	**27,973**	**27,973**		**-**	**-**
INDIRECT EXPENSES:									
	51199	SALARY EXPENSE		-	96,849	96,849		-	-
	51299	BENEFITS EXPENSE		-	33,813	33,813		-	-
	51900	OTHER INDIRECT EXPENSE		-	30,921	30,921		-	-
	TOTAL INDIRECT EXPENSES:			**-**	**161,583**	**161,583**		**-**	**-**
	TOTAL ALL EXPENSES:			**-**	**189,556**	**189,556**		**-**	**-**
	NET INCOME (LOSS):			**-**	**(114,056)**	**(114,056)**		**-**	**-**

Washington State Bar Association
Budget Comparison

FACILITIES AND OPERATIONS

Cost Center	**FY26 FTE**	**5.78**
FAC	**FY25 REFORECAST FTE**	**5.78**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	2,376	2,376	-	0%	-	-
	50110	STAFF CONFERENCE & TRAINING	677	-	(677)	-100%	-	-
	50120	STAFF MEMBERSHIP DUES	-	189	189		-	-
	TOTAL DIRECT EXPENSES		**3,053**	**2,565**	**(488)**	**-16%**	**-**	**-**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	427,125	427,665	540	0%	-	-
	51299	BENEFITS EXPENSE	160,271	160,232	(40)	0%	-	-
	51900	OTHER INDIRECT EXPENSE	147,739	155,411	7,672	5%	-	-
	TOTAL INDIRECT EXPENSES:		**735,135**	**743,307**	**8,172**	**1%**	**-**	**-**
	TOTAL ALL EXPENSES:		**738,188**	**745,872**	**7,684**	**1%**	**-**	**-**
	NET INCOME (LOSS):		**(738,188)**	**(745,872)**	**(7,684)**	**1%**	**-**	**-**

Washington State Bar Association
Budget Comparison

FINANCE

Cost Center **FY26 FTE** **6.92**
FIN **FY25 REFORECAST FTE** **6.92**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40500	INTEREST - INVESTMENTS	600,000	600,000	-	0%	929,443	375,670
	TOTAL REVENUE		**600,000**	**600,000**	**-**	**0%**	**929,443**	**375,670**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	3,750	3,750	-	0%	3,765	2,928
	50110	STAFF CONFERENCE & TRAINING	500	500	-	0%	263	303
	50120	STAFF MEMBERSHIP DUES	670	670	-	0%	613	-
	TOTAL DIRECT EXPENSES		**4,920**	**4,920**	**-**	**0%**	**4,641**	**3,232**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	751,265	777,786	26,521	4%	703,552	399,832
	51299	BENEFITS EXPENSE	232,396	235,054	2,657	1%	221,122	117,137
	51900	OTHER INDIRECT EXPENSE	176,878	186,063	9,185	5%	200,758	82,134
	51936	FACILITY RESERVE REBATE	-	-			15,520	-
	TOTAL INDIRECT EXPENSES:		**1,160,539**	**1,198,902**	**38,363**	**3%**	**1,140,952**	**599,103**
	TOTAL ALL EXPENSES:		**1,165,459**	**1,203,822**	**38,363**	**3%**	**1,145,593**	**602,334**
	NET INCOME (LOSS):		**(565,459)**	**(603,822)**	**(38,363)**	**7%**	**(216,150)**	**(226,664)**

Washington State Bar Association
Budget Comparison

FOUNDATION

Cost Center **FOUND** | **FY26 FTE** 1.05 | **FY25 REFORECAST FTE** 1.05

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	3,200	3,350	150	5%	3,000	3,200
	50050	EQUIPMENT, HARDWARE & SOFTWARE	2,400	2,635	235	10%	2,175	1,318
	50060	POSTAGE	400	400	-	0%	38	-
	50070	PRINTING & COPYING	1,000	1,000	-	0%	452	-
	50100	STAFF TRAVEL/PARKING	3,000	4,000	1,000	33%	269	-
	50110	STAFF CONFERENCE & TRAINING	2,200	2,200	-	0%	1,473	-
	50140	SUPPLIES	2,000	2,000	-	0%	81	103
	52940	BOARD OF TRUSTEES	3,600	3,600	-	0%	1,245	62
	TOTAL DIRECT EXPENSES		**17,800**	**19,185**	**1,385**	**8%**	**8,733**	**4,683**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	106,460	108,755	2,296	2%	100,198	53,621
	51299	BENEFITS EXPENSE	34,056	34,258	202	1%	37,670	16,644
	51900	OTHER INDIRECT EXPENSE	26,838	28,232	1,394	5%	28,230	12,434
	TOTAL INDIRECT EXPENSES:		**167,354**	**171,245**	**3,891**	**2%**	**166,098**	**82,698**
	TOTAL ALL EXPENSES:		**185,154**	**190,430**	**5,276**	**3%**	**174,831**	**87,381**
	NET INCOME (LOSS):		**(185,154)**	**(190,430)**	**(5,276)**	**3%**	**(174,831)**	**(87,381)**

Washington State Bar Association
Budget Comparison

HUMAN RESOURCES

Cost Center	**FY26 FTE**	**4.00**
HR	**FY25 REFORECAST FTE**	**4.00**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	10,000	1,000	(9,000)	-90%	-	-
	50100	STAFF TRAVEL/PARKING	300	300	-	0%	122	33
	50110	STAFF CONFERENCE & TRAINING	2,200	4,200	2,000	91%	-	171
	50120	STAFF MEMBERSHIP DUES	1,000	1,200	200	20%	1,036	528
	50130	SUBSCRIPTIONS	2,000	2,000	-	0%	1,904	993
	54512	STAFF TRAINING- GENERAL	36,800	29,300	(7,500)	-20%	10,295	777
	54520	RECRUITING AND ADVERTISING	8,000	8,000	-	0%	6,110	2,170
	54530	PAYROLL PROCESSING	50,000	65,950	15,950	32%	47,470	28,340
	54540	SALARY SURVEYS	1,000	3,000	2,000	200%	1,973	-
	54590	TRANSFER TO INDIRECT EXPENSE	(111,300)	(114,950)	(3,650)	3%	(68,911)	(33,012)
	TOTAL DIRECT EXPENSES		-	-	-		-	-
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	585,774	504,229	(81,545)	-14%	537,380	286,475
	51299	BENEFITS EXPENSE	115,845	109,201	(6,643)	-6%	146,941	71,102
	51925	ALLOWANCE FOR OPEN POSITIONS	(200,000)	(200,000)	-	0%	-	-
	51900	OTHER INDIRECT EXPENSE	102,241	107,551	5,309	5%	107,121	47,459
	TOTAL INDIRECT EXPENSES:		**603,860**	**520,981**	**(82,879)**	**-14%**	**791,442**	**405,036**
TOTAL ALL EXPENSES:			**603,860**	**520,981**	**(82,879)**	**-14%**	**791,442**	**405,036**
NET INCOME (LOSS):			**(603,860)**	**(520,981)**	**82,879**	**-14%**	**(791,442)**	**(405,036)**

Washington State Bar Association
Budget Comparison

LAW CLERK PROGRAM

Cost Center	**FY26 FTE**	**1.20**
CLERK	**FY25 REFORECAST FTE**	**1.23**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	42275	LAW CLERK FEES	234,000	220,000	(14,000)	-6%	201,068	234,993
	42286	LAW CLERK APPLICATION FEES	3,200	4,000	800	25%	5,000	2,400
	TOTAL REVENUE		**237,200**	**224,000**	**(13,200)**	**-6%**	**206,068**	**237,393**
DIRECT EXPENSES:								
	50015	DEPRECIATION	12,000	35,732	23,732	198%	-	-
	50100	STAFF TRAVEL/PARKING	-	-	-		24	-
	50130	SUBSCRIPTIONS	250	331	81	32%	276	-
	52245	CHARACTER & FITNESS INVESTI	100	100	-	0%	-	-
	53282	SOFTWARE HOSTING	681	700	19	3%	1,288	331
	52255	LAW CLERK BOARD	8,000	9,000	1,000	13%	5,716	2,494
	52258	LAW CLERK OUTREACH	30,000	20,000	(10,000)	-33%	5,476	-
	TOTAL DIRECT EXPENSES		**51,031**	**65,863**	**14,832**	**29%**	**12,781**	**2,826**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	113,225	108,121	(5,104)	-5%	102,505	56,580
	51299	BENEFITS EXPENSE	38,208	36,489	(1,720)	-5%	30,283	18,104
	51900	OTHER INDIRECT EXPENSE	31,439	32,265	826	3%	32,871	14,535
	TOTAL INDIRECT EXPENSES:		**182,873**	**176,875**	**(5,998)**	**-3%**	**165,659**	**89,220**
TOTAL ALL EXPENSES:			**233,904**	**242,738**	**8,834**	**4%**	**178,440**	**92,045**
NET INCOME (LOSS):			**3,296**	**(18,738)**	**(22,034)**	**-669%**	**27,628**	**145,348**

Washington State Bar Association
Budget Comparison

LEGISLATIVE

Cost Center **FY26 FTE** **1.70**
LEG **FY25 REFORECAST FTE** **1.70**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	2,500	2,500	-	0%	83	565
	50110	STAFF CONFERENCE & TRAININC	2,200	2,200	-	0%	1,736	2,101
	50120	STAFF MEMBERSHIP DUES	200	215	15	8%	260	-
	50130	SUBSCRIPTIONS	2,000	2,000	-	0%	1,985	1,986
	50160	TELEPHONE	575	575	-	0%	577	288
	52660	JUD RECOMMEND COMMITTEE	2,250	3,250	1,000	44%	-	1,334
	54920	CONTRACT LOBBYIST	15,000	12,500	(2,500)	-17%	12,500	9,000
	54940	LEGISLATIVE COMMITTEE	1,250	1,250	-	0%	2	130
	54970	BOG LEGISLATIVE COMMITTEE	300	300	-	0%	-	-
	TOTAL DIRECT EXPENSES		**26,275**	**24,790**	**(1,485)**	**-6%**	**17,142**	**15,403**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	160,438	164,492	4,054	3%	152,110	80,963
	51299	BENEFITS EXPENSE	53,043	53,481	438	1%	51,366	25,938
	51900	OTHER INDIRECT EXPENSE	43,453	45,709	2,256	5%	45,633	20,139
	TOTAL INDIRECT EXPENSES:		**256,933**	**263,682**	**6,749**	**3%**	**249,109**	**127,041**
	TOTAL ALL EXPENSES:		**283,208**	**288,472**	**5,264**	**2%**	**266,251**	**142,444**
	NET INCOME (LOSS):		**(283,208)**	**(288,472)**	**(5,264)**	**2%**	**(266,251)**	**(142,444)**

Washington State Bar Association
Budget Comparison

LEGAL LUNCHBOX

Cost Center	**FY26 FTE**	**0.45**
LLB	**FY25 REFORECAST FTE**	**0.43**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	41450	SPONSORSHIPS	9,000	9,000	-	0%	9,000	9,000
	43400	DIGITAL VIDEO SALES	25,000	25,000	-	0%	27,097	22,001
	TOTAL REVENUE		**34,000**	**34,000**	**-**	**0%**	**36,097**	**31,001**
DIRECT EXPENSES:								
	52240	DISABILITY ACCOMMODATIONS	2,000	2,000	-	0%	-	-
	53700	SPEAKERS & PROGRAM DEVELOP	100	100	-	0%	-	-
	53730	HONORARIUM	1,500	1,500	-	0%	-	-
	53283	ON24 OVERAGE CHARGE	4,500	4,500	-	0%	6,067	4,414
	53731	INSURANCE REBATE	(3,375)	-	3,375	-100%	(2,528)	-
	TOTAL DIRECT EXPENSES		**4,725**	**8,100**	**3,375**	**71%**	**3,539**	**4,414**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	31,087	33,193	2,106	7%	29,074	15,553
	51299	BENEFITS EXPENSE	11,797	12,456	659	6%	10,072	5,720
	51900	OTHER INDIRECT EXPENSE	10,991	12,099	1,108	10%	11,215	5,079
	51935	INSURANCE REBATE	(19,016)	-	19,016	-100%	(20,950)	-
	TOTAL INDIRECT EXPENSES:		**34,859**	**57,748**	**22,890**	**66%**	**29,411**	**26,351**
	TOTAL ALL EXPENSES:		**39,584**	**65,848**	**26,265**	**66%**	**32,950**	**30,765**
NET INCOME (LOSS):			**(5,584)**	**(31,848)**	**(26,265)**	**470%**	**3,147**	**236**

Washington State Bar Association
Budget Comparison

LICENSING & MEMBERSHIP RECORDS

Cost Center **FY26 FTE** **4.83**
LICMR **FY25 REFORECAST FTE** **4.83**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	41100	STATUS CERTIFICATE FEES	27,000	29,000	2,000	7%	29,600	16,725
	42288	INVESTIGATION FEES	25,000	25,000	-	0%	27,700	14,400
	42290	PRO HAC VICE	425,000	435,000	10,000	2%	496,975	204,781
	45040	MEMBER CONTACT INFORMATION	5,000	5,000	-	0%	5,706	3,173
	45060	PHOTO BAR CARD SALES	200	260	60	30%	276	336
	TOTAL REVENUE		**482,200**	**494,260**	**12,060**	**3%**	**560,257**	**239,415**
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	6,000	-	(6,000)	-100%	6,000	-
	50060	POSTAGE	4,000	4,000	-	0%	14,599	1,661
	52246	INVESTIGATION	-	300	300		-	-
	53282	SOFTWARE HOSTING	18,380	18,380	-	0%	16,105	8,884
	TOTAL DIRECT EXPENSES		**28,380**	**22,680**	**(5,700)**	**-20%**	**36,704**	**10,545**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	515,705	512,035	(3,670)	-1%	421,349	258,004
	51299	BENEFITS EXPENSE	158,553	158,025	(528)	0%	138,247	77,384
	51900	OTHER INDIRECT EXPENSE	123,457	129,867	6,411	5%	102,480	57,266
	TOTAL INDIRECT EXPENSES:		**797,715**	**799,928**	**2,213**	**0%**	**662,076**	**392,654**
	TOTAL ALL EXPENSES:		**826,095**	**822,608**	**(3,487)**	**0%**	**698,780**	**403,199**
	NET INCOME (LOSS):		**(343,895)**	**(328,348)**	**15,547**	**-5%**	**(138,523)**	**(163,783)**

Washington State Bar Association
Budget Comparison

LICENSE FEES
Cost Center
LIC

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40600	LICENSE FEES	16,853,241	17,062,474	209,233	1%	16,279,888	8,104,910
	40625	LICENSE FEES - NEW ADMITTEES	429,375	465,192	35,817	8%	423,252	219,992
	40650	LICENSE FEES - LATE FEES	200,000	250,000	50,000	25%	383,255	413,106
	40675	LICENSE FEES - REINSTATEMENTS	10,000	15,000	5,000	50%	27,605	6,441
TOTAL REVENUE			**17,492,616**	**17,792,666**	**300,050**	**2%**	**17,113,999**	**8,744,448**
NET INCOME (LOSS):			**17,492,616**	**17,792,666**	**300,050**	**2%**	**17,113,999**	**8,744,448**

Washington State Bar Association
Budget Comparison

LIMITED LICENSE LEGAL TECHNICIAN PROGRAM

Cost Center **FY26 FTE** **0.45**
LLLT **FY25 REFORECAST FTE** **0.48**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	41800	SEMINAR REGISTRATIONS	7,000	-	(7,000)	-100%	1,045	5,600
	42281	LLLT LICENSE FEES	17,731	17,000	(731)	-4%	15,296	7,914
	42288	INVESTIGATION FEES	-	-	-		100	-
	42291	LLLT LATE LICENSE FEES	-	137	137		404	305
	45220	MCLE LATE FEES	300	150	(150)	-50%	450	-
	TOTAL REVENUE		**25,031**	**17,287**	**(7,744)**	**-31%**	**17,295**	**13,819**
DIRECT EXPENSES:								
	52683	LLLT BOARD	11,500	9,000	(2,500)	-22%	1,341	368
	52689	LLLT EDUCATION	1,000	1,000	-	0%	-	35
	TOTAL DIRECT EXPENSES		**12,500**	**10,000**	**(2,500)**	**-20%**	**1,341**	**403**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	55,689	44,756	(10,934)	-20%	51,982	31,762
	51299	BENEFITS EXPENSE	17,525	14,336	(3,189)	-18%	13,665	9,733
	51900	OTHER INDIRECT EXPENSE	14,569	12,099	(2,470)	-17%	14,309	7,881
	TOTAL INDIRECT EXPENSES:		**87,784**	**71,191**	**(16,593)**	**-19%**	**79,955**	**49,376**
	TOTAL ALL EXPENSES:		**100,284**	**81,191**	**(19,093)**	**-19%**	**81,297**	**49,779**
	NET INCOME (LOSS):		**(75,253)**	**(63,904)**	**11,349**	**-15%**	**(64,002)**	**(35,960)**

Washington State Bar Association
Budget Comparison

LIMITED PRACTICE OFFICERS

Cost Center **FY26 FTE** **0.61**
LPO **FY25 REFORECAST FTE** **0.68**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	42288	INVESTIGATION FEES	300	1,000	700	233%	1,500	300
	45110	LPO EXAMINATION FEES	20,000	16,000	(4,000)	-20%	18,600	10,900
	45115	LPO EXAM LATE FEES	3,000	2,000	(1,000)	-33%	2,300	1,400
	45120	LPO LICENSE FEES	160,000	158,000	(2,000)	-1%	156,974	77,067
	45125	LPO LATE LICENSE FEES	2,000	2,000	-	0%	3,600	3,390
	45220	MCLE LATE FEES	4,000	3,000	(1,000)	-25%	3,150	1,800
	TOTAL REVENUE		**189,300**	**182,000**	**(7,300)**	**-4%**	**186,124**	**94,857**
DIRECT EXPENSES:								
	50050	EQUIPMENT, HARDWARE & SOFTWARE	-	-	-		1,240	-
	50070	PRINTING & COPYING	200	200	-	0%	123	34
	50140	SUPPLIES	200	100	(100)	-50%	113	-
	52210	FACILITY, PARKING, FOOD	9,500	9,500	-	0%	7,333	4,612
	52688	EXAM WRITING	19,000	15,000	(4,000)	-21%	8,400	4,200
	55130	LPO BOARD EXPENSES	4,000	4,000	-	0%	278	356
	55165	LPO OUTREACH	1,000	500	(500)	-50%	-	-
	53282	SOFTWARE HOSTING	3,404	3,404	-	0%	3,221	1,646
	TOTAL DIRECT EXPENSES		**37,304**	**32,704**	**(4,600)**	**-12%**	**20,708**	**10,849**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	66,043	61,284	(4,758)	-7%	70,170	33,292
	51299	BENEFITS EXPENSE	21,528	19,544	(1,984)	-9%	18,906	10,088
	51900	OTHER INDIRECT EXPENSE	17,637	16,401	(1,235)	-7%	20,883	8,231
TOTAL INDIRECT EXPENSES:			**105,207**	**97,230**	**(7,977)**	**-8%**	**109,959**	**51,611**
TOTAL ALL EXPENSES:			**142,511**	**129,934**	**(12,577)**	**-9%**	**130,667**	**62,460**
NET INCOME (LOSS):			**46,789**	**52,066**	**5,277**	**11%**	**55,457**	**32,398**

Washington State Bar Association
Budget Comparison

MANDATORY CONTINUING LEGAL EDUCATION

Cost Center **FY26 FTE** **4.76**
MCLE **FY25 REFORECAST FTE** **4.76**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	45210	ACTIVITY APPLICATION FEE	600,000	670,000	70,000	12%	724,600	368,100
	45215	ACTIVITY APPLICATION LATE FEE	220,000	250,000	30,000	14%	266,650	148,150
	45220	MCLE LATE FEES	225,000	232,000	7,000	3%	266,925	207,500
	45230	ANNUAL ACCREDITED SPONSOR FEES	39,000	36,250	(2,750)	-7%	37,500	39,750
	45250	ATTENDANCE LATE FEES	120,000	120,000	-	0%	120,050	55,400
	45255	COMITY CERTIFICATES - REQUEST	13,800	13,000	(800)	-6%	13,497	11,125
	45260	COMITY CERTIFICATES - SUBMIT	16,000	17,000	1,000	6%	16,575	18,075
	TOTAL REVENUE		**1,233,800**	**1,338,250**	**104,450**	**8%**	**1,445,797**	**848,100**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	50	50	-	0%	-	-
	50110	STAFF CONFERENCE & TRAINING	4,600	4,400	(200)	-4%	3,564	-
	50120	STAFF MEMBERSHIP DUES	500	525	25	5%	500	500
	55210	MCLE BOARD EXPENSES	4,000	4,000	-	0%	-	1,010
	55220	DEPRECIATION-SOFTWARE	142,183	146,557	4,374	3%	124,381	72,072
	TOTAL DIRECT EXPENSES		**151,333**	**155,532**	**4,199**	**3%**	**128,445**	**73,582**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	400,391	412,275	11,884	3%	445,511	221,172
	51299	BENEFITS EXPENSE	136,403	138,323	1,921	1%	143,462	68,047
	51900	OTHER INDIRECT EXPENSE	121,923	127,985	6,062	5%	157,394	56,741
TOTAL INDIRECT EXPENSES:			**658,717**	**678,584**	**19,867**	**3%**	**746,368**	**345,959**
TOTAL ALL EXPENSES:			**810,050**	**834,116**	**24,066**	**3%**	**874,813**	**419,541**
NET INCOME (LOSS):			**423,750**	**504,134**	**80,384**	**19%**	**570,984**	**428,559**

Washington State Bar Association
Budget Comparison

MEMBER WELLNESS PROGRAM

Cost Center **FY26 FTE** **1.48**
MWP **FY25 REFORECAST FTE** **1.48**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40205	DIVERSION	10,000	9,000	(1,000)	-10%	11,050	1,500
	TOTAL REVENUE		**10,000**	**9,000**	**(1,000)**	**-10%**	**11,050**	**1,500**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	1,000	1,200	200	20%	-	26
	50110	STAFF CONFERENCE & TRAINING	4,400	5,500	1,100	25%	527	75
	50120	STAFF MEMBERSHIP DUES	800	500	(300)	-38%	267	375
	50130	SUBSCRIPTIONS	1,455	1,400	(55)	-4%	1,324	662
	54715	MEMBER WELL-BEING TASK FORCE	4,250	4,500	250	6%	1,000	1,042
	TOTAL DIRECT EXPENSES		**11,905**	**13,100**	**1,195**	**10%**	**3,117**	**2,180**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	144,902	149,311	4,409	3%	138,488	73,115
	51299	BENEFITS EXPENSE	47,310	47,800	490	1%	59,180	23,014
	51900	OTHER INDIRECT EXPENSE	37,829	39,794	1,964	5%	39,832	17,512
	TOTAL INDIRECT EXPENSES:		**230,041**	**236,905**	**6,864**	**3%**	**237,499**	**113,642**
	TOTAL ALL EXPENSES:		**241,946**	**250,005**	**8,059**	**3%**	**240,617**	**115,822**
	NET INCOME (LOSS):		**(231,946)**	**(241,005)**	**(9,059)**	**4%**	**(229,567)**	**(114,322)**

Washington State Bar Association
Budget Comparison

MEMBER SERVICES & ENGAGEMENT

Cost Center	**FY26 FTE**	**2.45**
MSE	**FY25 REFORECAST FTE**	**2.45**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40900	ROYALTIES	10,800	10,800	-	0%	12,767	7,550
	41450	SPONSORSHIPS	2,500	2,500	-	0%	2,566	-
	41800	SEMINAR REGISTRATIONS	3,000	2,000	(1,000)	-33%	1,980	-
	TOTAL REVENUE		**16,300**	**15,300**	**(1,000)**	**-6%**	**17,313**	**7,550**
DIRECT EXPENSES:								
	50070	PRINTING & COPYING	1,600	1,600	-	0%	-	1,442
	50085	YLL SECTION PROGRAM	1,300	1,300	-	0%	-	520
	50095	CLE COMPS	1,000	-	(1,000)	-100%	-	-
	50100	STAFF TRAVEL/PARKING	3,500	3,500	-	0%	20	82
	50110	STAFF CONFERENCE & TRAINING	2,200	2,700	500	23%	339	-
	50120	STAFF MEMBERSHIP DUES	450	1,020	570	127%	150	195
	50130	SUBSCRIPTIONS	350	400	50	14%	-	-
	54391	LAW LIBRARY DESKBOOK ACCESS	10,000	10,000	-	0%	-	9,311
	54610	LIBRARY MATERIALS/RESOURCES	4,000	4,000	-	0%	250	187
	55266	NEW LAWYER OUTREACH EVENTS	5,000	5,000	-	0%	2,029	3,519
	55270	NEW LAWYERS COMMITTEE	15,000	15,000	-	0%	2,584	778
	55970	MEMBER ENGAGEMENT COUNCIL	500	500	-	0%	-	-
	55981	SMALL TOWN AND RURAL COUNCIL OUTREACH AND ACTIVITIES	65,000	70,000	5,000	8%	29,282	-
	55980	SMALL TOWN AND RURAL COUNCIL	7,500	7,500	-	0%	55	-
	57460	LAW SCHOOL OUTREACH	500	500	-	0%	-	-
	58175	AWARDS	-	1,000	1,000		-	-
	58450	RECEPTION/FORUM EXPENSE	1,000	1,000	-	0%	149	200
	TOTAL DIRECT EXPENSES		**118,900**	**125,020**	**6,120**	**5%**	**34,857**	**16,235**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	167,441	165,619	(1,822)	-1%	159,996	70,249
	51299	BENEFITS EXPENSE	65,553	65,276	(277)	0%	53,060	29,528
	51900	OTHER INDIRECT EXPENSE	62,623	65,875	3,252	5%	65,742	29,071
	TOTAL INDIRECT EXPENSES:		**295,617**	**296,769**	**1,152**	**0%**	**278,797**	**128,847**
	TOTAL ALL EXPENSES:		**414,517**	**421,789**	**7,272**	**2%**	**313,654**	**145,082**
	NET INCOME (LOSS):		**(398,217)**	**(406,489)**	**(8,272)**	**2%**	**(296,341)**	**(137,532)**

Washington State Bar Association
Budget Comparison

MINI CLE

Cost Center	**FY26 FTE**	**0.96**
MINI	**FY25 REFORECAST FTE**	**0.92**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	TOTAL DIRECT EXPENSES		-	-	-		-	-
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	71,340	76,520	5,180	7%	67,856	36,170
	51299	BENEFITS EXPENSE	26,074	27,527	1,453	6%	21,787	12,724
	51900	OTHER INDIRECT EXPENSE	23,516	25,812	2,297	10%	24,750	10,858
	TOTAL INDIRECT EXPENSES:		**120,930**	**129,859**	**8,930**	**7%**	**114,393**	**59,752**
	NET INCOME (LOSS):		**(120,930)**	**(129,859)**	**(8,930)**	**7%**	**(114,393)**	**(59,752)**

Washington State Bar Association
Budget Comparison

NEW MEMBER EDUCATION

Cost Center	**FY26 FTE**	**0.87**
NME	**FY25 REFORECAST FTE**	**0.84**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40950	NME PRODUCT SALES	150,000	120,000	(30,000)	-20%	114,482	100,353
	41800	SEMINAR REGISTRATIONS	13,000	10,000	(3,000)	-23%	16,455	19,062
	47100	TRIAL ADVOCACY PROGRAM	15,000	12,000	(3,000)	-20%	12,098	-
	TOTAL REVENUE		**178,000**	**142,000**	**(36,000)**	**-20%**	**143,035**	**119,430**
DIRECT EXPENSES:								
	55265	SPEAKERS & PROGRAM DEVELOPMENT	575	500	(75)	-13%	-	-
	57320	TRIAL ADVOCACY EXPENSES	2,025	3,200	1,175	58%	1,254	-
	TOTAL DIRECT EXPENSES		**2,600**	**3,700**	**1,100**	**42%**	**1,254**	**-**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	63,225	66,306	3,081	5%	58,755	31,963
	51299	BENEFITS EXPENSE	23,475	24,433	958	4%	20,580	11,442
	51900	OTHER INDIRECT EXPENSE	21,471	23,392	1,922	9%	22,430	9,982
	TOTAL INDIRECT EXPENSES:		**108,171**	**114,131**	**5,960**	**6%**	**101,764**	**53,387**
	TOTAL ALL EXPENSES:		**110,771**	**117,831**	**7,060**	**6%**	**103,019**	**53,387**
	NET INCOME (LOSS):		**67,229**	**24,169**	**(43,060)**	**-64%**	**40,017**	**66,043**

Washington State Bar Association
Budget Comparison

OFFICE OF GENERAL COUNSEL

Cost Center	**FY26 FTE**	**6.12**
OGC	**FY25 REFORECAST FTE**	**6.47**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40200	COPY FEES	-	-	-		427	-
	40210	RECORDS REQUEST FEES	-	-	-		315	270
	TOTAL REVENUE		**-**	**-**	**-**		**742**	**270**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	3,500	3,500	-	0%	-	1,590
	50110	STAFF CONFERENCE & TRAINING	6,215	10,250	4,035	65%	3,094	104
	50120	STAFF MEMBERSHIP DUES	2,090	2,500	410	20%	1,075	1,625
	52240	DISABILITY ACCOMMODATIONS	6,000	2,500	(3,500)	-58%	532	-
	54360	LITIGATION EXPENSES	1,000	1,000	-	0%	3	136
	55419	COURT RULES COMMITTEE	1,000	1,000	-	0%	-	-
	55615	WILLS	2,000	1,000	(1,000)	-50%	-	-
	55620	CUSTODIANSHIP	5,000	5,000	-	0%	125	51
	TOTAL DIRECT EXPENSES		**26,805**	**26,750**	**(55)**	**0%**	**4,829**	**3,506**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	682,130	718,300	36,170	5%	700,467	334,002
	51299	BENEFITS EXPENSE	210,435	210,758	324	0%	180,093	99,455
	51900	OTHER INDIRECT EXPENSE	158,347	164,552	6,206	4%	162,422	70,225
TOTAL INDIRECT EXPENSES:			**1,050,911**	**1,093,610**	**42,699**	**4%**	**1,042,982**	**503,682**
TOTAL ALL EXPENSES:			**1,077,716**	**1,120,360**	**42,644**	**4%**	**1,047,812**	**507,188**
NET INCOME (LOSS):			**(1,077,716)**	**(1,120,360)**	**(42,644)**	**4%**	**(1,047,070)**	**(506,918)**

Washington State Bar Association
Budget Comparison

OFFICE OF THE EXECUTIVE DIRECTOR

Cost Center	**FY26 FTE**	**4.23**
OED	**FY25 REFORECAST FTE**	**3.90**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	2,000	2,000	-	0%	2,485	1,111
	50110	STAFF CONFERENCE & TRAINING	8,800	13,300	4,500	51%	9,179	7,117
	50120	STAFF MEMBERSHIP DUES	2,175	1,335	(840)	-39%	1,240	945
	52125	LEADERSHIP TRAINING	20,000	20,000	-	0%	16,016	-
	52585	WASHINGTON LEADERSHIP INSTITUTE	100,000	100,000	-	0%	80,000	100,000
	52840	ED TRAVEL & OUTREACH	6,000	6,000	-	0%	5,601	1,600
	TOTAL DIRECT EXPENSES		**138,975**	**142,635**	**3,660**	**3%**	**114,521**	**110,773**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	602,222	643,856	41,634	7%	490,689	303,117
	51299	BENEFITS EXPENSE	153,250	163,331	10,081	7%	134,228	81,995
	51900	OTHER INDIRECT EXPENSE	99,685	113,735	14,049	14%	77,730	50,150
	TOTAL INDIRECT EXPENSES:		**855,157**	**920,921**	**65,765**	**8%**	**702,647**	**435,263**
	TOTAL ALL EXPENSES:		**994,132**	**1,063,556**	**69,425**	**7%**	**817,168**	**546,036**
	NET INCOME (LOSS):		**(994,132)**	**(1,063,556)**	**(69,425)**	**7%**	**(817,168)**	**(546,036)**

Washington State Bar Association
Budget Comparison

OFFICE OF GENERAL COUNSEL - DISCIPLINARY BOARD

Cost Center **FY26 FTE** **1.30**
OGCDB **FY25 REFORECAST FTE** **1.30**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50110	STAFF CONFERENCE & TRAINING	2,000	2,200	200	10%	-	-
	50120	STAFF MEMBERSHIP DUES	100	100	-	0%	-	-
	54310	COURT REPORTERS	25,000	30,000	5,000	20%	44,538	19,259
	55310	DISCIPLINARY BOARD EXPENSES	5,000	3,000	(2,000)	-40%	797	-
	55320	CHIEF HEARING OFFICER	40,000	41,200	1,200	3%	39,996	19,998
	55330	HEARING OFFICER EXPENSES	4,000	4,000	-	0%	874	79
	55340	HEARING OFFICER TRAINING	1,000	1,000	-	0%	-	-
	55370	APPOINTED COUNSEL	50,400	50,645	245	0%	49,600	25,200
	55380	DISCIPLINARY SELECTION PANEL	1,000	1,000	-	0%	-	-
	TOTAL DIRECT EXPENSES		**128,500**	**133,145**	**4,645**	**4%**	**135,804**	**64,536**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	125,704	128,774	3,070	2%	135,940	65,243
	51299	BENEFITS EXPENSE	41,128	41,455	327	1%	37,123	20,425
	51900	OTHER INDIRECT EXPENSE	33,228	34,954	1,725	5%	37,512	15,411
	TOTAL INDIRECT EXPENSES:		**200,060**	**205,183**	**5,123**	**3%**	**210,574**	**101,080**
	TOTAL ALL EXPENSES:		**328,560**	**338,328**	**9,768**	**3%**	**346,378**	**165,616**
	NET INCOME (LOSS):		**(328,560)**	**(338,328)**	**(9,768)**	**3%**	**(346,378)**	**(165,616)**

Washington State Bar Association
Budget Comparison

PRACTICE OF LAW BOARD

Cost Center **FY26 FTE** **0.50**
PLB **FY25 REFORECAST FTE** **0.35**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	-	200	200		-	-
	55510	PRACTICE OF LAW BOARD	16,000	16,000	-	0%	1,157	-
	TOTAL DIRECT EXPENSES		**16,000**	**16,200**	**200**	**1%**	**1,157**	**-**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	44,050	54,953	10,903	25%	48,544	22,526
	51299	BENEFITS EXPENSE	15,037	16,775	1,738	12%	18,779	7,850
	51900	OTHER INDIRECT EXPENSE	11,502	13,444	1,942	17%	14,695	6,480
	TOTAL INDIRECT EXPENSES:		**70,590**	**85,172**	**14,582**	**21%**	**82,019**	**36,855**
	TOTAL ALL EXPENSES:		**86,590**	**101,372**	**14,782**	**17%**	**83,176**	**36,855**
	NET INCOME (LOSS):		**(86,590)**	**(101,372)**	**(14,782)**	**17%**	**(83,176)**	**(36,855)**

Washington State Bar Association
Budget Comparison

PRACTICE MANAGEMENT ASSISTANCE

Cost Center	**FY26 FTE**	**0.95**						
PMA	**FY25 REFORECAST FTE**	**0.95**						
			FY2025 Reforecast	**FY2026 Budget**	**FY25 vs. FY26 Comparison**	**% Change**	**FY2024 Actuals YTD**	**FY2025 Actuals YTD**
REVENUE:								
	40900	ROYALTIES	62,000	62,000	-	0%	69,581	33,061
	TOTAL REVENUE		**62,000**	**62,000**	**-**	**0%**	**69,581**	**33,061**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	1,000	2,500	1,500	150%	386	265
	50110	STAFF CONFERENCE & TRAINING	2,500	2,400	(100)	-4%	-	147
	50120	STAFF MEMBERSHIP DUES	150	295	145	97%	150	-
	54645	LEGAL TECH TASK FORCE	5,000	3,500	(1,500)	-30%	-	2,750
	55250	VLEX FASTCASE	85,000	87,000	2,000	2%	84,042	84,568
	TOTAL DIRECT EXPENSES		**93,650**	**95,695**	**2,045**	**2%**	**84,578**	**87,730**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	89,534	92,930	3,396	4%	83,474	45,186
	51299	BENEFITS EXPENSE	29,659	30,102	443	1%	24,903	14,479
	51900	OTHER INDIRECT EXPENSE	24,282	25,543	1,261	5%	25,523	11,208
	TOTAL INDIRECT EXPENSES:		**143,475**	**148,575**	**5,100**	**4%**	**133,901**	**70,872**
	TOTAL ALL EXPENSES:		**237,125**	**244,270**	**7,145**	**3%**	**218,479**	**158,602**
	NET INCOME (LOSS):		**(175,125)**	**(182,270)**	**(7,145)**	**4%**	**(148,897)**	**(125,541)**

Washington State Bar Association
Budget Comparison

PROFESSIONAL RESPONSIBILITY PROGRAM

Cost Center	**FY26 FTE**	**1.08**
PRP	**FY25 REFORECAST FTE**	**1.08**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**		**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	4,000	4,000	-	0%	1,761	470
	50110	STAFF CONFERENCE & TRAINING	2,200	2,400	200	9%	-	0
	50120	STAFF MEMBERSHIP DUES	500	590	90	18%	400	590
	55610	CPE COMMITTEE	1,000	1,000	-	0%	386	286
	TOTAL DIRECT EXPENSES		**7,700**	**7,990**	**290**	**4%**	**2,547**	**1,347**
INDIRECT EXPENSES:					-			
	51199	SALARY EXPENSE	141,621	143,536	1,915	1%	138,684	71,795
	51299	BENEFITS EXPENSE	40,867	40,790	(77)	0%	62,414	19,997
	51900	OTHER INDIRECT EXPENSE	27,605	29,039	1,433	5%	29,391	12,784
	TOTAL INDIRECT EXPENSES:		**210,093**	**213,365**	**3,271**	**2%**	**230,489**	**104,576**
	TOTAL ALL EXPENSES:		**217,793**	**221,355**	**3,561**	**2%**	**233,036**	**105,923**
	NET INCOME (LOSS):		**(217,793)**	**(221,355)**	**(3,561)**	**2%**	**(233,036)**	**(105,923)**

Washington State Bar Association
Budget Comparison

PUBLIC SERVICE PROGRAMS

Cost Center **FY26 FTE** **1.62**
PSP **FY25 REFORECAST FTE** **1.62**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40300	DONATIONS & GRANTS	135,280	132,635	(2,645)	-2%	130,000	134,832
	TOTAL REVENUE		**135,280**	**132,635**	**(2,645)**	**-2%**	**130,000**	**134,832**
DIRECT EXPENSES:								
	50037	DONATIONS/SPONSORSHIPS/GRANTS	300,000	300,000	-	0%	278,889	102,441
	50100	STAFF TRAVEL/PARKING	2,000	2,000	-	0%	333	125
	50110	STAFF CONFERENCE & TRAINING	2,200	3,200	1,000	45%	-	-
	52110	PRO BONO & PUBLIC SERVICE COMMITTEE	2,500	-	(2,500)	-100%	782	-
	54130	PRO BONO OUTREACH	4,000	4,000	-	0%	1,978	1,087
	TOTAL DIRECT EXPENSES		**310,700**	**309,200**	**(1,500)**	**0%**	**281,983**	**103,653**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	136,915	142,419	5,504	4%	117,051	68,025
	51299	BENEFITS EXPENSE	47,862	48,634	772	2%	37,768	23,165
	51900	OTHER INDIRECT EXPENSE	41,408	43,558	2,150	5%	43,312	19,264
	TOTAL INDIRECT EXPENSES:		**226,185**	**234,611**	**8,426**	**4%**	**198,131**	**110,453**
	TOTAL ALL EXPENSES:		**536,885**	**543,811**	**6,926**	**1%**	**480,114**	**214,106**
	NET INCOME (LOSS):		**(401,605)**	**(411,176)**	**(9,570)**	**2%**	**(350,114)**	**(79,275)**

Washington State Bar Association
Budget Comparison

PUBLICATION & DESIGN SERVICES

Cost Center	**FY26 FTE**	**0.89**
PUB	**FY25 REFORECAST FTE**	**0.89**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50130	SUBSCRIPTIONS	200	200	-	0%	88	88
	54026	IMAGE LIBRARY	4,800	4,800	-	0%	4,752	4,756
	TOTAL DIRECT EXPENSES		**5,000**	**5,000**	**-**	**0%**	**4,840**	**4,844**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	76,345	70,644	(5,701)	-7%	76,767	41,224
	51299	BENEFITS EXPENSE	26,506	25,468	(1,038)	-4%	21,510	13,322
	51900	OTHER INDIRECT EXPENSE	22,749	23,930	1,181	5%	23,976	10,507
	TOTAL INDIRECT EXPENSES:		**125,600**	**120,042**	**(5,558)**	**-4%**	**122,253**	**65,053**
	TOTAL ALL EXPENSES:		**130,600**	**125,042**	**(5,558)**	**-4%**	**127,093**	**69,897**
	NET INCOME (LOSS):		**(130,600)**	**(125,042)**	**5,558**	**-4%**	**(127,093)**	**(69,897)**

Washington State Bar Association
Budget Comparison

REGULATORY SERVICES FTE

Cost Center	**FY26 FTE**	**2.05**
RSD FTE	**FY25 REFORECAST FTE**	**2.20**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**	**-**	**-**	**-**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	600	600	-	0%	438	175
	50110	STAFF CONFERENCE & TRAINING	8,400	11,500	3,100	37%	5,913	600
	50120	STAFF MEMBERSHIP DUES	490	490	-	0%	350	490
	TOTAL DIRECT EXPENSES		**9,490**	**12,590**	**3,100**	**33%**	**6,700**	**1,265**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	299,450	297,784	(1,666)	-1%	353,064	151,590
	51299	BENEFITS EXPENSE	84,363	79,686	(4,677)	-6%	102,161	41,817
	51900	OTHER INDIRECT EXPENSE	56,872	55,120	(1,752)	-3%	69,609	26,794
	TOTAL INDIRECT EXPENSES:		**440,685**	**432,590**	**(8,094)**	**-2%**	**524,834**	**220,201**
	TOTAL ALL EXPENSES:		**450,175**	**445,180**	**(4,994)**	**-1%**	**531,535**	**221,467**
	NET INCOME (LOSS):		**(450,175)**	**(445,180)**	**4,994**	**-1%**	**(531,535)**	**(221,467)**

Washington State Bar Association
Budget Comparison

REGULATORY REFORM

Cost Center	**FY26 FTE**	**0.90**
RR	**FY25 REFORECAST FTE**	**1.80**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		**-**	**-**	**-**	**-**	**-**	**-**
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	72,500	25,000	(47,500)	-66%	-	3,184
	50185	MEETING EXPENSE	-	2,000	2,000		-	-
	52691	OUTREACH EXPENSES	10,000	10,000	-	0%	-	-
	TOTAL DIRECT EXPENSES		**82,500**	**37,000**	**(45,500)**	**-55%**	**-**	**3,184**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	157,764	119,875	(37,889)	-24%	-	55,436
	51299	BENEFITS EXPENSE	46,175	33,600	(12,575)	-27%	-	14,863
	51900	OTHER INDIRECT EXPENSE	32,589	24,199	(8,391)	-26%	-	8,931
	TOTAL INDIRECT EXPENSES:		**236,528**	**177,673**	**(58,855)**	**-25%**	**-**	**79,230**
	TOTAL ALL EXPENSES:		**319,028**	**214,673**	**(104,355)**	**-33%**	**-**	**82,415**
	NET INCOME (LOSS):		**(319,028)**	**(214,673)**	**104,355**	**-33%**	**-**	**(82,415)**

SECTIONS ADMINISTRATION

Cost Center **FY26 FTE** **2.53**
SECT **FY25 REFORECAST FTE** **2.53**

Washington State Bar Association
Budget Comparison

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	48010	REIMBURSEMENTS FROM SECTIONS	275,000	275,000	-	0%	275,415	358,856
	TOTAL REVENUE		**275,000**	**275,000**	**-**	**0%**	**275,415**	**358,856**
DIRECT EXPENSES:								
	50100	STAFF TRAVEL/PARKING	1,500	1,900	400	27%	59	35
	50120	STAFF MEMBERSHIP DUES	200	-	(200)	-100%	-	60
	50130	SUBSCRIPTIONS	-	-	-		331	-
	52540	SECTION/COMMITTEE CHAIR MTGS	700	500	(200)	-29%	80	-
	TOTAL DIRECT EXPENSES		**2,400**	**2,400**	**-**	**0%**	**470**	**95**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	169,092	174,309	5,217	3%	160,918	80,675
	51299	BENEFITS EXPENSE	67,073	68,026	953	1%	67,620	31,988
	51900	OTHER INDIRECT EXPENSE	64,668	68,026	3,358	5%	69,223	30,297
	TOTAL INDIRECT EXPENSES:		**300,832**	**310,361**	**9,529**	**3%**	**297,761**	**142,959**
	TOTAL ALL EXPENSES:		**303,232**	**312,761**	**9,529**	**3%**	**298,231**	**143,054**
	NET INCOME (LOSS):		**(28,232)**	**(37,761)**	**(9,529)**	**34%**	**(22,816)**	**215,802**

Washington State Bar Association
Budget Comparison

TECHNOLOGY

Cost Center **FY26 FTE** **12.00**
TECH **FY25 REFORECAST FTE** **12.00**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50033	CONSULTING SERVICES	140,000	325,000	185,000	132%	270,160	73,213
	50100	STAFF TRAVEL/PARKING	1,000	1,000	-	0%	786	303
	50110	STAFF CONFERENCE & TRAINING	6,000	6,000	-	0%	823	1,091
	50120	STAFF MEMBERSHIP DUES	300	410	110	37%	120	-
	50160	TELEPHONE	90,000	90,000	-	0%	86,328	43,164
	55911	CLOUD INFRASTRUCTURE	130,000	130,000	-	0%	43,143	27,273
	56100	COMPUTER HARDWARE	66,200	65,000	(1,200)	-2%	64,018	40,758
	56150	COMPUTER SOFTWARE	530,000	498,000	(32,000)	-6%	268,912	248,082
	56225	HARDWARE SERVICE & WARRANTIES	50,000	50,000	-	0%	30,498	21,699
	56230	SOFTWARE MAINT & LICENSING	400,000	470,000	70,000	18%	338,290	160,809
	56550	THIRD PARTY SERVICES	65,000	65,000	-	0%	38,658	47,841
	56900	TRANSFER TO INDIRECT EXPENSES	(1,478,500)	(1,700,410)	(221,910)	15%	(1,141,736)	(664,232)
	TOTAL DIRECT EXPENSES		-	-	-		-	**(0)**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	1,422,045	1,431,352	9,307	1%	1,419,189	706,221
	51299	BENEFITS EXPENSE	421,171	420,348	(823)	0%	426,935	191,725
	51955	CAPITAL LABOR & OVERHEAD	(75,000)	(75,000)	-	0%	(75,555)	(66,920)
	51900	OTHER INDIRECT EXPENSE	306,724	322,652	15,927	5%	348,046	142,727
	TOTAL INDIRECT EXPENSES:		**2,074,941**	**2,099,352**	**24,411**	**1%**	**2,118,614**	**973,754**
	TOTAL ALL EXPENSES:		**2,074,941**	**2,099,352**	**24,411**	**1%**	**2,118,614**	**973,754**
	NET INCOME (LOSS):		**(2,074,941)**	**(2,099,352)**	**(24,411)**	**1%**	**(2,118,614)**	**(973,754)**

Washington State Bar Association
Budget Comparison

VOLUNTEER ENGAGEMENT

Cost Center **FY26 FTE** **1.70**
VE **FY25 REFORECAST FTE** **1.20**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	TOTAL REVENUE		-	-	-		-	-
DIRECT EXPENSES:								
	50060	POSTAGE	600	600	-	0%	571	468
	50110	STAFF CONFERENCE & TRAINING	5,200	4,500	(700)	-13%	1,749	-
	50120	STAFF MEMBERSHIP DUES	450	385	(65)	-14%	300	300
	50130	SUBSCRIPTIONS	816	816	-	0%	815	358
	52520	ABA DELEGATES	16,000	18,000	2,000	13%	18,649	5,360
	52521	VOLUNTEER RECOGNITION	2,000	2,000	-	0%	-	-
	57450	REGULATORY SCHOOL	12,000	10,000	(2,000)	-17%	-	7,767
	TOTAL DIRECT EXPENSES		**37,066**	**36,301**	**(765)**	**-2%**	**22,084**	**14,253**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	127,293	149,220	21,927	17%	60,598	63,112
	51299	BENEFITS EXPENSE	43,900	51,057	7,157	16%	20,940	23,051
	51900	OTHER INDIRECT EXPENSE	37,063	45,709	8,646	23%	16,242	20,315
	TOTAL INDIRECT EXPENSES:		**208,256**	**245,986**	**37,730**	**18%**	**97,781**	**106,477**
	TOTAL ALL EXPENSES:		**245,322**	**282,287**	**36,965**	**15%**	**119,864**	**120,731**
	NET INCOME (LOSS):		**(245,322)**	**(282,287)**	**(36,965)**	**15%**	**(119,864)**	**(120,731)**

Attachment B

Washington State Bar Association
Budget Comparison

CLE - PRODUCTS

Cost Center **FY26 FTE** **1.29**
CLEP **FY25 REFORECAST FTE** **1.29**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	41000	SHIPPING & HANDLING	210	210	-	0%	99	90
	43200	COURSEBOOK SALES	3,500	3,500	-	0%	1,060	650
	43400	DIGITAL VIDEO SALES	845,000	875,000	30,000	4%	1,030,455	581,918
	TOTAL REVENUE		**848,710**	**878,710**	**30,000**	**4%**	**1,031,614**	**582,658**
DIRECT EXPENSES:								
	50120	STAFF MEMBERSHIP DUES	300	300	-	0%	-	-
	52240	DISABILITY ACCOMMODATIONS	2,000	2,000	-	0%	584	-
	53220	COST OF SALES - COURSEBOOKS	300	300	-	0%	69	48
	53260	OBSOLETE INVENTORY	-	-	-		2,806	-
	53255	CLE-EQUIP-DEPRECIATION	2,012	-	(2,012)	-100%	2,040	1,020
	53285	ONLINE PRODUCT HOSTING EXPENSES	54,000	54,000	-	0%	49,000	22,078
	53330	POSTAGE & DELIVRY-COURSEBOOKS	200	200	-	0%	43	53
	TOTAL DIRECT EXPENSES		**58,812**	**56,800**	**(2,012)**	**-3%**	**54,542**	**23,199**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	102,132	99,556	(2,576)	-3%	96,650	51,603
	51299	BENEFITS EXPENSE	36,973	36,468	(505)	-1%	44,297	17,979
	51900	OTHER INDIRECT EXPENSE	32,973	34,685	1,712	5%	32,170	15,236
	51936	FACILITY RESERVE REBATE	-	-	-		(2,248)	-
	TOTAL INDIRECT EXPENSES:		**172,078**	**170,709**	**(1,369)**	**-1%**	**170,869**	**84,818**
TOTAL ALL EXPENSES:			**230,890**	**227,509**	**(3,381)**	**-1%**	**225,411**	**108,016**
NET INCOME (LOSS):			**617,820**	**651,201**	**33,381**	**5%**	**806,202**	**474,642**

Washington State Bar Association
Budget Comparison

CLE - SEMINARS

Cost Center **CLES**

FY26 FTE 6.66
FY25 REFORECAST FTE 6.71

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	41800	SEMINAR REGISTRATIONS	725,000	730,535	5,535	1%	651,706	238,459
	41825	SEMINAR REVENUE-OTHER	20,000	32,500	12,500	63%	51,802	800
	41850	SEMINAR SPLITS W/ CLE	(150,000)	(150,000)	-	0%	(135,134)	-
	TOTAL REVENUE		**595,000**	**613,035**	**18,035**	**3%**	**568,375**	**239,259**
DIRECT EXPENSES:								
	50050	EQUIPMENT, HARDWARE & SOFTWARE	-	-	-		2,596	-
	50100	STAFF TRAVEL/PARKING	15,000	16,500	1,500	10%	14,718	234
	50110	STAFF CONFERENCE & TRAINING	5,900	3,700	(2,200)	-37%	2,092	-
	50120	STAFF MEMBERSHIP DUES	1,200	1,200	-	0%	1,091	-
	50130	SUBSCRIPTIONS	-	1,300	1,300		-	-
	50140	SUPPLIES	500	1,000	500	100%	379	-
	52240	DISABILITY ACCOMMODATIONS	5,000	5,000	-	0%	3,219	-
	53610	COURSEBOOK PRODUCTION	500	150	(350)	-70%	18	-
	53640	ACCREDITATION FEES	3,000	2,500	(500)	-17%	1,822	2,064
	53690	FACILITIES	165,000	175,000	10,000	6%	173,104	23,671
	53700	SPEAKERS & PROGRAM DEVELOP	48,000	45,700	(2,300)	-5%	36,399	766
	53730	HONORARIUM	3,000	3,000	-	0%	-	-
	53740	CLE SEMINAR COMMITTEE	200	200	-	0%	-	-
	TOTAL DIRECT EXPENSES		**247,300**	**255,250**	**7,950**	**3%**	**235,438**	**26,736**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	528,792	514,912	(13,880)	-3%	487,488	258,826
	51299	BENEFITS EXPENSE	191,718	188,369	(3,350)	-2%	178,180	91,901
	51900	OTHER INDIRECT EXPENSE	171,510	179,072	7,562	4%	165,230	79,682
	51936	FACILITY RESERVE REBATE	-	-			(11,500)	-
	TOTAL INDIRECT EXPENSES:		**892,020**	**882,352**	**(9,668)**	**-1%**	**819,399**	**430,409**
	TOTAL ALL EXPENSES:		**1,139,320**	**1,137,602**	**(1,718)**	**0%**	**1,054,836**	**457,145**
	NET INCOME (LOSS):		**(544,320)**	**(524,567)**	**19,753**	**-4%**	**(486,461)**	**(217,886)**

DESKBOOKS

Cost Center **FY26 FTE** **1.75**
DESK **FY25 REFORECAST FTE** **1.75**

Washington State Bar Association
Budget Comparison

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	43100	DESKBOOK SALES	30,000	5,120	(24,880)	-83%	18,240	3,899
	43450	SECTION PUBLICATION SALES	1,000	-	(1,000)	-100%	630	-
	43455	LEXIS/NEXIS ROYALTIES	75,000	75,000	-	0%	69,907	20,716
	43525	CASEMAKER ROYALTIES	25,000	25,000	-	0%	37,575	8,212
	TOTAL REVENUE		**131,000**	**105,120**	**(25,880)**	**-20%**	**126,352**	**32,827**
DIRECT EXPENSES:								
	50110	STAFF CONFERENCE & TRAINING	-	2,200	2,200		-	-
	50120	STAFF MEMBERSHIP DUES	250	330	80	32%	248	-
	50130	SUBSCRIPTIONS	50	50	-	0%	43	-
	53210	COST OF SALES - DESKBOOKS	5,000	2,800	(2,200)	-44%	5,154	450
	53225	COST OF SALES - SECTION PUBLIC	500	-	(500)	-100%	429	-
	53260	OBSOLETE INVENTORY	48,250	118,700	70,450	146%	4,122	-
	53265	SPLITS TO SECTIONS	300	-	(300)	-100%	185	-
	53270	DESKBOOK ROYALTIES	300	-	(300)	-100%	305	-
	53320	POSTAGE & DELIVRY-COURSEBOOKS	300	300	-	0%	-	-
	TOTAL DIRECT EXPENSES		**54,950**	**124,380**	**69,430**	**126%**	**10,486**	**450**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	178,087	145,047	(33,041)	-19%	159,210	110,590
	51299	BENEFITS EXPENSE	56,847	51,120	(5,727)	-10%	51,270	28,376
	51900	OTHER INDIRECT EXPENSE	44,731	47,053	2,323	5%	44,086	20,840
	TOTAL INDIRECT EXPENSES:		**279,665**	**243,220**	**(36,445)**	**-13%**	**254,566**	**159,806**
TOTAL ALL EXPENSES:			**334,615**	**367,600**	**32,985**	**10%**	**265,052**	**160,256**
NET INCOME (LOSS):			**(203,615)**	**(262,480)**	**(58,865)**	**29%**	**(138,699)**	**(127,429)**

Attachment C

Washington State Bar Association
Budget Comparison

CLIENT PROTECTION FUND

Cost Center	**FY26 FTE**	**1.23**
CPF	**FY25 REFORECAST FTE**	**1.23**

			FY2025 Reforecast	FY2026 Budget	FY25 vs. FY26 Comparison	% Change	FY2024 Actuals YTD	FY2025 Actuals YTD
REVENUE:								
	40500	INTEREST - INVESTMENTS	200,000	200,000	-	0%	268,185	107,679
	44820	CPF RESTITUTION	10,000	10,000	-	0%	27,839	17,361
	44840	CPF MEMBER ASSESSMENTS	720,540	735,480	14,940	2%	548,235	697,335
	TOTAL REVENUE		**930,540**	**945,480**	**14,940**	**2%**	**844,259**	**822,375**
DIRECT EXPENSES:								
	50020	BANK FEES	2,500	500	(2,000)	-80%	(3,210)	(2,523)
	50110	STAFF CONFERENCE & TRAINING	1,700	4,400	2,700	159%	-	-
	50120	STAFF MEMBERSHIP DUES	200	200	-	0%	200	-
	54810	GIFTS TO INJURED CLIENTS	500,000	500,000	-	0%	418,710	(145,180)
	54820	CPF BOARD	2,000	2,000	-	0%	887	144
	TOTAL DIRECT EXPENSES		**506,400**	**507,100**	**700**	**0%**	**416,587**	**(147,559)**
INDIRECT EXPENSES:								
	51199	SALARY EXPENSE	115,160	117,501	2,340	2%	110,405	58,369
	51299	BENEFITS EXPENSE	38,272	38,514	243	1%	40,214	18,699
	51900	OTHER INDIRECT EXPENSE	31,439	33,072	1,633	5%	31,099	14,535
	51936	FACILITY RESERVE REBATE	-	-			(1,773)	-
	TOTAL INDIRECT EXPENSES:		**184,871**	**189,087**	**4,215**	**2%**	**179,946**	**91,604**
	TOTAL ALL EXPENSES:		**691,271**	**696,187**	**4,915**	**1%**	**596,532**	**(55,955)**
	NET INCOME (LOSS):		**239,269**	**249,293**	**10,025**	**4%**	**247,727**	**878,330**

Attachment D

2026 WSBA BUDGET WORKSHEET
CAPITAL BUDGET

	COST CENTER	UNIT COST	QTY	AMOUNT	USEFUL LIFE (YRS)	ESTIMATED IN SERVICE DATE	ANNUAL DEPRECIATION EXPENSE	BUDGET FY 2026
Capital Labor (WSBA Developer Resources)								
Law Clerk Database Phase II	CLERK	30,000	1	30,000	3	Apr-26	10,000	5,000
MCLE System upgrade	MCLE	45,000	1	45,000	5	Apr-26	9,000	4,500
Total		**75,000**		**75,000**			**10,000**	**5,000**
Capital Hardware (General Indirects):								
Hardware replacements	INDIRECT	60,000	1	60,000	3	Jan-26	20,000	15,000
Copier	INDIRECT	25,000	1	25,000	3	Jan-26	5,000	5,000
Total				**85,000**			**25,000**	**20,000**
Equipment (General Indirects)								
Mail machine or refridgerator replacement	INDIRECT	10,000	1	10,000	10	Jan-26	1,042	1,042
Total				**10,000**			**1,042**	**1,042**
GRAND TOTAL				**170,000**			**36,042**	**26,042**

Attachment E

WSBA BUDGET GLOSSARY

Accrual Basis: The basis of accounting whereby revenues are recognized when earned and measurable regardless of when collected; and expenses are recorded when incurred.

Capital Asset: Washington State Bar Association (WSBA) fiscal policies identify this as an item that costs over $2,500 and has a useful life of over 1 year. Capital assets are depreciated over their identified useful life.

Capital Budget: The capital budget forecasts capital asset purchases and capital labor hours anticipated in the coming fiscal year. It reflects the total cash outlay for the organization to purchase or develop assets that are depreciated over the life of the asset. This is reflected in the annual budget as depreciation expense. The Board of Governors reviews and approves the final capital budget, with the entire WSBA budget, at its last meeting of the fiscal year (September).

Capital Labor: Work performed by WSBA employees to develop internally used software systems. Employee hours spent developing software is considered a capital asset and the cost of the labor is depreciated over the useful life of the asset.

Cash Basis: The basis for accounting whereby revenues are recorded only when received and expenses are recorded only when paid, without regard to the period in which they were earned or incurred.

Cost Center: A unit within WSBA that reflects a program or resource. WSBA's financial activities are reported by cost center, meaning both revenue and expenses are included under the financial report for each identified cost center. WSBA has a total of 72 cost centers (29 of which are individual Sections). For a description of WSBA's cost centers, see the FY25 Budget, which includes narrative descriptions on pages 6 through 16.

Department: A division within WSBA that outlines a specific area of activity. WSBA has 9 departments: Advancement, Finance, Human Resources, Information Technology, Office of Disciplinary Counsel, Office of the Executive Director, Office of General Counsel, and Regulatory Services.

Depreciation: The portion of the cost of a capital asset representing the value used over time, due in part to wear and tear, deterioration, and obsolescence, which is reflected as an expense during a particular period. Depreciation is calculated based on the cost of the capital asset divided by its estimated useful life. WSBA calculates depreciation monthly.

Expenses:

Direct: Expenses that are directly related to the support of a specific program or function of the WSBA. Examples include committee expenses or venue costs for putting on an event.

Indirect: Expenses that benefit the whole organization and are considered the basic cost of doing business. Examples include salaries, benefits, payroll taxes, rent, telephone, insurance, legal advice, auditing services, computer equipment, etc. There are numerous ways to allocate common expenses; however, the method chosen must be meaningful, reasonable, accurate, and consistently applied. Generally speaking, WSBA allocates costs based on the staff that are assigned to perform work within each cost center. The allocation of staff time to a cost center can range anywhere from 1-100% and many employees are allocated across multiple cost centers.

Fiscal Year: A 12-month accounting period that may not coincide with the calendar year. The WSBA's fiscal year is from October 1st to September 30th.

FTE: Full-time Equivalent position term is used to describe staffing positions. One FTE is based on 2,080 work hours in a 12-month year. WSBA has employees ranging from 0.5 FTE to 1.0 FTE.

Fund Accounting: An accounting method that is used to track the amount of money allocated to various operations at an organization. WSBA's fiscal policies outline four distinct funds:

General Fund: Houses the majority of WSBA's operations and is funded primarily by license fees. The General Fund comprises of 39 cost centers and the majority of WSBA's FTEs. WSBA's General Fund Reserves are used to support this fund (see "Reserves").

Client Protection Fund: In 1995, the Washington State Supreme Court and the WSBA created the Client Protection Fund (CPF). The purpose of this restricted fund is to relieve or mitigate a loss sustained by any person due to the dishonesty of, or failure to account for money or property entrusted to, any member of the WSBA in connection with the member's practice of law, or while acting as a fiduciary in a matter related to the member's practice of law. The CPF fund receives a mandatory annual assessment from each active lawyer, LLLT, and pro hac vice member of the WSBA. This fund reflects the financial activity for the CPF (1 cost center) and is supported by the CPF reserve fund.

Continuing Legal Education Fund: The fund includes financial activity for 3 cost centers: CLE Products, CLE Seminars, and Deskbooks, and the fund is supported by the CLE Reserve Fund.

Sections Funds: The total difference between revenues, and direct and indirect expenses, for all Sections each year are designated as Section funds. Separate ledgers are maintained for each Section, making up the total for the Section funds.

Fund Balance: The fund balances, or net assets, of the WSBA are the difference between assets and liabilities. Fund balances are either unrestricted or restricted. The Board of Governors may designate, and has designated, portions of the WSBA's unrestricted fund balance for specific purposes. During the annual budgeting process, the Budget & Audit Committee reviews all fund balances, determine if funds allocated to the various reserves should be adjusted while taking into account the goals and purposes of each fund, and make any recommendations for adjustments to the Board of Governors.

Membership Year: WSBA members are licensed on an annual basis, which is a calendar year beginning January 1st through December 31st.

Per-Member Charge: An amount charged for each Section membership to reimburse WSBA for the cost of administering Sections, which includes salaries, benefits, payroll taxes, overhead, and direct expenses. The Section Per-Member Charge (PMC) is calculated as part of the WSBA annual budget process and is based on the first draft of the fiscal year budget.

Net Income: Funds remaining after subtracting expenses from revenue. These funds are then added to the corresponding reserve fund as they are accumulated.

Net Loss: Funds needed after subtracting expenses from revenue. These funds are subtracted from the corresponding reserve fund as they are used.

Reserves: Funds set aside and/or accumulated over time from excess net income to support an identified or unanticipated future funding need. The WSBA Board of Governors creates and designates reserve funds, which can be unrestricted or restricted. All funds except one (Client Protection Fund) are unrestricted.

General Fund Reserves:

Operating- established to cover unanticipated expenses in the event of an emergency.

Facilities- established to support future facilities needs such as an office move or refurbishment of existing office space or preparation for the purchase of operational real estate.

Special Projects & Innovation- established to provide funding for the development of new and innovative programs, projects or products that support and advance the mission of the WSBA.

License Fee Stability- established to assist with stabilization of license fees over time. The fund may be used to offset revenue shortages during a budget cycle in lieu of raising license fees.

Unrestricted- This is the cumulative balance of net assets from General Fund operations not otherwise restricted or designated to any other fund.

Continuing Legal Education Reserve: This reserve serves as an operating reserve in the event WSBA CLE suffers an unanticipated financial loss. The CLE reserve is funded by the annual operating income of the Deskbooks, CLE Seminars, and Products operations. Reserves may be used to cover any net loss, extraordinary costs, or technology upgrades.

Client Protection Fund Reserves: This reserve serves as an operating reserve for the CPF fund. Annual net income or losses for the fund accumulated from year-to-year results in the CPF restricted fund balance.

Sections Funds Reserves: An operating reserve fund for the WSBA sections, consisting of the cumulative balance of net assets/reserves of all sections.

Useful Life: The estimated amount of time an asset will remain in service and provide financial value.

WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors

From: Tiffany Lynch, Director of Finance
Terra Nevitt, Executive Director

Subject: License Fee Policy

Date: May 30, 2025

ACTION: Approve the WSBA License Fee Policy**.**

BACKGROUND:
In November 2024, the Budget and Audit Committee was tasked with developing a draft license fee philosophy/policy, with the goal of creating a consistent approach by which fees would increase in alignment with an annual measure such as the cost-of-living adjustment (COLA) while also incorporating flexibility to adjust the fee based on availability of reserves. A preliminary draft philosophy was presented at the Board of Governors (BOG) Budget Retreat in March 2025 and the Board of Governors reviewed a formal first draft at their meeting May 2, 2025 meeting where suggestions and feedback were provided. Additionally, the Committee has continued to monitor feedback received via direct email submission from members to inform the final draft of the policy. A deadline for feedback was set for May 26; information is available for your review in BOX CLICK HERE.

The Committee met on May 19, 2025 and made changes summarized below. Changes are reflected in attachments A and B.

- Under section B.a. Philosophy regarding growth of the license fee, replaced the use of the word "increase" with "adjust".
- Change the document type from a philosophy to a policy.

ADDITIONAL CONSIDERATIONS
Approval of this policy establishes an annual schedule for setting license fees. Historically, fees were approved in different cycles, including one, two, or three-year cycles. The policy also incorporates using the annual Washington State Department of Labor & Industries COLA rate, usually released in September, into the fee calculation. Currently, the Board of Governors sets fees in September for a membership year two years in advance. (For example, the Board of Governors set the 2026 license fees in November 2024.) With this policy, approvals will shift from September to the November or January meetings, which continues to allow enough time for Supreme Court review.

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The fiscal impact is integral to the development of the policy; hence, no separate analysis has been provided.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into proposed action items presented to the Board of Governors. Applying an equity lens includes:

1. identifying and centering people and communities most impacted decisions and/or
2. meeting people and communities according to their specific needs to produce fair and equal outcomes for all.

The people who may be most impacted are the legal professionals licensed by WSBA. The stated goal of the policy is to create a consistent approach to setting license fees that is based on market data tied to the cost of doing business while keeping flexibility to adjust based on availability of reserves. This approach to consistency promotes fairness and considers both the financial health of the Bar and individual finances of legal professionals. The flexibility provided in the policy along with the policies on license fee exemptions (e.g., exemption based on financial need) allows for consideration of the impact on legal professionals who have limited means to pay fees.

In terms of outreach to impacted legal professionals about this proposed policy, the Board of Governors worked with staff to communicate with legal professionals the details of the Bar's finances and budgeting (e.g., Bar News' 3-part Graphically Speaking series, communication talking points for localized outreach by Governors) and solicit input since November 2024. Based on our review, there do not appear to be concerns about inequitable outcomes.

ATTACHMENTS:

Final License Fee Policy Redline (Attachment A)
Final License Fee Policy Clean (Attachment B)

WASHINGTON STATE BAR ASSOCIATION

FINAL~~SECOND~~ DRAFT –License Fee Policy~~hilosophy~~

Adopted: Month D, YYYY.

A. Purpose

To create a consistent approach to setting license fees by which fees increase in alignment with an annual market measure (based on an industry benchmark defined in section D) that more closely ties to actual increases in the cost of doing business, while also incorporating flexibility to adjust the fee based on availability of reserves.

B. Policy~~hilosophy~~

a. *Policy~~hilosophy~~ regarding growth of the license fee*

In order to maintain existing programing and services, it is anticipated that license fees will be adjusted~~increase~~ annually to account for increasing costs, including facilities, salaries and benefits, and direct costs. Adjustments~~Increases~~ will vary based on membership trends and the changes to the industry benchmark defined in section D. From that basepoint assumption, the license fee may need to be adjusted up or down to account for shifts in programming and the availability of reserves. Because license fees are set before all organizational needs are identified, WSBA should maintain reserves sufficient to seed desired shifts in programming, which will require adjustments to ~~increased~~ license fees to maintain.

b. *Policy~~hilosophy~~ regarding use of license fees*

License fees are collected primarily to cover the cost of regulation, as well as programs mandated by the Supreme Court. At the discretion of the Board of Governors, license fees are also used to support programing, services, and the development of tools to serve other aspects of the mission, including supporting legal professionals to better serve the public and other purposes as articulated in GR12.

WSBA shall determine the criteria for evaluating all programs and services to determine resource allocation. Examples of criteria for evaluating member benefits could include: (1) how many members the activity can potentially benefit, (2) how closely the benefit is tied to or furthers a strategic goal, (3) how popular the benefit is, and (4) cost per member to fully or partially subsidize.

C. Process for developing a proposed license fee

Step 1: An effective license fee increase will be developed based on membership trends and apply the industry benchmark (defined in section D). This is considered the status quo effective license fee.

Step 2: Identify desired program shifts and their impact on the effective license fee.

Step 3: The effective license fee can be adjusted up or down based on the level of required reserves, as well as the level of reserves available. This is considered the status quo actual license fee change.

D. Industry Benchmark

Inflation reflects the average change in the price of goods and services over time. WSBA will use the Cost-of-Living Adjustment (COLA) for Washington State L&I as the industry benchmark for calculating the effective license fee. The rate is established annually and will be used to developing a license fee recommendation in alignment with WSBA's annual budget and license fee approval process.

WASHINGTON STATE BAR ASSOCIATION

FINAL DRAFT –License Fee Policy

Adopted: Month D, YYYY.

A. Purpose

To create a consistent approach to setting license fees by which fees increase in alignment with an annual market measure (based on an industry benchmark defined in section D) that more closely ties to actual increases in the cost of doing business, while also incorporating flexibility to adjust the fee based on availability of reserves.

B. Policy

a. ***Policy regarding growth of the license fee***

In order to maintain existing programing and services, it is anticipated that license fees will be adjusted annually to account for increasing costs, including facilities, salaries and benefits, and direct costs. Adjustments will vary based on membership trends and the changes to the industry benchmark defined in section D. From that basepoint assumption, the license fee may need to be adjusted up or down to account for shifts in programming and the availability of reserves. Because license fees are set before all organizational needs are identified, WSBA should maintain reserves sufficient to seed desired shifts in programming, which will require adjustments to license fees to maintain.

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WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Date: June 9, 2025

Re: Facility Reserve and Subcommittee Charter Recommendations

ACTION: Approve the recommendations for amendments to the WSBA Facilities Advisory Subcommittee charter and allocation of funds to the Facilities Reserve summarized below.

BACKGROUND:
The Facilities Advisory Subcommittee has the responsibility of advising the Budget and Audit Committee regarding WSBA's facility needs. This includes identifying key facilities decisions over a ten-year period, reviewing market conditions for their impact on strategy, and making recommendations for changes in the Facilities Reserve to meet target balances that support WSBA's facilities strategy. The Subcommittee is required to update the Budget and Audit Committee biannually on all matters related to facilities. At their June 6, 2025 meeting, the Subcommittee unanimously voted in favor of presenting the recommendations outlined in this memo to the Budget and Audit Committee at their meeting on June 9, 2025. The Committee reviewed and unanimously approved the recommendations to be brought forward to the Board of Governors.

RECOMMENDATIONS:
Facilities Advisory Subcommittee Charter (WSBA Fiscal Policy)
During the annual charter review, the Subcommittee identified an opportunity to evaluate the most recent lease renewal process. The proposed amendments to the charter outline decision-making timelines for WSBA office space (refer to *attachment A* for the red-lined version and *attachment B* for the clean version). These amendments aim to ensure that WSBA has adequate time to implement the facilities strategy approved by the Board of Governors.

Facilities Reserve
The Subcommittee has been monitoring current market activity and considering plans for WSBA's office space at the end of its current lease in 2035. It was advised by our brokers from JLL (who are non-voting members of the Subcommittee) that WSBA would need approximately $1.5 million in reserves to move to another location, based on a calculation of $50/square foot x 27,000 square feet (rough approximation of WSBA's current office space) plus inflation. The Subcommittee agreed that reserving funds over a longer period is preferred and believes that it is manageable for WSBA to set aside $150,000 each year over the next 10 years to provide funding for the next office space. The Subcommittee will continue to review the estimate annually and recommend adjustments as necessary.

For FY25, the Budget and Audit Committee is recommending that the Board of Governors approve a reallocation of $150,000 from Unrestricted Reserves to the Facilities Reserve Fund. (See attachment C for reserve fund history).

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

Regarding the proposed amendments to the Facilities Advisory Subcommittee charter, setting decision-making timelines for the Facilities Advisory Subcommittee charter allows WSBA to better plan and save for future facility needs. Without proper planning time, WSBA might need to quickly allocate a significant amount of funds, requiring reallocation from reserves or adjustments in annual net income via reduced expenses or increased revenue.

Regarding the proposed reallocation of Unrestricted Reserve funds to the Facilities Reserve, this designation will reduce the availability of funds for other purposes. These purposes may include offsetting annual budgeted operational net losses or providing funding for special projects and innovation.

Approval of the proposed amendments and reallocation of funds will require staff time to be used to incorporate changes to relevant records. The staff time that would be allocated to this work is included in the overall duties of existing WSBA staff and would not require additional staff or allocation of resources from other internal sources.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into the recommended policy or bylaw changes presented to the Board of Governors and to identify any potential impacts on the diversity and inclusion of the profession or fairness in access to resources and opportunities. The proposed amendments to the WSBA Facilities Advisory Subcommittee charter and allocation of funds to the Facilities Reserve are unlikely to have an impact, positive or negative, on diversity, equity and inclusion.

ATTACHMENTS:

A- Facilities Subcommittee Charter- Red-line
B- Facilities Subcommittee Charter- Clean
C- Facilities Reserve History

Budget and Audit Facilities Advisory Subcommittee Charter Proposed Changes June 2025

Purpose

The purpose of the Facilities Advisory Subcommittee is to advise the Budget and Audit Committee on issues related to the WSBA's facility needs (i.e., lease or ownership of real estate to meet WSBA operational needs). The Subcommittee shall seek to examine how efficiently WSBA facilities are being used, how much revenue is being generated through the use of buildings and equipment, track the condition of assets and suggest adequate funds to be earmarked for replacement or repair so as to avoid unexpected expenses for which funds may not be readily at hand from current revenue. The Facilities Advisory Committee is an advisory sub-committee only and has no decision-making authority.

Composition

The voting members of the Facilities Advisory Subcommittee and associated terms are as follows:

- Treasurer (chair/1-yearterm);
- Executive Director (permanent member);
- Director of Finance (employee liaison/permanent member);
- Two members of the Budget and Audit Committee (1-year term)

The Facilities and Advisory Subcommittee shall endeavor to seek guidance and counsel from experts in the area of Real Estate when considering key matters as defined by the Chair. These areas of expertise include but are not limited to:

- No fewer than three representatives from the real estate industry with experience in one or more of the following (2 year terms):
    - Real estate law (i.e., real estate attorney)
    - Commercial real estate brokerage,
    - Commercial real estate appraisal
    - Commercial construction management
    - Architecture and/ or space planning
    - Commercial real estate lending

Conflict of Interest

No voting member of the Facilities Advisory Committee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any matter that is within the scope of the Subcommittee's activities, so as to avoid any conflict of interest. No former voting member of the Facilities Advisory Subcommittee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any specific transaction or proposed transaction that was considered by the Committee while that person was a voting member.

All voting members of the Facility Advisory Subcommittee will be bound by the Board of Governors Conflict of Interest policy as amended.

Appointment Process

The Treasurer, Executive Director, and Director of Finance shall serve as *ex officio* members. The members of the sub-committee shall be appointed from current members of the Budget and Audit Committee by the Treasurer. The representatives from the real estate industry shall be appointed by the President (the terms shall be staggered so that each President appoints at least one member during his/her term).

Activities

WSBA Facilities Strategy

1. Define and periodically review the facilities needs of the WSBA.
2. Identify key facilities decisions to be taken over a 10-year period and relevant market factors.
3. Review current and future estimated real estate market conditions and analyze how these conditions may affect the WSBA's decisions in connection with the ownership and/or lease of real estate.
4. Review proposed options and provide recommendations for dealing with end-of-lease and other transition issues, such as, for example, whether to renew the existing lease or look for new space and considerations relating to relocation of WSBA offices and other functions.
5. Develop recommendations and facilitate the Board of Governor's decision-making process based on the following timelines:
   A. For recommendations to purchase real estate, a decision will need to be made no later than five years in advance of the existing lease end date.
   B. For recommendations to lease space, a decision will need to be made no later than three years in advance of the existing lease end date.
4.
5.6. Twice a year the advisory committee will update the Budget and Audit committee with any matters related to facilities.

WSBA Facilities Reserve Fund

1. Periodically review the balance in the Facilities Reserve Fund and analyze whether such balance is prudent and adequate in relation to identified needs and decisions, current market conditions, future market projections, time remaining until the end of current lease, etc.
2. Make recommendations as to target Facilities Reserve Fund balances at future points in time and suggest strategies and/or funding policies for meeting those targeted balances.

Quorum

A quorum shall consist of a majority of the voting members.

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Budget and Audit Facilities Advisory Subcommittee Charter Draft Proposed Changes June 2025

Purpose

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Composition

The voting members of the Facilities Advisory Subcommittee and associated terms are as follows:

- Treasurer (chair/1-year term);
- Executive Director (permanent member);
- Director of Finance (employee liaison/permanent member);
- Two members of the Budget and Audit Committee (1-year term)

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    - Commercial real estate appraisal
    - Commercial construction management
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The Treasurer, Executive Director, and Director of Finance shall serve as *ex officio* members. The members of the sub-committee shall be appointed from current members of the Budget and Audit Committee by the Treasurer. The representatives from the real estate industry shall be appointed by the President (the terms shall be staggered so that each President appoints at least one member during his/her term).

Activities

WSBA Facilities Strategy

1. Define and periodically review the facilities needs of the WSBA.
2. Identify key facilities decisions to be taken over a 10-year period and relevant market factors.
3. Review current and future estimated real estate market conditions and analyze how these conditions may affect the WSBA's decisions in connection with the ownership and/or lease of real estate.
4. Review proposed options and provide recommendations for dealing with end-of-lease and other transition issues, such as, for example, whether to renew the existing lease or look for new space and considerations relating to relocation of WSBA offices and other functions.
5. Develop recommendations and facilitate the Board of Governor's decision-making process based on the following timelines:
    A. For recommendations to purchase real estate, a decision will need to be made no later than five years in advance of the existing lease end date.
    B. For recommendations to lease space, a decision will need to be made no later than three years in advance of the existing lease end date.
6. Twice a year the advisory committee will update the Budget and Audit committee with any matters related to facilities.

WSBA Facilities Reserve Fund

1. Periodically review the balance in the Facilities Reserve Fund and analyze whether such balance is prudent and adequate in relation to identified needs and decisions, current market conditions, future market projections, time remaining until the end of current lease, etc.
2. Make recommendations as to target Facilities Reserve Fund balances at future points in time and suggest strategies and/or funding policies for meeting those targeted balances.

Quorum

A quorum shall consist of a majority of the voting members.

RESERVE HISTORY

- Facilities Advisory Subcommittee has historically been active during years leading up to a lease expiration.
- Facilities Reserve balance from 2006 to 2025:

2006	1,802,599
2007	1,445,000
2008	2,500,000
2009	2,500,000
2010	2,710,000
2011	3,340,000
2012	3,340,000
2013	3,340,000
2014	3,340,000
2015	3,286,096

Original Lease commencement

Build up of reserve fund in preparation for lease expiration in 2016

2016	2,114,427
2017	200,000
2018	450,000
2019	550,000
2020	550,000
2021	1,050,000
2022	1,000,000
2023	2,700,000
2024	207,286
2025	-

Build up of reserve fund in preparation for lease expiration in 2026

Lease renewal

WASHINGTON STATE
BAR ASSOCIATION

TO: Board of Governors

FROM: Terra Nevitt, Executive Director

Paris Eriksen, Manager of Volunteer Engagement

DATE: June 17, 2025

RE: WSBA Treasurer Nomination & Voting Process

ACTION: Elect a current member of the WSBA Board of Governors to serve as the 2025-2026 Treasurer, for a one-year term starting at the conclusion of the Board meeting on September 26-27, 2025.

Nomination Process:

Current members of the Board of Governors have two options to indicate interest in being nominated for Treasurer, 1) submit a cover letter and resume in advance of the July meeting or 2) nominate from the floor of the July meeting. To date, two Board members have submitted materials for consideration. All current Governors will have the opportunity to self-nominate or nominate another member to serve as the 2025-2026 Treasurer. After all nominees have been identified, the Board will have the opportunity for questions and discussion.

Voting Process:

After discussion, Board members will be asked to indicate their choice through secret ballot. Proxy voting is not permitted. All votes will be secret and made available only to the President, Executive Director and General Counsel. President Anjilvel will announce the results of the election. The voting process will continue if needed until a winner is identified. If there is only one nominee for the position of Treasurer, there will be a public vote for the single nominee.

Relevant WSBA Bylaw:

D. ELECTIONS BY BOARD OF GOVERNORS

2. Treasurer

The Treasurer must be a current lawyer Governor and will be nominated and elected by the BOG at the second to the last regularly scheduled BOG meeting of the fiscal year. The Treasurer will be elected by simple majority of Governors voting. In the event there is more than one more nomination, the vote will be by secret written ballot.

Attachments:
Governor Nam Nguyen, application materials
Governor Alain Villeneuve, application materials

Nam D Nguyen

1110 Capitol Way South, Suite 220, Olympia, WA 98501
Phone: (206) 377 – 9583 ♦nam.wsba@gmail.com

June 9, 2025

Dear Fellow Governors:

I am applying to serve as Treasurer for the Washington State Bar Association (WSBA) to continue the current responsible management of WSBA resources. I will do so by ensuring that each Governor has a forum to voice their opinion on the direction of the budget. I also have the experience to serve as Treasurer, having served on the Budget and Audit Committee (B&A) for the last three years, on both the investment and building subcommittees, and as the treasurer for two other non-profit organizations.

In my first year on the Board of Governors, I served on the B&A's building committee, which had the responsibility of addressing whether to renew the lease for WSBA Headquarters or to purchase a new building. The committee made this decision through a systematic process before deciding to renew the lease with a lower footprint. For me, the most important part was that the process included gathering input and hearing the opinions of staff, consultants, all the Governors, and the WSBA membership. After serving on the Budget subcommittee, I joined the investment subcommittee to provide input on the WSBA's investments.

Aside from the WSBA, I am the treasurer of both the Judicial Institute and the Family Support Center of South Sound. The Family Support Center of South Sound is the largest non-profit organization serving the homeless population in Thurston County.

Through these experiences, I have learned that the role of treasurer for an organization is to ensure that the organization's financial policies are sound and to address any irregularities in the financial records. Most importantly, the treasurer informs the board about the organization's financial records and budget and provides a forum for the board to make financial and budgetary decisions for the organization. If elected, I would emphasize having a forum that ensures that every Governor has a say on the budget and financial direction of the WSBA.

I would be honored to serve as the WSBA Treasurer, and I have the abilities and experience to do so.

Thank you for your consideration,

Nam

PETRASEK
LAW

June 14, 2025

WSBA Board of Governors
Attn: Paris Eriksen
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101-2539

Re: Nam Nguyen's Candidacy for Treasurer

Dear WSBA Board of Governors:

I am writing this letter in support of Nam Nguyen's application to be WSBA Treasurer for FY26. From working and serving on the WSBA Budget & Audit Committee for the past three years with Nam, I know he is very well qualified to serve in this role.

Nam is the candidate with the most experience handling finances and serving in a treasurer role. In addition to serving on the Budget & Audit committee and its subcommittees, he has also served as treasurer for both the Judicial Institute and the largest housing/homeless non-profit in the Puget Sound area, located in Olympia. Over the past three years, Nam has regularly attended the Budget & Audit meetings and subcommittee meetings. During the meetings, he is actively engaged and asks important and relevant questions, and provides important feedback. It is evident that he has a good understanding of the WSBA budget.

Furthermore, the Treasurer chairs the Budget & Audit Committee. Nam has experience in chairing committees. He has served as chair or co-chair of both the Personnel and Diversity Council; he knows how to lead.

In summary, I believe that Nam Nguyen is an excellent candidate to be our next WSBA Treasurer for FY26. I believe he will be fiscally prudent and serve in this position superbly. Please feel free to contact me with any questions.

Very truly yours,

Kari Petrasek

Kari M. Petrasek

Kari M. Petrasek, Attorney at Law
11700 Mukilteo Speedway, Suite 201-1006, Mukilteo, WA 98275 • 425.361.7699 • kari@petraseklaw.com

Alain Villeneuve
[redacted] | 312.404.1569 | [redacted]
www.linkedin.com/in/alain-villeneuve-62ab10

Letter of Interest: Treasurer 2025-2026

Dear Wonderful Governors, President Elect, President, and Past President:

I am happy to offer my name if the WSBA is still looking for a Treasurer for the year 2025-2026. I am a Governor, member of the Budget and Audit Committee and find the team there absolutely wonderful both on the member-side and the WSBA staff. I know the current treasurer is moving as President Elect, so this would truly be a continuation of a fantastic effort. Please find enclosed a copy of my 2024 resume. In addition to being a retired scientist by trade, I would like to offer the following bits of information missing from the resume as it already stands at 3 pages:

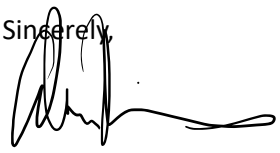
1) I was Treasurer of the University of Illinois Law School in 2001 and 2002. It was quite an honor to help manage this interface for two years. While the budget was rather limited, we had direct involvement and advocacy from the student groups, and that was quite an interesting time.

2) To help illustrate my skills at financial matters, I have attached a copy of a patent issued in 2021 I wrote and prosecuted to issuance. It describes a new trading system for biddable municipal bonds (See www.claritybid.com). While not a CPA, I hold a deep understanding in options, contracts, futures, bonds, and also financial statements.

3) I am now Director of a UK Subsidiary and as such, I have just signed foreign tax returns and financial statements for the years 2021, 2022, and 2023 for a legal entity.

I understand the economy is unpredictable and investment strategies of the WSBA are complex. It would be my honor to help serve in this role and provide the Board transparency as to these complex matters.

Sincerely,



Alain Villeneuve

Alain Villeneuve

[redacted] | 312.404.1569 | [redacted]

www.linkedin.com/in/alain-villeneuve-62ab10

GENERAL COUNSEL

General Counsel with unique experience as first chair litigator in wide range of matters, certified prosecuting patent attorney & teacher, dual citizen with firsthand global experience as a British solicitor and director and manager of foreign subsidiaries. Administrative agency and regulatory experience, HR supervisor and global workforce management. Serving 3-year term on governor board of bar of Washington State.

EXPERIENCE

TRX®, Delray Beach, Florida (Seattle Office) **2022 - 2024**

Senior Vice-President, General Counsel

Head of Legal, IP Enforcement & HR Departments.

- Implement and manage online IP shield for brand & patent enforcement (1500 takedown / month).
- Litigate brand & patent enforcement in District Courts to infringement verdict (average 2 cases per year).
- Director of U.S. and foreign subsidiaries (UK, NL, JP) and draft key corporate documents.
- Provide legal advice to CEO, executive team and Board on wide range of legal matters.
- Oversee regulatory compliance as to FDA, IRS, GSA, and other admirative agencies.
- Optimize international IP portfolio in 50+ countries.
- Implement licensing programs, content protection, broadcast and copyright licenses globally.
- Global enforcement of IP on behalf of 50+ foreign distributors.
- Manage capital raise and option program for owners and directors.
- Renew and optimize global insurance package.

Duane Morris LLC, Chicago, Illinois

- Equity Partner **2018 - 2021**

Vedder Price, P.C., Chicago, Illinois

- Equity Partner **2012 - 2017**
- Patent Attorney / Associate **2006 - 2016**

Intellectual Property Prosecution & Litigation.

- Draft, prosecute and file 100+ patents in the USA & Appeal Process at PTAB and TTAB
- Foreign designations using the PCT (Patent), Madrid (Trademark), LA Hague (Design) or local expert.
- Copyright protection of images, text and of online databases using group filings.
- Conduct IP due diligence for numerous MMA deals, draft licenses and assignments
- Cease & Desist defense and offense / Participation in 25+ lawsuits
- of Appeal management at PTAB, TTAB Within one month of hire, identified and remedied SharePoint search issue that was preventing 3,000+ medical resources from appearing in results.
- Defined, implemented, and maintained usability standards by applying a broad understanding of current and emerging web communication strategies, technologies, and best practices.

Swanson Martin & Bell, Chicago, Illinois

- Associate **2003 - 2006**

Insurance Defense / Varied Litigation.

- Insurance Defense of clients via Motion practice, Court hearings, Depositions, Discovery leading to trial support in Personal Injury, Asbestos, Product Liability, and Trade Dress cases in State Courts.

EDUCATION

McGill University / HEC Montreal - Executive MBA (2010-2011, 50% Completed)
Montreal, Canada

University of Illinois, College of Law – Juris Doctor, Cum Laude (2000-2003)
Urbana – Champaign, Illinois

Polytechnique of Montreal, Mechanical & Aerospace Engineering (1987-1991)
Montreal, Canada

CERTIFICATIONS

U.S. Patent Attorney (Reg. No. 62,338)
U.S. State Supreme Courts: Washington (active) & Illinois (non-active)
U.K. Law Society: British Solicitor (non-practicing)
U.S. Courts of Appeal: Federal Circuit, 7th & 9th Circuits
Pro-Se Admittance: Florida, California, Wisconsin, New Jersey, Arizona, etc.

ENGINEERGING EXPERIENCE

Site Manager, Sogedec Italia (1998-2000)
Ispra, Italy : Build liquid radioactive waste processing plant for dismantlement of early research reactor at Center of Research (CCR Italia) under AIEA oversight.

Project Manager, Transnucleaire (1996-1999)
Paris, France: Design and Build Nuclear Transport Casks

Application Engineer, Thompson-CSF (1992-1995)
Marseille, France: Varied NATO & Nuclear and military projects

PRO BONO INVOLVEMENT

Governor, Washington State Bar Association, District 7S (Mandate 2024-2027)

Adjunct Teacher, Chicago-Kent College of Law, International IP Law (2017-2018)

PERSONAL

Dual U.S. and Canadian Citizen
Proud LGBTQ Community Member
Author “The Attractor” Books 1-3 of 6 (Amazon.com® - Sci-Fi)
Endurance Athlete
Proficient in English & French, Speaks basic Italian

Alain Villeneuve
[redacted] | 312.404.1569 | [redacted]
www.linkedin.com/in/alain-villeneuve-62ab10

LEGAL PUBLICATIONS

2022: The Trademark Lawyer: Is the Supreme Court Ready to Destroy the Artworld (Copyright)
2021: The Trademark Lawyer Magazine: The Battle of Condiments (Trademark)
2021: Duane Morris Newsletter: New Streaming Copyright Rules (Copyright)
2021: Duane Morris Newsletter: New Ex Parte Reexamination and Expungement at USPTO (Trademark)
2021: Duane Morris Blog: New Small Claims Copyright Court (Copyright)
2020: International Trademark Magazine: The New Gold Rush to the Trademark Office (Trademark)
2019: Law360: 2 High Court Decisions Highlight Copyright Act Complexities (Copyright)
2018: IPLaw360: Double Damages Awarded to TRX (Patent Litigation)
2018: IP Watchdog: Reinstatement of TRX's '814 Patent (Patent Litigation)
2017: Vedder Pride Newsletter: The Slant Wins in Matal v. Tam (Trademark)
2017: Vedder Price Newsletter: Big Win for TRX In Patent and Trademark Infringement Case (Patent)
2017: Vedder Price Newsletter: Takeaway from VHT v. Zillow on Website Owners (Copyright)
2017: Chicago Sun Times: Joe Perillo Wins in Hotel Chicago Lawsuit (Trademark)
2016: Vedder Price Newsletter: President Signs Defend Trade Secret Act (Trade Secret)
2015: Vedder Price Newsletter: B&B Hardware v. Hargis (Trademark)
2014: Law360: The Shadow of the Billion Dollar Copyright Award (Copyright)
2012: AIPLA: New Generic Top-Level Domains Present Both Opportunities and Threats (Domain)
2011: Vedder Price Newsletter: The Pitfalls of Using Open Source Code (Copyright)
2011: Bloomberg Law Reports: Pitfalls of Migration to the Madrid System (Trademark)

SAMPLE FIRST-CHAIR LITIGATIONS (District Courts)

2024: JFXD TRX ACQ LLC v. Qing Dao…, 24-cv-00564 (Wash. W. D., 2024), Design Patent
2024: JFXD TRX ACQ LLC v. East River JW Inc., 24-cv-00594 (Wash. W.D., 2024), Color Trademark
2023: JFXD TRX ACQ LLC v. Torque Fitness, LLC, 23-cv-00523 (Dist. Minn., 2023), Patent and Trademark
2023: JFXD TRX ACQ LLC v. CrankIt International Pty Ltd., 23-cv-00298 (W.D. Wa, 2023), Utility Patent
2023: JFXD TRX ACQ LLC v. The Partnerships, 23-cv-00620 (N.D. Ill., 2023), Design Patent
2023: JFXD TRX ACQ LLC v. trx.com et al., 23-cv-02330 (D. Ari., 2023), Cyberpiracy
2022: Engineer.ai Corporation v. Appy Pie LLC et al., 22-cv-05376 (C.D. Cal., 2022), Unfair Trade
2021: Fitness Anywhere LLC v. Ultimate Body Press, Inc. et al., 19-cv-06290 (N.D. Ill. 2019), Patent
2021: NOSSK, Inc. v. Fitness Anywhere LLC, 21-cv-08914 (N.D. Cal., 2021), Patent
2021: Art Akiane LLC v. St. Jude Shop, Inc. 21-cv-03523 (E.D. Penn., 2021), Copyright
2020: Art Akiane LLC v. Mardel, Inc. et al., 20-cv-05643 (N.D. Ill., 2020), Copyright
2020: Pinpoint Solutions SRL v. Fitness Anywhere LLC, 20-cv-61864 (S.F., 2020), Patent
2017: Lawson Products, Inc. v. Midwest Motor Supply Co., 17-cv-01250 (N.D. Ill., 2017), Unfair Trade
2016: LHO Chicago River, LLC v. Perillo et al., 16-cv-06863 (N.D. Ill., 2026), Trademark
2014: Fitness Anywhere LLC v. Woss Enterprises LLC, 3:14-cv-01725 (N.D. Cal. 2014), Patent & Trademark

*See LinkedIn® Profile for updates on experiences, publications, licenses, certifications, honors and awards, and other relevant information.

US011080786B2

(12) **United States Patent**
Novembre

(10) **Patent No.: US 11,080,786 B2**
(45) **Date of Patent: *Aug. 3, 2021**

(54) **BIDDABLE FINANCIAL INSTRUMENT, ONLINE COMPETITIVE BIDDING PLATFORM FOR TRADING THEREOF AND ASSOCIATED SYSTEM AND METHOD OF TRADING THEREOF**

(71) Applicant: **Clarity Markets Holdings LLC**, New York, NY (US)

(72) Inventor: **Robert Novembre**, New York, NY (US)

(73) Assignee: **Arbor Research Holdings, LLC**, Barrington, IL (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **16/714,955**

(22) Filed: **Dec. 16, 2019**

(65) **Prior Publication Data**

US 2020/0118211 A1 Apr. 16, 2020

Related U.S. Application Data

(63) Continuation of application No. 13/902,496, filed on May 24, 2013, now Pat. No. 10,521,859.
(Continued)

(51) **Int. Cl.**
G06Q 40/04 (2012.01)
G06Q 40/06 (2012.01)

(52) **U.S. Cl.**
CPC ***G06Q 40/04*** (2013.01); ***G06Q 40/06*** (2013.01)

(58) **Field of Classification Search**
None
See application file for complete search history.

(56) **References Cited**

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(Continued)

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OTHER PUBLICATIONS

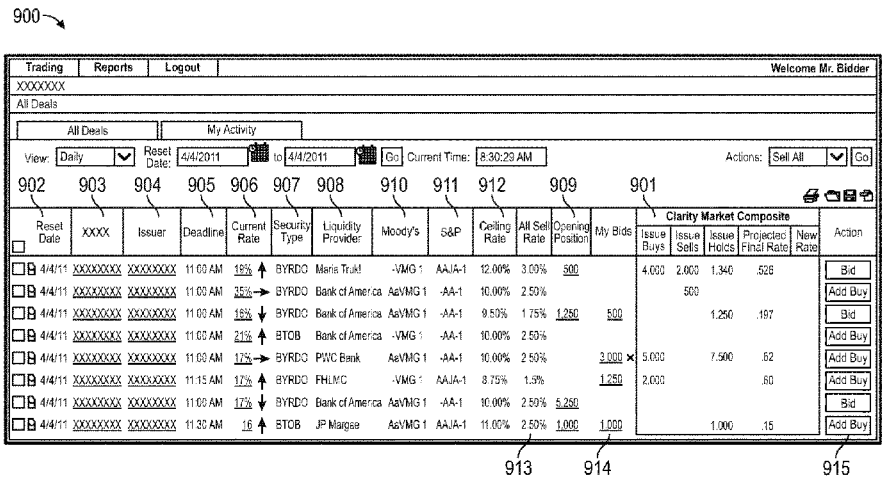
International Searching Authority, "International Search Report and Written Opinion of the International Searching Authority," issued in connection with International Application No. PCT/US2013/042727, dated Aug. 27, 2013, 10 pages/.

Primary Examiner — Christopher Bridges
(74) *Attorney, Agent, or Firm* — Duane Morris LLP

(57) **ABSTRACT**

The present invention relates to a new type of biddable financial instrument that can be traded on an online competitive bidding process and system and method of trading thereof specifically designed to accommodate the specific needs of these new biddable financial instruments associated primarily with the introduction in the instruments core of a contractual bidder or new properties like acceleration of term linked with trading on the competitive bidding software. The inventor contemplates the use of a large number of new biddable financial instruments, for example B-VRDOs, B-TOBs, and B-MLVRS s. The platform, system and method of trading associated thereto allows for easy portfolio management, Dutch trading, payment of interest, entry of good to cancel trade orders, priority management tools, acceleration of maturity, and offering on a secondary offering stage non-acquired positions held by the contractual bidder.

14 Claims, 11 Drawing Sheets



Related U.S. Application Data

(60) Provisional application No. 61/652,015, filed on May 25, 2012.

(56) **References Cited**

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2009/0192930	A1	7/2009	Breitenbach	
2010/0088250	A1 *	4/2010	Magnolia	G06Q 40/04 705/36 R
2011/0191230	A1	8/2011	Avery	

* cited by examiner

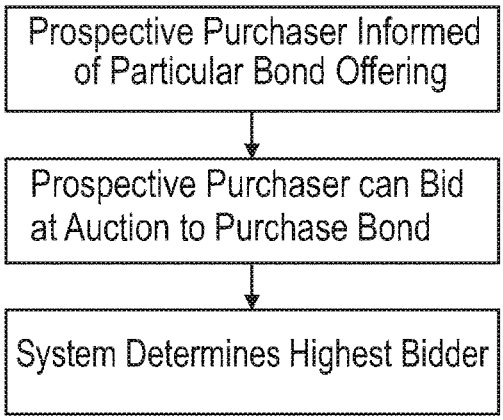

FIG. 1
(Prior Art)

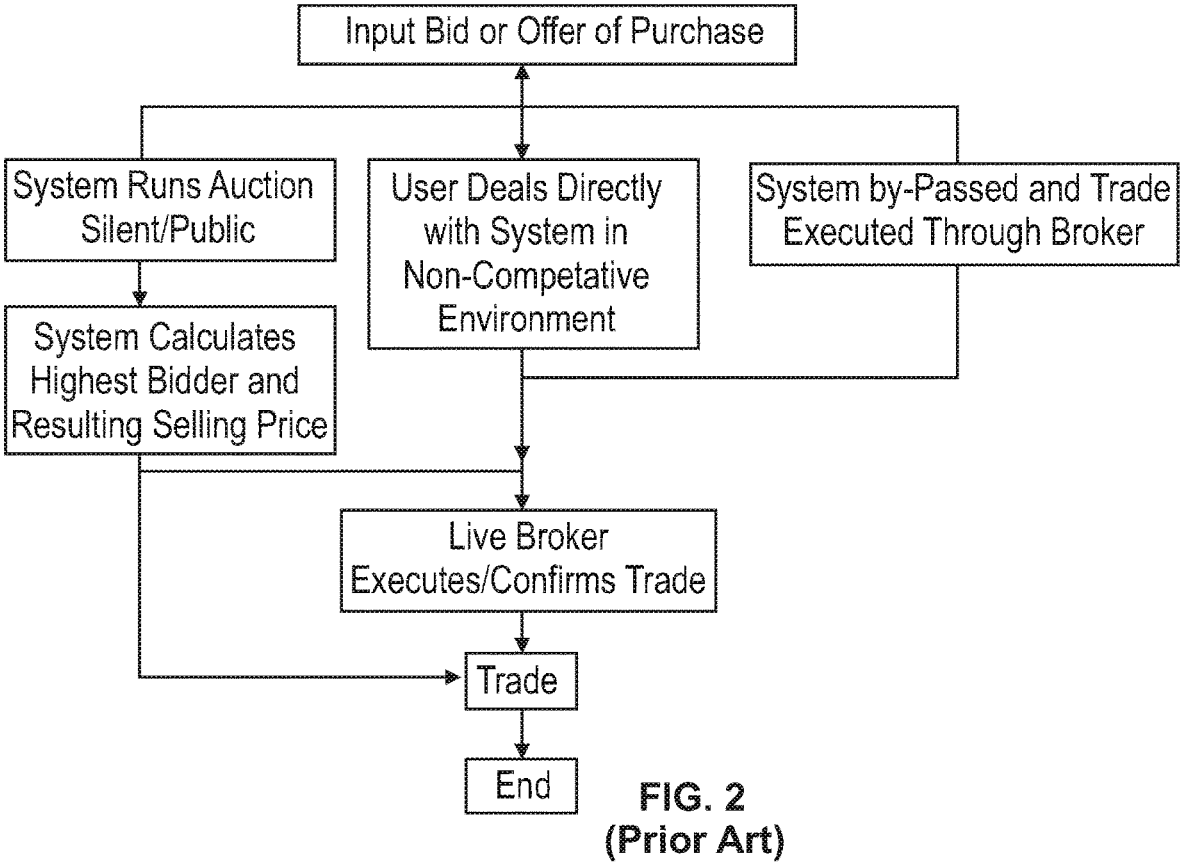

FIG. 2
(Prior Art)

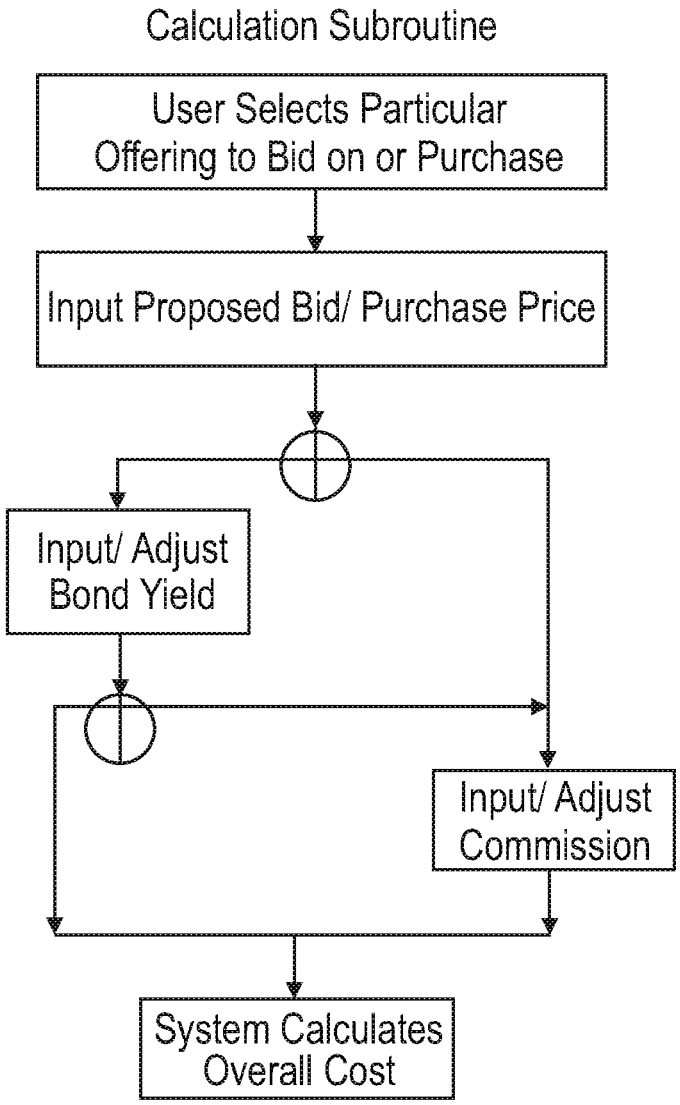

FIG. 3
(Prior Art)

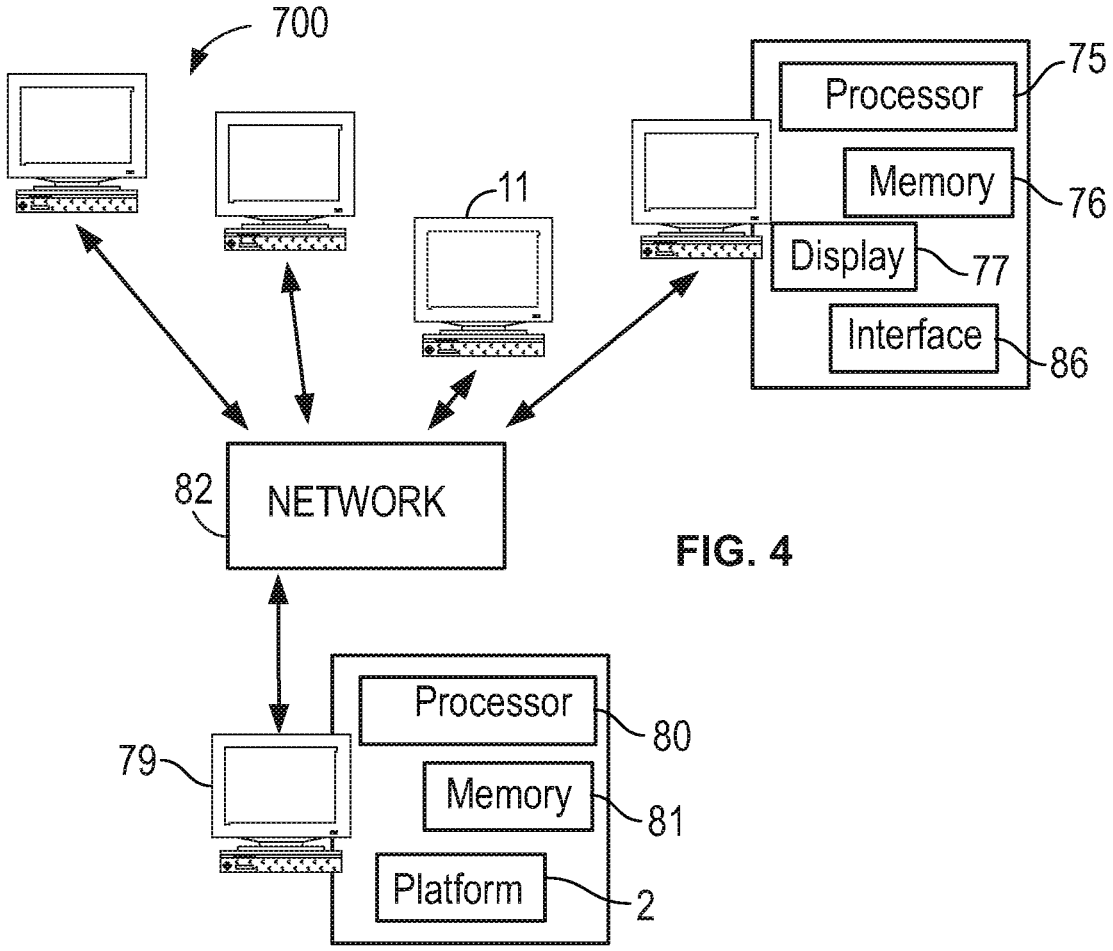
700
11
Processor
75
Memory
76
Display
77
Interface
86
82
NETWORK
Processor
80
79
Memory
81
Platform
2

FIG. 4

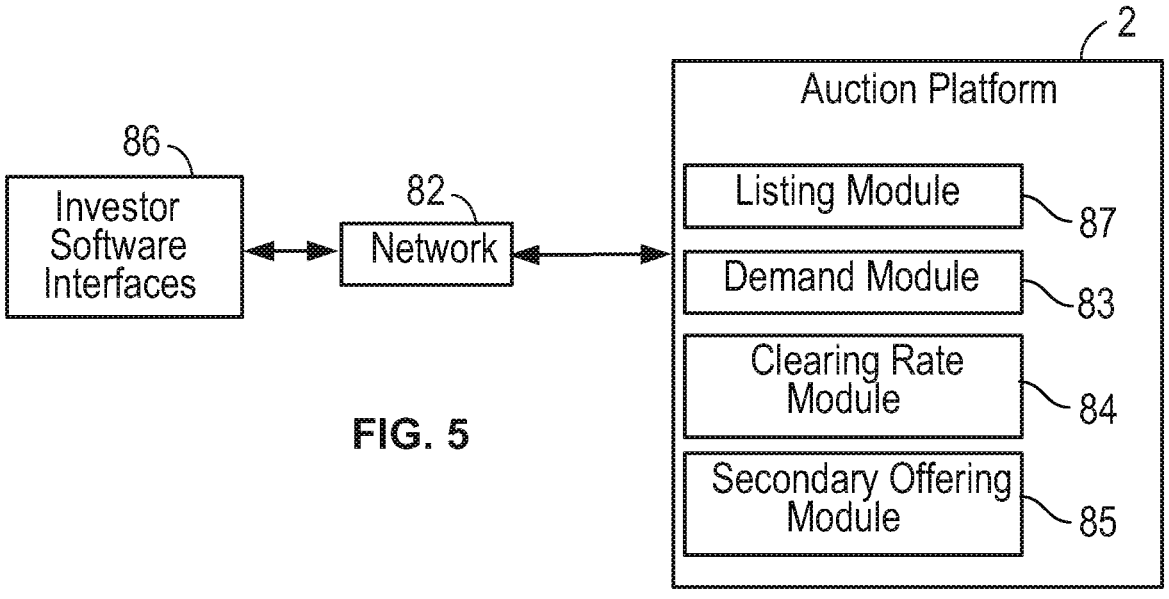
2
Auction Platform
86
Investor Software Interfaces
82
Network
Listing Module
87
Demand Module
83
Clearing Rate Module
84
Secondary Offering Module
85

FIG. 5

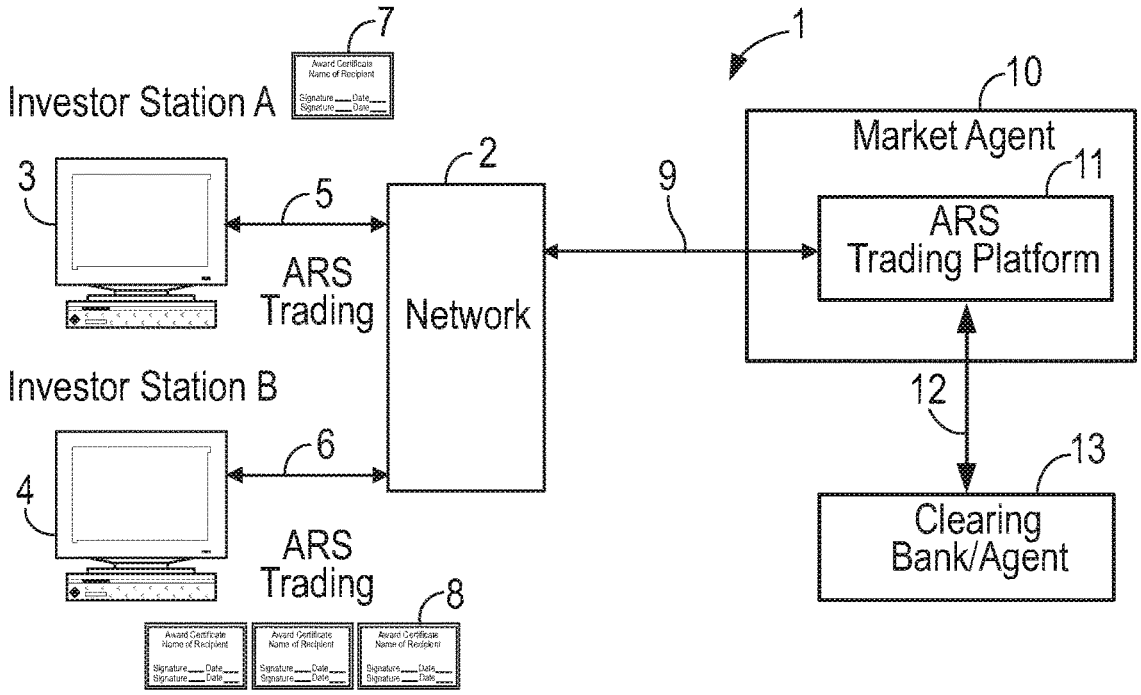

FIG. 6
(PRIOR ART)

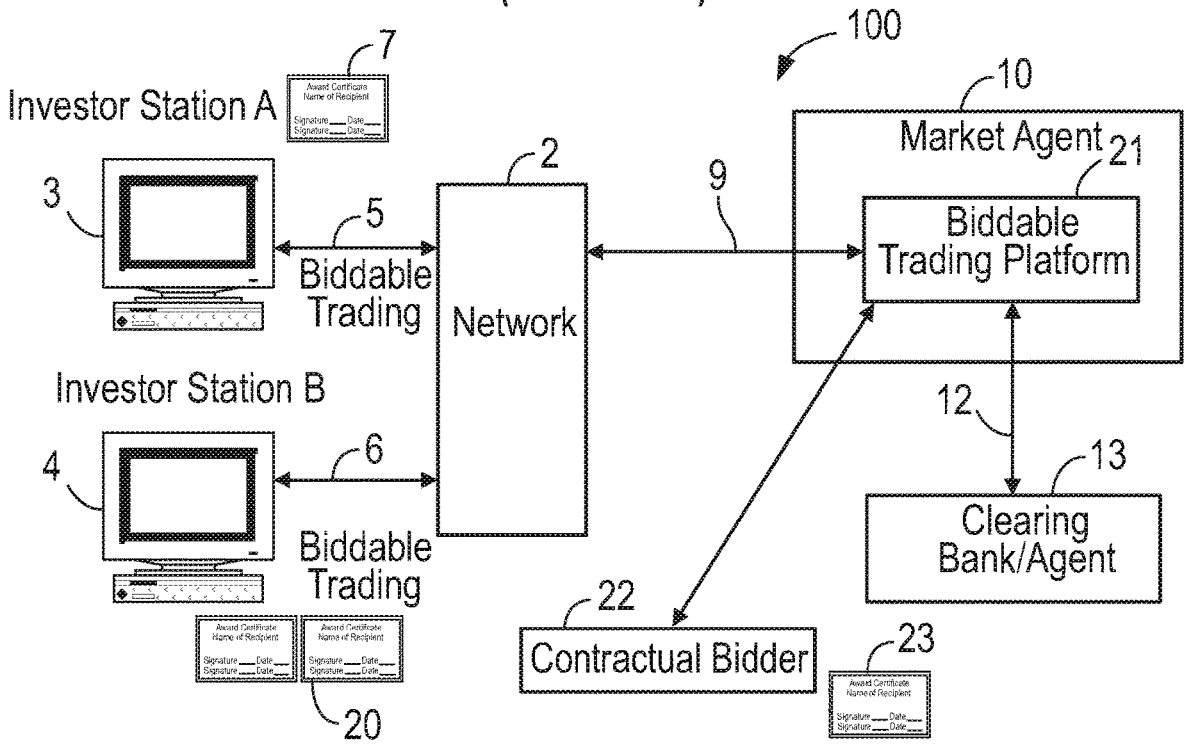

FIG. 7

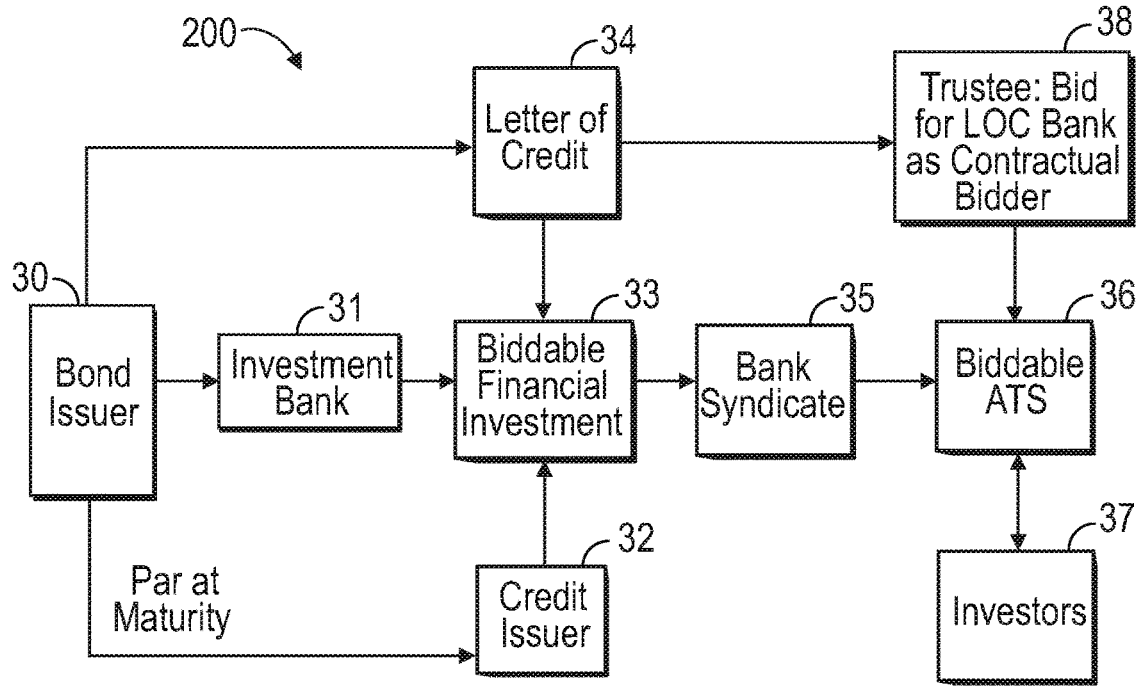
200
34
Letter of Credit
38
Trustee: Bid for LOC Bank as Contractual Bidder
30
Bond Issuer
31
Investment Bank
33
Biddable Financial Investment
35
Bank Syndicate
36
Biddable ATS
32
Credit Issuer
37
Investors
Par at Maturity

FIG. 8

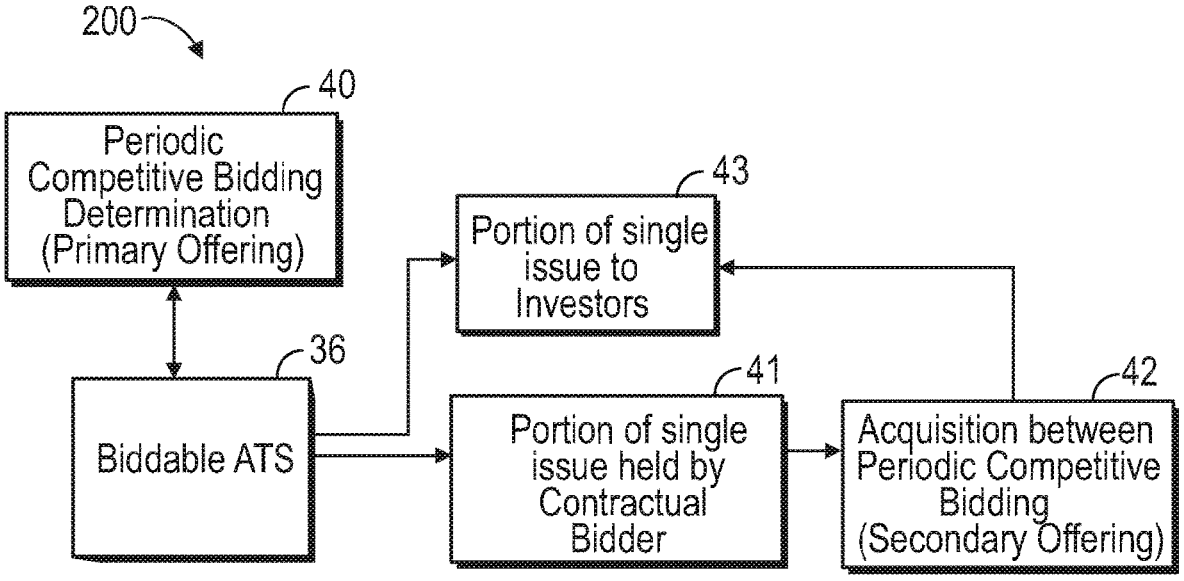
200
40
Periodic Competitive Bidding Determination (Primary Offering)
43
Portion of single issue to Investors
36
Biddable ATS
41
Portion of single issue held by Contractual Bidder
42
Acquisition between Periodic Competitive Bidding (Secondary Offering)

FIG. 9

Order Type	Order Amount ($mm)	Order Level	Result	Amount Sold ($mm)	Amount Bought ($mm)	Amount Rolled ($mm)	Cumulative Sold ($mm)	Cumulative Bought ($mm)	Cumulative Bought / Rolled ($mm)
Roll	30	1.150	Rolled	..	..	30	..	..	30
Roll	15	1.180	Rolled	..	..	15	..	..	45
Buy	15	1.230	Bought	..	15	..	..	15	60
Buy	10	1.250	Bought	..	10	..	..	25	70
Buy	12	1.280	Bought	..	12	..	..	37	82
Roll	26	**1.300**	Rolled	8	..	18	8	37	100
Buy	25	1.310	Rejected	..	..	..	8	37	100
Buy	25	**1.400**	Rejected	..	..	..	8	37	100
Sell	10		Sold	10	..	..	18	37	100
Sell	19		Sold	19	..	..	37	37	100
Contractual Bidder:									
Buy	100	**1.400**	Rejected	..	..	..	37	37	100

Clearing Market Bid Rate (Order partially filled)

Highest Market Bid Rate (Determines Contractual Bidder's Bid Rate)

FIG. 10

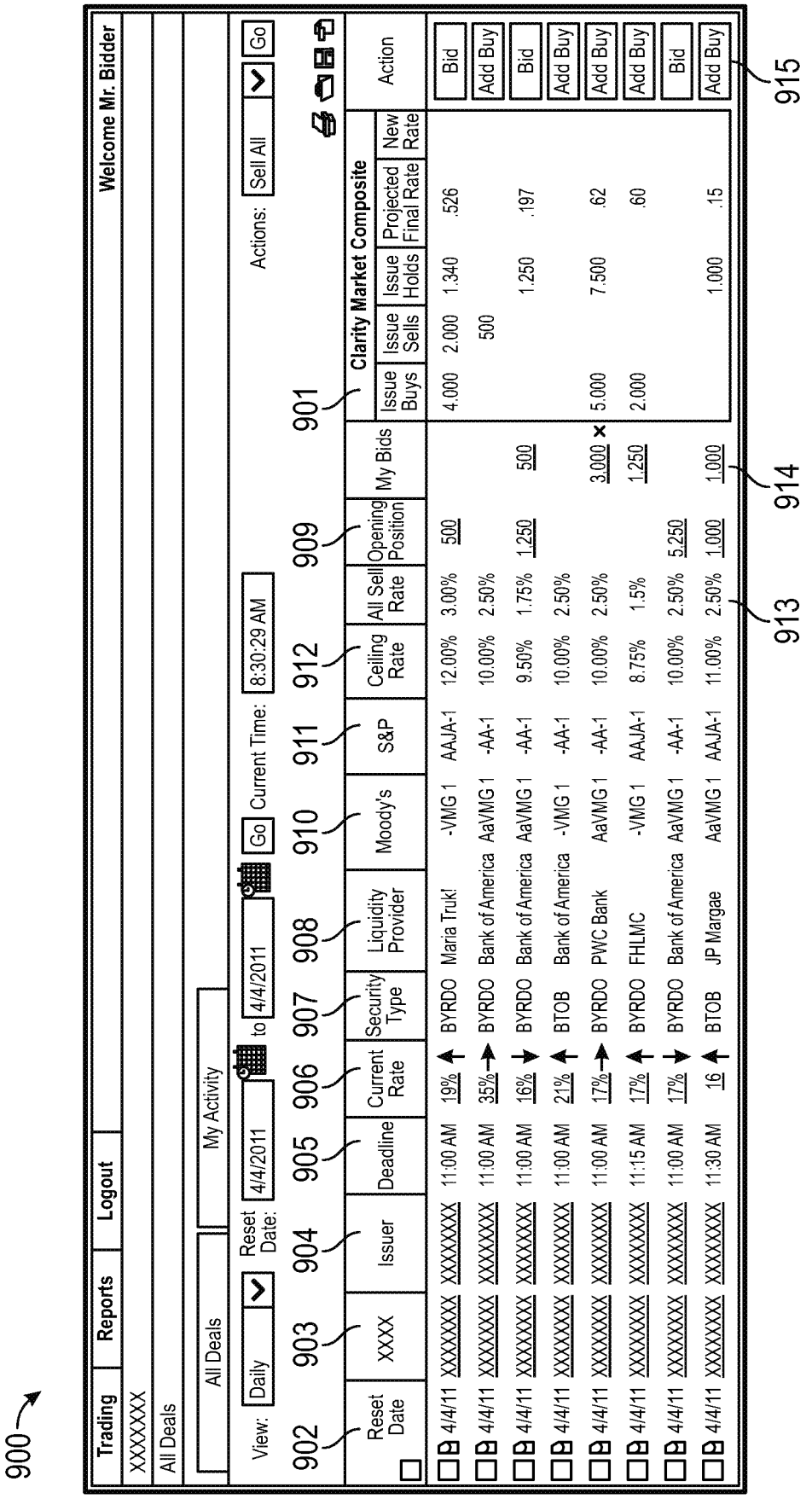
900
Trading
Reports
Logout
Welcome Mr. Bidder
XXXXXXX
All Deals
All Deals
My Activity
View: Daily
Reset Date: 4/4/2011
to 4/4/2011
Go
Current Time: 8:30:29 AM
Actions: Sell All
Go
902
903
904
905
906
907
908
910
911
912
909
901
Reset Date
XXXX
Issuer
Deadline
Current Rate
Security Type
Liquidity Provider
Moody's
S&P
Ceiling Rate
All Sell Rate
Opening Position
My Bids
Clarity Market Composite
Issue Buys
Issue Sells
Issue Holds
Projected Final Rate
New Rate
Action
4/4/11 XXXXXXX XXXXXXX 11:00 AM 19% BYRDO Maria Truk! -VMG 1 AAJA-1 12.00% 3.00% 500 4.000 2.000 1.340 .526 Bid
4/4/11 XXXXXXX XXXXXXX 11:00 AM 35% BYRDO Bank of America AaVMG 1 -AA-1 10.00% 2.50% 500 Add Buy
4/4/11 XXXXXXX XXXXXXX 11:00 AM 16% BYRDO Bank of America AaVMG 1 -AA-1 9.50% 1.75% 1,250 500 1.250 .197 Bid
4/4/11 XXXXXXX XXXXXXX 11:00 AM 21% BTOB Bank of America -VMG 1 -AA-1 10.00% 2.50% Add Buy
4/4/11 XXXXXXX XXXXXXX 11:00 AM 17% BYRDO PWC Bank AaVMG 1 -AA-1 10.00% 2.50% 3,000 × 5.000 7.500 .62 Add Buy
4/4/11 XXXXXXX XXXXXXX 11:15 AM 17% BYRDO FHLMC -VMG 1 AAJA-1 8.75% 1.5% 1,250 2.000 .60 Add Buy
4/4/11 XXXXXXX XXXXXXX 11:00 AM 17% BYRDO Bank of America AaVMG 1 -AA-1 10.00% 2.50% 5,250 Bid
4/4/11 XXXXXXX XXXXXXX 11:30 AM 16 BTOB JP Margae AaVMG 1 AAJA-1 11.00% 2.50% 1,000 1,000 1.000 .15 Add Buy
913
914
915

FIG. 11

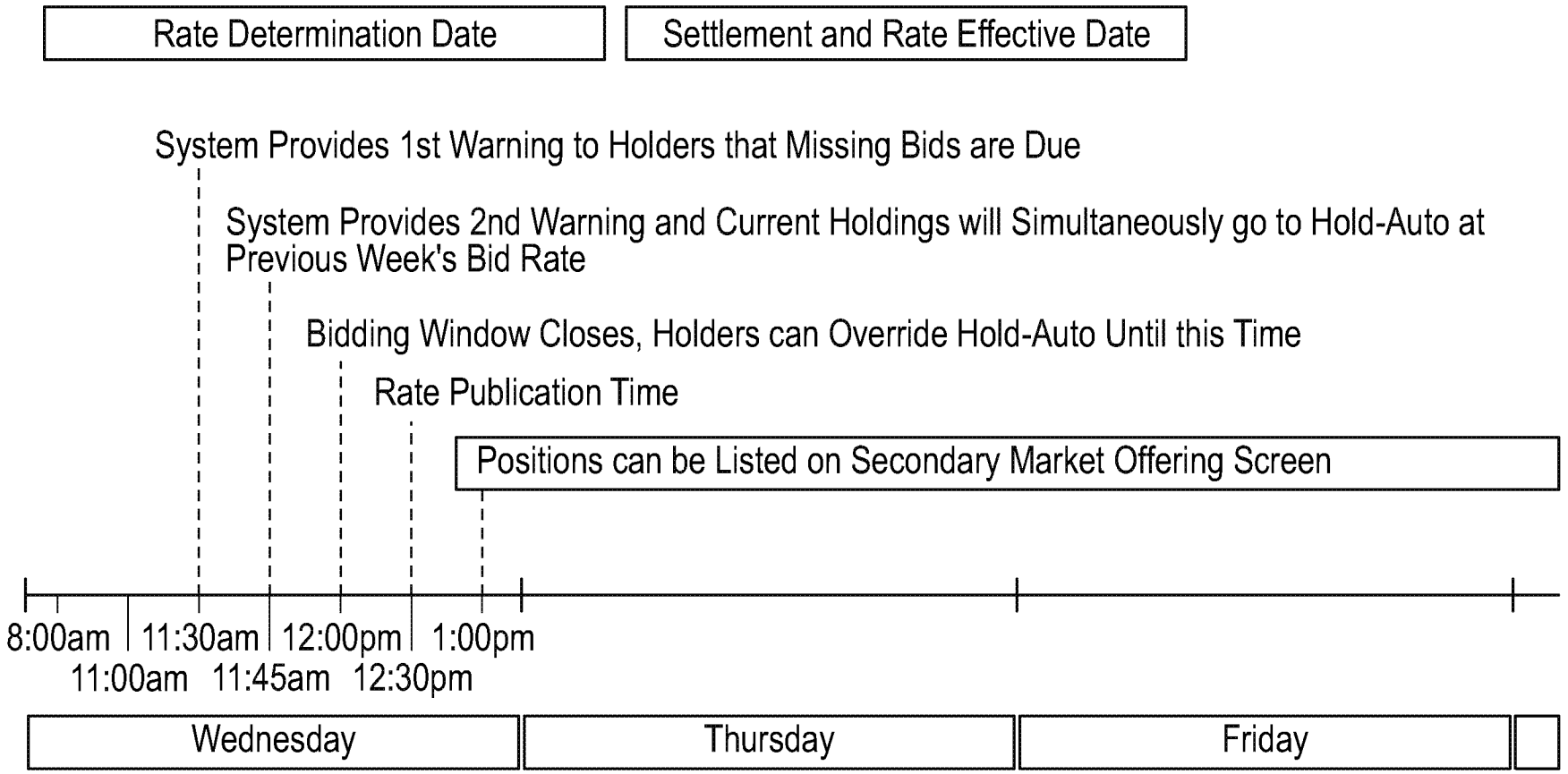
Rate Determination Date
Settlement and Rate Effective Date
System Provides 1st Warning to Holders that Missing Bids are Due
System Provides 2nd Warning and Current Holdings will Simultaneously go to Hold-Auto at Previous Week's Bid Rate
Bidding Window Closes, Holders can Override Hold-Auto Until this Time
Rate Publication Time
Positions can be Listed on Secondary Market Offering Screen
8:00am
11:00am
11:30am
11:45am
12:00pm
12:30pm
1:00pm
Wednesday
Thursday
Friday

FIG. 12

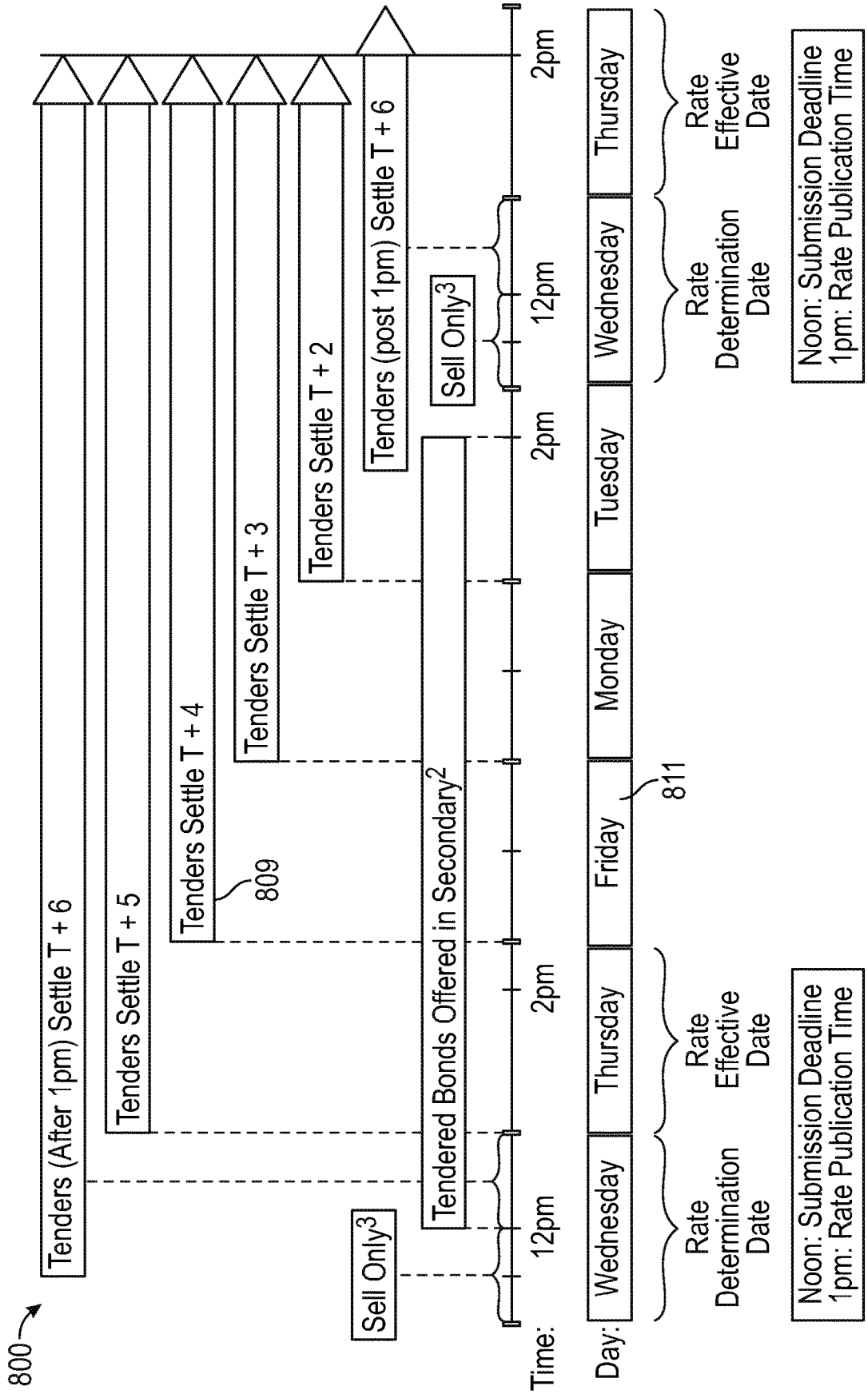
800
Tenders (After 1pm) Settle T + 6
Tenders Settle T + 5
Tenders Settle T + 4
809
Tenders Settle T + 3
Tenders Settle T + 2
Tenders (post 1pm) Settle T + 6
Sell Only3
Tendered Bonds Offered in Secondary2
Sell Only3
Time: 12pm 2pm 2pm 12pm 2pm
Day: Wednesday Thursday Friday 811 Monday Tuesday Wednesday Thursday
Rate Determination Date
Rate Effective Date
Rate Determination Date
Rate Effective Date
Noon: Submission Deadline
1pm: Rate Publication Time
Noon: Submission Deadline
1pm: Rate Publication Time

FIG. 13

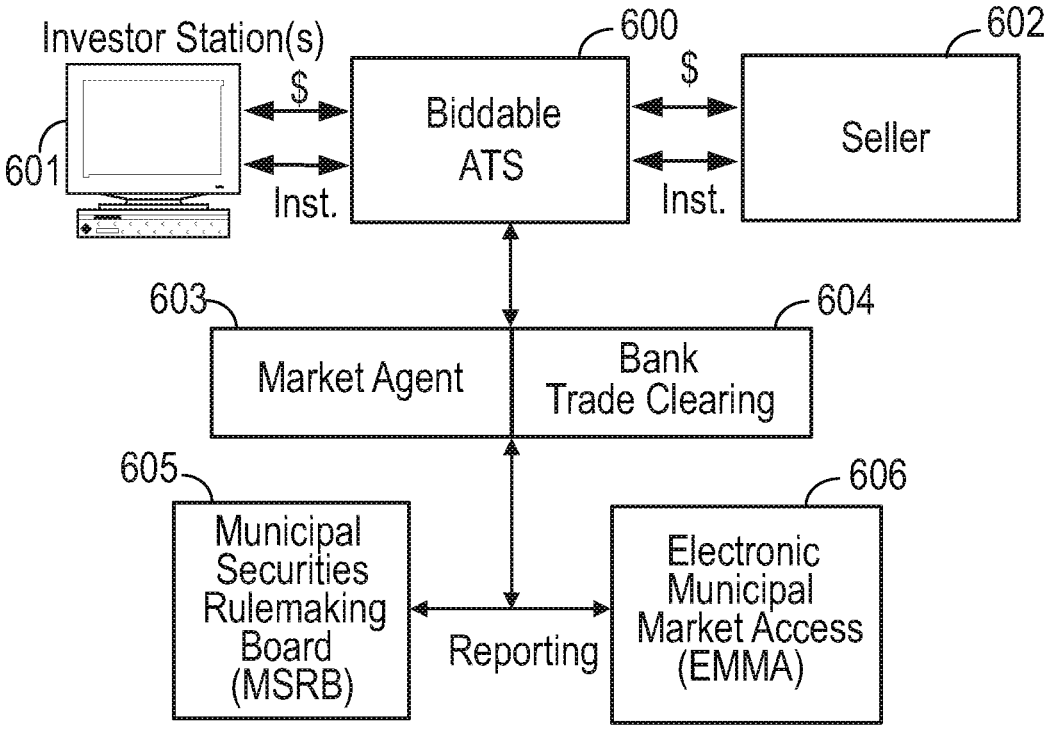
Investor Station(s)
601
$
Inst.
600
Biddable
ATS
$
Inst.
602
Seller
603
Market Agent
604
Bank
Trade Clearing
605
Municipal
Securities
Rulemaking
Board
(MSRB)
Reporting
606
Electronic
Municipal
Market Access
(EMMA)

FIG. 14

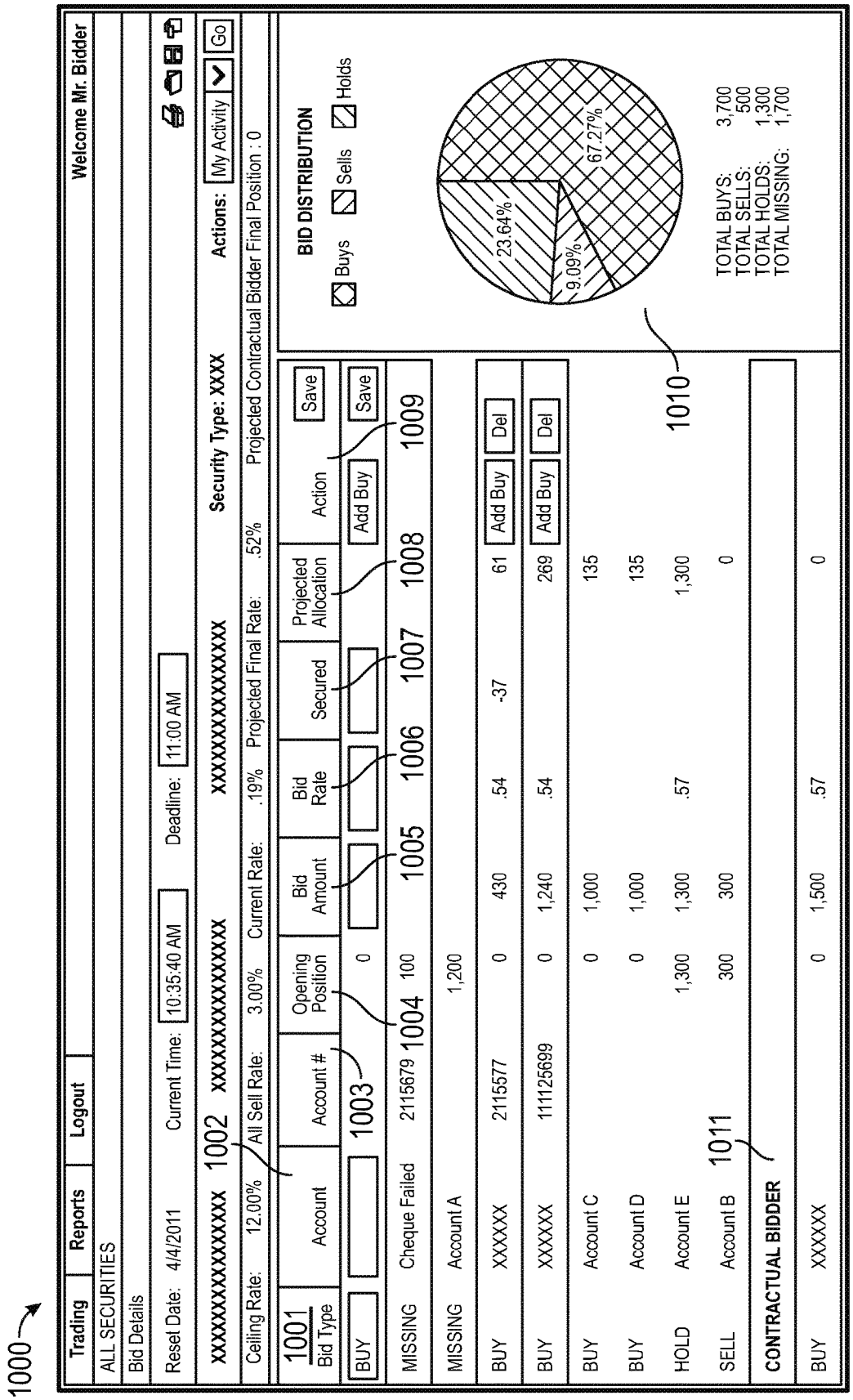
1000
Trading
Reports
Logout
Welcome Mr. Bidder
ALL SECURITIES
Bid Details
Reset Date: 4/4/2011
Current Time: 10:35:40 AM
Deadline: 11:00 AM
XXXXXXXXXXXXX 1002 XXXXXXXXXXXXX XXXXXXXXXXXXX Security Type: XXXX Actions: My Activity Go
Ceiling Rate: 12.00% All Sell Rate: 3.00% Current Rate: .19% Projected Final Rate: .52% Projected Contractual Bidder Final Position : 0
1001 Bid Type
Account
Account #
Opening Position
Bid Amount
Bid Rate
Secured
Projected Allocation
Action
Save
BUY
1003
0
Add Buy
Save
MISSING Cheque Failed 2115679 1004 100 1005 1006 1007 1008 1009
MISSING Account A 1,200
BUY XXXXXX 2115577 0 430 .54 -37 61 Add Buy Del
BUY XXXXXX 111125699 0 1,240 .54 269 Add Buy Del
BUY Account C 0 1,000 135
BUY Account D 0 1,000 135
HOLD Account E 1,300 1,300 .57 1,300
SELL Account B 1011 300 300 0
CONTRACTUAL BIDDER
BUY XXXXXX 0 1,500 .57 0
BID DISTRIBUTION
Buys
Sells
Holds
23.64%
9.09%
67.27%
TOTAL BUYS: 3,700
TOTAL SELLS: 500
TOTAL HOLDS: 1,300
TOTAL MISSING: 1,700
1010

FIG. 15

BIDDABLE FINANCIAL INSTRUMENT, ONLINE COMPETITIVE BIDDING PLATFORM FOR TRADING THEREOF AND ASSOCIATED SYSTEM AND METHOD OF TRADING THEREOF

CROSS-REFERENCE TO RELATED APPLICATIONS

The present utility patent application is a continuation application of and claims priority from and the benefit of U.S. Non-Provisional patent application Ser. No. 13/902,496, filed May 24, 2013, entitled, BIDDABLE FINANCIAL INSTRUMENT, ONLINE COMPETITIVE BIDDING PLATFORM FOR TRADING THEREOF AND ASSOCIATED SYSTEM AND METHOD OF TRADING THEREOF, which claims priority from and the benefit of U.S. Provisional Patent Application No. 61/652,015, filed May 25, 2012, entitled BIDDABLE VARIABLE RATE DEMAND OBLIGATION, ONLINE AUCTION PLATFORM AND SYSTEM AND METHOD FOR VARIABLE RATE DEMAND OBLIGATIONS, which are hereby incorporated herein fully by reference

FIELD OF THE INVENTION

The present invention relates to a new type of financial instrument for trade over an online auction platform designed to trade the new financial instrument, a new online auction trading platform and associated system, and a method of trading thereof, and more specifically to a new variable interest long term security such as a bond or more specifically a municipal bond for auction trading where a built-in third party intermediary is attached to the instrument to help satisfy investor sale needs. The liquidity provider of the security acts as default holder of any portion of non-allocated issue, allows for mid-period purchase over a secondary offering and the trading platform, system, and method of trading thereof.

BACKGROUND

Over the decades, there has been a multiplication of different financial instruments trading on open financial markets and over-the-counter (OTC) trading markets. Generally speaking, each financial instrument serves a unique function and resolves a specific financial need absent from the market. One of the most stable type of financial instruments is a debt inspired security called bonds. Bonds are debt obligations, most often low interest-bearing, stable and issued by large corporations, municipalities and governmental organizations as a means of generating cash for expenditures. Most retirement portfolios are made of multiple funds each a basket of bonds, stocks, or even commodities. A bond is a certificate obligating the issuing party known also as the issuer, the borrower or the seller to make regular interest payments via a trustee to the bond holder/investor and ultimately at the term/maturity of the bond pay back the principal borrowed at face value. What is described is one type of bonds, one of ordinary skill in the art will understand that different types of instruments exist each having different features and properties.

Unlike conventional loans between two fixed people, unlike commercial paper, bonds are more easily transferable over OTC exchanges. The bonds are often for large sums and investors are often broker/dealers who will trade large sums at once. One of the biggest obstacles to the free trade

of bonds is the inherent complexity and opaqueness introduced via market agents operating OCT markets.

As part of the bond loan agreement, the issuer pays the holder a specified amount of interest and delays to the term refunds the principal (either fixed or variable) on a specific term date. Bonds are generally issued as a package called a single issue for a total sum and with a fix rate of interest, having a fixed maturity date in a distant future. Other bonds are offered with variable rates reset periodically. When bonds are first offered as new issues, they are introduced in what is called a 'primary market' where the money raised by banks or large brokers from the sale goes to large initial investors (buyers) to the issuer (seller) minus a commission taken by an intermediary such as a broker/dealer or a syndicate bank/dealer.

Once the primary market introduction is complete and ownership has transferred to initial investors, the single issue is then pushed to be traded either on the over-the-counter or in any one of other venues where the instruments can be traded. In fixed interest rate bonds, the initial primary issue borrower normally takes little or no financial interest in the subsequent trade on the secondary market, aside from observing the initial value given by investors. With variable interest bonds, the purchase price is left to float with demand. Some variable interest bonds have fixed value and maturity par value but the intermediate periodic rate varies. Other bonds for example are indexed and vary based on a leading indicator. Since the issuer must make periodic variable interest payments, what is preferred for the issuer is a bond that generates is traded at the lowest interest rate. A buyer or investor on the other hand desires bonds who offer the higher possible interest rate. Other important factors exist that increase the desirability of bonds, for example their long term stability, the tax exempt status of interest paid, etc.

Bonds even in a secondary market are not traded at a physical exchange the same way stocks are traded on the DOW™, or the NASDAQ™. Rather, bonds are often traded over-the-counter in trading rooms by agents of exchanges and brokerage firms. As part of the OTC process, an intermediary broker/dealer has to be contacted who will take a commission on any transaction. Delays are to be expected and fees are often charged. The mere existence of these intermediaries create a barrier to trading, an undesirable spread and will increase the costs to the seller and the returns on the buyer. What is desired is a method, system, platform, and financial instrument designed to bypasses the OTC processes while keeping the advantages associated with these bonds.

Some banks called 'market-makers' buy and sell bonds in exchange of a commission. These market-makers also use broker's-broker to help the transaction between a dealer and a dealer bank. The broker's-broker works for a stated commission while the market-maker will pocket the difference between a 'bid' price (the price bonds are sold by investors) and a 'offer' price (the price bonds are purchased by investors). The difference between the bid and the offer is a 'spread.' Ultimately, reduction of the spread is desirable in any given transaction to help investors benefit from a better offer price for any bid price thus increasing the value of a bond. The use of online trading platforms for bonds is desirable over these labor intensive exchanges.

U.S. Pat. No. 5,915,209 discloses a computerized municipal bond trading system capable of conducting a private electronic auction of bids between the central market-maker and multiple remote clients who are prospective bidders. As described in this reference, a broker compiles a list of bonds

received from various traders and firms into a central listing of offering as part of a secondary market. Traders participate in silent auctions via facsimile. This system is not interactive, and the user is not allowed to search the bonds for trade. FIG. **1** is a diagram from this reference illustrating this trading system.

U.S. Pat. No. 6,161,099 discloses an apparatus and process for conducting municipal bond auctions over electronic networks. The auctioneer maintains a web site from which information about the bonds to be auctioned can be accessed, browsed and used with great difficulty. Users access the website site via a conventional internet browser after the verification of a user's identity. The system once again only serves to facilitate silent auctions. User interaction is extremely limited and searches are not really enabled.

U.S. patent application Ser. No. 12/186,501 teaches a more interactive online system where a user can select as shown at FIG. **2** between a silent auction, a direct non-competitive environment, or by-passing the automated functions through a broker to confirm trades. At FIG. **3** also taken from the same reference, the interface allows for the calculation of fees to allow users to anticipate the overall cost associated with any given trade by adding the commission component to the projected bond yield. This reference allows for the creation of trade reports, management of user history and activity, and some limited back office service for regulatory governmental institutions. The system contemplates silent auctions, and offers simplified search tools. This system allows for the trading of normal bonds and does not alter the way bonds are traded to give these bonds better long term ratings. What is needed is an interface capable of creating a trading environment where long term properties of bonds can be altered to benefit the borrower and the investors.

Some bonds, like municipal bonds are debt obligations issued by state and local governing bodies to support financing needs of these bodies. Default of states, cities, or countries is rather rare as it would result in immediate political backlash for some elected official and therefore these bonds rarely default and are rather low risk. Further, interest paid on some of the municipal bonds can be free of federal tax and, under certain circumstances, free of state and local taxes. But a low rate associated with a distant maturity date can be a significant obstacle to the sale of bonds, for example if inflation rises above the interest rate, the net benefit from holing the bonds disappears. Therefore, some bonds are designed with built in variable rates that fluctuate over time.

The Municipal Securities Rulemaking Board (MSRB) serves as the official source for municipal securities disclosures and related market data. The MSRB operates the Electronic Municipal Market Access (EMMA) system and offers an on-line centralized disclosure database of information relating to many securities. EMMA statements include on-going disclosures, escrow deposit agreements for advance refunding, real-time municipal trade price information, interest rates and auction results, and interest rate reset information for Variable Rate Demand Obligations (VRDO) together with daily statistics on trading activity and investor education materials.

VRDO are one type of financial investments and securities as contemplated in this disclosure. VRDOs are a common form of bond that pays interest based on a variable rate, that is, a rate of interest adjusted from time to time based on pre-determined conditions built in into the bond as conceived prior to the time of introduction on the primary market. Brokers help advise debt issuers as to the best conditions to build into VRDOs. VRDOs often have maturity dates far into the future (up to 30 years) but are treated as short-term investments because an investor is given a 'put' right, or the right to require that the issuer or its agent repurchase the bonds from the investor at the full face value of the VRDO at the expiry of any periodic period where the interest is reset. The put held by the owner gives holders the right to migrate away from the bonds in case of catastrophic market conditions change.

Currently, there are many different ways in which the interest rate can vary, each is spelled out in the bond documentation. In the most common form, rates are reset on a specific schedule of periodic adjustments based on best estimate of a broker-dealer or bank acting as remarketing agent reselling to investors at full face value the VRDO at the then-current rate. For other VRDOs, the rate adjustments is based on a formula pegged to a financial market rate index or other interest rate measurement. The periodic resets typically occur daily, weekly, monthly, semi-annually, annually, or even less frequently based on each bond issuance. The frequency of interest payment for variable rate bonds typically is dependent on the frequency of the periodic interest rate resets.

In 2008, the principal ARS auction market failed. As a consequence, many holders of ARS products were unable to transfer their ownership interest. Part of the reason associated with the failure is the ARS market opacity and its fragmentation. What is needed is new competitive bidding market to promote efficiency and transparency.

SUMMARY

The present invention relates to a new type of biddable financial instrument that can be traded on an online competitive bidding process and system and method of trading thereof specifically designed to accommodate the specific needs of these new biddable financial instruments associated primarily with the introduction in the instruments core of a contractual bidder or new properties like acceleration of term linked with trading on the competitive bidding software. The inventor contemplates the use of a large number of new biddable financial instruments, for example B-VRDOs, B-TOBs, and B-MLVRSs. The platform, system and method of trading associated thereto allows for easy portfolio management, Dutch trading, payment of interest, entry of good to cancel trade orders, priority management tools, acceleration of maturity, and offering on a secondary offering stage non-acquired portions held by the contractual bidder.

BRIEF DESCRIPTION OF THE DRAWINGS

Certain embodiments are shown in the drawings. However, it is understood that the present disclosure is not limited to the arrangements and instrumentality shown in the attached drawings.

FIG. **1** an illustration from the prior art.

FIG. **2** is another illustration from the prior art.

FIG. **3** is a third and final illustration from the prior art.

FIG. **4** illustrates the hardware elements that support an electronic online auction system accordingly to an embodiment of the present disclosure.

FIG. **5** is a diagrammatic representation of the software connection between the auction platform and the investor software interfaces.

FIG. **6** is a schematic representation of the online competitive bidding platform for ARS as known in the prior art.

FIG. **7** is a schematic representation of the new online competitive bidding trading platform for biddable financial instruments according to an embodiment of the present disclosure.

FIG. **8** is a block diagram of the steps associated with the market flow at the creation of the biddable financial instruments and their use on the biddable ATS according to an embodiment of the present disclosure.

FIG. **9** is a block diagram illustrating how an investor may acquire portions of the single issue of the single issue from the biddable ATS at a primary offering or a secondary offering according to an embodiment of the present disclosure.

FIG. **10** is an illustration of the clearing rate determination process according to an embodiment of the present disclosure.

FIG. **11** is one embodiment of a possible listing of a dashboard to help manage the transactions over the online auction platform for variable rate demand obligations.

FIG. **12** is a close-up view of the timeline at the time of deadline of entry of bids into the competitive bidding online platform according to an embodiment of the present disclosure.

FIG. **13** is a periodic timeline diagram of the tender process associated with the competitive bidding online platform for biddable financial instruments.

FIG. **14** is a block diagram of the role of the market agent and clearing bank in regards to reporting.

FIG. **15** is one embodiment of a possible display for a bid detail screen.

DETAILED DESCRIPTION

For the purposes of promoting and understanding the principles disclosed herein, reference is now made to the preferred embodiments illustrated in the drawings, and specific language is used to describe the same. It is nevertheless understood that no limitation of the scope of the invention is hereby intended. Such alterations and further modifications in the illustrated devices and such further applications of the principles disclosed and illustrated herein are contemplated as would normally occur to one skilled in the art to which this disclosure relates.

In this field, different traders, bankers, or other actors routinely use different terminology or words to refer to common concepts and/or elements. Some of these terms can be synonyms or interchangeable in some cases and not in other. To help understand and define some of the key core concepts and terminology associated with this disclosure a short lexicography is offered. These terms, while offered as a guide to comprehension should not be read to limit the scope and understanding of any of the general concepts defined herein. While the competitive bidding platform is said to take biddable financial instruments, one of ordinary skill in the art will recognize that non-biddable instruments can also be traded on the platform.

Lexicography

The term "financial instrument" within the scope of this disclosure shall mean in addition to its ordinary term of art a real or virtual document representing a legal agreement involving some sort of monetary value. Some financial instruments include as equity based representing ownership interest, or deb based representing a loan made by an investor to the owner of the asset. Other types of legal agreements recognized as financial instruments include foreign exchange instruments, variable demand obligations, tender option bonds, commercial paper, optional window extension securities, market liquidity variable rate securities, sovereign bonds, corporate bonds, portfolios, and any biddable versions therefore created using the technology described herein.

The term "security" within the scope of this disclosure shall mean in addition to its ordinary meaning in the art a financial instrument that represents an ownership position in any of a plurality of interests such as a publicly traded corporation (stock), a creditor relationship with a governmental body or a corporation (bond), ownership in an option, a portfolio, etc. The term "issuer" within the scope of this disclosure shall mean in addition to its ordinary meaning in the art a company or any entity that issues a security.

The term "issue" within the scope of this disclosure shall mean in addition to its ordinary meaning in the art a series or group of stocks, bonds, or other security that is offered by the issuer generally in exchange for a fixed sum of equity or debt to be raised and held by the issuer. The term "single issue" may designate a set of bonds issued by an issuer as a group or a set.

The term "bond" within the scope of this disclosure shall mean in addition to its ordinary meaning in the art a debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed or variable interest rate. Bonds are used by companies (corporate bonds), municipalities (municipal bonds), states (state sovereign bonds), and other governments (sovereign bonds) to finance a variety of projects and activities. Bonds are generally offered as issues where each of the different offerings are given a reference name or code for each single issue.

The term "variable rate securities (VRS)" are securities with interest rates that reset on a periodic basis. Two common types of municipal variable rate securities include auction rate securities and variable rate demand obligations with long term maturities (10+ years) and reset rates that reset on a short term basis (monthly or less).

The term "variable rate demand obligation (VRDO)" shall mean in addition to its ordinary meaning in the art a security, generally municipal for which the interest rate resets on a periodic basis and holders are able to liquidate their security through a "put" or "tender" feature at par.

The term "tender option bonds (TOB)" also known as a "put bond" or a "puttable security" is a floating rate instrument used to finance long term bond positions shall mean in addition to its ordinary meaning in the art. TOB are floating variable rate securities with put option exercisable on dates on which the floating rate changes.

The term "market liquidity VRS (MLVRS)" shall mean in addition to its ordinary meaning in the art a floating-rate debt instrument with intermediate long-term final maturity. The biddable version of these instruments defined below as B-MLVRS includes acceleration of maturity but is currently not contemplated in association with the contractual bidder.

The term "biddable" shall mean in addition to its ordinary meaning in the art the transformation of any one of a number of financial instruments using the technology described herein into a financial instrument that can be sold or traded using the below described method, on the below described system and trading platform. In cases where a new, unique financial instrument is created, the term "biddable" with a hyphen is used or the letter "B" also hyphenated is used to transform any of a number of instruments like variable demand obligations (VRDO), tender option bonds (TOB), market liquidity variable rate securities (MLVRS), into their "biddable" counterparts (e.g. B-VRDO, B-TOB, and

B-MLVRS). While a handful of financial instruments or other equity, bond, option, is described, one of ordinary skill in the art will understand the technology described herein applies to any financial instrument that is not traded live and has periodic resetting features. The term biddable does not systematically mean that the financial instrument includes as part of the contractual relationship a contractual bidder but that it has the properties defined below.

The term "broker/dealer" shall mean in addition to its ordinary meaning in the art a person or firm in the business of buying and selling securities, operating as both a broker and a dealer, depending on the transaction. A dealer bank is a department of a commercial bank that engages in underwriting, trading and sale of different securities.

The term "market maker" shall mean in addition to its ordinary meaning in the art a broker/dealer firm that accepts the risk of holding a certain number of shares in a particular security in order to facilitate trading in that security. Generally, market makers receive orders and sell from its own inventory or seeks an offsetting order.

The term "underwriter" shall mean in addition to its ordinary meaning in the art a company or other entity that administers the public issuance and distribution of securities from a corporation or other issuing body. The underwriting can help determine the offering price of the securities on the Primary Market (i.e. original introduction market), and also uses the underwriter's distribution network to coordinate the single issue of between investors and equity/debt issuers.

The term "over-the-counter (OTC)" shall mean in addition to its ordinary meaning in the art the degree to a security trading in some other context than a formal exchange such as the NYSE®, TSX®, AMEX®, etc. OTC securities are often traded via a dealer network. Bonds, derivatives and other types of instruments are often traded OTC through a dealer network. Some OTC platforms include markets made by investment banks for specific and single issues.

The term "remarketing agent" is a broker/dealer agent or bank responsible for pricing of some variable-rate demand bonds in an OTC system. If bonds are tendered, the remarketing agent uses best efforts to sell tendered bonds to a different purchaser. Some known remarketing agents include Goldman Sachs®, JPMorgan®, Citigroup®, Morgan Stanley®, BAML®.

The term "alternative trading system (ATS)" shall mean in addition to its ordinary meaning in the art is a United States Securities and Exchanged (SEC) approved non-exchange trading venue specifically designed to match buyers and sellers to find counterparties for transactions, instead of trading large blocks of shares on the normal exchange. The SEC issues a set of ATS guidelines to help protect the different trading platform s programmed as ATSs.

The term "primary market/offering" shall mean in addition to its ordinary meaning in the art a first and initial issuance of a financial instrument to raise capital through the financial markets. The initial public offering (IPO) is sold as a primary offering of an issue on a primary marketplace/market. Primary markets are facilitated by underwriters and underwriting groups which consist of investment banks also known as initial placement agents. Primary markets are also known as new issue markets (NIM).

The term "secondary market/offering" shall mean in addition to its ordinary meaning in the art a market where investors purchase securities or assets from other investors, rather than from issuing companies themselves. Most national exchanges are secondary markets. In a secondary market trade, the cash proceeds go to an investor rather than the underlying company/entity directly.

The term "market agent" shall mean in addition to its ordinary meaning in the art an experience trading corporation capable of managing a trading platform, initially set up issues on the trading platform either on a platform's primary market or a platform's secondary market, maintain details of a single issue on an ongoing basis, acts as a counterparty facilitating trades between a seller and a buyer on the platform, acting as the agent in charge of reporting of trades to the different reporting entities.

The term "clearing bank/agent" also known as the authorized settlement agent shall mean in addition to its ordinary meaning in the art is a U.S. regulated broker/dealer with electronic capacity to report dealer to dealer trades to the different reporting authorities that acts as intermediary between a buyer and a seller in a transaction to reconcile orders between transacting parties. For example, a clearing bank/agent will match buy and sell orders on a market. Known clearing banks include the Industrial & Commercial Bank of China Financial Services (ICBCFS) as a prime dealer service division as a US Regulated Broker Dealer.

The term "trustee" shall mean in addition to its ordinary meaning in the art mean a person or a firm that holds or administers property or assets for the benefit of a third party. The trustee as part of a trading platform of debt manages payment of principal and interest and also manages tenders to a liquidity facility provider/contractual bidder.

The term "liquidity facility provider" in some cases described below in addition to their ordinary role can be bound as contractual bidder as a unique participant defined as part of the current invention. The contractual bidder offers a bid for the full single issue in each bidding process of a biddable financial instrument and funds any tender of the portion of the issue held. Liquidity facility providers are given tenders using the trustee and payment of principal and/or interest is also paid back to the liquidity facility provider. Some known possible liquidity facility providers also known as liquidity banks include JPMorgan®, Bank of America®, and Citigroup®. The liquidity facility provider can in some cases act as the contractual bidder in the context of this invention.

The term "bank syndicate" shall mean in addition to its ordinary meaning in the art a bank in a loan syndicate that advises other participating banks, or agent bank of advances taken and changes in interest rates for a domestic or other borrower. Within the context of primary market/introduction of an issue, an underwriting syndicate or a bank syndicate is group of underwriters who in a document called the syndicate letter solidify an agreement amongst underwriters to buy bonds from an issuer and reoffers the bonds to the public generally at a markup known as the underwriting spread.

The terms "full periodic ownership" and "partial periodic ownership" shall mean respectively the acquisition and ownership interest on the secondary market on the competitive bidding platform described hereafter of a biddable financial instrument having a variable interest rate changed periodically and where the variable interest rate is fixed for the period, and where the financial instrument is owned for either a full period or a partial period. For example, a biddable-VRDO with a weekly interest rate determination can be owned for one full week (i.e. full periodic ownership) or purchased later in the week (i.e. partial periodic ownership).

The terms "initial competitive process purchase" and "post competitive bidding purchase" shall mean respectively the acquisition on the secondary market on the trading platform described hereafter of a biddable financial instrument having a variable interest rate changed periodically and

where the variable interest rate is fixed for the period and where the financial instrument is either purchased at the start of the period at the initial competitive bidding process (i.e. initial competitive bidding purchase) or is purchased during the period between two subsequent competitive bidding processes (i.e. post competitive bidding purchase).

Non Materiality of the Biddable Financial Instrument

In today's modem world most of the goods owned by individuals are slowly losing their physicality and are becoming immaterial constructs. Ownership of music was once embodied in piles of vinyl music records, then stacks of compact disks and today the owner is left with etheric rights to a library floating in the digital clouds on iTunes®. Money, credits, currency, stocks, and other important financial ownership is also migrating away from materiality. Gold bars, paper currency, or even printed versions of a stock portfolio are being replaced with a password protected access to a software connected to a database listing ownership rights.

Patent law today struggles with keeping the rights and protection of associated with the migration from materiality to non-materiality. The inventor believes strongly it owns and claims rights in the new biddable financial instrument described herein free of any materiality. Today people 'buy' a stock or 'own' a stock yet no physical element exists. The inventor hopes the rules will fully recognize and grant these rights in these new financial instruments not only as part of software, a trading platform, a system, or a method of trading using the software, the trading platform or the system.

Hardware

Since some materiality must be shown in association with the new biddable financial instrument, software designed for executing trades of financial instruments, much like banking software tools is by nature of critical importance to national order. These systems must be secure, reliable, and easy to maintain. Shown at FIG. **4** is one of numerous potential hardware configurations capable of hosting and executing the trading platform and for executing the method described herein. In its simplest and most secure configuration, FIG. **4** shows a remote server **79** or any other type of computing device connected either wirelessly, via landlines, or in any way to a network **82**. A plurality of personal computers **11** such as Personal Computers (PC's), laptops, hand held devices like a tablet, a web-enabled phone, or any other web-enabled device with a computer processor **75** are in turn connected to the network **82**.

The server **79** or the personal computers **11** can broadly be described as having a processor (**80** and **75** respectively) each connected to a computer memory (**81** and **76** respectively). While a display is generally found on the server **79** but is not absolutely needed, the personal computers **11** do in fact require some type of computer display **77** connected to the computer processor **75** for interaction with potential investors using the platform **700** hosted in the hardware shown at FIG. **4**. The display **77** helps the investor (not shown) navigate over a software interface **86** as shown at FIG. **5** to display different information in the computer memory **76** by the computer processor **75** over the interface **78**.

Within the scope of this disclosure, the term computer display **77** includes more than a screen or other visual interface, the term display is designed to include any interface capable of interacting with an investor, whether visual, oral, touch, or any other interface. A personal computer **11** also includes running as part of the memory **76** and displayed on the computer display **77** an investor interface **86** and is connected to the computer processor **75**. In one embodiment, the processor **75** executes an operating system (not shown) and an associated HTML web-enabled browser (not shown) capable of displaying to an investor using an auction platform **2** residing on a network enabled server **79** connected to a network **82** like the World Wide Web also called commonly 'the Internet.' The term network is used as part of this disclosure and encompasses broadly any type of computer network, over hardware, software, or wireless such as for example a Local Area Network (LAN), or any other network where the platform can be found to trade biddable financial instruments, like for example B-VRDOs in a secure environment.

The auction platform **700** also includes a network enabled server **79** includes for example a server processor **80** with a server memory **81** for executing a competitive bidding platform **2**. As shown at FIG. **5**, the competitive bidding platform **2** can be connected to the investor software interfaces **86** for each of the plurality of personal computers **11** via the network **82**. These computers in association with wireless networks, physical networks, for operating software to help give material form to the new biddable financial instruments are systems for trading the biddable financial instruments. These systems, platforms, and software and their associated functions are described hereafter.

Today the concept of software operating within hardware is migrating away from this fixed structure. Cloud computer and data storage allows multiple interconnected hardware elements like cell phones, wireless tablets, portable computers, and even onboard memories to act as part of larger data structures and systems. While one hardware configuration is shown as the current preferred embodiment, one of ordinary skill will recognize that with time, there will be a migration away from these simple structures. For example, new software platforms may allow the different actors to retain locally control over some issue. The following technology is not limited to one hardware configuration.

Biddable Financial Investments

Before we can understand the importance and novelty of the new biddable financial investments we must note that they are created and designed for use on the new biddable online trading platform and associated system, we must clearly understand the limitations imposed upon the current online trading auction system for trading Auction Rate Securities (ARS). As shown at FIG. **6**, ARS are debt instruments (corporate and/or municipal bonds) created by an underwriter and a bank syndicate for initial primary market introduction as many normal issue. On FIG. **6**, the total single issue is illustrated by four certificates **7** and **8**. In the example of FIG. **6**, the broker/dealer also known as investor A at investor station A holds ¼ of the single issue **7**. The broker/dealer also known as investor B at investor station B holds ¾ of the single issue **8**.

ARS are auctioned every 7, 28, or 35 days and the interest paid is given at the end of each auction period while the principal is due to the bearer at the maturity date. In theory, the interest rate of the ARS will float under market forces. In ARS systems **1**, it is possible that multiple stations A, B (numbered **3**, **4**) are connected using software and a network connection **5**, **6**, to a secured internal or external network **2** and then connected **9** to an ARS trading platform **11** either managed by a market agent **10** or by any number of interested party. To help manage the flow of money and trades, a clearing bank/agent **13** is introduced into the equation **12**.

There is no contractual obligation for the market agent **10** or the clearing bank/agent **13** to interfere in the trading

process aside from regulation of flow. The ARS structure in itself allows for periodic recalculation and redetermination of the interest rate, not much more. In case of lack of interest in the ARS, interest rates settled will rise as the single issue is auctioned for lack of buyer. In 2008, ARS auction markets failed when banks acting as brokers declined to act as bidders of last resort. These platforms were opaque and fragmented and therefore they were no longer favored.

The new biddable financial instruments on the new competitive bidding online platform **100** as shown at FIG. **6** contemplated herein are different financial instruments, in one embodiment the financial instrument is a VRDOs that are not traded OTC but are created with a contractual relationship that binds a liquidity provide **22** called a contractual bidder as shown at FIG. **7** to an issue based on the below defined relationships In essence, for each bidding period, in addition to the two investor stations A and B (numbered **3**, **4**) still connected to a trading platform **22** for trading biddable instruments and owning portions of the issue **7**, **20**, what is contemplated is the use of the contractual bidder **22** as a third party engaged in the bidding on the biddable trading platform **21** at a determined level and who can, in certain conditions owned part of the issue as shown at **23**. Illustratively, FIG. **7** shows a situation where investor A owns ¼ of the single issue **7**, investor B owns ½ of the single issue **20**, and the contractual bidder **22** owns ¼ of the single issue **23**. The clearing agent **13** and the market agent **10** remain as intermediary to provide the facility to trade and the clearing agent **13** services to clear each trade but must manage the different trades and bids of the new liquidity provider **22** and must manage separately the portion of the single issue **23** held by the liquidity provider **22**.

The inventor has defined in the new biddable financial instruments the role of the liquidity provider **22** also called 'contractual bidder' built in directly as a condition. The new online competitive bidding platform for trading these new biddable financial instruments and also as described above new financial instruments can be in some cases uniquely created to take specific needs of the existence of the contractual bidder **22** as part of the relationship. Finally, what is described herein is the use of these instruments binding the contractual bidder **22** as part of a system or the method of use and/or trade of these instruments over the platform. By trading on a biddable online trading platform products that normally are offered on OTC, the need of a remarketing agent is bypassed, saving time and commissions.

Financial instruments are designed to unite two parties to their mutual benefit. They are created through a contractual agreement that unites them and informs third parties who will handle the instruments the precise conditions of the relationship. Some of these contractual agreements are created to allow one or more variable, such as the interest rate to fluctuate over time at precise time increments (i.e. periodically). Securities contractual agreements generally contains the following: (a) a price to be paid to the third party including premiums or discounts, (b) certain terms like interest rates, maturities, redemption provisions, acceleration provisions, and original issue discount, (c) circumstances under which the third party may cancel obligations to purchase the issue, (d) the different good faith deposits or transfers of funds, (e) the conditions at closing with documents, certificates, and opinions, and (f) restrictions on the liability of the issuer.

The relationship described in the new biddable financial instruments is an agreement binding in some cases (B-VRDO & B-TOB) a third party, namely the liquidity provider into the normally bilateral relationship between the issuer and the buyer/investor and called the contractual bidder. Because of the nature of certain of variable rate instruments and the size of the minimum fraction of issues to be purchased, one of ordinary skill in the art will understand that in addition to ordinary investors, portfolio managers for corporations, broker/dealers may act as potential acquirer.

The biddable financial instrument is a new type of financial instrument having different terms on its contract and agreement directed to the different conditions listed as (b) above for trading of these instruments.

One of the important concepts described herein that can be applied to some of the biddable financial instruments, like the B-MLVRS is the concept of "acceleration" found in many of the contracts and agreements forming the different financial instruments. "Acceleration" is defined as a remedy provided in many security agreements, including many indentures and bond resolutions by which a trustee may declare all future payments of principal immediately due and payable after the occurrence of certain specified events, usually called events of default.

In some security agreements, the issuer may be required to accelerate the financial agreement upon the occurrence of an event of default. Sometimes acceleration can occur upon the consent or direction of a credit enhancement provider or only upon the request of the holders of a specified percentage of the bonds, such as 25%. Unless a security agreement provides otherwise, acceleration results in available monies being used first to pay interest pro rata on all the bonds and, if interest is fully paid, to pay principal pro rata on all maturities. In some cases, when a bond goes to a liquidity provider who in turn holds it for a specific period of time, the bond can be known as a bank bond.

The inventor of the current disclosure has found that as part of a periodically traded financial instrument, such as a VRDO, or a B-VRDO (a biddable VRDO), if the issue is offered in any given period to investors and portions of the issue are not grabbed and either the totality or even a portion of the issue remains available for purchase or trade on any market, then default conditions for acceleration can be initiated.

The online competitive bidding platform allows the market to directly signal clear value of liquidity bank's 'name in market', allows for electronic data collection to improve opportunity risk management, standardize and electronically manage the tender notification process through the biddable platform, offer an accurate and immediate reflection of the market sentiment to issuers, and a pre-determined schedule of contractual bidder bid rates provides a clear and known relative rate earned if and when holding bonds.

Biddable Financial Instrument Maturity Acceleration

In one contemplated embodiment, a biddable financial instrument like a B-MLVRS can be set up with a maturity date of 30 years can be accelerated, for example, to a maturity of 9 years if on the competitive bidding platform on which the instrument is traded, a market liquidity failure mode (i.e. a failure to find takers on of the full issuance at the time of determination of the yield resulting in the use of a failure rate to be selected) of 12 consecutive months have prevailed. In the above example, this would be embodied by the liquidity provider being in a position where it owns at least a fraction of the single issue for this period.

In another contemplated embodiment, the contract or agreement of the instrument can include conditions of accelerations (e.g. 30 to 9 years) but also conditions of deceleration, for example to return the instrument from its accelerated maturity of 9 years back to its initial maturity of

30 years if subsequent conditions are met. For example, if a single issue failed to find full takers for 12 months (i.e. 12 consecutive monthly periods, 52 weekly periods, etc.) and was accelerated from 30 years down to 9 years but as it continues trading finds takers of the entire issue of the single issue for a new period, for example 12 continuous months, the instrument can be, under the contract returned to a maturity of 30 years. In another embodiment, once the liquidity provider has held a portion of the single issue for six months, these bonds can be converted to bank bonds and given new CUSIPs and maturity acceleration will commence.

Market Flow on Biddable Financial Instruments

As is the case for each new financial instrument introduced in the market, multiple actors are needed to create the relationship agreement between the different parties. In the case of the new biddable financial instrument, a liquidity provider/contractual bidder **38** as shown at FIG. **8** is added to the equation. Once these financial instruments are created, they are placed on the online competitive bidding platform described materially and in software at FIGS. **4-5**, and functionally as part of an ATS at FIG. **7**. FIG. **8** shows from left to right the market flows **200** associated with the introduction in a primary market of a biddable financial instrument in the biddable-ATS **36** in which investors **37** will then exchange any portion of a single issue alongside a contractual bidder **38**. In this case, using the letter of credit **34** obtained from a bank the trustee sets up under bid a letter of credit bank to be the contractual bidder **38**. One or numerous investment banks **31** help the bond issuer **30** create the biddable financial investment **33** for introduction via a bank syndicate **35** to the biddable ATS **36**. Once set up, the relationship is between elements **36**, **37**, and **38** in FIG. **8**. These new markets as shown at FIG. **5** allows for better efficiency, price determination, access and understanding of the trade of instruments. While some of the biddable financial instruments are attached to a contractual bidder, others are not.

Primary v. Secondary Offering

FIG. **9** shows the dynamic associated with having a contractual bidder **41** required to bid and ultimately acquirer a portion of a single issue during the primary offering at one of numerous periodic auction determinations **40** of a biddable ATS for trading some of the biddable financial instruments described herein. Since the object is to promote a two way transaction between the investors and the bond issuer, the holding by investors of the largest portion of the single issue possible is preferred instead of allowing the contractual bidder for holding a portion of the single issue. Between periodic bidding periods **40**, investors may want to acquire the portion held by the contractual bidder **41** will be given access as part of a secondary offering 42 on the biddable software platform.

Example 2

On Jun. 14, 2016 at a monthly periodic auction of CUSIP-6 single issue #99000A is at primary offering. After a clearing rate of 1.31% is calculated, 50% of the single issue is given to the different investors and 50% of the single issue does not find takers for lack of bids and is given to the contractual bidder at a higher rate as defined. Generally, contractual bidders under this model receive a higher rate to compensate for acting in the transaction as intermediary. The 50% held by the contractual bidder is then placed on a secondary offering on the biddable ATS **36** where it can be acquired by other or the same investors **43** at the clearing rate.

Clearing Rate Calculation

To understand how the clearing rate is calculated by the biddable ATS also known as online competitive bidding platform, bond issuers desire to sell the single issue at the lowest possible interest rate and therefore the software system will find a bid from a potential buyer/investor with the lowest possible interest to be a high value bid. Lower value bids are defined as buy orders for other portions of the single issue at a higher interest rate. By definition, an investor who places a buy order at a lower rate, will be pleasantly surprised if the clearing rate calculated by the platform and biddable ATS to be higher (i.e. a buy order of 10% of a single issue at 1.5% can be satisfied by a grant of 10% at 1.6%). Under the Dutch auction model, it would be unfair to penalize the bidder who offered the lowest rate (and most valuable to the issuer) so therefore these bids are ranked higher and processed first based on the most valuable bids. As part of the entry of bids, specified levels can be entered into the biddable online auction platform as a specified rate, a spread to a benchmark (e.g. SIFMA®), or a percentage of a benchmark (e.g. LIBOR®). The clearing market in another embodiment will allocate bonds to the new holders based on a priority of (a) roll orders at the clearing market rate, (b) buy orders at the clearing market rate, and (c) buy orders of the contractual bidder.

Example 3

In the table below, a single issue of a B-VRDO CUSIP-6 single issue #99000A is $100 million is to reset at a periodic time increment of 7 days. Under the agreement, the a ceiling rate is 9%. As illustrated in the table below, two sellers want to let go their current positions (seller 1 and seller 2) totaling 29% of the single issue. Three sellers holding the remaining 71% of the single issue may want to keep their positions (called a roll) but at a specified rate or market clearing rate (roll 1, roll 2, and roll 3). In addition to the sell orders and the roll orders, two new buyers in this case placed bids (buy 1, and buy 2). For each roll order, a different rate and volume is entered. As part of the agreement of the new biddable financial instrument, the contractual bidder (LF) is required contractually to place a buy order for the entire issue size ($100 million) at market rate (i.e. the clearing rate).

100 MILLION ISSUE		
	Sales	Total: 29 million
Seller 1	10 million	
Seller 2	19 million	
	Roll Positions	Total: 71 million
Roll 1	30 million at market rate	
Roll 2	15 million at 1.18%	
Roll 3	26 million a 1.30%	
		Sales & Roll = 100 million
	Buyers	
LF Buyer	$100 million	at highest bid rate possible (here 1.31%)
Buy 1	25 million at 1.31%	
Buy 2	12 million at 1.28%	

In this scenario, 29 million must change hands. Buyers who placed in roll positions desire to acquire 71 million and new buyers (buy 1, buy 2) desire to grab a new 37 million.

Since the roll bids and the buy bids total more than the single issue volume (i.e. 100 million), the contractual bidder is not needed and the LF bid is discarded. The single issue is then distributed as:

Roll 1	30 million at market rate	bid value 5
Roll 2	15 million at 1.18%	bid value 1
Roll 3	26 million a 1.30%	bid value 3
Buy 1	25 million at 1.31%	bid value 4
Buy 2	12 million at 1.28%	bid value 2

Each bid is given a rank value by the software from the lowest interest rate deemed to be a higher value bid (here roll 2 bid at 1.18%) to the highest rate. In this case, since the orders total 108 million, only the roll 1 order will not be fully satisfied and will be given **22** out of the 30 million of the single issue. In this case, the minimum interest rate of the single issue that allows for each of these five bidders to receive their respective portions of the single issue is 1.31%. The market rate is then fixed at 1.31% also known as clearing rate. While investors named roll 2, roll 3, and buy 2 agreed to get the single issue at a lower rate, they will be happy to receive the clearing rate of 1.31%. The highest market bid rate entered by any bidder is taken as the rate of the contractual bidder.

Example 4

In the same setting as example 3 but buyer **2** has decided not to take part in the periodic bidding process. The table becomes:

100 MILLION ISSUE		
	Sales	Total: 29 million
Seller 1	10 million	
Seller 2	19 million	
	Roll Positions	Total: 71 million
Roll 1	30 million at market rate	
Roll 2	15 million at 1.18%	
Roll 3	26 million a 1.30%	
		Sales & Roll = 100 million
	Buyers	
LF Buyer	$100 million	
Buy 1	25 million at 1.31%	

Roll 1	30 million at market rate	bid value 4
Roll 2	15 million at 1.18%	bid value 1
Roll 3	26 million a 1.30%	bid value 2
Buy 1	25 million at 1.31%	bid value 3
LF Buy	$100 million	bid value 5

The total demand from investors is only for 96 million of the 100 million single issue. The contractual bidder's bid will then be needed to acquire 4 of the 100 million who will then be placed on the secondary offering market at the clearing rate. Once again, the clearing rate is calculated as the lowest rate possible to satisfy all orders (i.e. the 96 million). In this case, the clearing rate will also be 1.31%. While under the B-VRDO's terms, the contractual bidder will be given an effective rate higher than 1.31% for holding the 4 million in the single issue, the secondary market will list these financial instruments available for that rate. FIG. **10** shows in a table format with more detail the different bids according to an embodiment of the present disclosure.

Bid Activity Screen

A commercial platform can be customized and programmed to be made to include many of the known functions and tools in the trading area. For example, the different instruments listed in the competitive bidding platform can be listed using calendar functions, bond numbering reference numbers like the Committee on Uniform Securities Identification Procedures (CUSIP) numbers, a name of the issue, a size of the issuance of the debt, dates and rates associated with the issue, ratings and the name of a clearing bank for the bond, the name of the contractual bidder associated with the issue, the number of holders, the volume of trade, a history of trade, and the volume and size of the outstanding bid for any given upcoming competitive bidding.

Other tools given in the competitive bidding platform can include account names and account numbers of portfolios, management of portfolio tools, the type and history of any given bond holding, the rate of the financial instruments, and a full interface to manage any given trade or option associated with the trade. In the field of trading, what is known and is the use of a wide range of tools to help investors research, and trade instruments.

FIG. **11** shows an image of the 'bid activity' screen **900** of the biddable online software interface. This screen allows a bidder to see each deal that will reset with the periodic expiration relevant to the trader, for example for the day. As shown, the screen shows all the financial instruments including those not owned by the investor. Bids can be entered using "bid all" or "sell all" actions, a summary of a security master and/or a security rate history data can be seen. This screen keeps the user informed of owned positions in the reset, to let them know if the bid entered is 'out of the money' (i.e. other lower interest rates are entered to such a value that upon predictions, the entered bid would not be fulfilled). This allows the investor to amend the bid to a new interest rate if he/she desires to get the security.

In the screen **900** of a dashboard to help manage the transactions over the online competitive bidding platform for different securities, for example at **907** either B-VRDOs or B-TOBs. In this illustration, there is a list of a number of investment opportunities listed using normal selection tools. Each investment opportunity shown on a line, information regarding different elements are listed in respective columns. While these attributes are listed, what is contemplated is the use of any number of columns to give in a single view all information needed to help manage and select biding options over the platform.

Each investment opportunity or single issue normally includes a CUSIP number **903** and a name **904** each with a dynamic link that can be enabled with a user click to go into a specific page for the security. In the case of most bonds the name of the issuer is a key element in the stability of the bond. In the example given at FIG. **11**, the name of the issuer is listed **904**. As shown, both the CUSIP and the issuer name **903**, **904** are underlined and are dynamically connected using a link with a page. While one type of secondary data is shown, what is contemplated is the use of any interface to help provide an investor with data to help guide and manage portfolio assets and bid on investment opportunities.

Since FIG. **11** illustrates all of the financial instruments to be reset on a given day, the reset date **902** is the same for every biddable financial instrument. Next, at **905**, a time during the day when the deadline for the last bid will be entered is given (see below for the different dates and deadlines). In the examples given above, the reset date is

generally less than a week in the future for B-VRDOs who reset interest rates on a weekly basis. The frequency of reset of a rate on any B-VRDO is set in the bond document and can be weekly, bi-weekly, monthly or any other desired period. A deadline on the reset date for bidding is given **905**. As explained above, this deadline may not be the tender deadline or the deadline when a roll over position must be entered, in the context the deadline represents the maximum time in which a potential new bidder may enter a bid to acquire a new position in the single issue.

Next is listed the current rate **906** at which the instrument pays interest, this rate is generally given as the clearing rate calculated using the above calculation. This rate is generally expressed in percentage over one year. In the examples given, the rates listed are close to 0.2% but one of ordinary skill in the art will understand that the interest value of bonds is subject to change over time and reflects other market conditions. As shown, the current rate **906** can also be underlined and/or colored in blue to indicate that a user of the interface can click on the value to obtain a breakdown of information associated with this number. For example, information regarding past rates and trends or expert evaluations and estimations. A colored arrow helps illustrates the trend of the current rate **906**, in one embodiment the arrow represents the variation week over week of the current rate. In other embodiments, the arrow is a four week moving average or any other type of useful indicator to help give a potential investor an indication of the recent evolution of the current rate **906**.

Listed as **907** is the type of security. For example a Tender Option Bond (TOB), a Variable Rate Demand Obligation (VRDO) where both are made biddable and are respectively called Biddable-TOB or Biddable-VRDO (BTOB or BVRDO) and can be transacted on the platform. While a handful of investments are listed, others are contemplated.

The B-MLVRS or the biddable MLVRS is a floating-rate debt instrument with intermediate to long-term final maturities with a rate typically reseat on a 7, 14, 28 or 35 day period also as a multimodal securities with a maximum rate in market-liquidity failure mode of 8.00%, a bond failure of 12 months continuous, and an acceleration of maturity to intermediate range (i.e. 5 years from 30 years). In case of a successful bid process during a fail cycle, maturity can as explained above revert back to the 30 years initial maturity. In this case, the contractual bidder is a takeout for the bondholder. In case of lack of market liquidity the B-MLVRS enter a liquidity failure mode where sellers must hold positions and wait until next reset to attempt to sell at par. The B-MLVRS reset at maximum rate until successful bid process and redeem at maturity.

Finally the B-TOB or the biddable TOB are floating rate put deals that reset every 7 days much like B-VRDOs but where they are leveraged trade where a trust sponsor buys an intermediate/long-term bond into a trust. The B-TOB is wrapped with short-term liquidity, the trust pays out variable interest to money market investors while taking a long term coupon payments from the underlying bond. The spread differential is kept by the trust sponsor of the underlying bond. The spread differential is usually magnified by the use of leverage. These are also 2a-7 money market eligible with a reset period generally not to exceed 397 days.

Given as **910** and **911** are index scores from different known institutions, such as Moody's® and S&P®. These scores are generally useful to help guide a potential investor to different types of bonds and/or make sure certain minimum ratings are maintained for every asset purchased as part of a portfolio. Once again, while some tools are shown, what is contemplated is the use of any tool useful for any investor in the selection and evaluation of any investment instrument.

As part of the new biddable financial instrument, at the time of creation of the instruments, conditions are created and added to these new instruments like **912** a ceiling rate associated with the instrument. This ceiling rate is defined as the maximum interest rate that a financial institution can charge a borrower for an adjustable rate mortgage or loan according to the contractual terms of the mortgage or loan. This interest rate is expressed as an absolute percentage. For example the ceiling rate as shown at FIG. **11**, can be in the 9-12%. Safeguards are placed into the platform to make sure that the current rate never passes the ceiling rate.

Next is shown as **913** an All Sell Rate (ASR) also defined as part of certain biddable financial instrument. In one embodiment, the inventor contemplates the ASR to be calculated as the lower of: (a) the previous week's reset rate (for example the current rate **906**) plus a fixed value such as 100 basis points (1.00%), or (b) a quarter of the ceiling rate. As a consequence of fixing the ARS, this allows the contractual bidder to receive as a compensation for acting in this capacity at least 100 basis point over the current rate, with a minimum of a fixed value off the ceiling rate (i.e. in the above examples, the contractual bidder will make at least the largest of 2.5% or 1% above the current rate). This feature is unique to the biddable platform.

Example 5

A first B-VRDO has a current rate of 0.200% and a ceiling rate of 10% as defined in the bond document. The ARS would be calculated as the larger of 1.200% (the current reset plus 100 basis points) and 2.500% (a quarter of 10% ceiling rate) so in this case the ASR would be set at 2.500%.

Example 6

A second B-VRDO has a current rate of 2.200% and a ceiling rate of 10% as defined in the bond document. The ARS would be calculated as the larger of 3.200% (the current reset plus 100 basis points) and 2.500% (a quarter of 10% ceiling rate), so in this case the ASR would be of 3.200%.

While one formula is described (i.e. 25% of the ceiling rate and 100 basis points), what is contemplated is the use of other values or limits, for example 20% of the ceiling rate and 50 basis points. The determination of the ASR offers financial security to the party acting as the contractual bidder as described above, it allows this party to benefit financially when it is forced to acquire issues have to be purchased. It also allows for a rate of interest to be paid that rewards the holder while taking into consideration the past trading conditions and the maximum rate on the instrument.

Any sum paid to the contractual bidder above the clearing market bid rate, or the current rate as determined by the formula will be given as an "additional liquidity fee" or a fee for acting as a liquidity provider. The trustee or a bank will then pay at each period a sum associated with the total issue at the clearing rate to every issue holder including the liquidity provider or contractual bidder at the clearing rate. In case that the ASR is enabled, or that a portion of the issue is held for a short period or a longer period by the contractual bidder, the difference between the current rate and the all ASR will be paid out to the contractual bidder as a liquidity fee and paid directly.

The ASR as described is different than any acceleration clauses built into the B-VRDO where a holder of defaulted bonds will progressively see the rate of interest increase as the position is held until a clause forces the issuer to purchase back the debt at a fixed rate. For example, clauses can be built into a bond where can provide for a holder to receive 50% of the ceiling rate for a fixed period increased by 50 basis points each month until the ceiling rate has been reached. The determination of ASR is in addition to any normal default or other provisions included in the bonds. In one embodiment, acceleration of the bonds happen after a period of six months and will convert the issue into bank bonds.

Returning to FIG. **11**, a list of opening positions provides for the current holdings held in the portfolio of the investor using this computer screen. In the example given at FIG. **11**, the investor has four positions **909**. At **915**, an action button allows an investor to take an action either by tendering the existing position, placing a roll of the current position at a fixed new rate, or place of buy order that exceeds the opening position. The platform can react differently to a desire to change the volume of the current position in any investment, for example it can ask if the existing position must be simply rolled and the new exceeding value entered as a secondary bid at a different rate or the platform can be set up to consider a new single bid to replace any previous position. The action button **915** can also simply be a bid button for investment instruments that are not currently held (i.e. the only possible option is one of purchase and entry into the investment instrument).

Once a bid is placed, using the action button **915**, it appears under "my bids" **914**. Finally a market composite summary table **901** allows a potential or current investor to see the current interest in any given instrument. Only once the new rate is determined and the period has not been reset will the last column be filled with the new rate. The other four columns include the number of outstanding buy orders, the outstanding sell orders, the roll/hold orders and the associated projected final rate if the auction was held immediately.

Allocation of bonds at the current rate or the clearing market bid rate will be allocated in priority to roll orders from current owners, and other portions of the issue will be used to satisfy buy orders from new bidders. Finally, once all external investors have been awarded their issue, the residual portion of the bonds of any given issue will be given to the contractual bidder. In an alternate embodiment, the contractual bidder will not simply receive the portion of the issue at the current rate or the clearing market bid rate but will be given a rate equal to the greater than a formula and the clearing market bid rate.

In cases of Force Majeure, where the trading platform system is down or not available, in one embodiment, the market rate will be automatically reset to a rolling four week average of the current rates for each investment instruments. In case of absolute failure or a dealer failure, the holder will maintain the option to exercise the put and tender the bonds to the contractual bidder regardless of the system failure. For example, if the liquidity provider **908** is Bank of America®, and the system is down, a holder will always be able to call Bank of America® and tender directly the biddable financial instrument.

Bid Mechanics & Timeline

FIGS. **12** and **13** offer information as to how the bid mechanics and timeline utilized by the biddable online auction platform. FIG. **12** illustrates with greater detail the different time sensitive elements associated with the bid mechanics. FIG. **13** shows the periodic timeline associate with each cycle.

At FIG. **12**, in a morning where the bidding opened at 8 am, the deadline of entry of bids can be for example 11 am on the user's screen. The system can provide a 1st warning. As shown at FIG. **12**, this first warning can be 30 minutes after the official time. Fifteen minutes later or at 11:45 am, the system can yet send another warning to holders that their bids if not entered remain outstanding and due and all current holdings will simultaneously go to 'hold-auto' mode at the previous weeks bid rate (i.e. the same order as entered the week before). As shown, at noon the bidding window can close and all holders can override 'auto-hold' until this time. The system and platform then calculates the rates and as early as 12:30 on the day, the new clearing rates can be published. Minutes later (here at 1 pm) the positions can be listed on a secondary market offering screen and the positions held by the liquidity provider can be acquired. As part of this system, the non-availability window of the system for bidding is very short (here 2 hours) before secondary offerings can be purchased.

FIG. **13** is a timeline diagram **800** of a periodic tender process associated with the biddable online auction platform. This diagram is helpful to understand each step of the method associated with the offering for tender, the settlement, and the giving of cash settlements associated with the auction of the different biddable financial instruments traded on the platform. The days of a sample week are listed **811** from Wednesday to the following Thursday.

As described above and illustrated with greater detail at FIG. **12**, bids are received Up to a fixed time (here noon) and tendered bonds are shown immediately offered on the secondary offering area. One will understand the description of FIG. **12** when and if conflicting with the simplified version of FIG. **13** will prevail. On a Rate Reset Date (RRD), all bids are then due by noon on the RRD and the calculation of the Reset Rate is then announced on 1 pm on the RRD. This RRD is as shown on the day before the Rate Effective Date (RED) determined by the system. The RED is associated with the interest payment calculation. A holder of an instrument sold on the RDD is considered for the purpose of the calculation of interest to have been the official holder for the day. At FIG. **13**, the RED happens to fall on a Thursday and the RRD falls on Wednesday immediately before the RED Thursday. While one embodiment is shown where the RED and the RRD are two consecutive days located at the end of a week, what is contemplated is the use of any day of the week or the week-end where trading is possible for the RED and RRD including the use of nonconsecutive days. What is also contemplated is a system where both the RED and RRD are at different time on the same day. One of ordinary skill in the art will know that currently the settlement dates for bonds and other variable rate instruments is greater than one single day.

On the RRD, tenders **801** received before the drop time of 10 am are then entered into the determination of the rate and then settled on the RED or as shown at T+1 (Time in days+1 day). In the example as shown to help prevent confusion, the platform can refuse to enter tenders at 10 am until a fixed period like 1 pm as shown at **802** where any tender then becomes a trade directed to the next week's settlement. At **802**, tenders entered after 1 pm are then settled at T+6 or in one week and a day. During the three hours in the RRD, the rates are reset and calculated using the Dutch Auction method described herein. The portion of the issue that has not been purchased by a normal bidder but instead is taken

by the contractual bidder a.k.a. the liquidity provider, is then offered on the secondary market for cash settlements at the time of purchase.

Example 7

Holder A owns one million of the issue at set for the week to an annual rate of 1.400%. The Holder A is part of the primary offering and at this rate, a weekly return may be $270 in interest. Even if Holder A executes the put option, it will see be paid the interest until the tender settles. The interest will be paid to the holder by 2 pm on the RED to the holder. A Holder B buys the same position on the secondary offering on Friday, in this case as shown the tender will settle at T+3 (or will only get a pro-rata fraction of the interest).

As an investor logs into the platform, the investor can see any current holding listed for the current day. In another page, an investor can view all B-VRDO's resetting on a specific date. Bids can be entered on a spread, a percentage, or an absolute yield basis. In one embodiment, bids entered prior to RED cannot be made public and viewed before the day of the RED. In yet another embodiment, bids can be entered on a "good to cancel" basis.

FIG. **14** shows a system for a biddable ATS **600** for example trading B-VRDOs between investors **601** and sellers **602**. An exchange of instruments on the biddable ATS is shown. The market agent **603** operating the biddable ATS **600** and/or the clearing bank **604** each can, upon need report to the Municipal Securities Ruleaking Board (MSRB) **605** and/or the Electronic Municipal Market Access (EMMA) **606**.

The placement of individual bids may be facilitated by using a bid detail screen as shown at FIG. **15**. In a corner **1010** a bid distribution pie chart allows to view the bid distribution with the total buys, the total sells, and the total holds in a position. As for FIG. **13** a number of columns are suggested. In each line, different positions are listed each with a bid amount **1005**, a bid rate **1006**, possibly a spread **1007**. Associated with a buy order may be an account number **1003**, an opening position **1004**, and the account label **1002** for each bid type **1001**. The contractual bidder **1011** is also listed as a potential bid. In another embodiment, the position/bid is highlighted so a use can see the status of an entire deal. Action buttons **1009** are used to take needed actions for each individual account. Furthermore, dynamic updates are performed as information becomes available.

What is not shown but is contemplated is the use of calendars and rate history screens with graphs to show monthly or yearly trends. The calendar can be used to track numbers of bids and certain issues of interest. Other screens produced by the system include ticketing and trade blotter screens to view trades after they have been saved or as tickets entered into the system. In yet another embodiment, position monitor tools can be used to help monitor results of searches for specific types of securities in the platform. A customized tool allows to ran reports and manage tickets entered into the system.

What is described above is a online competitive bidding platform **100** as shown generally at FIG. **7** for trading biddable financial instruments **7**, **20**, and **23** hosted on structure shown at FIG. **4** including an network-enabled server **79**, the online competitive bidding platform **100** comprising a plurality of user personal computers **11** each with at least a computer processor **75** with a computer memory **76** for executing a software **86** shown at FIG. **5** generally in the computer memory **76** by the computer processor **75**, a computer display **77** and interface **77** connected to the computer processor **75**, and a computer connection illustrated by arrows to a network **82**. The software **86** in each of the computer processors **75** is an investor software interface **86** of a remote competitive bidding software platform **2** as shown at FIG. **5** and at least one network enabled server **79** connected to the network **82** with a server processor **80** and a server memory **81** for executing the competitive bidding software platform **2**.

As shown at FIG. **5**, the competitive bidding software platform **2** is connected to the investor software interfaces **86** via the network **82** for each of the plurality of personal computers **11** and the competitive bidding software platform **2** includes a clearing rate module **84** for calculation of a clearing rate for a biddable financial instrument for a period. The competitive bidding software platform **2** also includes a multi-party bidding or listing module **87** for accepting bids as shown at FIG. **7** from at least a non-contractual buyer **3**, **4** and at least a contractual buyer **22** under contractual obligation to place a bid for the entire issue of the biddable financial instrument.

As described above, biddable financial instrument **7**, **20**, and **23** at FIG. **7** can be selected from a group consisting of biddable variable rate demand obligations, biddable tender option bonds, and biddable market liquidity variable rate security.

In one embodiment, the investor software interface **86** is an open window on a personal computer of an internet browser connected that operates for example using HTML format and is connected to the network and to a web server. The remote competitive bidding software platform can be a standing alone massive software on a server, multiple servers or a web-based html application for generating information to web-enabled browsers like the investor software interface. The competitive biddable platform can also include a secondary offering module **85** as shown at FIG. **5** for offering biddable financial instruments owned by the contractual bidder for purchase to at least another non-contractual bidder.

In yet another embodiment, what is contemplated is a method for generating a biddable financial instrument for trading over a biddable auction software platform as described above, the method includes the steps of associating within a financial instrument contractual agreement a contractual bidder with a single issue of a financial instrument to be issued by an issuer, using a bank syndicate or an agent to offer the single issue to a plurality of initial investors on a primary market, placing the single issue owned by the initial investors on a biddable alternative trading system, and allowing any of the plurality of investors owning at least a portion of the single issue to trade their positions on the biddable alternative trading system to other investors or to a contractual bidder if no other investor is available to acquire the portion of the single issue.

Alternatively, other further steps can also include allowing the contractual bidder to sell any portion of the single issue in its possession over a secondary offering to investors for the remaining of a period, paying interest for the period to the investors and/or the contractual bidder for their ownership interest in the single issue at a clearance rate and paying to the contractual bidder an additional fee, and making sure the additional fee is the difference between an all-sell-rate and the clearance rate for the period.

Also described above is a method of calculating a premium, or a fee for a contractual bidder holding a position in a biddable financial instrument trading over a competitive bidding software platform, the method comprising the steps of fixing contractually a yearly ceiling rate of an issue of a

biddable financial instrument as part of a contractual agreement of the biddable financial instrument, calculating using a clearing rate module of the online trading platform a clearing rate for the issue of the biddable financial instrument for a period, determining using the clearing rate module an all-sell-rate as the lower of a previous period clearing rate plus a fixed value in basis points or a fraction of the yearly ceiling rate in percentage, and removing from the all-sell-rate the current period clearing rate.

Finally, another method described above is for the calculation of a periodic clearing rate of a single issue of biddable financial instrument trading on a competitive bidding software platform, the method includes the steps of allowing during a trade period at plurality of potential investors to enter sell, buy or roll orders on a single issue of a biddable financial instrument, wherein for each buy or roll order includes at least a volume of trade and a bid rate, determining the highest bid rate entered for the trade period, adding all of the volumes entered for each buy and roll orders into a demand, entering a buy order for a total volume of the single issue at the highest bid rate entered on behalf of a contractual bidder, closing the trade period, comparing the demand with the volume of the single issue and in case the demand is inferior to the single issue volume awarding to the contractual bidder the difference between the singe issue volume and the demand and fixing the periodic clearing rate as the bid rate of the highest order entered as a buy or a roll, and comparing the demand with the volume of the single issue and in case the demand exceeds or equals the single issue volume, fixing the periodic clearing rate as the bid rate of the highest rate possible where the volume of the combined volumes of bids having lower bid rates is at least equal to the volume of the single issue. In another embodiment, the method can include the step of allowing during the trade period automatic roll over orders with the previous periods bid rate entered to be entered by the competitive bidding software platform.

It is understood that the preceding is merely a detailed description of some examples and embodiments of the present invention and that numerous changes to the disclosed embodiments can be made in accordance with the disclosure made herein without departing from the spirit or scope of the invention. The preceding description, therefore, is not meant to limit the scope of the invention but to provide sufficient disclosure to one of ordinary skill in the art to practice the invention without undue burden.

What is claimed is:

1. A competitive bidding software platform for trading biddable financial instruments encoded in the computer memory of a plurality of user personal computers and the memory of at least one network enabled server for trading biddable financial instruments hosted on an network-enabled server, the competitive bidding software platform comprising:

a plurality of user personal computers each with at least a computer processor with a computer memory for executing a software in the computer memory by the computer processor, a computer display and interface connected to the computer processor, and a computer connection to a network, wherein the software in each of the computer processors is an investor software interface of a remote competitive bidding software platform; and at least one network enabled server connected to the network with a server processor and a server memory for executing the competitive bidding software platform, wherein the competitive bidding software platform is connected to the investor software interfaces via the network for each of the plurality of personal computers, wherein the competitive bidding software platform includes a clearing rate module for calculation of a clearing rate for a biddable financial instrument for a period, wherein the competitive bidding software platform also includes a multi-party bidding module for accepting bids from at least a non-contractual buyer and at least a contractual buyer under contractual obligation to place a bid for the entire issue of the biddable financial instrument, wherein the investor software interface includes a display of a list of positions including at least one opening position of current holdings held in a portfolio of the investor and the competitive bidding software platform to react differently to a desire by the investor to change the volume of a current position in the list of positions between two subsequent periods.

2. The competitive bidding software platform of claim **1**, wherein the biddable financial instrument is selected from a group consisting of biddable variable rate demand obligations, biddable tender option bonds, and biddable market liquidity variable rate security.

3. The competitive bidding software platform of claim **1**, wherein the investor software interface is an internet browser connected via HTML format to a web server and wherein the remote competitive bidding software platform is a web-based html application for generating information to web-enabled browsers like the investor software interface.

4. The competitive bidding software platform of claim **1**, wherein the competitive bidding platform includes a secondary offering module for offering biddable financial instruments owned by the contractual bidder for purchase to at least another non-contractual bidder.

5. The competitive bidding software platform of claim **1**, wherein the clearing rate module for calculation of the clearing rate for the biddable financial instrument for the period uses a Dutch auction system for determining the clearing rate.

6. The competitive bidding software platform of claim **5**, wherein the clearing rate module assigns a priority of roll orders at the clearing market rate, buy orders at the clearing market rate, and buy orders of the contractual bidder.

7. A method for generating a biddable financial instrument for trading over a competitive bidding software platform, the competitive bidding software platform comprising a plurality of user personal computers each with at least a computer processor with a computer memory for executing a software in the computer memory by the computer processor, a computer display and interface connected to the computer processor, and a computer connection to a network, wherein the software in each of the computer processors is an investor software interface of a remote competitive bidding software platform and at least one network enabled server connected to the network with a server processor and a server memory for executing the competitive bidding software platform, wherein the competitive bidding software platform is connected to the investor software interfaces via the network for each of the plurality of personal computers, wherein the investor software interface includes a display of a list of positions including at least one opening position of current holdings held in a portfolio of the investor and the competitive bidding software platform to react differently to a desire by the investor to change the volume of a current position in the list of positions between two subsequent periods, the method includes the steps of: associating within a financial instrument contractual agreement a contractual bidder with a single issue of a financial instrument to be

issued by an issuer; using a bank syndicate or an agent to offer the single issue to a plurality of initial investors on a primary market; placing the single issue owned by the initial investors on a biddable alternative trading system; and allowing any of the plurality of investors owning at least a portion of the single issue to trade their positions on the biddable alternative trading system to other investors or to a contractual bidder if no other investor is available to acquire the portion of the single issue.

8. The method of claim **7**, further including the step of allowing the contractual bidder to sell any portion of the single issue in its possession over a secondary offering to investors for the remaining of a period.

9. The method of claim **8**, further including the step of paying interest for the period to the investors and/or the contractual bidder for their ownership interest in the single issue at a clearance rate and paying to the contractual bidder an additional fee.

10. The method of claim **9**, wherein the additional fee is the difference between an all-sell-rate and the clearance rate for the period.

11. A method of calculating a premium for a contractual bidder holding a position in a biddable financial instrument trading over a competitive bidding software platform comprising a plurality of user personal computers each with at least a computer processor with a computer memory for executing a software in the computer memory by the computer processor, a computer display and interface connected to the computer processor, and a computer connection to a network, wherein the software in each of the computer processors is an investor software interface of a remote competitive bidding software platform and at least one network enabled server connected to the network with a server processor and a server memory for executing the competitive bidding software platform, wherein the competitive bidding software platform is connected to the investor software interfaces via the network for each of the plurality of personal computers, wherein the investor software interface includes a display of a list of positions including at least one opening position of current holdings held in a portfolio of the investor and the competitive bidding software platform to react differently to a desire by the investor to change the volume of a current position in the list of positions between two subsequent periods, the method comprising the steps of:

fixing contractually a yearly ceiling rate of an issue of a biddable financial instrument as part of a contractual agreement of the biddable financial instrument;

calculating using a clearing rate module of the online trading platform a clearing rate for the issue of the biddable financial instrument for a period; and

determining using the clearing rate module an all-sell-rate as the lower of a previous period clearing rate plus a fixed value in basis points or a fraction of the yearly ceiling rate in percentage; and removing from the all-sell-rate the current period clearing rate.

12. A method for the calculation of a periodic clearing rate of a single issue of biddable financial instrument trading on an biddable online trading platform comprising a plurality of user personal computers each with at least a computer processor with a computer memory for executing a software in the computer memory by the computer processor, a computer display and interface connected to the computer processor, and a computer connection to a network, wherein the software in each of the computer processors is an investor software interface of a remote competitive bidding software platform and at least one network enabled server connected to the network with a server processor and a server memory for executing the competitive bidding software platform, wherein the competitive bidding software platform is connected to the investor software interfaces via the network for each of the plurality of personal computers, wherein the investor software interface includes a display of a list of positions including at least one opening position of current holdings held in a portfolio of the investor and the competitive bidding software platform to react differently to a desire by the investor to change the volume of a current position in the list of positions between two subsequent periods, the method includes the steps of:

allowing during a trade period at plurality of potential investors to enter sell, buy or roll orders on a single issue of a biddable financial instrument, wherein for each buy or roll order includes at least a volume of trade and a bid rate; and

determining the highest bid rate entered for the trade period; adding all of the volumes entered for each buy and roll orders into a demand; entering a buy order for a total volume of the single issue at the highest bid rate entered on behalf of a contractual bidder; closing the trade period; comparing the demand with the volume of the single issue and in case the demand is inferior to the single issue volume awarding to the contractual bidder the difference between the singe issue volume and the demand and fixing the periodic clearing rate as the bid rate of the highest order entered as a buy or a roll; and comparing the demand with the volume of the single issue and in case the demand exceeds or equals the single issue volume, fixing the periodic clearing rate as the bid rate of the highest rate possible where the volume of the combined volumes of bids having lower bid rates is at least equal to the volume of the single issue.

13. The method of claim **12**, further including the step of allowing during the trade period automatic roll over orders with the previous periods bid rate entered to be entered by the competitive bidding software platform.

14. The method of claim **12**, wherein the bid rate can be a market rate.

* * * * *

WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Subject: License Fee Exemption Based on Financial Need

Date: May 20, 2025

FIRST READ: Proposed amendments to WSBA Bylaws relating to the hardship exemption for payment of license fees.

BACKGROUND:
At the March 21-22, 2025 meeting, the Board of Governors reviewed a proposal to expand the license fee hardship exemption and provided feedback regarding the title and description of the exemption, emphasizing the need for inclusivity and understanding of diverse financial situations among members and the stigma surrounding different titles.

At its May 19, 2025 meeting, the Budget and Audit Committee reviewed recommendations provided by Governor At-Large Jordan Couch and Chief Regulatory Counsel Renata Garcia (see *attachment A)* and unanimously approved them to be moved forward to the Board of Governors. The proposal is to amend the WSBA Bylaws relating to the hardship exemption for payment of active license fees as follows:

1. Increase the number of times a member is eligible for the hardship exemption from two to three.
2. Raise the eligibility threshold from 200% of the federal poverty level to 270% of the federal poverty level.
3. Change the name from *Hardship Exemption* to *License Fee and Assessment Exemption Based on Financial Need*.

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The fiscal impact of the proposal is provided in Attachment A under the "Fiscal Analysis" section.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into proposed action items presented to the Board of Governors. Applying an equity lens includes 1) identifying and centering people and communities most impacted decisions and/or 2) meeting people and communities according to their specific needs to produce fair and equal outcomes for all. The people most impacted by this proposed

policy appear to be the licensed legal professionals who have financial need (and relatedly, the clients they would serve as long as they're able to remain licensed). The proposed changes center legal professionals with financial need by broadening the policy's application and make eligibility more inclusive. Based on our review, there do not appear to be concerns about inequitable outcomes.

ATTACHMENTS:

Attachment A: License Fee Exemption Based on Financial Need Memo from April 28, 2025
Attachment 1: Recommended Amendments to WSBA Bylaws- Markup Version
Attachment 2: Recommended Amendments to WSBA Bylaws- Clean Version

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Jordan Couch, Governor At-Large
Renata Garcia, Chief Regulatory Counsel

DATE: April 28, 2025

RE: License Fee Exemption Based on Financial Need

ACTION: Recommend to the Board of Governors amending the WSBA Bylaws relating to the hardship exemption for payment of active license fees. The recommendation is to increase the number of times a member is eligible for the hardship exemption from two to three, raise the eligibility threshold from 200% of the federal poverty level to 270% of the federal poverty level, and change the name to License Fee and Assessment Exemption Based on Financial Need.

Recommended Amendments

Currently, active members who have a household income at or below 200% of the federal poverty level are eligible to claim a license fee hardship exemption. If granted, the member is exempt from paying the active license fee and client protection fund (CPF) assessment. The member is permitted to receive the exemption only twice during the member's lifetime. The recommendations before the committee are to (1) increase the income eligibility threshold to 270% of the federal poverty level, (2) allow an active member to claim the exemption up to three times, and (3) change the name of the exemption to License Fee and Assessment Exemption Based on Financial Need, which more accurately describes the purpose for the exemption than does "hardship exemption".

ALICE Threshold

The purpose of the proposed recommendations is to better support active members who are living in effective poverty, that is members who are living at or below a household income level known as the ALICE threshold. ALICE is an acronym for Asset Limited, Income Constrained, Employed, and represents families who are unable to afford the basics of housing, child care, food, transportation, health care, and technology.[1]

Financial Analysis

The amount of license fees that have been exempted due to past exemptions is illustrated in the table below. The exemption limit increased to two times in 2021; 129 of the 237 exemptions in 2021 represent members using the exemption for the second time.

Year	Exemptions	License Fees
2025	67	$ 27,480.00
2024	89	$ 38,243.00
2023	83	$ 36,754.50
2022	74	$ 31,373.00
2021	237	$ 100,760.00

[1] ALICE information, reports, and income levels are available online at https://www.unitedforalice.org/.

2020	43	$ 17,404.00
2019	71	$ 28,965.50
2018	95	$ 37,940.50

We anticipate that there will be a substantial increase in 2026 (as there was in 2021) due to both the higher income threshold and allowing the exemption up to three times. In subsequent years, the number of exemptions will remain higher than prior years because of the higher income threshold.

If, for example, there were 300 exemptions in 2026, the impact on license fees would be approximately $140,400; which represents about $4.20 to be absorbed by each lawyer member paying the full active license fee.[2]

Attachments

1. Recommended Amendments to WSBA Bylaws – Markup Version
2. Recommended Amendments to WSBA Bylaws – Clean Version

[2] This calculation is based on a license fee of $468 and 33,132 active lawyer members paying the full license fee. 33,432 – 300 = 33,132. $140,400/33,132 = $4.23. Lawyer members paying a discounted license fee would absorb a prorated amount.

Budget and Audit Committee Recommended Amendments to WSBA Bylaws

WSBA Bylaws Art. III Sec. I.5. (page 15 of WSBA Bylaws)

5. License Fee and Assessment Exemption Based on Financial Need ~~s Due to Hardship~~

~~In case of proven extreme financial hardship, which must entail~~ An active member with a~~n current~~ annual household income equal to or less than ~~200%~~ 270% of the federal poverty level as determined based on the member's household income for the calendar year immediately preceding the calendar year for which the member is seeking to be exempted from license fees~~, the Executive Director~~ may be granted an exemption from payment of annual license fees and assessments by the Executive Director ~~any Active member~~. ~~Hardship e~~ Exemptions are for one licensing period only, and a request must be submitted on or before February 1st of the year for which the exemption is requested. Denial of an exemption request is not appealable. A member may be granted ~~a hardship~~ an exemption a maximum ~~of t~~wo three times, on the basis of separate exemption requests, and the exemptions may be granted for consecutive or non-consecutive calendar years.

Budget and Audit Committee Recommended Amendments to WSBA Bylaws

WSBA Bylaws Art. III Sec. I.5. (page 15 of WSBA Bylaws)

5. License Fee and Assessment Exemption Based on Financial Need

An active member with an annual household income equal to or less than 270% of the federal poverty level as determined based on the member's household income for the calendar year immediately preceding the calendar year for which the member is seeking to be exempted from license fees, may be granted an exemption from payment of annual license fees and assessments by the Executive Director. Exemptions are for one licensing period only, and a request must be submitted on or before February 1st of the year for which the exemption is requested. Denial of an exemption request is not appealable. A member may be granted an exemption a maximum of three times, on the basis of separate exemption requests, and the exemptions may be granted for consecutive or non-consecutive calendar years.

WASHINGTON STATE
BAR ASSOCIATION

To: Board of Governors

From: Budget and Audit Committee

Subject: Recommendations RE: Proposed Fees for Entity Regulation Pilot Project

Date: May 21, 2025

ACTION REQUESTED: The Budget and Audit Committee recommends that the Board of Governors recommend to the Court application and annual fees for the entity regulation pilot project as set forth in attachment A.

BACKGROUND:
At its May 19, 2025 meeting, the Budget and Audit Committee reviewed the recommendations provided by the Regulatory Services Department (see *attachment A)* and unanimously approved them to be moved forward to the Board of Governors.

The definition for entities to qualify for reduced fees considered at the Budget and Audit Committee was:

> An "Access-Focused Entity" is an entity with a primary focus of providing legal and law-related services to low income or low and moderate income individuals or households.

The Budget and Audit Committee raised some concerns with the definition to qualify for the discounted fees. These concerns focused on the following notions:

- All entities will believe they are access-focused and thus qualify for the discount;
- Appearance that entities without an access-focus could participate in the pilot project; and
- Entities might be created or might create subsidiaries to meet the definition to qualify for the discount.

The Practice of Law Board considered these concerns at its meeting on May 21, 2025. Given the resources of many of the entities expected to participate in the pilot project, the Practice of Law Board determined that the risk of entities being created to meet a definition for a modest fee reduction would be very low.

The Practice of Law Board acknowledges that there will be entities participating in the pilot project who might be serving moderate income clients and maybe even more than moderate income clients. However, the definition of access to justice in the Court's order adopting the entity regulation pilot project includes "moderate-income Washingtonians, and others who experience barriers in accessing legal services." Entities not serving low-income Washingtonians can participate in the pilot project but should not qualify for the fee discount.

The Practice of Law Board agrees that the "primary focus" language in the prior definition is too broad. The purpose of the reduced fees is to help organizations and business who might not have the resources to pay higher fees because their mission is focused on assisting low-income Washingtonians. Therefore, the Practice of

Law Board recommends a revised definition that narrows the qualification for reduced fees to those entities that have an express mission to serve low-income Washingtonians:

> An "ATJ Mission-Focused Entity" is an entity with a stated primary mission of providing legal and law-related services to low income or low- and moderate-income individuals or households.

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The fiscal impact of the proposal is provided in narrative form in attachment A and a fiscal projection is provided in attachment 1.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into proposed action items presented to the Board of Governors. Applying an equity lens includes 1) identifying and centering people and communities most impacted decisions and/or 2) meeting people and communities according to their specific needs to produce fair and equal outcomes for all.

It appears that the people most impacted by this proposal are potential applicants and the communities they serve and/or intend to serve, especially low and middle-income people. The proposed two-tier approach acknowledges the limited means that the applicants who are focused on serving low to moderate income people may have. While the fee structure offers essentially a 50% discount from the general fee, the discounted fee may still be cost-prohibitive for some applicants especially over a potentially seven-year pilot period. Especially since it is projected that the pilot project will have revenue outweighing expenses by the end of the second year after implementation, additional discounts should be considered for applicants who are not only "ATJ Mission-Focused," but have a limited operating budget or consistently face funding cuts. Ways to identify those applicants can including offering additional discounts only to organizations with a minimum annual operating budget amount, or to Qualified Legal Services Providers, or grantees associated with the Office of Civil Legal Aid or the Office of Public Defense. Examples of additional discounts include offering a fee waiver or graduated payments over the course of the pilot period. By doing this, the fees would be set based on needs of those most impacted by limited resources and produce fair and equal outcomes for all.

ATTACHMENTS:

Attachment A: Proposed Fees for Entity Regulation Pilot Project Memo dated May 1, 2025
Attachment 1: Recommended Amendments to WSBA Bylaws- Markup Version
Attachment 2: Recommended Amendments to WSBA Bylaws- Clean Version

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Budget and Audit Committee

CC: Terra Nevitt, Executive Director

FROM: Renata de Carvalho Garcia, Chief Regulatory Counsel
Bobby Henry, Associate Director for Regulatory Services

DATE: May 1, 2025

RE: Proposed Fees for Entity Regulation Pilot Project

ACTION: The Regulatory Services Department asks the Budget and Audit Committee to recommend to the Board of Governors application fees and annual fees for the entity regulation pilot project as set forth in this memo.

Summary

In preparation for the launch of the Entity Regulation Pilot Project, WSBA staff prepared budget projections with various proposed application fees and annual renewal fees for entities seeking to participate in the pilot project. The proposed fees and budget projections were reviewed by the Practice of Law Board at its meetings on April 16, 2025, and April 30, 2025. Based on staff analysis and Practice of Law Board input, we propose the following fee structure for the Entity Regulation Pilot Project:

Fee Type	Entity Type	Fee Amount
Application Fee	General Entity (not Access-Focused Entity)	$2,000
	Access-Focused Entity	$1,000
Annual License Fee	General Entity (not Access-Focused Entity)	$5,000
	Access-Focused Entity	$2,500

The fees for the Entity Regulation Pilot Project must be approved by the Board of Governors and the Washington Supreme Court.

Entity Types

Initial discussions included two types of entities regarding the fee structure: a general entity and a non-profit entity. Input from the WSBA equity team and the Practice of Law Board cautioned against using the generic term "non-profit" as some non-profits can be quite large organizations with substantial annual budgets. There are also other types of business entities that focus on public benefits which are not classified as non-profits. In addition, one of the primary objectives of the pilot project as set forth in the Washington Supreme Court's order adopting the pilot project is to determine "whether entity regulation will increase access to justice by enhancing access to affordable and reliable legal and law-related services… ." See Order No. 25700-B-721 at p. 3. Furthermore, the Court defined "access to justice" (ATJ) as "increasing the accessibility of

quality legal services to all persons, including low- and moderate-income Washingtonians, and others who experience barriers in accessing legal services." Id.

Based on the Court's stated objective and definition of ATJ, and the input from the equity team and Practice of Law Board, we propose an entity type of "Access-Focused Entity" for purposes of the fee structure. An "Access-Focused Entity" is an entity with a primary focus of providing legal and law-related services to low income or low and moderate income individuals or households.

Other Jurisdictions

Arizona charges application fees for its alternative business structure program that range from $2,000 to $12,000 depending on the type of business structure. They have a renewal license period of every two years thereafter with a bi-annual renewal fee that also ranges from $2,000 to $12,000 depending on the type of business structure. In Utah the annual fee is $5,000 and the application fee is $250.

Expenses

The direct expenses include outreach, investigations, and software hosting for the application process. Expenses for the development of the application and additional outreach are covered under the FY2025 budget. Indirect expenses include staffing and related overhead.

Budget Assumptions

The budget projection includes the following key assumptions:

- A modest number of applications the first year (15) followed by higher application numbers (35 per year) that decrease over time. We took into consideration the fact that there are already entities licensed in other jurisdictions which may be ready to provide legal services in Washington. On the other hand, the pilot project is an experiment with no guarantee of continuing operation which could cause entities to decide against participating.
- An application approval rate of 80% the first year and 85% thereafter; this is also designed to account for any attrition by entities who leave the pilot project.
- A full-time entity regulation staff person to be hired in FY 2026.

Given the above assumptions, the pilot project is projected to have revenue outweighing expenses by the end of the second year after implementation.

Attachments

1. Budget Projection for Entity Regulation Cost Center
2. Washington Supreme Court Order No. 25700-B-721

PILOT PROJECT: ENTITY REGULATION

	DESIGN AND IMPLEMENTATION	MAINTENANCE AND GROWTH						
	YEAR 1 (FY26)	**YEAR 2 (FY27)**	**YEAR 3 (FY28)**	**YEAR 4 (FY29)**	**YEAR 5 (FY30)**	**YEAR 6 (FY31)**	**YEAR 7 (FY32)**	**YEAR 8 (FY33)**
REVENUE								
APPLICATION FEES ($2,000/$1,000 AFE)	$28,000	$68,000	$68,000	$39,000	$39,000	$39,000	$29,000	$20,000
ANNUAL FEES ($5,000/$2,500 AFE)	$47,500	$185,000	$322,500	$400,000	$477,500	$555,000	$612,500	$657,500
TOTAL REVENUE	**$75,500**	**$253,000**	**$390,500**	**$439,000**	**$516,500**	**$594,000**	**$641,500**	**$677,500**
EXPENSES								
OUTREACH & COMMUNICATION	$10,000	$10,000	$8,000	$6,000	$4,000	$2,000	$2,000	$2,000
INVESTIGATION	$9,600	$22,400	$22,400	$12,800	$12,800	$12,800	$9,600	$6,400
STAFF CONFERENCE AND TRAINING	$4,400	$3,000	$3,000	$3,000	$3,000	$0	$0	$0
SOFTWARE HOSTING	$3,973	$4,112	$4,256	$4,405	$4,559	$4,719	$4,884	$5,055
TOTAL DIRECT COSTS	**$27,973**	**$39,512**	**$37,656**	**$26,205**	**$24,359**	**$19,519**	**$16,484**	**$13,455**
SALARY AND BENEFITS	$130,663	$136,970	$144,243	$154,172	$161,902	$172,800	$174,214	$181,284
OVERHEAD	$30,928	$30,276	$31,185	$32,120	$33,084	$34,076	$35,098	$36,151
TOTAL INDIRECT COSTS	**$161,591**	**$167,247**	**$175,428**	**$186,293**	**$194,986**	**$206,876**	**$209,312**	**$217,435**
INCOME/(LOSS)	**$ (114,064)**	**$ 46,241**	**$ 177,416**	**$ 226,503**	**$ 297,155**	**$ 367,605**	**$ 415,704**	**$ 446,610**
Cumulative Income/Loss	$ (114,064)	$ (67,823)	$ 109,594	$ 336,096	$ 633,252	$ 1,000,857	$ 1,416,561	$ 1,863,171

FILED
SUPREME COURT
STATE OF WASHINGTON
DECEMBER 5, 2024
BY ERIN L. LENNON
CLERK

THE SUPREME COURT OF WASHINGTON

IN THE MATTER OF THE ADOPTION OF A PILOT PROJECT TO TEST ENTITY REGULATION USING THE PRACTICE OF LAW BOARD'S FRAMEWORK FOR LEGAL REGULATORY REFORM

ORDER

NO. 25700-B-721

General Rule (GR) 24 defines the practice of law in Washington and provides for its exceptions and exclusions, including an exception for those activities which have been permitted under a regulatory system established by the Washington Supreme Court; and

The Admission and Practice Rules (APR) provide the requirements regarding who may be authorized to practice law in Washington and the means by which individuals may be authorized to do so; and

RCW 2.48.180, other statutes governing entity formation, and rule 5.4 of both the Washington Rules of Professional Conduct (RPC) and the LLLT Rules of Professional Conduct (LLLT RPC) limit the circumstances under which individuals may form entities for the purpose of practicing law in Washington; and

These rules and statutes generally prohibit the practice of law and provision of legal services by entities unless the entity providing those legal services is owned and operated by, and fees are shared only among, those individuals authorized to practice law; and

This Court has determined that while serving important public protection purposes, these court rules and statutes serve as barriers to the exploration, and data-driven testing, of legal regulatory reforms that would permit entities to provide legal and law-related services to consumers in Washington, whether or not the provision of those services would constitute the practice of law; and

As one of its mandates under GR 25, the Washington Supreme Court's Practice of Law Board (Board) is authorized to recommend new avenues for persons not currently authorized to practice law to provide legal and law-related services in Washington; and

Pursuant to its mandate, the Board has proposed a Framework for Data-Driven Legal Regulatory Reform[1] (Framework) that provides a methodology to allow those proposing a legal regulatory reform to use a consistent set of processes for designing, maintaining, and participating in a test of that reform while ensuring adequate guardrails are in place to protect the public and others while the reforms are tested and relevant data is collected;

The Framework provides a mechanism to pilot test authorizing entities to provide legal and law-related services in Washington under limited exemptions from the otherwise applicable rules and statutes that prohibit entities from practicing law (hereinafter entity regulation); and

[1] Practice of Law Board, *A Framework for Data-Driven Legal Regulatory Reform*, 14.2 Seattle J. Tech., Env't & Innovation L. 1 (2024), https://digitalcommons.law.seattleu.edu/sjteil/vol14/iss2/2/.

In September 2023, the Washington State Bar Association (WSBA) Board of Governors adopted as a strategic priority assessing technology-related opportunities and threats, and determining the WSBA's role vis-à-vis regulation, consumer protection, and support to legal professionals; and

In furtherance of that priority, in November 2023, the WSBA Board of Governors voted to support conducting a test of entity regulation using the Framework and in collaboration with the Board; and

The Board and the WSBA agree that conducting a pilot project to test entity regulation using the Board's Framework will best protect the public while ensuring that the Court has adequate data and information to make an informed decision regarding whether to implement entity regulation as an exercise of its plenary authority over the practice of law; and

This Court has determined that a pilot project to test entity regulation under the proposed Framework will assist the Board, the WSBA, and this Court in determining whether entity regulation will increase access to justice[2] by enhancing access to affordable and reliable legal and law-related services consistent with protection of the public, and whether entity regulation will

[2] For purposes of this Order, "access to justice" means increasing the accessibility of quality legal services to all persons, including low- and moderate-income Washingtonians, and others who experience barriers in accessing legal services.

create risks of consumer harm, regulatory challenges, or other risks that would serve as barriers to implementing reform;

NOW, THEREFORE, pursuant to this Court's inherent power to regulate the practice of law, it is hereby

ORDERED:

Using the Board's Framework, the Board and the WSBA shall in collaboration conduct a pilot project of entity regulation (hereinafter pilot project) to test reforming the activities prohibited in RCW 2.48.180, RPC 5.4, and LLLT RPC 5.4. Each beta-test applicant shall propose (1) a specific hypothesis relating to (a) reforming one or more regulatory rules governing entities practicing law and, if applicable, other related rules and (b) that reform's impact on the accessibility of legal services in Washington and (2) a study to test that reform.

Each applicant must identify a person authorized to practice law or other suitable person within the entity to act as a compliance officer who shall be tasked with ensuring the entity's compliance with the Court authorizing order and ethical rules that apply to the entity, reporting data to the WSBA, and serving as the main point of contact during the pilot project.

The purpose and focus of this pilot project are to collect data and information to inform reform efforts related to the regulation of the practice of law, and more specifically, to rules and regulations governing entities engaging in activities whether or not they constitute the practice of

law.[3] Except for those activities specifically excepted in any authorizing order or law, applicants participating in the pilot project must comply with all other statutes and regulations related to incorporation and conducting business operations in the state of Washington. If circumstances warrant referral, the WSBA or the Board may refer a participant to an appropriate enforcement agency for any alleged noncompliance.

Together, the WSBA with the assistance of the Board shall perform monitoring and oversight of each entity to ensure compliance with its authorizing order and any applicable rules of ethics. Participants shall pay reasonable application and participation fees in amounts to be recommended by the WSBA Board of Governors and approved by the Court. The WSBA shall appropriately fund, administer, and staff the pilot project in accordance with GR 12.3 and GR 25(c).

I. APPLICATION PROCESS

The WSBA shall develop an application process for entities to participate in the pilot project and shall receive and evaluate such applications. The WSBA shall make recommendations to the Board regarding which applicants should be authorized to participate in the pilot project, and shall recommend which reforms to regulatory rules should be tested, the data to be collected

[3] Secondarily, the purpose of the pilot project is to assess the effectiveness of the Framework, generally, in testing legal regulatory reforms.

and analyzed by each entity, any public protection measures to be imposed, and any limitations or conditions on the entity's authority to practice law during the pilot project.

The Board shall then recommend to the Court applicants to participate in the pilot project. For each participant, the Board shall recommend a timebound authorization to practice law that includes appropriate limitations and conditions on that authorization. The Court shall then enter individual orders as appropriate.

II. ONGOING MONITORING AND OVERSIGHT

Each participating entity shall undergo ongoing monitoring and oversight and shall have a duty to comply with procedures, instructions, and requests or directives from the WSBA and the Board.

A. ENTITY REPORTING PROCEDURES

The WSBA shall develop a reporting process and schedule for each entity for a period of time not to exceed seven years. Entities shall report data and information regarding their provision of legal services, their compliance with their authorizing orders, and their adherence to the rules of ethics. The WSBA shall accept and conduct data analysis and review of those reports. The WSBA shall securely maintain and safeguard against the unauthorized disclosure of confidential client information or trade secrets collected through reports or by other means.

Following each entity's report, the WSBA shall advise the Board regarding its review of that report and its data analysis and related findings. If through the reporting process, the WSBA identifies any concern that an entity is not complying with its authorizing order or has violated a

rule of ethics, the WSBA shall report that information to the Board. At the Board's request, the WSBA may investigate the matter as outlined in Section II.B. of this Order.

As appropriate, the WSBA may make recommendations to the Board regarding any need to refine the parameters of the test being conducted by a particular entity or any additional measures that may be necessary to protect the public, which may include removal from the pilot project. The WSBA or the Board may then recommend to the Court any modifications to an entity's authorizing order or appropriate public protection measures, which the Court will act on as appropriate.

Following an entity's final report under the WSBA's reporting schedule, the WSBA shall recommend to the Board whether the entity should continue to be authorized to provide legal and law-related services after the pilot project concludes and until such time as rules implementing entity regulation are in place or a decision is made not to implement entity regulation. As appropriate, the Board shall then make a recommendation to the Court regarding the same.

B. COMPLAINT AND INVESTIGATION PROCEDURES

The WSBA shall develop complaint procedures for the public to report an alleged violation by an entity or its staff of an authorizing order or an applicable rule of ethics. The WSBA shall review and may investigate the complaint. The WSBA shall report the results of its review and, if applicable, its investigation to the Board, and may make recommendations to the Board regarding any additional public protection measures that may be necessary, up to and including removal from the pilot project. The Board may request further inquiry by the WSBA or may make a

recommendation to the Court as appropriate. The applicant may be responsible for the costs of such an investigation as ordered by the Court upon recommendation of the Board.

III. BOARD REPORTING PROCEDURES

The WSBA and the Board shall report to the Court at least quarterly, regarding the pilot project's operation, including the ongoing monitoring and evaluation of participants, aggregate data and information and related data analysis and findings, and other relevant information related to the beta test.

IV. THE CONCLUSION OF THE PILOT PROJECT

The pilot project shall conclude when the Board and the WSBA have sufficient data and information to determine how to proceed with respect to studying entity regulation and other regulatory innovations. In any event, the pilot project shall end 10 years after the date that the first entity is granted authority by the Court to participate in the pilot project, unless extended by the Court.

At the end of the pilot project, the Board and WSBA shall make recommendations to the Court as to whether the applicants shall be permitted to continue to provide legal services under court orders detailing accompanying rules and regulations, and the Board and the WSBA will make specific, data-driven recommendations to the Court regarding whether to implement any additional entity regulation or to continue testing the concept using the Framework.

DATED at Olympia, Washington this 5th day of December, 2024

González C.J.
CHIEF JUSTICE

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors
CC: Terra Nevitt, Executive Director
FROM: Matthew Dresden, Co-Chair Member Engagement Council
Mary Rathbone, Co-Chair Member Engagement Council
DATE: June 5, 2025
RE: Approve Recommendation to Revise WSBA Fiscal Policies to Allow Use of Section Funds to Purchase Alcohol at WSBA Events

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Background

WSBA has not had a consistent or longstanding fiscal policy regarding the use of WSBA funds to purchase alcohol.

Prior to 2000, WSBA had no fiscal policy regarding the purchase of alcohol. In 2000, WSBA adopted a fiscal policy prohibiting the use of WSBA funds to purchase alcohol but made an exception for sections because "section revenues are paid voluntarily by section members." In 2006, WSBA adopted an additional exception allowing WSBA to use general funds to pay for all expenses (including alcohol) for "events which promote the interests of the WSBA."

In July 2016, WSBA adopted a new fiscal policy prohibiting the use of all WSBA funds to purchase alcohol and eliminated the exception for sections. The latter change was a recommendation from the Sections Policy Workgroup. Attached to this memo please find the minutes and relevant materials from the July 2016 BOG meeting.

Since the 2016 fiscal policy change, sections wishing to provide a hosted bar have needed to recruit outside alcohol sponsors and arrange for the sponsors to pay the venue or caterer directly.

At no time during its existence has WSBA prohibited or limited the sale or consumption of alcohol at its events, whether hosted by a section or any other instrumentality. WSBA's policy regarding alcohol has only addressed whether WSBA funds (including section funds) could be used to pay for alcohol. Attached to this memo please find the Office of General Counsel's 2023 summary of the changes to WSBA's fiscal policy regarding the purchase of alcohol, which includes the specific policy language from each iteration.

After receiving feedback from multiple sections expressing longstanding dissatisfaction with the 2016 fiscal policy change, the Member Engagement Council began to investigate the reasons for the change to the fiscal policy in 2016 and to determine if a recommendation should be made to the Board of Governors to change the fiscal policy back to its pre-2016 version, which allowed section funds to purchase alcohol for use at WSBA-sanctioned section events.

Process for Formulating the Recommendation

In 2024 the Member Engagement Council worked with WSBA staff to solicit feedback from section leaders about the implications of the policy change and whether they would like the policy changed. Although an official survey of section leaders wasn't conducted at this stage, anecdotal feedback was that the policy change in 2016 created significantly more work for the sections and WSBA staff supporting them because of the requirement to recruit and coordinate an alcohol sponsor to pay the venue directly.

In February 2025 the Member Engagement Council worked with WSBA staff to develop a brief survey which was sent to all section leaders, asking if they would favor changing the fiscal policy to allow section funds to purchase alcohol. 75 section leaders, representing 22 of the 29 sections, responded to the survey. 62.67% of respondents favored a change to the fiscal policy allowing the use of section funds to purchase alcohol; 34.67% did not favor the change; and 2.67% chose not to answer. The survey results are attached to this memo.

Recommendation

Assistant General Counsel Catherine Schur attended the April 9, 2025, meeting of the Member Engagement Council and provided legal advice in executive session regarding the proposed change. After careful review and discussion of the section survey results, legal advice, origins of the changes to the fiscal policy, and impacts on the sections, the Member Engagement Council voted unanimously to recommend that the Board of Governors change WSBA's fiscal policy to allow section funds to purchase alcohol at WSBA sanctioned events.

On May 19, 2025, the Member Engagement Council brought the matter to the Budget and Audit Committee for approval to move the recommendation forward to the Board of Governors at the July 2025 meeting. Budget and Audit received the same information from Assistant General Counsel Schur and after the receipt of the information voted unanimously to move the recommendation forward to the Board of Governors.

The Member Engagement Council is now asking the Board of Governors to approve the fiscal policy changes. The red line and clean versions of the proposed changes are provided in the materials.

The Member Engagement Council thanks the Board of Governors for its consideration of the recommendation.

Sincerely,

Matthew Dresden, Co-Chair of the Member Engagement Council
Mary Rathbone, Co-Chair of the Member Engagement Council

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The legal risk analysis is in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The proposed policy changes will primarily affect WSBA section finances. Sections electing to serve alcohol at events will incur additional expenses, including the cost of alcohol, taxes, and fees. While current policy prohibits using section funds for alcohol, sections can solicit sponsors to cover these costs and use section funds for bartenders, corkage, and service/setup fees. Therefore, sections currently using sponsorships will face lower costs

than those not serving alcohol. Costs will vary by event type and attendance size, with open-to-all events likely being more expensive due to higher attendance.

Additional fiscal impact to WSBA is limited to the amount of staff time used to incorporate approved policy amendments to relevant records and communication of the policy changes. The staff time that would be allocated to this work is included in the overall duties of existing WSBA staff and would not require additional staff or allocation of resources from other internal sources.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

Applying an equity lens includes 1) identifying and centering people and communities most impacted by decisions and/or 2) meeting people and communities according to their specific needs to produce fair and equal outcomes for all.

These proposed changes to fiscal policies will enable the use of WSBA section funds to purchase alcohol. The main rationale for the proposed changes includes a desire to reduce section member dissatisfaction from a 2016 fiscal policy change and the administrative burden placed on staff and volunteers planning events that include alcohol, who must find external sponsors under current fiscal policies. Whether these impacts are positive and significant enough to warrant moving forward with the proposed changes, and whether these impacts were weighed against any potential adverse impacts, is unclear from the materials provided. To fully assess the equity impacts of this proposal requires more research and community input on the impacts of these changes, especially the potential for unintended adverse consequences on accessibility, inclusion, and engagement at events, as well as the equitable use of section funds.

Attachments:
Minutes and Materials from the July 2016 BOG Meeting
History of Fiscal Policy from OGC
Section Leader Survey Results
Redline of Fiscal Policy Changes
Clean Version of Fiscal Policy Changes

MINUTES

Public Session
Washington State Bar Association
BOARD OF GOVERNORS

Walla Walla, WA
July 22-23, 2016

The Public Session of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Bill Hyslop on Thursday, July 22, 2016, at 10:20 a.m., at the Marcus Whitman, Walla Walla, Washington. Governors in attendance were:

Keith M. Black (Friday only)
Philip L. Brady
Mario M. Cava
Ann Danieli
Sean M. Davis
James K. Doane
Elijah M. Forde
Bradford E. Furlong
Angela M. Hayes
Andrea S. Jarmon
Jill A. Karmy
William D. Pickett
G. Kim Risenmay
Karen Denise Wilson

Also in attendance were President-elect Robin Haynes, Immediate Past-President Anthony Gipe, Executive Director Paula Littlewood, General Counsel/Chief Regulatory Counsel Jean McElroy, Chief Disciplinary Counsel Doug Ende, Director of Human Resources Frances Dujon-Reynolds, Chief Communications Officer Debra Carnes, Chief Operations Officer Ann Holmes, Director of Advancement/Chief Development Officer Terra Nevitt, and Executive Assistant Margaret Shane.

WELCOME AND INTRODUCTIONS

Officers, Governors, staff, liaisons, and guests introduced themselves. President Hyslop welcomed the Board and everyone in attendance to the Marcus Whitman, Walla Walla, Washington.

The following items were discussed on Friday, July 22, 2016.

CONSENT CALENDAR

a. June 2-3, 2016, Public Session Minutes
b. Appointment of Chairs and Vice-Chairs to WSBA Committees and Boards
c. 2016-2018 WSBA Strategic Goals
d. Suggested Amendments from Office of Disciplinary Counsel to Various Rules for Enforcement of Lawyer Conduct (ELCs)
e. ~~Revised WSBA Expense Policy~~ *pulled by Governor Risenmay and taken up later in meeting*
f. Amendments to Real Property, Probate and Trust Bylaws
g. Adjustment to BOG Nominations Committee Procedures

WSBA COMMITTEE ON MISSION PERFORMANCE AND REVIEW (CMPR) REPORT – President-elect Robin Haynes, Chair, and Sue Strachan, Legal Community Outreach Specialist (first reading)

Chair Haynes explained the work of the CMPR and highlighted the increased inclusion of new and young lawyers by various committees, diversity work, metrics, and improved reports. She referred the Board to the recommendations contained in the meeting materials and highlighted the recommendations regarding the Amicus Curiae Brief Committee and the WSBA Legislative Committee.

LLLT Board Chair Steve Crossland joined the table to give a history and bring the Board up to date on the Limited License Legal Technician (LLLT) Program. He advised that the goals for the Program in 2016 include exploring some limited role for LLLTs in appearing in court, limited negotiations on behalf of clients, and possibly extending the limited time waiver for another five years. He noted that a Family Law Advisory Committee has been created to respond to questions from schools and students and that discussions are being held regarding the inability of students taking classes through the law schools to obtain financial aid. He concluded by stating that the LLLT Board is in the process of working on a new practice area, which will be

something akin to elder law and guardianships. Discussion ensued regarding including community colleges in offering practice area curriculum in order to help solve financial aid issues; growth and promotion of the LLLT program; LLLT placements to date; next practice area; protection for potential liability; training requirements before practicing; data collection; make-up of the LLLT Board; and how the BOG can be helpful in advancing the LLLT profession.

WSBA RELIGIOUS OR SPIRITUAL PRACTICES POLICY – Jean McElroy, General Counsel/Chief Regulatory Counsel; Frances Dujon-Reynolds, Director of Human Resources; and Robin Nussbaum, Diversity Specialist (first reading)

General Counsel McElroy referred the Board to the two draft Policies contained in the meeting materials and explained each one. Discussion ensued regarding the need to develop a policy in order to give staff guidance in situations when there is a request to include a religious or spiritual practice as part of a WSBA event; redline versions of the proposed policy that were submitted from the WSBA membership; Indian law practice and cultural norms; potential liability issues for WSBA; and the importance of the Board in fulfilling its fiduciary obligations. It was the consensus of the Board to continue receiving comments from, and dialogue with, interested parties. In addition, it was the consensus of the Board that a Work Group will not be needed to address this issue and that all materials subsequently submitted on this item be made available to the Board and published online for the membership to review. Also, prior to the September BOG meeting, WSBA will work with Indian Law Section members to better understand their input and concerns.

SUGGESTED AMENDMENTS TO ADMISSION AND PRACTICE RULES (APRs) FOR ADMINISTRATIVE COORDINATION – Jean McElroy, General Counsel/Chief Regulatory Counsel (first reading)

Executive Director Littlewood updated the Board on the progress of the Coordinated Regulatory System project. She advised that she, General Counsel McElroy, and Chief Disciplinary Counsel Ende met with the Washington Supreme Court Administrative Committee, in order to explain the ideas for the coordinated system and to obtain feedback before starting to draft rules for a discipline coordinated system.

General Counsel McElroy explained that staff is currently administering three different types of licenses within the Bar, with a net effect of three separate bar associations: Limited Practice Officers (LPOs); Limited Legal License Technicians (LLLTs); and Lawyers. She expressed a desire to control administrative costs for all of the license types. The plan is to use the same staff and technologies to administer all license types, and to combine the three separate processes into one primary administrative process, resulting in increased effectiveness and efficiencies. She referred the Board to the draft Rules contained in the meeting materials and asked for input. Discussion ensued regarding clarification of various proposed Rule language.

RECOMMENDATIONS RE WSBA APEX AWARDS – Governor Keith Black, Chair, and Debra Carnes, Chief Communications Officer (first reading)

Chief Communications Officer Carnes explained the proposed recommendations. Discussion ensued regarding clarification of the various recommendations.

BOG RESPONSE TO ESCALATING COST OF CIVIL LITIGATION (ECCL) TASK FORCE RECOMMENDATIONS

President Hyslop referred the Board to the draft BOG Report contained in the meeting materials. Discussion ensued regarding obtaining clarification from the Washington Supreme Court concerning when to start work drafting Rules related to the information contained in the Report; and convening a Task Force consisting of members with specific expertise. Governor Karmy moved to approve the BOG Response as contained in the meeting materials and send it to the Washington Supreme Court with attachments 1-11 as proposed in the Report. Motion passed unanimously.

UPDATE ON PROPOSED WSBA BYLAW AMENDMENTS – Immediate Past-President Anthony Gipe, Chair, and Jean McElroy, General Counsel/Chief Regulatory Counsel

Chair Gipe referred the Board to the information contained in the meeting materials and reported that redlining of the Bylaws is continuing. He advised that the final Work Group meeting, which is open to the public, is scheduled on August 8 at the WSBA offices where the redline draft would be finalized for first reading at the Board's Special Meeting on August 23. Discussion ensued regarding extending the time frame for consideration of this item.

UPDATE ON SECTIONS POLICY WORK GROUP – Immediate Past-President Anthony Gipe, Chair; Ann Holmes, Chief Operations Officer; and Terra Nevitt, Director of Advancement/Chief Development Officer

Chair Gipe iterated the topics of discussion for the August 12, 2016, meeting of the Work Group. He advised that the Work Group will make final minor changes to its recommended revisions to Article XI of the WSBA Bylaws.

CONSENT CALENDAR

Revised WSBA Expense Policy - Governor Risenmay advised that the issue concerning the Revised WSBA Expense policy had been resolved, based on his clarified understanding that the Policy was recommended by the Budget and Audit Committee, consistent with the recommendations of the Sections Policy Work Group. Governor Brady moved to approve the revised expense policy as contained in the meeting materials. Motion passed unanimously.

The following items were discussed on Saturday, July 23, 2016.

ELECTION OF 2016-2017 WSBA TREASURER

Governor Wilson nominated Governor Jill Karmy as the 2016-2017 WSBA Treasurer and moved that the Board approve the nomination. There were no other nominations. Motion passed unanimously.

DRAFT WSBA FY2017 BUDGET – Governor Karen Denise Wilson, Treasurer; Ann Holmes, Chief Operations Officer; and Tiffany Lynch, Controller (first reading)

Treasurer Wilson explained that the objectives at this meeting are to finalize the FY2017 budget, consider and provide guidance about 2018-2020 license fee models, review proposed revisions to the WSBA reserve policy, identify costs likely to change between the draft and the final FY17 budget, and authorize the website redesign project to begin before October 1, 2016.

Chief Operations Officer Holmes introduced the FY2017 WSBA draft budget, which consists of six budgets: the General Fund Budget; Capital Budget; Continuing Legal Education (CLE) Budget; Lawyers' Fund for Client Protection (LFCP) Budget; the Western States Bar Conference Budget;

and the Sections Budget. She provided an overview of the proposed General Fund Budget, as set forth in the meeting materials. She also noted that insurance premiums will increase in the final draft due to the addition of cyber coverage and an increase in professional liability premiums.

Controller Lynch provided an overview of the Capital Budget and advised that major FY2017 capital projects include the WSBA website redesign; member system upgrade; paperless accounts payable system; updated mailing equipment; and hardware upgrade to servers and network equipment. Chief Operations Officer Holmes noted that cost information received following preparation of the first draft budget for mailing equipment and the website redesign will be updated in the final budget. Mailing equipment expenses will decrease; the website redesign project costs will increase by $35,000 based on negotiations with the vendor selected following a rigorous RFP process. She explained that WSBA would like to contract with the vendor and begin work now rather than wait until the beginning of FY2017. She then provided overviews of the CLE budget, the LFCP budget, and WSBA reserves, and explained that the proposed CLE budget combines the seminars and products cost centers, while the LFCP budget is funded by an annual assessment on each WSBA member set by the Washington Supreme Court (currently $30). LFCP reserves, the only legally restricted WSBA reserves, are intended to cover the cost of gifts made to members of the public who are harmed by the dishonest conduct of lawyers in Washington state. The LFCP Board is examining options with respect to growing reserves, including increasing the cap on gift awards. Other than LFCP restricted reserves, all other WSBA reserves are Board designated. General Fund Reserves include the Operating Fund Reserve, Capital Fund Reserve, Facilities Fund Reserve, Program Reserve Fund, and the Unrestricted General Fund Reserves; there are also Board designated reserves for the CLE and Section Funds. Discussion ensued about the proposed budget, with no changes identified.

Governor Wilson moved that the Board approve work to proceed immediately on the Website Redesign Project at the cost of $35,000 over the initial estimate. Motion passed unanimously.

2018-2020 WSBA LAWYER LICENSE FEES – Governor Karen Denise Wilson, Treasurer; Ann Holmes, Chief Operations Officer; and Tiffany Lynch, Controller (first reading)

Chief Operations Officer Holmes reviewed the history of WSBA license fees and reserves since 2001, included in the meeting materials, and presented the top two options of many that the Board and the Budget and Audit Committee considered this year. The first model assumes that reserves should not fall below $1.5 million. In order to maintain this minimum level of reserves, active lawyer license fees would be set at $434 in 2018, $453 in 2019, and $458 in 2020. The second model, which the Budget and Audit Committee recommended, assumes that reserves should not fall below $2.0 million by the end of 2019. Under this model, the active lawyer license fee would be set at $449 in 2018 $453 in 2019, and $458 in 2020. Following discussion, the consensus of the Board was to support the model r that maintains a $2 million reserve.

WSBA RESERVE POLICY - Governor Karen Denise Wilson, Treasurer; Ann Holmes, Chief Operations Officer; and Tiffany Lynch, Controller (first reading)

Chief Operations Officer Holmes reviewed proposed changes to the current policy as set forth in the redlined, annotated version contained in the meeting materials.

DESIGN PROFESSIONAL MODEL RESIDENTIAL CONTRACTS – Terra Nevitt, Director of Advancement/Chief Development Officer (first reading)

Director Nevitt referred the Board to the information contained in the meeting materials and advised that this is the fifth model contract from the Construction Law Section brought before the Board for approval. Immediate Past-President Gipe reviewed the history of the model contracts and noted that they are of great service to the public.

ADJOURNMENT

There being no further business, the Public Session portion of the meeting was adjourned at 11:55 a.m. on Saturday, July 23, 2016.

Respectfully submitted,

Paula C. Littlewood

Paula C. Littlewood
WSBA Executive Director & Secretary

WSBA

TO: Board of Governors

FROM: Anthony Gipe, Immediate Past President
Ann Holmes, Chief Operations Officer
Terra Nevitt, Director of Advancement and Chief Development Officer

DATE: July 13, 2016

RE: Sections Policy Workgroup Update: March – July 2016

Since our last update to the Board, the Sections Policy Workgroup (workgroup) was expanded to include five section leaders elected by their peers. The expanded team has met four times and is making good progress in discussing the priority areas identified following section feedback received in February: applicability of WSBA fiscal policies to sections; areas of governance standardization; alignment of the section membership year with the license fee (calendar) year; and WSBA open meeting parameters. The revised workgroup overview, and minutes of these meetings, are attached.

1. April 28: Orientation was provided for new workgroup members. Following discussion about successes and challenges in the WSBA and sections relationship, the workgroup made several revisions to its core principles.

2. June 6: The meeting focused on the applicability of WSBA expense policies to sections. Following discussion, the workgroup made near unanimous recommendations to the WSBA Budget & Audit Committee, which the Committee adopted as part of its recommended fiscal policy revisions that are before the Board for approval at this meeting.

3. June 20: The workgroup began to discuss the applicability of WSBA's open meeting policy to section activities, as well as areas for potential standardization of section governance to achieve efficiencies.

4. July 11: Continued discussions were held about WSBA's open meeting policy and areas of governance standardization. In addition, the workgroup began to discuss the potential alignment of the section membership year with the calendar year.

The workgroup will meet again on August 12. At that meeting, the workgroup will consider draft language for areas of section governance that might be standardized, and continue its discussions about the WSBA open meeting policy and alignment of the section membership year with the calendar year. We will also begin to discuss section reserves, and how sections can help each other, as requested by the section leader members of the workgroup.

WSBA Sections Policy Workgroup Overview
Updated June 2016

SCOPE OF WORK

- Review current WSBA policies related to sections
- Obtain input from sections and other stakeholders
- Recommend proposed changes to Board of Governors
- Disseminate and publish proposed changes for public comment
- Incorporate feedback/present to Board of Governors for approval

CORE PRINCIPLES

Revised April 28, 2016

- We are a WSBA leadership team driven initiative to improve WSBA and its sections.
- It is critical that we all support the process in a positive way.
- All sections should offer core member benefits (educational, networking and leadership opportunities; and direct communication to members).
- Barriers to member participation should be reduced.
- Sections should have alignment with WSBA and its mission.
- Workgroup recommendations should improve policies and mitigate any potential harm.
- Greater administrative consistency among sections will enable us to streamline support and advance the WSBA mission more effectively.
- Collaboration among and between WSBA, sections and WSBA strategic partners should be promoted.
- The overall health and mission of the whole is greater than any individual section.
- Transparency and participation throughout the process is critical.

WORKGROUP MEMBERS

Anthony Gipe, Immediate Past-President (Chair)
Robin Haynes, President-Elect
Phil Brady, Third Year Governor
Karen Denise Wilson, Treasurer
Ann Danieli, Second Year Governor
Keith Black, Second Year Governor
James Doane, First Year Governor
Sean Davis, First Year Governor
Ruth Edlund, Section Leader
Kim Hunter, Section Leader
RoseMary Reed, Section Leader
Alec Stephens, Section Leader
Paul Swegle, Section Leader
Terra Nevitt, Chief Development Officer and Director of Advancement
Ann Holmes, Chief Operations Officer
Jean McElroy, General Counsel
Tiffany Lynch, Controller
Paris Eriksen, Sections Program Manager

WORKGROUP MEETINGS

Meeting	Date	Objectives
1	June 6	• Workgroup Feedback to WSBA Budget and Audit Committee. • Budget and Audit recommendation to BOG on first reading in July; Board action in September.
2	June 20	• Open Meeting Requirements (ongoing) • Some standardization (e.g. elections/governance). Workgroup feedback to WSBA Bylaws Workgroup.
3	July 11	• Membership year alignment to licensing year (in conjunction with work of the WSBA Bylaws Workgroup). • Some standardization (e.g. elections/governance). Workgroup feedback to WSBA Bylaws Workgroup. • Section reserves
4	August 12	• Section reserves
5	September 15	• TBD

Sections Policy Workgroup
Meeting Summary
April 28, 2016

The Sections Policy Workgroup meeting began at 9:05 a.m. on Thursday April 28. The purpose of the meeting was to orient all Workgroup members about the WSBA, its 28 sections, and the scope of the Workgroup through September 2016. Joining me in the meeting were Workgroup members President-elect Haynes; Governors Brady, Wilson, Danieli, Black, Doane, and Davis; Section leaders Edlund, Reed, Stephens, and Swegle; and WSBA staff members Nevitt, Holmes, McElroy, Lynch and Eriksen. Workgroup member Hunter was absent. President Hyslop, Executive Director Littlewood, and WSBA staff member Unite also attended.

Executive Director Littlewood provided an overview of WSBA, including the size of its membership and volunteers, functional organization, and WSBA entities. Following discussion on the history of WSBA sections, the Workgroup examined section demographics, member benefits, and financial information. The Workgroup also noted the unique nature of sections, including variations in membership size, activities, finances and governance.

The Workgroup had a rich discussion about the relationship between WSBA and sections, and some of the factors that impede our mutual growth and success. The Workgroup made some revisions to its Core Principles; however, the scope and timeline of the Workgroup remain the same. The meeting adjourned at 2:15 p.m.

The next meeting of the Workgroup will take place in May on a date to be determined. The meeting will focus on WSBA fiscal policies as they relate to and impact sections.

Click here to review the meeting materials and learn more about the Sections Policy Workgroup.

For questions, comments or feedback, feel free to contact me or email sections@wsba.org.

Thank you,
Anthony David Gipe
Chair, Sections Policy Workgroup
Immediate Past President

Sections Policy Workgroup
Meeting Minutes
June 6, 2016

The Sections Policy Workgroup meeting began at 12:15 p.m. on Monday, June 6. The meeting focused on the applicability of WSBA expense policies to all parts of the Bar, including Sections. Joining me in the meeting were workgroup members President-elect Haynes; Treasurer Wilson; Governors Brady, Danieli, Black, and Doane; Section leaders Edlund, Hunter, Reed, Stephens, and Swegle; and WSBA staff members Nevitt, Holmes, McElroy, and Eriksen. WSBA staff members Unite and Terrenzio also attended. Workgroup members Davis and Lynch were absent.

Following Workgroup Chair Gipe's overview of the agenda and workgroup decision making process, Treasurer Wilson introduced the WSBA expense policies set forth in Chapters 6 and 10 of the WSBA Fiscal Policies and Procedures. Chapter 6 sets forth general policies that apply to all parts of the Bar; Chapter 10 regarding section expenses confirms that Sections "shall comply with the expense policies of the WSBA"; then sets forth some exceptions to the general expense policies.

Earlier this year, the Budget & Audit Committee (Committee) agreed on revisions to Chapter 6, which would eliminate exceptions in Chapter 10, but elected to seek feedback from the workgroup before making a recommendation to the Board of Governors. The Committee will consider the workgroup's recommendation at its June 15 meeting; the Board will then consider the Committee's recommendation on first reading in July and for approval in September.

Chief Operations Officer Holmes reviewed the Committee's Revised Chapter 6, and the current Chapter 10 with the workgroup (both attached to these minutes), identifying areas of potential impact for some of the Sections regarding: (1) the prohibition against purchase or reimbursement of alcohol with WSBA funds; (2) travel-related expenses (lodging/meal/transportation limits); (3) gifts to volunteers or staff; and (4) meeting reimbursement parameters.

1. **Alcohol at Bar Functions (15-1 recommendation)**
   WSBA's general rule prohibits the use of WSBA funds to purchase alcoholic beverages, but permits alcoholic beverages to be served at WSBA functions, as long as they are (1) paid for with personal funds (e.g. no host bar) or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender. The prohibition is important for liability and insurance purposes, and appropriate given WSBA's public entity status. Chapter 10 currently enables section executive committees to use section funds to pay for alcoholic beverages at events or meetings open to all members, and at dinners honoring speakers and volunteers. Following discussion and consideration of alternate proposals, the recommendation of the workgroup (15 to 1) was that the prohibition on alcohol, with agreed clarifying wording, was workable, and should apply to sections as well as all other parts of the Bar.

2. **Travel-Related Expenses (unanimous recommendation)**
   Chapter 6 sets maximum limits for the payment or reimbursement of travel expenses, including lodging, meal, transportation limits; and prohibits reimbursement for expenses

incurred by spouses, domestic partners or guests (with a limited exception that permits reimbursement for individual meals of the spouse, domestic partner or guest of WSBA officers, governors and the Executive Director, when no group meal is provided). Chapter 10 currently permits sections to pay for or reimburse the actual expense for meals and lodging in some circumstances, even if it is above the WSBA rate. Chapter 10 also gives section executive committees the discretion to pay for a spouse, domestic partner, or guest for group meals at section functions.

Following discussion, the workgroup unanimously recommends that: (a) the WSBA travel-related expense provisions should also apply to sections, and (b) Chapter 6 should be revised (1) to substitute the term "guest" wherever the phrase "spouse, domestic partner, or one guest" occurs; and (2) to give section executive committees discretion to pay for group meals for one guest per section member attendee, and for speaker or award winner invitees, at section functions open to all section members, at executive committee retreats, and at speaker or award dinners.

3. **Gifts (approved by unanimous recommendation)**
   Chapter 6 permits the use of WSBA funds to purchase modest awards and gifts in appreciation for volunteer service (such as plaques or similar items recognizing an extraordinary volunteer service); and prohibits use of WSBA funds for gifts to WSBA staff except for *de minimis* or token appreciations (generally, not to exceed $50-$100). Chapter 10 currently permits gifts of wine, and gifts not to exceed $200 (up to $500 at the discretion of the executive committee). Following discussion, the consensus of the workgroup was that it is appropriate for the Chapter 6 gift parameters to also apply to sections.

4. **Meeting Reimbursement Parameters (unanimous recommendation)**
   Under Chapter 6, WSBA will reimburse the travel expenses of board, committee, task force, panel, council and section chairs regardless of the length of the meeting or the distance traveled. Since 2012, non-chair travel expenses are only reimbursable for meetings scheduled for 3 hours or more, or for travel 50 miles or more one way. Although there is currently no Chapter 10 exception for sections, the limitation for non-chair travel expenses has not been applied to sections in practice. Following discussion, the consensus of the workgroup was that it is appropriate for the Chapter 6 meeting reimbursement parameters to also apply to sections.

Following this meeting, Chapters 6 and 10 will be revised to reflect the workgroup's recommendations as indicated above, and provided to the Budget & Audit Committee for its consideration on June 15.

The next meeting of the Workgroup will take place on June 20. The meeting will focus on open meeting requirements and governance issues. The meeting adjourned at 4:30 p.m.

Click here to review the meeting materials and learn more about the Sections Policy Workgroup.

For questions, comments or feedback, feel free to contact me or email sections@wsba.org.

Thank you,

Anthony David Gipe
Chair, Sections Policy Workgroup
Immediate Past President

WASHINGTON STATE
BAR ASSOCIATION

Summary of the History of WSBA Funds and Purchase of Alcohol from WSBA Office of General Counsel

The rules regarding the purchase of alcohol and the use of WSBA funds for that purpose have traditionally been included in our Fiscal Policies and Procedures, Expense Policies, and Sections Fiscal Policies.

The materials of the March 1991 BOG meeting include the BOG Expense Policy. (According to the header of the Policy, the Board initially adopted it in June of 1980 and subsequently modified it by Board action in June of 1983, July of 1986, and February of 1991.)

Regarding alcohol, the Policy includes:

> No alcohol purchases will be paid/reimbursed by the Association. Such items should be paid for separately by the Board Member ordering them. Liquor charges incurred at group dinners, including wine, will be paid for from a special fund established through voluntary contributions from members of the Board of Governors and the Executive Director.

The first fiscal policy was adopted in 2000. The effect was to make alcohol purchases at WSBA-hosted events a personal expense.

The calendar of the February 18, 2000, BOG meeting included the following:

> Adoption of WSBA Policy Regarding the Purchase of Alcoholic Beverages
> Though implicit and followed for many years, this policy sets out the prohibition of using license fees or other WSBA general revenue for the purchase of alcoholic beverages.

PURCHASE OF ALCOHOL FOR BAR FUNCTIONS

Acceptance: *Adopted by the Board of Governors on February 18, 2000*

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.

1325 4th Avenue | Suite 600 | Seattle, WA 98101-2539
800-945-WSBA | 206-443-WSBA | questions@wsba.org | www.wsba.org

Alcoholic beverages may be served at Young Lawyers Division functions, at the discretion of the Young Lawyers Division Trustees, as long as they are paid for by the individuals or with sponsorship funds or donations raised for that purpose.

There are no exceptions to this policy.

The 2006 revision (adding an exception) allowed WSBA funds to host alcohol costs at events that promote the interests of the WSBA.

PURCHASE OF ALCOHOL FOR BAR FUNCTIONS

Acceptance: **Adopted by the Board of Governors on February 18, 2000**
Amended by the Board of Governors on April 21, 2006

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.

Alcoholic beverages may be served at Young Lawyers Division functions, at the discretion of the Young Lawyers Division Trustees, as long as they are paid for by the individuals or with sponsorship funds or donations raised for that purpose.

The following exception applies:

- The WSBA will pay for all expenses including refreshments (and alcoholic beverages) for events which promote the interests of the WSBA.

The Sections Policy Workgroup met on June 6 to consider the applicability of WSBA fiscal policies to sections. After discussing areas of potential section impact, the workgroup recommended to the Budget and Audit Committee that sections should be subject to the WSBA expense policies outlined in revised Chapter 6 and that

Chapter 10 should be revised accordingly. On July 6, 2016, the Budget and Audit Committee discussed the Recommended Revisions to Chapters 6 and 10 of the WSBA Fiscal Policies and Procedures. It recommended that the Board of Governors approve revised Chapters 6 and 10.

The July 22-23, 2016, BOG meeting materials include the following from Sections Policy Workgroup's meeting minutes from June 6, 2016:

> The Sections Policy Workgroup meeting began at 12:15 p.m. on Monday, June 6. The meeting focused on the applicability of WSBA expense policies to all parts of the Bar, including Sections. [...]
>
> Following Workgroup Chair Gipe's overview of the agenda and workgroup decision making process, Treasurer Wilson introduced the WSBA expense policies set forth in Chapters 6 and 10 of the WSBA Fiscal Policies and Procedures. Chapter 6 sets forth general policies that apply to all
> parts of the Bar; Chapter 10 regarding section expenses confirms that Sections "shall comply with the expense policies of the WSBA"; then sets forth some exceptions to the general expense policies.
>
> Earlier this year, the Budget & Audit Committee (Committee) agreed on revisions to Chapter 6, which would eliminate exceptions in Chapter 10, but elected to seek feedback from the workgroup before making a recommendation to the Board of Governors. The Committee will consider the
> workgroup's recommendation at its June 15 meeting; the Board will then consider the Committee's recommendation on first reading in July and for approval in September. Chief Operations Officer Holmes reviewed the Committee's Revised Chapter 6, and the current Chapter 10 with the workgroup (both attached to these minutes), identifying areas of potential impact for some of the Sections regarding: (1) the prohibition against purchase or reimbursement of alcohol with WSBA funds; (2) travel-related expenses (lodging/meal/transportation limits); (3) gifts to volunteers or staff; and (4) meeting reimbursement parameters.
>
> **1. Alcohol at Bar Functions (15-1 recommendation)**
> WSBA's general rule prohibits the use of WSBA funds to purchase alcoholic beverages, but permits alcoholic beverages to be served at WSBA functions, as long as they are (1) paid for with personal funds (e.g. no host bar) or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender. The prohibition is important for liability and insurance purposes, and appropriate given WSBA's public entity status. Chapter 10 currently enables section executive committees to use section funds to pay for alcoholic beverages at events or meetings open to all members, and at dinners honoring speakers and volunteers. Following discussion and consideration of alternate proposals, the recommendation of the workgroup (15 to 1) was that the prohibition on

alcohol, with agreed clarifying wording, was workable, and should apply to sections as well as all other parts of the Bar.

The then-current Chapter 6 included the following:

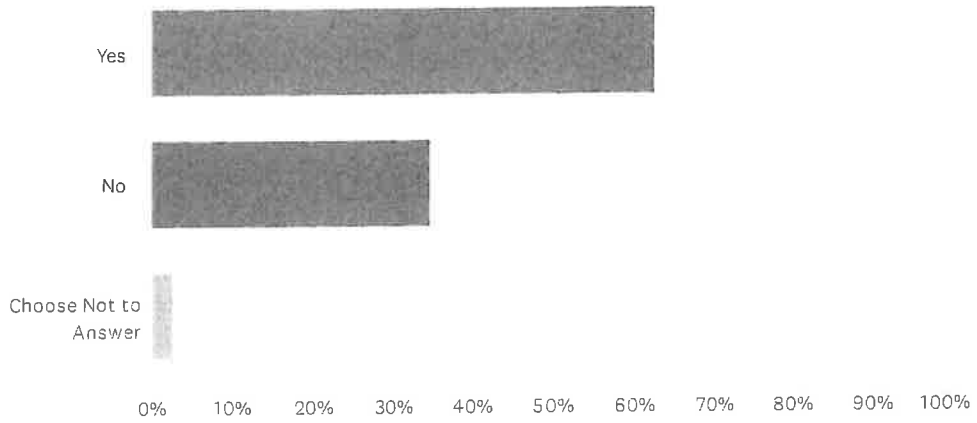
> Purchase of Alcohol for Bar Functions
> [...]
> The Washington State Bar Association prohibits the use of WSBA general funds to purchase alcoholic beverages. General funds are monies raised from license fees and other sources which support the general operations of the Bar Association.
> • No alcoholic 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.

The revised Chapter 6 included the following (the same language we have in our current expense policies):

> II. PURCHASE OF ALCOHOL FOR BAR FUNCTIONS
>
> The WSBA prohibits the use of WSBA funds to purchase alcoholic beverages.
> A. WSBA will not pay for or reimburse alcoholic beverages purchased by volunteers or employees as part of a meal. Such purchases shall be segregated from meal expenses and paid for by the individual ordering them.
> B. Alcoholic beverages may be served at WSBA functions, as long as they are: (1) paid for with personal funds (e.g. no host bar), or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender.

Q1 Should the WSBA Fiscal Policy be changed to allow sections to utilize section funds to purchase alcohol?

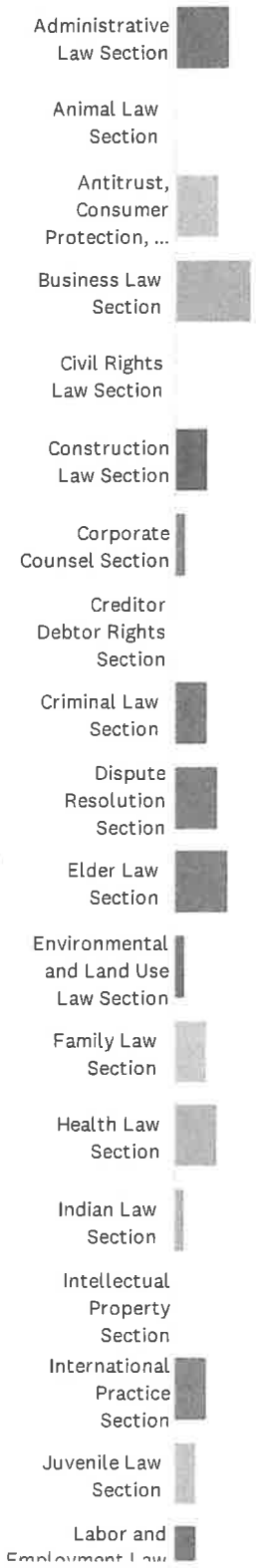
Answered: 75 Skipped: 0

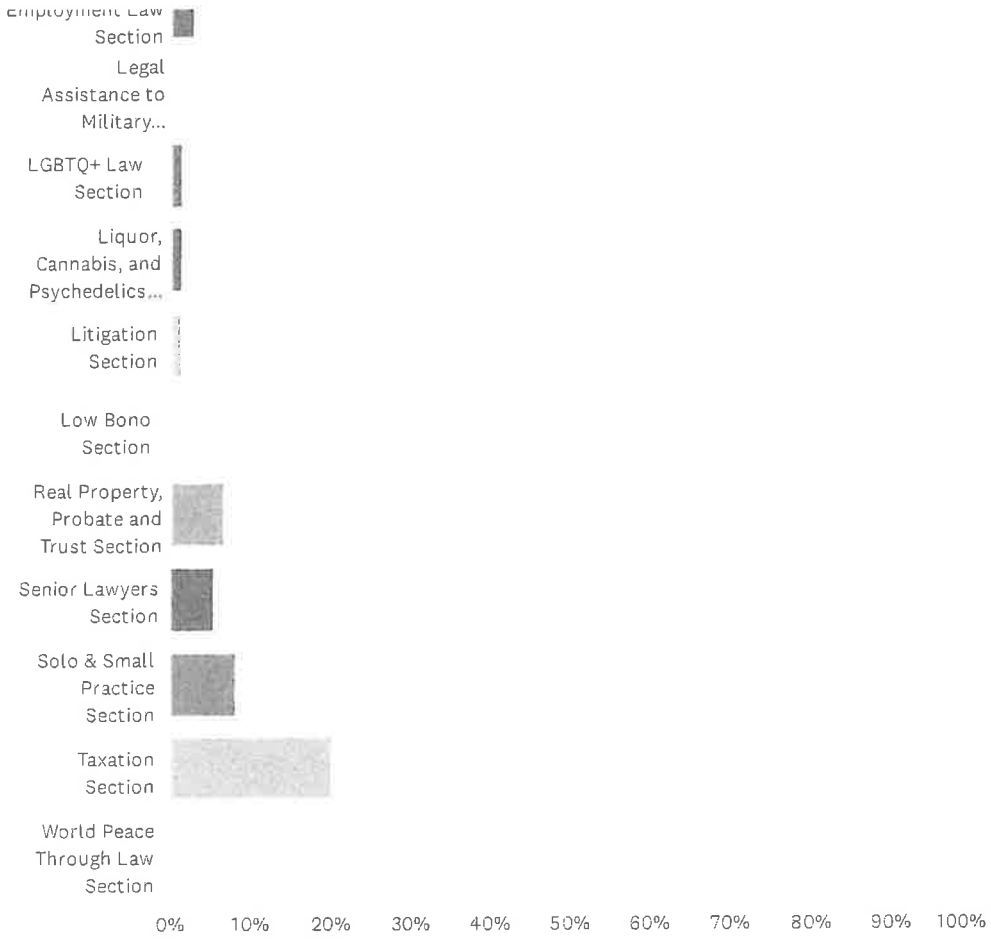


ANSWER CHOICES	RESPONSES	
Yes	62.67%	47
No	34.67%	26
Choose Not to Answer	2.67%	2
TOTAL		75

Q2 Which section(s) are you an executive committee member of?

Answered: 75 Skipped: 0




Employment Law Section
Legal Assistance to Military...
LGBTQ+ Law Section
Liquor, Cannabis, and Psychedelics...
Litigation Section
Low Bono Section
Real Property, Probate and Trust Section
Senior Lawyers Section
Solo & Small Practice Section
Taxation Section
World Peace Through Law Section
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Administrative Law Section	6.67%	5
Animal Law Section	0.00%	0
Antitrust, Consumer Protection, and Unfair Business Practices Section	5.33%	4
Business Law Section	9.33%	7
Civil Rights Law Section	0.00%	0
Construction Law Section	4.00%	3
Corporate Counsel Section	1.33%	1
Creditor Debtor Rights Section	0.00%	0
Criminal Law Section	4.00%	3
Dispute Resolution Section	5.33%	4
Elder Law Section	6.67%	5
Environmental and Land Use Law Section	1.33%	1
Family Law Section	4.00%	3
Health Law Section	5.33%	4
Indian Law Section	1.33%	1
Intellectual Property Section	0.00%	0
International Practice Section	4.00%	3
Juvenile Law Section	2.67%	2
Labor and Employment Law Section	2.67%	2
Legal Assistance to Military Personnel Section	0.00%	0
LGBTQ+ Law Section	1.33%	1
Liquor, Cannabis, and Psychedelics Law Section	1.33%	1
Litigation Section	1.33%	1
Low Bono Section	0.00%	0
Real Property, Probate and Trust Section	6.67%	5
Senior Lawyers Section	5.33%	4
Solo & Small Practice Section	8.00%	6
Taxation Section	20.00%	15
World Peace Through Law Section	0.00%	0

Total Respondents: 75

The Proposed Redlines can be found on Pages 51 and 68 of this document.

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Washington State Bar Association
Fiscal Policies and Procedures Manual

Proposed Draft
Changes for Sections
Policies July~~March~~
2025

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Introduction

Purpose

The WSBA Fiscal Policies and Procedures Manual (Manual) contains all WSBA fiscal policies and procedures. The fiscal policies encompass the rules by which financial transactions are classified and reported. The goal of these policies and procedures is to ensure accountability and regulatory compliance, sound financial management and data integrity practices. The Manual is available to all WSBA employees, Board of Governors and volunteers to promote organization-wide adherence to documented policies and procedures and to abide with standard accounting practices. The fiscal policies herein must be approved by the Board of Governors and all fiscal procedures set forth herein may be updated by the Executive Director and/or Director of Finance from time to time as procedures, information, or Generally Accepted Accounting Principles change.

Fiscal Year

The WSBA's fiscal year is October 1 through September 30.

Basis of Accounting

During the fiscal year, the WSBA uses a **combination of cash and accrual accounting**. The following items are recorded on a cash basis:

- Bar exam fees
- MCLE fees
- CPF assessment fees
- Miscellaneous revenue (Recovery of Discipline Costs, Diversions, Practice Fees, etc.)
- CLE seminar expenses
- Most other WSBA expenses

The following items are recorded on an accrual basis monthly:

- License fees
- CLE product sales revenue and cost of goods sold
- CLE seminar revenue
- Rent
- Insurance
- Personal Property Taxes
- Most payroll-related expenses
- Credit Card Expenses

WSBA Financial Statements are prepared on an **accrual basis** of accounting. Accrual accounting is an accounting method where revenue or expenses are recorded when a transaction occurs versus when payment is received or made. Therefore, items that may have already been paid and booked as an expense, but for which the corresponding revenue has not been collected or the benefit has not been received, will be moved to "Deferred Costs." Revenue that has not yet been earned will be moved into "Deferred Revenue."

WSBA's Internal Control System

An effective internal control system encourages adherence to prescribed policies; promotes operational efficiencies; protects the business assets from waste, fraud, and theft; and ensures accurate and reliable accounting data. The goal of this internal control system policy is to ensure that duties of individuals are separated so that no one person handles an entire transaction from beginning to end.

The broad principles of internal control are:

- Responsibilities should be clearly identified and established, with one person responsible for each task.
- Adequate records should be maintained. Good records are an important means of protecting assets, ensuring that employees follow prescribed procedures, and providing management with reliable information to monitor business operations.
- Assets should be safeguarded, protected and insured.
- To ensure data integrity, staff responsible for accounting records keeping duties shall be separate and distinct from those responsible for maintaining the asset, be it a physical asset or a virtual asset such as credit card information.
- Responsibility for related transactions should be divided. This provides checks and balances for the related tasks (i.e., the work of one employee acts as a check on another).
- Computerized and mechanical devices should be used whenever possible as they reduce the human error and intentional inaccuracy in routine tasks.
- Regular reviews of the system of internal controls should be conducted, to ensure organizational compliance with policies and procedures.

See Chapter 8 for more details on the WSBA's internal control policies.

Chapter 1: Key Fiscal Policies

Rationale: Key Fiscal Policies are enacted to ensure there is support and rules for operational actions where the fiscal integrity of the WSBA may be at risk. Key Fiscal Policies also intend to ensure a consistent treatment of matters as they relate to fiscal operations of the WSBA.

Responsibility for WSBA Finances

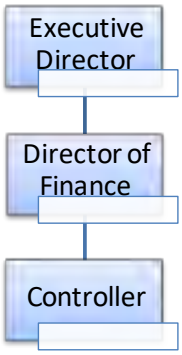
Fiscal Management

The Budget and Audit Committee of the Board of Governors oversees budgeting and financial matters of the Bar. The Director of Finance serves on the Budget and Audit Committee and is in charge of the Bar's financial operations.

WSBA management is responsible for producing complete, accurate financial statements. The Finance Department is delegated the responsibility to implement WSBA's fiscal policies by performing the accounting and finance functions for the WSBA.

Department directors are responsible for preparing their department/cost center budgets, monitoring their monthly financial statements, reviewing back up for accuracy, collecting revenue or receivables related to their cost centers, approving expenses, and enforcing the WSBA's expense policies. These tasks may be delegated to others, but department directors are ultimately responsible for the fiscal issues related to their departments.

The structure of the Finance Department is set forth below (these positions are referred to throughout the Manual):



Board of Governors

With ultimate responsibility for the fiscal health of the WSBA, the Board of Governors approves or sets all *significant* fiscal policies. The following policies are deemed to be significant and must be approved by the Board of Governors:

- Budget and Audit Committee Charter (Chapter 1)
- Approval of the Fiscal Responsibilities Matrix (Chapter 1)
- Budget Policies (Chapter 1)
- Selection of Independent Auditors (Chapter 1)
- Investment Policy (Chapter 2)
- Resolution Authorizing Banking Relationships (Chapter 2)
- Unrestricted and Restricted Fund Balance Policy (Chapter 4)
- General Expense Reimbursement Policy and Philosophy (Chapter 6)
- Purchase of Alcohol for Bar Functions (Chapter 6)
- Expense Policies for the WSBA Officers and Board of Governors (Chapter 6)
- Executive Director Expense Policies (Chapter 6)
- Any other policies that may be approved and established by the Board of Governors from time to time to ensure sound accounting principles and good governance

Board of Governors Budget and Audit Committee Charter

Rationale

The purpose of the Budget and Audit Committee is to take actions as empowered by the Board of Governors and review and make recommendations to the Board of Governors on financial matters of the WSBA as outlined in the Fiscal Responsibilities Matrix as noted in this policy.

Composition

The voting members of the Budget and Audit Committee shall consist of the following: a minimum of two Governors from each class, not to exceed eight Governors, one of whom must be the Treasurer. The President, President-elect, Executive Director and Director of Finance shall serve as *ex officio*, non-voting members of the Budget and Audit Committee. The Board of Governors elects the Treasurer of the WSBA, who also serves as chair of the Budget and Audit Committee and has a vote on the committee.

Duties

Annual Budget and Long-Range Financial Planning

1. Review and revise drafts of the WSBA's annual budget and recommend approval of a final budget to the Board of Governors.
2. Review long-range financial projections and the revenues, including member license fees, needed to meet long-range needs. Make recommendations to the Board of Governors for increases in license fees when necessary.
3. Recommend to the Board of Governors as needed timely forecasts for the year including annualized impacts of unforeseen matters to the current budget.
4. Review and deliver fiscal analysis of any unbudgeted programs or projects sanctioned by the Board of Governors throughout the Fiscal Year

Approvals

1. Approve expenditures within limits and parameters set forth in this policy as well as the Fiscal Responsibilities Matrix.

Financial Reports

1. On a monthly basis, review the interim management financial reports and report highlights, key information, major variances from budget, and any concerns of the Board of Governors. Recommend corrective action as needed.
2. Review the preliminary year-end management financial reports and report results compared to budget to the Board of Governors.
3. Review status and performance of investments per the WSBA Investment Policy.

Annual Audit

1. Recommend to the Board of Governors the engagement of the independent auditors to perform the annual audit of the WSBA's financial statements.
2. Meet annually with the independent auditors to receive their report on the audit of the financial statements and review their recommendations for improvements on internal controls.
3. Recommend to the Board of Governors the engagement of independent auditors/ to perform other reviews, when deemed appropriate.

Recommend Significant Financial Policies

1. Recommend to the Board of Governors the WSBA's Investment Policy.
2. Recommend to the Board of Governors the WSBA's Fiscal Policies.

Quorum

A quorum shall consist of a simple majority of the voting members.

Budget and Audit Facilities Advisory Subcommittee Charter

Purpose

The purpose of the Facilities Advisory Subcommittee is to advise the Budget and Audit Committee on issues related to the WSBA's facility needs (i.e., lease or ownership of real estate to meet WSBA operational needs). The Subcommittee shall seek to examine how efficiently WSBA facilities are being used, how much revenue is being generated through the use of buildings and equipment, track the condition of assets and suggest adequate funds to be earmarked for replacement or repair so as to avoid unexpected expenses for which funds may not be readily at hand from current revenue. The Facilities Advisory Committee is an advisory sub-committee only and has no decision-making authority.

Composition

The voting members of the Facilities Advisory Subcommittee and associated terms are as follows:

- Treasurer (chair/1-year term);
- Executive Director (permanent member);
- Director of Finance (employee liaison/permanent member);
- Two members of the Budget and Audit Committee (1-year term)

The Facilities and Advisory Subcommittee shall endeavor to seek guidance and counsel from experts in the area of Real Estate when considering key matters as defined by the Chair. These areas of expertise include but are not limited to:

- No fewer than three representatives from the real estate industry with experience in one or more of the following (2 year terms):
    - Real estate law (i.e., real estate attorney)
    - Commercial real estate brokerage,
    - Commercial real estate appraisal
    - Commercial construction management
    - Architecture and/ or space planning
    - Commercial real estate lending

Conflict of Interest

No voting member of the Facilities Advisory Committee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any matter that is within the scope of the Subcommittee's activities, so as to avoid any conflict of interest. No former voting member of the Facilities Advisory Subcommittee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any specific transaction or proposed transaction that was considered by the Committee while that person was a voting member.

All voting members of the Facility Advisory Subcommittee will be bound by the Board of Governors Conflict of Interest policy as amended.

Appointment Process

The Treasurer, Executive Director, and Director of Finance shall serve as *ex officio* members. The members of the sub-committee shall be appointed from current members of the Budget and Audit Committee by the Treasurer. The representatives from the real estate industry shall be appointed by the President (the terms shall be staggered so that each President appoints at least one member during his/her term).

Activities

WSBA Facilities Strategy

1. Define and periodically review the facilities needs of the WSBA.
2. Identify key facilities decisions to be taken over a 10-year period and relevant market factors.
3. Review current and future estimated real estate market conditions and analyze how these conditions may affect the WSBA's decisions in connection with the ownership and/or lease of real estate.
4. Review proposed options and provide recommendations for dealing with end-of-lease and other transition issues, such as, for example, whether to renew the existing lease or look for new space and considerations relating to relocation of WSBA offices and other functions.
5. Twice a year the advisory committee will update the Budget and Audit committee with any matters related to facilities.

WSBA Facilities Reserve Fund

1. Periodically review the balance in the Facilities Reserve Fund and analyze whether such balance is prudent and adequate in relation to identified needs and decisions, current market conditions, future market projections, time remaining until the end of current lease, etc.
2. Make recommendations as to target Facilities Reserve Fund balances at future points in time and suggest strategies and/or funding policies for meeting those targeted balances.

Quorum

A quorum shall consist of a majority of the voting members.

Fiscal Responsibilities Matrix

The objective of the Fiscal Responsibilities Matrix is to set forth levels of authority that will be followed by the WSBA to promote transparency and appropriate internal controls. The Fiscal Responsibilities Matrix should also assist in providing an efficient management structure, and appropriate oversight of the Bar's financial activity.

Executive Director

According to WSBA bylaws, the Executive Director is responsible for managing the office and activities of the Bar under the direction of the Board of Governors, with power to employ and compensate employees within limits of the budget. In terms of managing the budget, the following guidelines shall apply (Note: approval authority may be exercised or delegated to the next higher authority at the discretion of the decision-maker):

Authority: The Executive Director is authorized to establish deposit and credit relationships, withdraw WSBA funds from banks, sign checks, and invest excess cash. Signatory authority may be delegated to any department director(s) except the Director of Finance.

The authority to make bank deposits, invest funds in accordance with the Investment Policy, and transfer funds between established accounts may be delegated to the Director of Finance and appropriate accounting and finance employees following sound internal control practices.

Executive Director Approves (Note: Executive Director may delegate approval authority to Directors or other employees as appropriate):

- reimbursement requests – may reject or modify requests to comply with expense policies,
- service and program fees, including,
    - advertising rates

- fees for copies of the WSBA's public records
- fees for sale of member contact information
- sales price of the *Resources* directory
- sales price of CLE and WSBA publications
- sales price of other WSBA merchandise
- miscellaneous fees

- adjustments to employee salaries within the aggregate approved budget dollars,
- in-kind contributions of WSBA to the Washington State Bar Foundation,
- grants to WSBA, including negotiations of administrative fees,
- approving and reporting to the Board of Governors about certain unbudgeted expenses, including reallocations of budgeted expenditures where the intent is similar or varies slightly; unbudgeted expenditures that are fully offset by unbudgeted revenue or a reallocation of budgeted expenditures up to 5% of the approved operating budget to address operational, regulatory or programmatic needs; and necessary and prudent expenditures to implement WSBA's Disaster Recovery Plan or to maintain WSBA's operations. Per occurrence limit is $215,000.00. Reallocations may not affect the annual budget's bottom line. The Executive Director must report reallocation of funds to the President on a monthly basis and to the Board on a quarterly basis. It is expected that the Executive Director will consult with the President on reallocations that may be considered sensitive or controversial in nature, prior to execution.
- supplemental budget requests from sections that exceed 25% of the section's annual expense budget or $1,000, whichever is greater,
- binding the WSBA to future expenses, as in contracts and agreements, for budgeted or operational expenses,
- engagement of independent auditor selected for the up to six-year period, annually; or may initiate the selection of the competitive bid process,
- fiscal policies, where indicated in the specific policy.

In the event of an emergency and when it is not feasible to get the approval of the Budget and Audit Committee or the Board of Governors, the Executive Director and/or Treasurer shall have the authority to approve expenditures that are necessary and prudent in order to keep the WSBA operational in the case of an emergency (e.g., if the WSBA's computer network crashed or an event which triggers the established disaster recovery plan). These expenditures may be beyond the capital or operating budgets and may or may not impact the WSBA's reserves. The Board of Governors shall be immediately notified by the Treasurer or Executive Director when expenditures of this nature are authorized.

Treasurer

Chairs the Budget and Audit Committee, is authorized to establish deposit and credit relationships, withdraw WSBA funds from banks with a dual signature, and sign checks.

Reviews/Approves:

- Executive Director's credit card charges, reports of expenses, payroll reports, and fringe benefits (quarterly)
- Year-to-date vendor payment listing as part of the monthly financial statements review

MCLE Board

Recommends to the Board of Governors:

- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v)), including:
  - MCLE accredited sponsor annual fees (APR 11(j)(7))
  - MCLE sponsor activity application fees and late fees (APR 11(g)(1))
  - MCLE comity fees (APR 11(c)(6))
  - MCLE compliance late fees (APR 11(i)(4)

CLE Committee

Recommends to the Board of Governors:

- Expenditures from the CLE reserve fund
- Adjustments to the standard CLE seminar registration fees

Personnel Committee

Recommends to the Budget and Audit Committee:

- Adjustment to employee compensation policy.

Recommends to the Board of Governors:

- Compensation of the Executive Director

Client Protection Board (APR 15 Reg. 6)

Approves:

- gifts up to $25,000 per applicant

Recommends to Board of Governors:

- gifts over $25,000 per applicant

Budget & Audit Committee
Reviews the long-range financial projections and the revenues, including member license fees, needed to meet long-range needs.

Approves:

- Approving and reporting to the Board of Governors about certain unbudgeted expenses, including, reallocations of budgeted expenditures where the intent is similar or varies slightly; unbudgeted expenditures that are fully offset by unbudgeted revenue or a reallocation of budgeted expenditures over 5% and up to 10% of the approved operating budget to address operational, regulatory or programmatic needs; and necessary and prudent expenditures to implement WSBA's Disaster Recovery Plan or to maintain WSBA's operations. Per occurrence limit is $430,000.00. Reallocations may not affect the annual budget's bottom line.
- Business Recovery Plan
- Fiscal policies, where indicated in the specific policy.

Recommends to the Board of Governors:

- Bar application and admission fees for all license types (APR3(i)(B), APR5(a)(1))
- Bar license fees for all license types (WSBA Bylaws Art. 3 Sec. I, APR 12(f)(3), APR 28I.(3))
- Client Protection Fund assessment
- The annual budget and subsequent adjustments over 10% of approved operating budget.
- Adjustments to the compensation plan (based on recommendation from Personnel Committee)
- Fiscal policies, where indicated in the specific policy
- Investment policy
- Adjustments to the standard CLE seminar registration fees
- Unbudgeted expenditures from reserve funds
- Engagement of the independent auditors for other reviews, when deemed appropriate

Reviews:

- Monthly financial reports, including revenue and expenditure patterns; reports significant variances to Board of Governors
- Reports of the independent auditors

Oversees the process of selecting an independent accounting firm to perform the annual audit, at least once every six years, and makes a recommendation to the Board of Governors.

Board of Governors

Elects the Treasurer

Approves/Sets:

- The annual budget and the following adjustments:
  - Appropriation requests for expenditures from the unallocated contingency budget
  - Unbudgeted expenditures over 10% of operating budget
  - Any changes to the bottom line arising from a reallocation or reforecast
  - Expenditures from reserve funds, in accordance with reserve policies
  - Fiscal policies, where indicated in the specific policy
- Investment policy
- Banking authorities
- Keller deduction to license fees
- Gifts from the Client Protection Fund (CPF) over $25,000 per applicant
- Long-term leases for WSBA office space or equipment
- Election of independent audit firm
- Compensation of the Executive Director
- Standard CLE seminar registration fees
- law clerk program application fees (APR 6(b)(4))

Approves and Sends to the Supreme Court for Information:

- law clerk program enrollment fees (APR 6(d)(1))
- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v)), including:
  - MCLE accredited sponsor annual fees (APR 11(j)(7))
  - MCLE sponsor activity application fees and late fees (APR 11(g)(1))
  - MCLE comity fees (APR 11(c)(6))
  - MCLE compliance late fees (APR 11(i)(4)

Approves and Sends to the Supreme Court for Review:

- Bar license fees for all license types (WSBA Bylaws Art. 3 Sec. I, APR 12(f)(3), APR 28I.(3))
- Bar application and admission fees for all license types (APR 3(i)(B), APR 5(a)(1))
- Licensed legal intern application fees (APR 9(d)(3))

Recommends to the Supreme Court:

- CPF assessment

Reviews/Accepts:

- Quarterly financial reports
- Reports of the independent auditors

Supreme Court

Information:

- law clerk program enrollment fees (APR 6(d)(1))
- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v))

Reviews for Reasonableness (GR 12.2(b)(22)):

- license fees for all license types

Reviews ("subject to review by the Supreme Court"):

- Bar application and admissionfees for all license types (APR 3(i)(B), APR 5(a)(1))
- Licensed legal internapplicationfees (APR 9(d)(3))

Approves:
- CPF assessment

WSBA FISCAL MATRIX	ED	TREASURER	B & A	BOG	S. Court
License fees for all license types	Recommends		Recommends	Sets	Reviews for reasonableness
CPF assessment	Recommends		Recommends	Recommends	Approves
Keller deduction to license fees	Recommends		Recommends	Approves	
Bar application & admission fees for all license types	Recommends		Recommends	Approves	Subject to Review
Legal intern fees	Recommends		Recommends	Approves	Subject to Review
Law clerk program enrollment fees	Recommends		Recommends	Approves	Information
Law clerk program application fees	Recommends		Recommends	Approves	
Annual Budget	Recommends		Recommends	Approves	
Expenditures from unallocated contingency in budget	Recommends		Recommends	Approves	
Expenditures from reserve funds	Recommends		Recommends	Approves	
Unbudgeted expenditures offset by unbudgeted revenue, or reallocation of budgeted expenditures where the intent is similar or varies slightly, whichdo not affect the annual budget's bottom line	Up to 5% of approved operating budget – up to $215,000 per occurrence – must notify President and report to the Board		Over the ED approval Level Up to 10% of annual operating budget – up to $430,000 per occurrence - must report to the Board	Unlimited	
Changes to annual budget's bottom line	Recommends		Recommends	Approves	
Supplemental Sections budget requests (over 25% of the Sections expense budget or $1,000 whichever is greater)	Approves				
Check Requests/Expense Reports	Approves within parameters of fiscal policies	Approves Expense Reports Exceptions to policy		Approves overall expense policies	
Staff compensation policy/salary adjustments	Approves salaries within adopted comp. policy			Approves overall WSBA comp. policy. Approves annual budget.	
Executive Director compensation		Reviews/approves ED expenses/FBs	Personal Committee recommends	Approves	
MCLE fees under APR 11			(MCLE Board recommends)	Approves	Information
Adjustments to standard CLE seminar fees	Recommends		(CLE Committee recommends)	Approves	
Service & program fees: ad rates, copies, member contact info., publications, merchandise, and misc.	Approves				
Gifts from CPF			Client Protection Board approves up to $25,000/applicant)	Approves +$25,000/applicant	
Grants to WSBA	Approves				
In kind contributions by WSBA	Approves				
Long term leases for WSBA office space and other real estate	Recommends		Recommends	Approves	
Future obligations for budgeted or operational expenses	Approves				
Business Recovery Plan	Recommends		Approves		
Fiscal Policies	As per special policy		As *per* special policy	As *per* special policy	
Investment Policy	Recommends		Recommends	Approves	
Banking authorities	Recommends		Recommends	Approves	
Engagement of independent auditors (up to 6-year period)	Engages as selected by BOG		Recommends	Approves	
Emergency expenditures (Disaster Recovery Plan/maintain WSBA Ops)	Approves	Approves			

Overall Philosophy

WSBA financial statements are important documents both to individuals inside and outside the organization. The budget is a tool that lays out a financial plan for the coming fiscal year and it is also a guide to action for all WSBA employees. The Budget will help guide decision making and provides a way for direct oversight to WSBA Fiscal activities. The Budget is a statement of the values of the organization as well as a financial document as it is a tangible expression of WSBA's real priorities. WSBA's managers are guided by the organization's strategic plan, but various departments, programs or purposes are in competition for the organization's limited resources and the outcome of that competition is determined by where the funds are actually allocated. Budgets invariably create incentives and disincentives that will affect the behavior of managers, staff and volunteers.

Additionally, it gives WSBA staff direction on how and where to invest its resources. In order to be a useful tool, the budget cannot be a rigid document that can never be amended, it can and should be amended if necessary through the reforecast process with adequate oversight and directions. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under this Fiscal Policy as well as the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments. Variances to the budget (over or under) are to be expected and will be reported to the Budget and Audit Committee through the review of the monthly financial reports throughout the fiscal year.

WSBA fiscal policies recognize the difference between controllable and uncontrollable expenses and will seek to hold managers and staff accountable accordingly. Individual departments or programs may be credited with or charged with revenues and expenditures attributable to them, but a manager can only be held responsible for line items under his/her/they/them control. Managers should be able to make recommendations for significant variations from the budget where and when it faces uncontrollable vagaries and make mid-year corrections as needed.

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

Generally, as much as possible, WSBA budget shall be separated into three broad sections: (1) an operating budget: tracks all revenues and expenditures, (2) a capital budget: concerns the purchase, leaseholds or disposal of long-term physical assets, such as buildings and equipment; (3) Cash Flow: tracks the flow of cash during the year whether related to operating or capital activities.

WSBA budgets shall be structured to accommodate Cost Centers (committees, boards and other entities) and Profit Centers (CLE divisions). The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, and which programs should generate revenue for other WSBA functions or programs.

The revenue and costs associated with specific program areas; committees, boards and other entities; and other activities should be grouped into cost centers in order to further the Board's ability to make such policy decisions.

More specifically, that shall include, but is not limited to, all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

The only allocation of full-time employee units to the Board of Governor cost center shall be the direct time of any administrative staff among whose primary purposes is to assist the Board. The full cost of the position of Executive Director shall be reflected in its own cost center without allocation to any other cost center and shall include the direct time of any administrative staff among whose primary purposes is to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro-rata share of enterprise expenses in accord with standing practices.

WSBA's operational needs, taking into account the strategic plan and goals, shall guide the budget process. The budget process shall provide an opportunity for the board of governors to provide direct oversight over WSBA spending and priorities.

Procedure for Long-range Forecasting and Planning

The Director of Finance should prepare long-range forecasts, prior to the annual budgeting process to get an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process.

WSBA should annually update its long-range financial plan to anticipate the needs of the Bar and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs

Procedure for Annual Budgeting Timeline/Process

The budgeting process begins in April for the coming fiscal year (October 1 – September 30). An official calendar will be prepared by the Director of Finance and presented for approval to the Budget and Audit Committee prior to the start of the budget process.

The Director of Finance requests budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled by the Controller and reviewed by the Director of Finance and the Executive Director.

The Director of Finance and Budget and Finance Manager meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.

The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.

The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

If deemed appropriate from an operational perspective, a budget reforecast process may be executed in late Quarter 2.

Capital Budget

The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over $2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets prepared by the WSBA Controller). In addition, Capitalized IT hours are a part of this budget. Capitalized Hours require to be tethered to an ongoing approved capital project or must be included and identified in any newly submitted project. The Board of Governors reviews a preliminary capital budget in June and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

Capital Budget Procedure
A capital budget is prepared each year as part of the annual budget process. The Capital Budget is prepared by the Controller in collaboration with Department Managers.

Cash Flow Budget

Quarterly a cash flow forecast will be prepared by the WSBA Controller to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current quarter and the excess funds available for longer - term investments.

Procedure for Additional Budget Requests

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Director of Finance, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the Executive Director for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or $1,000 (whichever option is greater)– see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix.

Procedure for Ongoing Program Review

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

Procedures for Financial Reporting

Monthly (Interim) Financial Reporting
WSBA should have accurate interim financial reports so that over-expenditures are less likely when the fiscal year ends and so that corrections may be made in mid-year. Interim financial reports should be consistent with final year-end financial statements and prepared with similar governing principles. Below are the financial reports generated by Finance department employees. The format and level of detail provided in the financial statements are subject to modification as needed.

Monthly Financial Summary

Each month, the Controller produces a summary of the year-to-date budgeted (original and amended- *if applicable*) and actual revenue and expenses for the general fund (by cost center), CLE, CPF, and sections (total of all sections) and fund balance information. This report is usually available after the tenth working day of the following month, except at year-end when the closing process is 2-3 months. The Controller provides the report to the Executive Director and department directors; it is also provided to the Budget and Audit Committee and Board of Governors with the

Monthly Summary Reports by Cost Center/Section.

Monthly Cost Center/Section Summary Reports

The Controller prepares year-to-date detailed financial reports for each cost center/section. These reports show the cost center/section's annual budget or Reforecast, actual monthly revenue and expenses, year-to-date actual revenue and expenses, and year-to-date remaining budget. Monthly Cost Center/Section Summary Reports are usually distributed after the tenth working day of the following month to each person responsible for a cost center/section (e.g. department director, Section Chair, and other designated employees). They are also provided to the Budget and Audit Committee and Board of Governors on a regular basis (the months that correspond to their meetings schedules).

Monthly Detailed Reports by Cost Center/Section

In addition to the monthly financial summaries, each person responsible for a cost center/section (e.g., department director, Section Chair, and other designated employees) is provided with reports showing the detail of posted transactions. These detailed reports should be reviewed for **accuracy** (report any adjustments, reclassifications, corrections or questions to Finance) and **comparison to budget** (report the reason for significant variations from budget or trends of interest to the Director of Finance). Any questions about the amount of an income or expense item, the category in which it is recorded, or any other concerns, may be addressed to the Controller or Director of Finance.

Key Financial Benchmarks

The Controller prepares a percentage comparison of key figures (revenue, indirect, and direct expenses for the general and CLE fund) of the current fiscal year's actual year-to-date activity with the percentage of the year completed and the prior year percentage. It also includes additional comments regarding where employees expect to be in terms of budget by year end and any additional information that helps explain large variances. This report is provided to the Executive Director and department directors on a monthly basis with the internal financial statements.

Year-to-date Vendor Payment Listing

The Controller prepares a year-to date vendor payment listing that shows total payments made by vendor over $10,000. The report will be provided to the Executive Director after the tenth working day of the month, consistent with the completion of the monthly financial statements. Additionally, on a quarterly basis, the Director of Finance will provide this report to the Treasurer for review.

Tracking and Accounting for Budget Amendments

1. Budget Amendments (where bottom line is changed– BOG approval required):
    - Tracked on a separate list.
    - Appropriate expense line amended according to BOG decision
      The bottom line of the budget will be amended to reflect amendments made to the budget by the BOG during the year, so that financial statements compare actual to amended budget figures rather than original budget figures.
2. Reallocations of budgeted expenses to other line items:
    - Track any reallocations approved by the Executive Director, Budget and Audit or BOG on a separate sheet.

Quarterly Financial Reporting

On a quarterly basis, the Director of Finance will, if circumstances require, prepare a summary of budget amendments, reallocations, important financial issues, and explanations of significant budget to actual differences for the Executive Director, Budget and Audit Committee and the Board of Governors.

Annual Financial Reporting
The WSBA's annual audited financial statements are prepared by independent auditors. The WSBA Controller prepares the final year-to-date internal financial statements with detail for each cost center (see explanations above).

Selection of Independent Auditors

An annual audit of the Washington State Bar Association's financial records shall be performed by an independent accounting firm for the purpose of expressing an opinion on the Association's financial statements for the fiscal year.

At least once every six years the Association shall undertake a formal process of seeking competitive bids from several qualified accounting firms for performing the annual audit. The Budget and Audit Committee will oversee this process, interview final candidate firms, and make a recommendation to the Board of Governors. The Board of Governors shall make the final selection.

During the six-year period, the Executive Director is authorized to engage the firm so selected for each year's annual audit, or to initiate a competitive bid process prior to the end of the six-year period.

Chapter 2: Assets

Authorization of Banking Relationships

The Board of Governors will authorize banking relationships as needed (e.g., when there is a new Executive Director). Signatures cards with the bank are updated when there are changes in staffing or Treasurers. Below is the standard generic template generally used by WSBA. This resolution is used in conjunction with a letter from the Executive Director naming individuals holding the positions noted in there solution:

RESOLUTION
AUTHORIZING BANKING RELATIONSHIPS

WHEREAS, it is necessary and prudent for the Washington State Bar Association to establish and maintain a number of banking relationships for the purposes of depositing, managing and investing WSBA funds; and

WHEREAS, it is necessary and prudent for the Washington State Bar Association to establish and maintain certain credit relationships for the purposes of purchasing goods and services;

NOW, THEREFORE, BE IT RESOLVED:

That the Treasurer or Executive Director of the Washington State Bar Association are hereby authorized to establish both deposit relationships and credit relationships necessary to conduct WSBA business; and

That the Treasurer, Executive Director, and _____ are authorized as signers on any deposit relationship in order to withdraw funds of the WSBA; and

That the Executive Director, Director of Finance, and the Controller are authorized to invest excess balances, in accordance with the Investment Policy; and

That the Executive Director, Director of Finance, Controller, and their designees, are authorized to make deposits and transfers in established accounts.

Approved by resolution of the Board of Governors on the____day of_____,_____.

_____
xxxxx, President

ATTEST:

_____
xxxxx, Executive Director, and
Secretary to the Board of Governors

Investment Policy

PHILOSOPHY

The WSBA's funds have historically been invested exclusively in cash, cash equivalents and debt instruments. Although this provides a high degree of safety, the returns received are low and have not always kept up with inflation. The Board of Governors believes it is prudent and in the best interest of the WSBA and its membership to hold a diversified portfolio of investments that allows funds to be invested in a manner that is consistent with cash needs of the organization while meeting its investment objectives. The WSBA's funds are invested in cash, cash equivalents, debt instruments, and equities.

The investment policy was modified in March 2007 to allow for the investment of a portion of the funds held by the WSBA in the broader market (beyond items such as Certificate of Deposits and Bonds, into the equities market) while at the same time maintaining a pool of short-term investments to meet anticipated needs over the next 12 month period. Investing in the broader market involves a greater degree of investment risk, therefore only that portion of the funds that is not needed to meet the short-term needs may be invested in such markets.

WSBA's approach is to invest in a portfolio that includes stocks, cash, bonds, real estate, and other classes of assets. Funds selected should focus on providing for the long-term growth of the principal investments. The investment strategy is to maximize total return while preserving principal. Returns on investment include total interest, dividends, and appreciation in the value of the funds. Annually, WSBA may decide to withdraw from the fund/investment and transfer to operating funds for expenditures that year. Any additional investment returns are reinvested in the principal, enabling it to grow.

OBJECTIVES

The primary investment objectives of the Washington State Bar Association are:

- Preservation and safeguarding of the principal amount invested;
- Maintenance of liquidity to meet operating cash flow needs; and
- Maximization of return consistent with the above two objectives.

At least quarterly, balances shall be monitored and compared to cash flow needs so that funds may be invested promptly upon receipt in order to meet the primary investment objectives. It is expected that investments in debt instruments or time deposits will be held to maturity, and therefore funds that are allocated to those investments should be invested so that they mature when cash is expected to be needed for operations.

AUTHORITIES

Annually, the Board of Governors will review and make any necessary changes to their resolution authorizing banking and investment relationships that designates who is authorized to:

- Establish deposit relationships;
- Make deposits and transfers in established accounts;
- Invest excess balances and reinvest funds at maturity or when otherwise available from one investment vehicle to another; and
- Deposit proceeds of maturing or sold investments into appropriate interest-bearing accounts.

Investments are made under the prudent investor standard applicable to fiduciaries under the provisions of RCW 11.100.020, with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment,

considering the probable safety of their capital as well as the probable income to be derived.

In making investments, the following factors shall be considered:

- The probable income as well as the probable safety of the investment;
- Marketability of investments;
- General economic conditions;
- Length of the term of the investments; and
- The WSBA's projected liquidity needs for both the short-term (next twelve months) and the long-term (over one year).

PORTFOLIO CONSTRUCTION

The assets of WSBA may be held or invested in cash or cash equivalents, governmental and corporate fixed income securities, and equities. WSBA's total portfolio shall be comprised of the following:

1. A portion of the assets not to exceed the Board-designated general fund Facilities Reserve ("long-term portfolio") shall be invested in accordance with the prudent investor standard.

2. The balance of the assets ("short-term portfolio") shall be kept in cash, cash equivalents, auction rate securities, or fixed income securities having maturity dates that are consistent with the time frames for the anticipated liquidity needs of WSBA.

INVESTMENT GUIDELINES

Equities

- U.S. Common Stocks
- U.S. Convertible Notes and Bonds
- U.S. Convertible Preferred Stocks
- American Depository Receipts (ADR) and American Depository Shares (ADS) of Non-U.S. Companies
- No-Load Mutual Funds that invest in securities allowed in this investment policy and which have annual operating expenses of less than one percent (1%)
- Auction Rate Securities with a minimum rating of A or better

Cash Equivalents

- Treasury Bills
- Money Market Funds with a Moody's rating of A or better
- Commercial Paper issued by corporations rated A1 by Standard and Poor's or P1 by Moody's
- Banker's Acceptances issued by domestic banks rated A1 by Standard and Poor's or P1 by Moody's
- Certificates of Deposit issued by any U.S. bank that meets all the regulatory reserve requirements and minimum capital requirements, and which are insured by the FDIC or the National Credit Union Administration, up to the federally insured amount.

Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds, rated AA by Standard and Poor's or Aa by Moody's.
- Mortgage-Backed Notes and Bonds

Combined Funds

- Investments in conservative or moderate growth and value funds which invest in established companies both domestically and internationally and select Government and Corporate Bonds

General Guidelines

Quantitative guidelines for investments will be made at the time of selecting the investment in accordance with this policy and with consideration given to the three Objectives stated above. Decisions regarding investments should only be made after consultation with professional investment advisors who have reviewed the WSBA Investment Policy. Appropriate amounts based on the percentage of the available funds will be made at the time of investment and will be supported by a cash flow analysis prepared by the Director of Finance and must be approved by the Budget and Audit Committee.

MANAGEMENT AND MONITORING OF PERFORMANCE

Investment(s)

The WSBA may engage one or more fee-for-service investment managers and delegate individual investment decisions to such investment managers within the guidelines of this statement and the specific direction of the Budget and Audit Committee. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940. The selection and allocation of funds to individual investment managers will be made by the Budget and Audit Committee. The Director of Finance and/or Controller shall work with the investment managers in implementing the investment strategy.

The Budget and Audit Committee and Board of Governors must approve any significant changes in the investment strategy. In the event the WSBA's investment managers recommend an immediate change in strategy that creates the need for a time-sensitive decision to be made, the Director of Finance has the authority to approve the investment manager's suggested strategic change. Prior to granting such authorization, the Director of Finance shall consult with the Executive Director (or acting E.D.) and/or Treasurer, and if neither of them are available then the President, President-elect, or Immediate Past-President in that order. The Budget and Audit Committee shall be notified of such changes as soon as practicable.

Reporting

A report will be prepared at the end of each month listing the investments held, and which shall state the maturities and rates of return of any fixed income securities. This report will be included in the monthly financial statements and provided to the Budget and Audit Committee and the Director of Finance for review, and provided to the Board of Governors at each meeting. Additionally, the Controller will prepare an investment update at the end of each month that will report on the long-term portion of the portfolio. This will be provided to the Budget and Audit Committee and the Board of Governors at eachmeeting.

Performance Reviews

The Director of Finance, the Controller, the Treasurer, and one or two current Budget and Audit Committee members (collectively, the "Investment Subcommittee") shall monitor the performance of the investment portfolio. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are

consistent with the investment philosophy, objectives, and guidelines set forth in this policy. The Investment Subcommittee will meet with the investment advisors as necessary, provide reports to the Budget and Audit Committee at least quarterly, make decisions with the investment advisors on changes in investment, and recommend changes in the overall investment strategy.

GENERAL

Safekeeping

Investment assets may be held in street name or in safekeeping at the commercial or investment bank handling the transaction, on behalf of the WSBA.

Application

This policy applies to all investment funds, including those of the Client Protection Fund, WSBA sections, and any other state Bar entity.

Updating of Policy

This policy will be reviewed annually by the Budget and Audit Committee and the Director of Finance.

Account Structure

WSBA maintains its funds in two types of accounts Operational Accounts (Checking and Savings Accounts) and Investment accounts (various). These accounts from time to time will change as required to conduct business or to improve current investment positions. Any account changes must be consistent with this Investment Policy and approved by the Budget and Audit Committee.

Checking/Savings Accounts

The Bar currently maintains the following checking accounts:

- Wells Fargo general checking account;
- Wells Fargo Zero-balance payroll account, linked to the general account;
- Wells Fargo Client Protection Fund checking account;

Investment Accounts

The WSBA currently maintains the following investment accounts:

- Morgan Stanley money market account
- Merrill Lynch money market account
- UBS money market account
- Wells Fargo money market account
- Wells Fargo, Morgan Stanley, UBS, and Merrill Lynch - various individual investments (commercial paper, CDs, auction rate securities, etc.)
- Morgan Stanley money market account (CPF)
- Wells Fargo money market account (CPF)

PETTY CASH

The WSBA maintains several petty cash boxes for varying purposes (reimbursing employees for small dollar-amount expenses, providing change to employees collecting cash receipts, etc.). Access should be limited to only those persons authorized to handle petty cash. The WSBA's authorized petty cash boxes are as follows:

1. Finance Division Petty Cash

The Finance Division maintains the WSBA's primary petty cash for the purpose of paying for expenses **$30 and under**. Ideally, the amount of petty cash on-hand is no less than $50 and no more than $800.
An employee requesting reimbursement from Finance's petty cash:

- Completes a Petty Cash Form;
- Obtains his/her department director's or their designee's signature on the form as approval; and
- Takes the form to the Bookkeeping Specialist (AP) (or another Bookkeeper or the Controller, if the Bookkeeping Specialist (AP) is not available) during the designated hours for Petty Cash service; and
- Initials the form upon receipt of the cash.

The Bookkeeping Specialist (AP) initials the form, pays the cash, and puts the initialed Petty Cash Form in the petty cash box. The Finance Division's petty cash is kept in a box in a locked cabinet in a fireproof box. The keys to the cabinet are accessible only by the Bookkeeping Specialists and the Controller.

The Controller, while being observed by the Finance Division employees, audits the petty cash on a regular basis. Any discrepancies must be reported to the Director of Finance. Petty cash is replenished monthly or as needed by the Bookkeeping Specialist (AP) by preparing a Check Request, which is approved by the Controller or Director of Finance.

2. Office of Disciplinary Counsel Petty Cash

The Office of Disciplinary Counsel (ODC) has a petty cash box for the purpose of reimbursing ODC employees for expenses **$50 and under** (e.g., litigation expenses, supplies, court documents, employee travel, misc., etc.). Ideally, the amount of ODC petty cash on hand is no less than $100 and no more than $500. An employee requesting reimbursement from ODC's petty cash:

- Completes a Petty Cash Form;
- Obtains the ODC director's or their designee's signature on the form as approval;
- Takes the form to the ODC Department Administrator; and
- Initials the form upon receipt of the cash.

The ODC Department Administrator initials the form, pays the cash, and puts the initialed Petty Cash Form in the petty cash box. ODC's Department Administrator controls the box, keeping it in a locked drawer for safekeeping.

Finance Division employees periodically audit the ODC petty cash box. Any discrepancies must be reported to the Controller or the Director of Finance. Petty cash is replenished as needed by preparing a Check Request, which is approved by the appropriate person in ODC.

3. Temporary Change Boxes

A few times each year, other departments draw from the Finance Division's petty cash; generally, in amounts less than $200. It is used for making change for the sale of small items. For example, CLE may need a temporary change box during a bookstore sale, or Admissions may need to sell small items at the bar exam. The change box and all receipts collected are returned to Finance at the end of the day/session, with copies of each sales transaction to account for receipts collected.

Procedures for Bank Account Reconciliation

Responsibility for Reconciliation and Timing

WSBA's checking accounts are reconciled by an employee who does **not** have the ability to prepare or sign checks (this includes the Controller, bookkeeping specialists, Director of Finance, and check signers). Generally, the Senior Accountant and Budget Analyst is a good candidate. Currently, the Senior Accountant and Budget Analyst is the primary person responsible for reconciling the bank statements.

The hard copy monthly Wells Fargo bank statements are delivered to the person reconciling the bank statements **unopened**. This ensures that there is no tampering with the statements or accounts. Electronic copies of statements are provided for all bank accounts and may be used in lieu of the hardcopy.

Each statement should be reconciled by the 20th working day of the month that the statement is received, with the exception of the year-end closing which prevents the reconciliations for October and November from being performed until late December or early January.

Reconciliation Report

The reconciliation process involves matching all deposits and payments recorded in WSBA's books to the bank statements. If errors or discrepancies between the bank and WSBA's accounting systems are noted, they should be documented on the reconciliation report. Copies of the completed reconciliation reports are given to the Controller, who is responsible for researching and correcting any errors or adjustments, and the Director of Finance. Any questionable activity, such as a check that has been altered or forged, is documented and the information is presented to the Director of Finance **the same day** that the activity is located.

Procedure for Outstanding Checks/Unclaimed Property

WSBA will establish and follow unclaimed property procedures in accordance with Washington State laws. During the monthly bank reconciliation process, all outstanding checks will be identified. The Bookkeeping Specialist (AP) will identify all checks that are over three months old and verify with the bank that the check has not been cashed, voided, or had a stop payment put on it between the last day of the previous month and the date of the bank reconciliation. The Bookkeeping Specialist (AP) will follow up on all remaining checks outstanding over $75 by sending an initial due diligence letter to the payee. If no response is received within three months of the date of the initial letter, a final due diligence letter will be sent to the payee. If no response is received within three months, WSBA will hold the check in accordance with the Washington State Department of Revenue Unclaimed Property rules, which generally require a three-year abandonment period (see state Department of Revenue rules for reporting periods). After the abandonment period has been completed, the check amount will be included in the annual unclaimed property report (due October 31 of each year) which will be sent to the Washington State Department of Revenue. The original check will be voided in the general ledger and a stop payment will be placed on the check at the bank by the Bookkeeping Specialist (AP). A final check will be issued to the Washington State Department of Revenue along with the annual report before the October 31 deadline.

Procedure for Accounts Receivable

Generally, the Bar requires that customers pre-pay for WSBA products and services. The exceptions where WSBA will invoice include:

- *Bar News* advertising
- Government Agencies (including law libraries, courts, schools, etc.) that require an invoice before payment can be made
- CLE seminar registration when someone appears at a seminar believing the fee was previously sent in and, after research, we determine it was not
- ABA reimbursements for employee travel expenses
- Practice management Assistance (PMA) fees for consultations or diversions
- Audit fees related to diversions
- LAP client fees
- Situations where a customer has not paid the full amount owing for a product or service
- Miscellaneous items as needed

Procedure for Invoicing

The requesting department prepares an Invoice Request Form and forwards it to Finance. Finance prepares the invoices and either mails them or returns them to the appropriate employee, as requested. *Finance is responsible for creating invoices for all WSBA departments, unless an exception is approved by the Director of Finance (e.g., Office of General Counsel, Membership Records label orders). No invoices should be prepared and mailed by non-Finance WSBA employees unless specifically authorized to do so.* Generally, payments received for Accounts Receivable balances will be applied to the oldest invoice first.

Procedure for Collection Efforts

Finance prepares a monthly aged Accounts Receivable (A/R) listing and forwards a copy to each applicable department. Each department is responsible for contacting customers with a past due balance. Finance will send out invoice copies or statements as needed. Reasonable collection efforts consist of phone calls, letters, statements or copies of invoices, and possibly the use of a collection agency with approval from the Director of Finance. In certain circumstances, Finance employees will take responsibility for collecting receivables upon agreement between the Director of Finance and the appropriate director. An example of this is the Bookkeeping Specialist who collects receivables related to CLE seminars and the Bookkeeping Specialist (AR) who collects advertising receivables for *Bar News* (see below).

Procedure for Bad Debt/Write-Offs

Temporary Write-Off (6 months)

When an invoice reaches 6 months past due, it will be written off as bad debt unless there is a reason not to write it off. Any other invoices that directors wish to keep on the books must be communicated to Finance upon review of the monthly A/R listing; otherwise they will be written off once they reach 6 months past due. The Finance employee debits the associated cost center's Bad Debt Expense account and credits the Allowance for Bad Debt account (which goes against Accounts Receivable). The Accounts Receivable still stays on the WSBA's books as an asset; however, the initial revenue has essentially been eliminated through the recording of a bad debt expense.

Permanent Write-Off (less than 1 year)

Any invoice determined to be uncollectible before one year will be written off. The department responsible for the invoice will provide Finance with a memo including the following information: account name, invoice number, dollar amount, documentation of collection efforts and the reason it is now uncollectible. This memo is signed by the person requesting the write off, approved by the appropriate department director and forwarded to Finance. Finance then will permanently write off the receivable by crediting Accounts Receivable and debiting Allowance for Bad Debts. This entry has no impact on a cost center's expenses, but takes the asset off of WSBA's books.

Permanent Write-Off (1 year)

For any Accounts Receivable amount that is not collected within one year, Finance will write off the item. This is done by crediting Accounts Receivable and debiting Allowance for Bad Debts. This entry has no impact on a cost center's expenses, but takes the asset off of WSBA's books. At the point this is done, Finance will notify the appropriate director and employee in writing (memo or email) of the permanent write-off.

Payments Received After Permanent Write-Off

If payment is received after a receivable has been permanently written off, Finance will debit cash and credit the cost center's Bad Debt Expense account (i.e., it shows as revenue offsetting the expense account).

Prepaid Expenses

Expenses paid in advance are recorded as prepaid expenses (assets). When the service is used, the funds are transferred to the associated expense account. Some examples of the WSBA's prepaid expenses include:

- Deskbooks. While in production, deskbook expenses are charged to the prepaid expense account. Once published, those expenses are transferred to the appropriate deskbook inventory account.
- CLE Seminar Expenses. During the year, expenses related to seminars are booked as an expense when paid (cash basis accounting). At the end of each fiscal year, expenses related to seminars that have not yet been held are transferred to a Prepaid account for the year-end financial statements (accrual accounting).
- Postage
- Insurance
- Property Taxes
- Venue deposits

- Travel and Training
- Seminars

Inventory

Deskbooks
CLE Publications publishes Deskbooks, which are reference materials on Washington law about specific legal topics. Supplements of existing deskbooks are also published and sold periodically to update the deskbooks. Once a deskbook has been supplemented, it is current as of the date of publication of the supplement. Inventory of deskbooks is stated at lower of cost or market on the first-in, first-out (FIFO) method.

Other CLE Products
WSBA CLE produces coursebooks from prior seminars available for sale to members. CLE acknowledges that its customers have many sources from which to purchase publications and other CLE products such as coursebooks. Therefore, CLE wants every customer to have a positive outcome when purchasing their product. Annually, the Controller in collaboration with the cost center manager will review existing publications to ensure that only publications with value are still being offered for sale and they are compliant with the obsolete inventory policy.

Returns of CLE Products
If a customer specifically requests (verbally or in writing via by email or letter) a refund and returns the product within 30 days of shipment and is in a re-sellable condition, the customer will be issued a refund by the method paid (check or credit card). Refunds by check will only be made after verification of collection of the initial check deposited by the WSBA (standard waiting period is 2 weeks). The Education Programs Manager must approve any return of production beyond 30 days from the date of purchase.

If a CLE product is sent in error, WSBA pays the postage for the customer to return it by either reimbursing the customer or having UPS pick it up and bill the WSBA directly. If a customer returns a CLE product for any other reason (e.g., duplicate order, changed their mind, and ordered in error), it is the customer's responsibility to pay for the postage.

Obsolete CLE Inventory
The inventory of deskbooks and supplements will be reviewed annually by the Senior Legal Editor and the Controller to determine which publications, if any, are obsolete; these will be written off. The Chief Communications Officer will document in writing that they have performed this review and state their conclusions that all inventory is current or what amount needs to be written off as obsolete. This process must be completed within 30 days following the fiscal year-end (September 30).

Accounting for CLE Coursebook Binders
The CLE department generally purchases binders in bulk annually to take advantage of volume pricing. The number of binders purchased is based on an estimate of the department's needs for the coming year. The binders are produced as needed by the vendor and shipped to the Bar. A running total of the binders purchased (and remaining) is maintained by the CLE Department.

When the binders are purchased, the amount is charged to the binders inventory account. When the binders are received and assembled by the Bar, the amount is debited to the associated seminar and credited to the binder inventory.

Cash vs. Leasing
It has been WSBA's practice to pay cash for furniture and equipment, as opposed to leasing. On occasion, the WSBA will rent furniture or equipment for very short-term use.

Depreciation
The Bar Association capitalizes furniture and equipment with:

- A purchase price over $2,500; and
- A useful life of more than 1 year.

The WSBA uses straight-line depreciation for those times.

Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets, generally three to ten years. Depreciation expense for fixed assets which benefit all of the WSBA are is charged to indirect expenses. Depreciation for fixed assets which benefit a select few cost centers is charged only to those cost centers (e.g., CLE, Limited Practice Officers, MCLE, Discipline).

Completing the Physical Inventory
A physical inventory of furniture and equipment (fixed assets) is completed on a periodic basis, ideally annually but no less than every three years. When the physical inventory is completed:

- A report of all fixed assets is generated;
- The furniture/equipment is physically compared to the information on the report; and
- Missing items are noted, researched, and written off, if necessary.

Sale of Fixed Assets
A form is completed by the WSBA employee supervising the sale of furniture or equipment and submitted, along with the payment, to Finance. The form will include the purchaser's name, address and phone number, the item being purchased, inventory tag number (if any), item price, sales tax and any other pertinent information.

Write-off/Disposals of Fixed Assets
On an annual basis, the Finance team will review the current listing of fixed assets and determine if there are items that require write-off or disposal. Any changes shall be incorporated into the WSBA's annual personal property tax report filing.

Accounting for costs of computer software developed or obtained for internal use

The development of computer software for internal use can be done either by outside vendors, or by WSBA employees. The costs incurred in the development stage are capitalized and depreciated on a straight-line basis over the useful life of the software, in accordance with generally accepted accounting principles.

Internal use software is defined as software that is acquired, internally developed, or modified, solely to meet the WSBA's internal needs; and during the development or modification, no substantive plan exists or is being developed to market the software externally.

If, after the development of internal use software is completed, WSBA decides to market the software, proceeds received from the license of the computer software, net of direct incremental costs of marketing, are applied against the carrying amount of that software.

The development of software follows various stages. Costs incurred in development are capitalized; other costs are expensed, as follows:

Preliminary project stage (costs are expensed):

- Conceptual formulation of alternatives
- Evaluation of alternatives
- Determination of existence of needed technology
- Final selection of alternatives

Application development stage (costs are capitalized):

- Design of chosen path, including software configuration and software interfaces
- Coding
- Installation to hardware
- Testing, including parallel processing phase

Post-implementation/operation stage (costs are expensed):

- Training
- Application maintenance

Further guidance can be found in AICPA Statement of Position 98-1.

Procedures

WSBA programmers keep track of their time spent on software development using the WSBA time keeping system. Specific categories are established for significant software development projects (minor software development is not tracked due to immateriality.) The Director of Finance makes the determination of whether a new time keeping sub-category is required.

Salaries and benefits of programmers are initially expensed as incurred through the normal accounting procedures used for all employees. In order to capitalize the development costs, the Accountant makes a monthly journal entry to reclassify the software development costs from salary and benefits to a "work in progress" asset account so that the cost may be capitalized and depreciated when complete.

The IT Director notifies the Accountant when a software development project is complete and placed in service and determines what the useful life of the project is. The Accountant then moves the total cost to a fixed asset account and begins depreciating the asset over its useful life.

The IT Director will ask outside vendors to bill their time so that development stage expenses are clearly differentiated from preliminary and post-implementation costs. Development stage costs paid to outside vendors are also capitalized, and amortization begins when the project is placed in service.

The IT Director shall promptly notify the Accountant when software development projects which have been recorded in the "work in progress" account are cancelled. The Accountant will then reverse the amounts to salaries and benefits expense.

Chapter 3: Liabilities

Accounts Payable

Trade Accounts Payable
During the year, WSBA does generally have a running balance in the Accounts Payable account. Expenses are paid on a recurring (weekly or bi-weekly depending on volume) basis as they come in to Finance. At the fiscal year-end, any expenses related to the fiscal year are accrued as Accounts Payable.

Procedures

Check Security
All checks are issued in sequential numerical order. All checks are accounted for; and checks that are voided are noted for account reconciliation. Blank checks are stored in a locked cabinet. A small supply of checks is stored in a fireproof safe on site to be used in case of disaster or emergency.

Payments – General Guidelines and Procedures

Approval of Check Requests and Expense Reports

Check Requests or invoices must be approved by the Executive Director or his/her designee, subject to review by the Treasurer on request. The Executive Director has delegated signature authority in varying dollar amounts to department directors, who in turn have granted authority to certain employees for limited dollar amounts related to their areas of responsibility. See WSBA's List of Authorized Signers. Once the necessary approvals have been obtained, the Check Request is sent to the Bookkeeping Specialist (AP) for payment.

Method of Payment for Check Requests and Expense Reports

The WSBA pays its expenses via check or EFT. Exceptions to this include payments made by petty cash or the following payments that are paid directly from the WSBA's checking account to the vendor and do not require advance approval (due to adequate controls in the process):

- Rent made by automatic withdrawals by the landlord;
- WSBA Visa payments made by automatic withdrawals from Wells Fargo;
- Federal tax deposits made by ADP (comes out of WSBA's checking account);
- Payroll checks to employees made by direct deposit (comes out of WSBA's checking account);
- Retirement, Deferred Compensation, and sales tax payments made via ACH (comes out of WSBA's checking account); and
- Postage meter refills made by automatic withdrawals from the USPS.

Check Processing Procedures

All invoices, grant payments, and expense reports are entered and submitted through PN3 (Accounts Payable processing system). The information provided in the system includes electronic copies of back-up documentation and general ledger coding. System users are set up in the PN3 system with permissions based on their specific role, including whether or not they can approve invoices, dollar limits for those who can approve, and to whom invoices should be routed for approval after submission. PN3 tracks the items submitted and approval dates. On a weekly basis, the Bookkeeping Specialist (AP) reviews the data for accuracy, reasonableness, general ledger ~~coding, and back-up documentation. Once the information is complete, the Bookkeeping Specialist (AP) runs a data~~

upload from PN3 into Navision for all items that have been approved for payment and issues checks from Navision.

Fixed asset, ACH payments, Client Protection Fund payments, and customer refund requests are reprocessed in Navision. For those, the Bookkeeping Specialist (AP) stamps the requests with the date received at the A/P desk, reviews the documents for reasonableness and accuracy, and verifies the calculations. Any questions or minor adjustments are given back to the employee submitting the request; other problems or questions should be promptly reported to the Controller or Director of Finance.

The petty cash is available for employees want to receive the reimbursement less than $30. For all other requests, the following general procedures for check processing are followed:

- Bookkeeping Specialist (AP) does review and approval for processing of all invoices and expense reports in the PN3 system by Friday of each week. Fixed asset, inventory invoices and customers refunds are also entered in Navision by Friday of each week.
- Checks are printed on Fridays and are given to the check signer(s) by the following Monday morning for signature.
- Checks are typically mailed no later than Wednesday of the week of signing. (Note: When a holiday falls on a Monday, the checks may not be signed by Tuesday morning, in which case the checks might be mailed/delivered on Thursday).

Incorrect Check Requests or Expense Reports

Occasionally, the Bookkeeping Specialist (AP) notes errors, inconsistencies, or requests that do not comply with WSBA reimbursement policies. The Bookkeeping Specialist (AP) is not authorized to make changes to amounts in PN3. The Bookkeeping Specialist (AP) will send invoice notes in PN3 to the requester for any changes. If there is disagreement about a correction, the Controller or Director of Finance will be notified and resolve the issue.

Rush Checks

Check Requests and Expense Reports should be approved and processed timely but from time to time it will be necessary to obtain a check sooner than the one-week turn-around time. Checks that need to be processed outside the normal time frames must be approved by the Executive Director or the Deputy Executive Director with sufficient time allowed for the Finance Department to process the invoice and produce the check. Rush checks should be used judiciously and for good reason. Approved rush Check Requests should be given to the Bookkeeping Specialist (AP) for processing. If the Bookkeeping Specialist (AP) is not available when the request is dropped off at the A/P desk, the person requesting the rush check shall email both the Bookkeeping Specialist (AP) and the Controller to let them know that a rush Check Request has been submitted. If the Bookkeeping Specialist (AP) is out of the office or busy, the Bookkeeping Specialist (AR) or the Controller will process the rush check. Rush checks will be processed in 24 hours but issuance of the check may vary depending on signatory availability.

Payments to Vendors

Responsibility for Payment

Each invoice from a vendor is distributed to the WSBA employee associated with the expenditure, who reviews the invoice for accuracy and determines if the associated service/product was received to the satisfaction of WSBA. The employee codes it to the appropriate general ledger account, and submits the invoice through PN3. Subsequently the invoice is then routed to their manager for approval.

Duplicate Invoices

Payments should be made based on original invoices, not duplicates or monthly statements. The Bookkeeping Specialist (AP) should always verify in the accounting system that payment has not been

previously made to the vendor, volunteer, or employee for that invoice/expense. If a duplicate payment is discovered the Bookkeeping Specialist (AP) will reach out to the vendor and offer evidence of payment and cancel the duplicate invoice.

Discounts & Timely Payments

WSBA's policy is to take advantage of any discounts available (such as 2% net 10) for prompt payment. WSBA also makes every attempt to avoid penalties and finance charges, such as those assessed if payment is made 30 days after the date of the invoice. Employees are responsible for submitting invoices for payment in a timely fashion. Continued violations of this policy may result in disciplinaryaction.

Problems with Invoices or Vendors

If an employee who originally received a vendor invoice finds that it is **not** correct or if the WSBA is **not** satisfied with the associatedservice or product, he/she shallattempt to resolve the problem with the vendor in a timely fashion. If the problem is not resolved within 30 days, the employee should consult with the Director of Finance. If an invoice is being held, pending resolution of a problem, the Bookkeeping Specialist (AP) must be notified in case he/she is contacted by the vendor. The Bookkeeping Specialist (AP) may, in consultation with employees, resolve issues with vendor invoices or statements.

Vendors & Vendor Review

Only one vendor should be set up for each company/person. If a company changes its address, the address should be changed for that vendor. If a company is purchased by another company, a new vendor will be set up. For vendors with more than one mailing address, a separate vendor card will be set up for each address. At least annually, the Bookkeeping Specialist (AP) shall review the vendor list for duplicate or inactive vendors.

Periodically, vendors regularly used by WSBA should be reviewed to ensure WSBA is getting competitive pricing. Examples include vendors of computer supplies, office supplies, equipment, etc. It is the Bar's policy when seeking vendors to provide a major product or service, WSBA submits Requests for Proposal to several vendors to ensure that the WSBA is receiving competitive bids.

Reimbursement of Expenses for Volunteers and Employees
See Chapter 6: Expenses.

Accrued Vacation & Comp Time

WSBA employees accrue vacation and sick leave on a monthly basis according to the length of their employment. Non-exempt employees may earn comp time for approved hours worked over 40 hours in a work week. Employees track their work time and leave time in an electronic timekeeping system. Accruals of paid leave are generated by the ADP electronic time keeping system. WSBA records as a liability the accrued balances of leave time that will be paid out upon the termination of any employee (currently those categories are vacation and comptime).

Each quarter, the Controller provides the Accountant with a detailed report by person indicating the total amount of vacation and comp time accrued. The Accountant computes the amount of the liability based on each person's actual hourly rate, then makes a journal entry for the difference between the current quarter-end liability balance and the amount on the books in the liability account (to bring the G/L up or down to the current liability amount).

Chapter 4: Fund Balance

The fund balances, or net assets, of the Washington State Bar Association (WSBA) are the difference between assets and liabilities. Fund balances are either unrestricted or restricted. The Board of Governors may designate, and has designated, portions of the WSBA's unrestricted fund balance for specific purposes. Annually during the budgeting process, the Budget & Audit Committee shall review all fund balances, determine if funds allocated to the various reserves should be adjusted taking into account the goals and purposes of each fund, and make any recommendations for adjustments to the Board of Governors.

UNRESTRICTED RESERVES

GENERAL FUND RESERVES

The General Fund supports the majority of the WSBA's work, including regulatory functions and most services to members and the public. General Fund reserves are funded by the annual operating income of the WSBA. Use of the General Fund reserves is approved by the Board of Governors, usually planned as part of the annual budget, and is reflected in any annual net loss incurred by the WSBA.

It is fiscally prudent to maintain reserves to support operations in the event that an unanticipated loss occurs. Therefore, unless recommended by the Budget & Audit Committee and approved by the Board of Governors, the total value of the General Fund Reserves shall not fall below $2 million dollars.

1. **Operating Reserve Fund.** The Operating Reserve Fund is a board-designated fund established to cover unanticipated expenses in the event of an emergency. As of September 2022, the Operating Reserve Fund shall be $2.0 million. Any use of this fund shall be recommended by the Budget and Audit Committee and approved by the Board of Governors.

2. **Facilities Reserve Fund**
   The Facilities Reserve Fund is a board-designated fund established to support future facilities needs such as an office move or refurbishment of existing office space or preparation for the purchase of operational real estate. It is expected that the fund's value will increase as the WSBA gets closer to lease completion. To determine the level of reserve funds needed for a future move or refurbishment, the Budget and Audit Committee shall seek the guidance of the Facilities Subcommittee of the Budget and Audit Committee to assist in setting the facilities reserve fund balance goal no later than 5 years prior to the end of the WSBA's lease.

3. **License Fee Stability Fund**
   The License Fee Stability Fund is a board-designated fund established to assist with stabilization of license fees over time. The fund may be used to offset revenue shortages during a budget cycle in lieu of raising license fees. Any usage of the fund should be designated in the budget and approved by the Board of Governors. The minimum balance of this fund shall be determined annually. The Executive Director will work with Budget and Audit to prepare a recommendation to the Board of Governors.

4. **Special Projects and Innovation Fund**
   The Special Projects and Innovation Fund is a board-designated fund established to provide funding for the development of new and innovative programs, projects or products that support and advance the mission of the WSBA. The minimum balance of the fund shall be determined annually. The Executive Director will work with Budget and Audit to prepare a recommendation to the Board of Governors.

5. **Unrestricted General Fund Balance**
   This is the cumulative balance of net assets from General Fund operations not otherwise restricted or designated to any other fund.

CONTINUING LEGAL EDUCATION (CLE) RESERVE FUND

The CLE Reserve Fund is a board-designated fund that serves as an operating reserve in the event CLE suffers an unanticipated financial loss. The CLE reserve is funded by the annual operating income of the CLE Seminars and Products operations. Reserves may be used to cover any net loss or extraordinary costs or technology upgrades. The CLE Fund shall remain a part of the WSBA assets and, as such, is subject to the superintendence and control of the Board of Governors.

SECTIONS FUND

The Sections Fund is a board-designated operating reserve fund for the WSBA sections, consisting of the cumulative balance of net assets of all sections. Separate ledgers will be maintained for each section, making up the total for the Section Fund.

RESTRICTED RESERVES

CLIENT PROTECTION FUND (CPF)

In 1995, the Washington State Supreme Court and the WSBA created the Client Protection Fund (CPF). The purpose of this restricted fund is to relieve or mitigate a loss sustained by any person due to the dishonesty of, or failure to account for money or property entrusted to, any member of the WSBA in connection with the member's practice of law, or while acting as a fiduciary in a matter related to the member's practice of law. The CPF fund receives a mandatory annual assessment from each active lawyer and LLLT member of the WSBA. The difference between revenues and expenses of this fund each year results in the CPF restricted fund balance.

Chapter 5: Income

License Fees

Setting License Fees
Mandatory member license fees, paid annually, are the WSBA's largest source of revenue. License fees are set by the Board of Governors and reviewed for reasonableness by the Washington Supreme Court. There is a tiered scale with different rates based upon status, and the member's original admittance date in any Bar. License fees are paid for the calendar year as contrasted to WSBA accounting which is based on Fiscal Year.

Revenue Recognition of License Fees
License fees are recognized ratably over the applicable calendar year membership period. Accordingly, fees collected during the WSBA's fiscal year that relate to the fourth quarter of the calendar membership period are included as deferred revenue in the financial statements.

Overpayments/Underpayments
Payments received in excess of the amount owed or are less than the amount owed will be handled in accordance with the overpayment/underpayment procedures.

CPF Assessment
The CPF assessment is mandatory for all active members. It is voluntary for inactive members; therefore, if the CPF assessment is paid by an inactive member, it is considered a voluntary donation.

Refunds of License Fees and CPF Assessments
Refund of license fees are controlled by Article III, Section I.4 of the WSBA Bylaws.

Procedure for Deposits/Incoming Receipts

General Procedures for Handling of Payments/Income Receipts

The WSBA Mail Room employee sorts the incoming mail. Two people sort the mail opening those pieces addressed to WSBA or to an employee who routinely receives payments. The Mail Room employee gives all payments received via mail to the Finance Division. There are some payments that might be collected by someone other than Finance employees, including:

- Walk-in payments collected by the front desk;
- Payment information faxed or emailed to an employee;
- Payments taken over the telephone or by email by the Service Center;
- On-site CLE registrations collected at the door;
- On-site non-CLE registrations/fees collected at the door;
- Bar exam on-site sales;

- LAP client counseling payments;
- Office of Disciplinary Counsel payments for recovery of discipline costs; and
- Reimbursements from members of the Board of Governors or other boards/committees that are submitted directly to an employee reconciling the expenses related to a particular event.

Items received from any source other than the mail must be forwarded to Finance employees for inclusion in the counting process the **same or next day**. Payments received on site at a WSBA event will be forwarded to the Finance Division the **first day the employee returns to the office** to ensure timely processing.

Employees should place checks or payment information in the Finance lockbox (located outside the Controller's office) when Finance employees are unavailable to receive them (e.g., after the daily deposit is made or after hours). Finance employees will check the locked box at the end of each workday and secure the payments for processing the next day. **For security reasons, employees should not place payment information in inter-office mail, in Finance employees' in-boxes, or on Finance employees' desks.** During hours that the office is closed all forms will be stored in a locked location.

WSBA maintains three lockboxes for the placement of payments/order/credit card information: (1) in Finance, (2) in the Service Center, and (3) in EOD/CLE. Finance maintains keys to the lockboxes.

Finance will process the forms in Personify and white out or black out the credit card information. In some instances (such as licensing A1 forms, bar exam applications, MCLE submittal forms), the documents are scanned and then passed onto the appropriate department, which is then responsible to store the documents in a secure locked location. In other instances (such as CLE seminar registration and product orders), the documents are scanned; then stored safely in Finance until they are destroyed at fiscal year-end.

Specific Procedures for Handling Payments Received by Non-Finance Employees

Note: In the procedures set forth below, the term "properly delivered to Finance" means either (a) hand-delivered to an employee in Finance (not via inter-office mail nor placed in an inbox or on someone's desk), or (b) placed into the Finance lockbox (located outside the Controller's office). It is critical that all credit card information be immediately secured.

Procedure for Walk In Payments

Receptionist – When a payment is received at the front desk the information will be put into a secure locked location until an Finance employee picks it up.

On-site CLE registration, non-CLE registration, product orders and other services forms collected off-site – Program Coordinators and other CLE employees will keep payments and order forms in a bank deposit bag that will be stored in a secure locked location. Once back at the office, the payment and order form will be promptly and properly delivered Finance.

Other CLE orders – Other payments received by CLE (e.g., product orders) shall be placed in the EOD/CLE lockbox. CLE employees will properly deliver the orders to Finance for processing.

Other – The form will immediately be properly delivered to Finance.

Procedure for Payment received via Mail

All forms received by Production that contain credit card information, will be properly delivered to Finance.

If Production passes the forms onto another department besides Finance, then that department must store the forms in a secure locked location until they are properly delivered to Finance. If the forms are copied before being

passed onto Finance, then the copies must have only redacted credit card information.

Procedure for Payment via Phone

Payments via phone are not permitted.

WSBA has implemented an electronic credit card (CC) payment system for licensing payments and other regulatory services payments. Due to PCI compliance and the risk of personal information being compromised we are avoiding collecting CC information outside of the prescribed system.

Procedure for Redacting credit card information

Occasionally some CC payments will come in outside of our CC system. In that case it's imperative to protect CC Information so CC information must be redacted by following the process below.

After processing the credit card information, it will be marked out with black marker or white correction tape. If a copy is made of a form prior to the credit card information being processed, then the copies must have credit card information redacted.

Procedure for Payment received via Email

Due to security concerns, receiving payments via email is not recommended. When the Service Center receives credit card payments by email, they shall print the email and put into the Service Center lockbox. An Finance employee will pick up the documents from the lockbox twice a day. The email will be permanently deleted by the end of the day received.

Credit card information received by employees outside of the Service Center will be placed in a secure locked location until properly delivered to Finance. The email will be permanently deleted immediately.

Procedure for Payment via Fax

Payments via fax are not permitted.

Deposits

Finance Department Cash/Check Processing Procedures

Payments from the Mail Room are added to payments received that day or the previous day from other sources. The payments are processed by at least two people in the Finance Division (so there is dual **control)** as follows:

- Verifies that each payment matches the amount listed on the associated source document (order or registration form);
- Sorts the payments by bookkeeping specialist;
- Endorses the back of each check using a bank stamp;
- Places the following information on each set of source documents: the date of deposit, check number, and amount;
- Runs adding machine tapes for the payments and the source documents;
- Gives the source documents to the appropriate bookkeeping specialist for processing; and
- Deposits the cash and checks into the bank by 4:00pm.

Credit Card Processing Procedures

WSBA accepts Visa, MasterCard, and American Express for the purchase of all fees, products and services.

Orders Received by Mail, Fax, Email or Phone – Finance collects all credit card payments each day from the multiple sources listed above. They are sorted at the end of each day and given to the appropriate bookkeeping specialist for processing the following morning. The credit card information is entered into Personify along with the order information. The credit card is processed that night by the credit card company (the authorization and charge to the card occurs in one step). Security procedures for the protection of credit card information are noted above in the section "Specific Procedures for Handling Payments Received by Non-Finance Employees."

Orders Received Online - Customers pay for all online orders via Personify with a credit card. Personify processes the credit card automatically and securely stores the information in compliance with data security processing standards.

Procedure for Processing of Source Documents

The bookkeeping specialists make every attempt to process payments the same day they are received. However, during periods of high volume (licensing season), it may take up to three to five working days to process incoming monies. The bookkeeping specialists use the source documents and payment information to process the receipts in either Personify or Navision, whichever is most appropriate (the majority of payments are recorded in Personify; then imported to Navision at the end of the month; however, certain types of payments are processed directly in Navision).

Once the source documents are processed and balanced to the deposits, they are forwarded to the responsible department along with a copy of the posted journal. The receiving department is responsible for reviewing the documents for accuracy, and ensuring the receipt was posted to the proper account. The source documents and journal copies are kept in an organized manner and accessible should any questions arise and be retained as per the retention schedule. Finance scans the documents after they have processed them.

Returned Checks/Declined Credit Cards

Procedure for Returned Checks

Checks may be returned to the WSBA by the bank for non-sufficient funds (NSF), "Account Closed," improper endorsement, or other reasons. Generally, those checks were accepted by the WSBA for payment of fees, products, or services.

As returned checks are received from the bank, Finance credits the cash account and debits Accounts Receivable. If an NSF check has been presented only once, Finance may try re-depositing the check. If the check has been presented twice or has been returned for reasons that would prevent it from being re-deposited, Finance will take further action including phone calls and letters. Outstanding items are reviewed on a monthly basis to determine any further action. Finance will notify the proper employees for further collection efforts.

If the payment was for license fees or status changes, and it is still uncollected, Finance works with the Licensing Lead for further collection efforts. If the payment remains uncollected, the member may owe the penalty amounts or may be suspended for non-payment of dues.

If the payment was for the Bar Exam, Admissions is notified and depending on the timing, the applicant may not be approved to sit for the exam or may not have his/her results released until the funds have been received.

Procedure for Declined Credit Cards

If a credit card charge is declined or the credit card number is invalid, the order is cancelled in Personify and Finance employees will contact the customer to get a new credit card number or an alternate form of payment. In the event a credit card is declined where the event has happened or the customer has picked up the product, Finance will invoice the customer for the amount owing and send a cover letter with the invoice.

Overpayments and Underpayments

Occasionally, WSBA receives payments that differ from the amount owed for the product or service. Below is how overpayments and underpayments are handled:

Overpayments

$.99 or Less

Overpayments of $.99 or less will be accepted, as is, without any refund efforts. The overpayment amount is credited to the appropriate income account under the cost center for that product or service. Refunds up to $.99 overpayments will be made only upon the payer's request.

$1.00 or More

For overpayments of $1.00 or more, the order is processed as usual, with the overpayment amount credited to the appropriated income account under the cost center for that product or service. The amount of the overpayment is automatically refunded to the purchaser by the Finance division. As overpayments are received, the bookkeeping specialists submit the refund paperwork to the Controller for approval.

Underpayments

$4.99 or Less

Underpayments of $4.99 or less will be accepted, as is, without any other collection efforts. The underpayment amount is charged against the appropriate income account under the cost center for that product or service.

$5.00 or More

For underpayments of $5.00 or more, the applicable department is made aware of the underpayment and the department employee may request an invoice from Finance for the amount owed. In some instances (e.g., CLE products and seminars), the customer is automatically invoiced by Finance.

Procedure for Refund of Income

All refunds shall be approved by the department requesting the refund. Approved refund requests are submitted to Finance for processing. A customer refund is handled in the same way in which the payment was received.

Credit Card Refunds

For example, a customer who paid by credit card will be refunded by credit card. If the order was initially processed in Personify, it will be refunded through Personify. If the order was processed online (CLE bookstore or MCLE website), it will be refunded directly through Verisign, the online credit card processor.

Refunds by Check

If a payment was originally made by check, WBSA will write a check for the refund. Refunds by check will only be made after verification of collection of the initial check deposited by the WSBA (standard waiting period is 2

weeks).

Deferred Revenue

Deferred Seminar Revenue

Seminar registration fees are recognized as revenue in the year in which the related seminars are held. Deferred seminar revenue relates to fees collected for seminars to be conducted in subsequent years.

Recovery of Discipline Costs under Rules for Enforcement of Lawyer Conduct

ELC 13.9 Costs and Expenses

Pursuant to ELC 13.9 *Costs and Expenses*, the WSBA may assess costs and expenses to a lawyer at the conclusion of the disciplinary process. The WSBA Office of Disciplinary Counsel (ODC) seeks costs and expenses at the conclusion of formal cases that result in discipline, or when an Admonition becomes final. In resolving cases by Stipulation [ELC 9.1(b)(4)] ODC generally "adjusts" (with approval of the Disciplinary Board or Hearing Officer) the presumed expenses.

"Costs" are certain out-of-pocket expenses (court reporters, service fees, copying costs, hearing officer expenses, etc.) related to a disciplinary proceeding that results in disciplinary action (admonition, reprimand, suspension, disbarment).

"Expenses" are the reasonable charge for attorney fees and administrative costs, and are set at a presumed level, depending on the degree of review required for a matter to become final.

After assessment of costs and expenses, the Supreme Court may enter a monetary judgment [ELC 13.9(*l*)].

ELC 5.3(h)(2) Investigation of Grievance

Costs and expenses (including a $500.00 fee) are also allowed under ELC 5.3(h)(2), when a lawyer fails to cooperate in an investigation and a subpoena is issued, although the investigation may not result in disciplinary action.

Treatment of Costs and Expenses

Amounts due to the WSBA for discipline costs and expenses are not recorded as a receivable on the WSBA's books until actually collected due to the uncertainty of collection (even where judgments are recorded). When checks come in from lawyers related to their costs and expenses, they are processed as income under "Recovery of Discipline Costs."

Applicability to Limited Practice Officers and Limited License Legal Technicians

Recovery of discipline costs described above is also applicable to Limited Practice Officers and Limited Licensed Legal Technicians.

Chapter 6: Expenses

I. General Expense Reimbursement Policy

WSBA depends upon and values the time and talent of its employees and volunteers. As a steward of member funds, WSBA asks for employees and volunteers to be fiscally prudent and follow the policy at all times. **WSBA will reimburse: (1) reasonable and prudent, (2) necessary, and (3) appropriately documented, out-of-pocket expenses incurred in connection with WSBA business or meetings, as set forth herein.**

A. Scope

This policy applies to all employees and volunteers while engaged in authorized WSBA work, including, but not limited to: the President, President-elect, and Immediate Past-President; Board of Governors; Board of Governors-elect; board, committee, task force, council, and panel members; section officers, executive committees and members; and invited guests. Any items not included herein deemed necessary to conduct the WSBA's business, or that deviate from these policies due to extenuating circumstances, may be approved by the WSBA Treasurer or the Executive Director in accordance with the WSBA Fiscal Matrix.

B. Liability

The financial liability of the WSBA to any board, committee, task force, council, panel or section is limited to the funds budgeted (on a line item basis) for it in the current approved budget of the WSBA. If any volunteer, board, committee, task force, council, panel or section (or any one of its members): (1) incurs a liability that is greater than the funds budgeted or otherwise approved; or (2) incurs a liability in excess or outside of the amounts allowed by this policy, such liability will be presented to the Director of Finance who will evaluate for appropriateness. If appropriate the Director of Finance will route to the Executive Director or Treasurer for approval. In the case the expense is not deemed to be reasonable the liability will be the personal obligation of the individual responsible for incurring or authorizing the liability.

C. Policy Exceptions

- WSBA ABA Delegate expenses shall be reimbursed a reasonable amount necessary to attend the ABA House of Delegate annual and midyear meetings only, not to include education and social events connected to the ABA Conference and ancillary meetings. Delegates should seek reimbursement from the ABA for approved expenses and seek reimbursement from the WSBA for those reasonable and necessary expenses not covered by ABA policy. The budget for delegate expenses will be contained as separate and distinct line item in the Executive Director Cost Center

- Certain expenses of WSBA Officers, Board of Governors, and the Executive Director shall be reimbursed in accordance with "IV. Expense Policies: WSBA Officers and Board of Governors" and Section "V. Expense Policies: WSBA Executive Director", *infra.*

- Section executive committees may use their discretion: (a) to use section funds to cover group meal expenses for one guest per section member attendee at section events open to all section members, at executive committee meetings and retreats, and at speaker or award dinners; and (b) to pay or reimburse a speaker or award recipient and guest for travel, meals, and lodging in accordance with WSBA expense policies. Group meals are paid for an entire group on one invoice and are not subject to the per diem amounts for individuals under the reimbursement policy. As with all other expenses, group meals are expected to be reasonable.

D. General Guidelines for Reimbursement Requests

1. WSBA will not reimburse expenses that are reimbursed from another source.

2. WSBA will not reimburse expenses incurred by spouses, domestic partners or guests (hereafter collectively referred to as "guest" or "guests"), except as identified in Section I.C above.

3. WSBA will not reimburse for use of rewards program benefits, such as frequent flyer coupons, air miles, hotel points, etc.

4. In accordance with IRS requirements, any person seeking reimbursement from WSBA shall submit a signed, dated WSBA Expense Report, supported by detailed receipts. In the absence of a detailed receipt, WSBA will reimburse up to $75 for expenses, so long as certification is provided confirming expenses comply with WSBA fiscal policies. If the reimbursement is for meals, no more than the maximum federal per diem rate for the state of Washington (see www.gsa.gov/perdiem) will be reimbursed without a detailed receipt.
5. Barring any unforeseen circumstances, all WSBA Expense Report forms and receipts must be submitted within 60 days of incurring the expense; with the exception that expenses incurred in September must be submitted within 30 days after WSBA's September 30 fiscal year end (by October 30). Reimbursement requests for expenses incurred in the prior fiscal year submitted after October 30th of the following fiscal year will not be paid unless approved by the Executive Director and Director of Finance. The Executive Director will have discretion to approve any expense report beyond the cutoff date when the same isn't completed due to unforeseen issues.

E. Travel Expenses

1. Volunteers:
   WSBA encourages virtual meetings whenever feasible to accomplish board, committee, task force, panel, council and section work. Reimbursement of travel expenses to board, committee, task force, council, panel and section members residing out of state to attend their meetings is limited to the approximate cost of in-state travel (i.e. cost of travel from the nearest WA border to the location of the particular meeting).

2. WSBA Employees:
   Employees must have prior authorization, from their supervisor or inherent in their job description, to incur travel, lodging, and meals expense on the job. All overnight stays at a Board of Governors meeting shall be approved by the Executive Director. For additional terms, see "III. Additional Employee Expense Policies".

F. Transportation

WSBA will reimburse transportation costs based on the limits set forth below. WSBA will not reimburse for lodging *en-route except* when special circumstances such as weather, abnormal traffic patterns or personal circumstances occur. Any expense report containing en-route expenses will be approved by the Executive Director.

WSBA encourages employees and volunteers to utilize the least costly method of transportation available under the circumstances. For example, if a ticket to fly coach economy to a particular destination is less expensive than the cost of reimbursing mileage for driving then flying should be the selected mode of transportation.

1. Personal Autos: Mileage will be reimbursed at the IRS Standard Mileage Rate in effect at the time of travel. *Carpooling is encouraged.* 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.

2. Rental Cars: Rental cars may be used only when economical 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. Volunteers are not covered under WSBA insurance policies and must provide their own insurance coverage when renting vehicles.

3. Ground Transportation: WSBA will reimburse ground transportation, parking costs and tolls. WSBA will reimburse longer term airport parking at the lower of actual parking costs or an airport shuttle to/from the traveler's home. WSBA will reimburse tips for no more than 25% of the cost of the trip, in the case where 25% is less than $2.00 tips can be adjusted to that amount.

4. Airfare: WSBA will only reimburse coach/economy-class airfare, which should be booked sufficiently in advance of travel to obtain the lowest possible fares. Use of private airplanes is permitted; however, reimbursement is limited to an amount not to exceed coach-class airfare on a commercial air carrier, purchased not less than two weeks in advance of travel, for the same or substantially similar route. WSBA will pay a cancelled airfare if WSBA cancels a meeting. Airfare change fees will only be paid for changes in a meeting schedule. *Reimbursement receipts for airline travel must include name of passenger, credit card used for payment, confirmation that flight was paid in full, date of flight, and departure and destination locations. Credit card statements and cancelled checks are not acceptable.*

5. 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.

6. If there is a question about the reasonableness of a travel expense it will be escalated to the appropriate Department Director for a determination of reasonableness.

G. Lodging/Hotel Accommodations

WSBA will reimburse hotel/motel accommodations up to $200 per night ($225 in Seattle) plus taxes. With respect to out of state conferences, WSBA will reimburse hotel accommodations at the advertised conference hotel rate. Generally, if no lodging below the applicable limit is available or convenient in the area of the stay, department directors may approve reimbursements above the applicable per night limit utilizing the reasonable and prudent standard. WSBA will not reimburse for incidental expenses such as entertainment, personal phone calls, etc. *Reimbursement receipts must include name/location of hotel, guest name(s), date(s) of stay, and breakdown of charges for lodging, meals, telephones, and incidentals.*

H. Meal Expenses

1. WSBA will reimburse breakfast, lunch and dinner meal expenses, including reasonable tips, gratuity, and taxes. WSBA will not pay or reimburse for alcohol purchases (see Section II. Purchase of Alcohol for Bar Functions). The WSBA encourages volunteers and employees to adhere to the IRS per diem guidelines for meal reimbursement which are updated periodically. The most recent per diem rates are available on the IRS website and will be updated annually on the WSBA volunteer and employee expense form. Any reimbursement requests within the maximum per diem limits for the State of Washington will be deemed reasonable. Reimbursement requests above the maximum per diem limits should be reasonable and prudent given the circumstances and context in which the expense was incurred. Requests for reimbursement above the Federal Per Diem Rates will be escalated to the appropriate Department Director for a determination of reasonableness.
2. If a meal is provided as part of a meeting or conference, no reimbursement will be made for substitute meals.
3. If a remote meeting of at least four hours in duration is scheduled through a meal period (i.e. breakfast, lunch, or dinner) then regular reimbursement rates will apply.

I. Expenses Other Than Travel/Transportation, Lodging, and Meals

1. Office Expenses: Despite use of services available through the WSBA office, volunteers may occasionally use their own resources 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 set by the WSBA[2]. 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 personal costs or professional services without specific advance authorization.

2. Gifts/Awards: WSBA will reimburse costs (up to $150) for the purchase of gifts, plaques or similar items recognizing an individual's extraordinary volunteer service to the WSBA and/or its component parts. Gifts from volunteers to WSBA employee are prohibited except for *de minimis* or token appreciations (up to $50). All employee liaisons to boards, committees, task forces, councils, panels or sections should make sure the group is aware of this policy.

3. Miscellaneous: Reimbursement for expenses not otherwise described by this policy may be allowed when reasonable, necessary, appropriately documented, explained, and approved by the Executive Director or WSBA Treasurer in accordance with the Fiscal Matrix.

[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.

II. PURCHASE OF ALCOHOL FOR BAR FUNCTIONS

Except as provided herein, ~~The~~ WSBA prohibits the use of WSBA funds to purchase alcoholic beverages.

A. WSBA will not pay for or reimburse alcoholic beverages purchased by volunteers or employees as part of a meal. Such purchases shall be segregated from meal expenses and paid for by the individual ordering them.

B. Alcoholic beverages may be served at WSBA functions, as long as they are: (1) paid for with personal funds (e.g. no host bar), or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender.

C. WSBA funds may be used to pay ancillary costs at events such as the cost of a bartender, corkage fees for donated alcohol, and service/setup fees.

D. 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.

~~C.~~

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III. ADDITIONAL EMPLOYEE EXPENSE POLICIES

A. Weekend Work

Working on a weekend is treated like any other workday. Meals, daycare, etc. will not be reimbursed. However, in some circumstances, employees may be reimbursed for parking if they are required to work on a weekend (see "Private Auto- Parking" policy below).

B. Transportation

1. Rental Cars: Car rental requires pre-approval of a department director, and may be used only when 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. 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). The WSBA will not pay for additional insurance coverage; the renter should decline coverage when renting in the WSBA's name.

2. Car Pooling: Employees are encouraged to car pool when it is feasible as it reduces costs, risk, and can improve coordination amongst employees when traveling together.

3. Private Auto – Parking: 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. 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, licensing

season; or other projects.

4. Taxi Rides: As part of the ORCA program, employees who have an ORCA 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.

5. "Advances" For Travel or Expenses: The Executive Director, upon a director's recommendation, may approve travel advances. Travel advances must be requested at least 7 workdays prior to the trip to allow for sufficient time to prepare the check.

C. Meals

1. 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.

D. Professional License Fees

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, 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%

E. Professional Liability Insurance

WSBA reimburses Lawyers Assistance Program employees for the cost of professional liability coverage for their activities conducted pursuant to their employment with WSBA. An employee who leaves WSBA employment during the insured period must refund to the WSBA that portion of the reimbursement covering any insured period after WSBA employment ends.

F. Employee Membership Dues

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

G. Employee Cell Phone Expense Reimbursement Policy

This policy covers the reimbursement policies and procedures for business use of employee-owned cell phones.

The WSBA acknowledges the use of cell phones is required of some employees to fulfill the responsibilities of their position (see WSBA Employee Handbook for eligibility criteria). As a result, the WSBA has defined two ways of providing cell phone service to employees whose position requires the use of cell phones.

1. Issue a WSBA owned cell phone
2. Allow for use of employee's personal phone and provide a reimbursement

Providing a WSBA Phone

The IT department will maintain a record of both the approvals and the phones issued. This is a critical step as these phones will be subject to public records rules. The type of phone to be issued will be determined by IT.

Use of Personal Phone for Work

A person who qualifies for a WSBA issued cell phone but chooses to use their personal cellular phone for WSBA business may be authorized to receive reimbursement in lieu of being issued a WSBA cellular phone.

The reimbursement will be at a rate of $20 per month for employees who work over 20 hours per week, and $10 per month for employees who work 20 hours or less per week. Eligible employees will receive a stipend via paycheck unless they opt out of the benefit.

Employees who have positions that do not meet these criteria may request this reimbursement as needed for special assignments or events (ex: Bar Exam, BOG meetings) with Director's pre-approval. These employees will be responsible for submitting an expense reimbursement form in PN3 to receive this benefit.

H. Employee Parties and Celebrations

1. Generally, events in which all employees are invited to participate, or were approved by the Executive Director and the directors in advance, are paid by the WSBA. These include:
   - Refreshments for all-employees meetings; and
   - Executive Director's purchase of treats for the entire employees for a special occasion.

2. 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.

I. Employee Development Budget

Each director is given an annual Employee Development budget, with sole discretion to use Employees Development funds reasonably for team building items such as employee retreats or activities, department meetings, meals or snacks, coffee or lunches with employees, and tokens or small gifts of appreciation for employees.

IV. EXPENSE POLICIES: WSBA OFFICERS AND BOARD OF GOVERNORS

The officers and members of the Board of Governors (including sitting and newly elected officers and Governors) are fiduciaries of WSBA and ambassadors to WSBA boards, committees, task forces, councils, panels and sections; to local and specialty bar associations in Washington State; and to other related groups or officials. It is expected that WSBA officers and governors will incur certain expenses in furtherance of this responsibility, and will comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses

Individual meals for a 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 and transportation costs will not be reimbursed.

B. Officer and Governor Attendance at Law-Related Events

From time to time WSBA officers and governors are invited to attend a ticketed, non-educational event 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 statewide organization to reach out to these interest groups, to encourage and support other Bar Associations and law-related organizations, to further the understanding of the activities and purposes of the WSBA, and to foster collegiality among its members and goodwill between the Bar and the public; in a fiscally prudent manner.

To this end, WSBA will annually reimburse expenses incurred for group registration events as follows:

	Statewide Events	Local and Specialty Bar Events	Significant County Bar Events
Officer	yes	up to 8	yes
Governor	yes	up to 6	In Governor's home district

The Executive Director may approve exceptions to these limits. WSBA reserves the right to request reimbursement for cancellations to group registration events.

C. Officer and Governor 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:

1. Officer Conferences:
   The President, President-elect, Past President, and Treasurer may attend three national conferences and the Western States Bar Conference. The President, President-elect, Treasurer, and Past President may also

attend the Northwest Bar Leaders meeting.

2. Governor Conferences
   Governors may attend one national or regional conference during their term of service on the Board of Governors

V. EXPENSE POLICIES: WSBA EXECUTIVE DIRECTOR

The Executive Director is an ambassador of WSBA to WSBA boards, committees, task forces, councils, panels and sections; to 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. The Executive Director shall comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses
Individual meals for a guest will be reimbursed only at Board of Governor functions 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 and transportation costs will not be reimbursed.

B. 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.

C. Travel
Reimbursement will be made for 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.

D. Meals
WSBA will reimburse 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 or WSBA or Washington State elected or appointed official(s) to conduct WSBA business with the official(s). This would also include Washington state local and specialty bar elected or appointed officials.

E. 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 Senior Accountant and Budget Analyst prepares a quarterly report for the Treasurer to review and sign.

VI. CLE SPEAKERS/PROGRAM PARTICIPANTS EXPENSES

In general, reimbursements to speakers and program participants shall be reimbursed according to the WSBA guidelines. However, with prior approval of the Executive Director, W S B A may approve reimbursements for lodging and meal expenses above the WSBA rates, as supported with appropriate receipts.

VII. ACCOMMODATION FUND

A. 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.

B. Procedures

Persons should request accommodation through WSBA employees 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.

C. Other

The Accommodation Fund is intended primarily for use by WSBA members — other resources are available for WSBA employee 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 employees working with the facility at which the meeting or event is to be held.

D. Funding

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 Director of Finance 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.

VIII. WSBA CREDIT CARDS

Each department director and some employees who frequently incur travel expenses (e.g., investigators) are issued individual WSBA corporate credit cards ("card holder") to cover WSBA business expenses only; personal charges are not allowed. An exception is if the charge contains personal expenses beyond the WSBA limit, in which case the card holder shall submit a check to Finance with the credit card bill. All charges on a WSBA credit card must be supported by appropriate detailed receipts.

Card holders may authorize their employees to use their credit card for business expenses. However, the card holders remain responsible for all charges made using their credit card; specifically, that all charges comply with WSBA policies, are made within the delegated budget authority, and are coded to the proper general ledger account.

Each card holder must approve the monthly statement for his/her credit card. The monthly statement, along with detailed receipts and general ledger coding information, shall be submitted to the Bookkeeping Specialist (AP) within 10 days of the end of the month.

Employees who support the WSBA's conference rooms and CLE Conference Center may be issued credit cards for the purpose of purchasing office supplies, food service, kitchen supplies, etc. in order to efficiently and cost-effectively manage the conference rooms and provide support to employee meetings. The monthly American Express bill shall be reconciled and coded to the proper general ledger accounts, then given to the Director of Finance for review and approval.

IX. FUNCTIONAL ACCOUNTING PROCEDURES/ALLOCATION OF INDIRECT EXPENSES

"Indirect" expenses are expenses that benefit the whole organization; in many ways they are the basic cost of doing business. Examples include salaries, benefits, rent, telephone, insurance, legal advice, auditing services, computer equipment, etc., as well as all-employee meetings, coffee/tea service, etc. GAAP does not require a specific method of allocating expenses to their appropriate function. There are numerous ways to allocate common expenses, but there is no one correct way. However, the method chosen must be meaningful, reasonable, accurate, and consistently applied. Changes in the method of allocating indirect expenses, and what specific expenses are included in indirect expenses, are generally disclosed in the audited financial statements.

The main goal of allocating common expenses is to provide the "true cost" of each program. However, getting a "true cost" is a misnomer, since different allocation methods will produce different results. The organization must choose a reasonable method that makes sense and will produce "accurate enough" information. Thus, it is important to understand that you are never really seeing the true cost of any program; you are seeing as close as we can get based on the allocation method chosen. A good example of this is how the WSBA treats certain support expenses. The WSBA has several departments which support all the cost centers, but for which the costs are not allocated to the indirect pool. No employee time for the Human Resources department or Information Technology department is allocated to other cost centers, although they primarily exist to support all cost centers. Thus, the "true cost" of a program does not include many of the WSBA support functions provided to it. It is helpful to understand this when conducting reviews of programs and cost centers.

WSBA has been using functional accounting since 1992. Direct expenses are recorded 100% to the appropriate cost center. Examples include committee expenses, employee travel, events, etc. The WSBA allocates indirect expenses as follows:

- Salaries – Salaries are directly allocated (through payroll) to the cost centers in which the employees primarily work. For example, some employees are allocated among several cost centers in one department (e.g., Advancement or Regulatory Services Departments). Many employees are allocated to only one cost center, although the perform work for many functional areas (e.g., Finance and Administration Department employees). *The allocation of employees is done through the budget process; employees are allocated throughout the year just as they are budgeted.* Therefore, a person may be budgeted at 25%, but may actually spend more or less of their time performing work for that cost center. However, the person is allocated through payroll at 25% regardless of their actual time spent unless a mid-year change in actual allocation is authorized by the Executive Director as part of the Reforecast process. Actual time is considered in allocating employees for the next budget year.

- Benefits – When incurred, benefits expenses are pooled together and allocated among the cost centers *based on the salary expenses (dollars, not FTEs)* for each cost center. This method proportionately distributes benefits in relationship to the salaries expenses. Thus, the departments with higher-paid employees will also incur a higher share of benefits expense.

- Other Indirect Expenses (insurance, telephone, professional fees, etc.) – The WSBA allocates all other indirect expenses based on the *number of FTE's in* a cost center. For example, if a cost center has 10 out of 138 of WSBA's FTEs, then it will be allocated 7.2% (10/138) of the pool of indirect expenses.

Chapter 7: Other Accounting Policies

Policy on Committee and Board Use of WSBA Funds

This Policy restricts committees (standing, ad hoc, special, or other) and boards from donating or contributing WSBA funds to programs or causes not specifically authorized in the approved budget. This restriction on the use of WSBA funds does not apply to sections since general WSBA funds are not used for sections.

Donations/Contributions/Sponsorships to outside entities

WSBA committees and boards are prohibited from donating, contributing to, or financially sponsoring outside entities or causes with WSBA funds even if the allocated budget has unexpended funds, except with special review by the General Counsel and further authorization from the WSBA Executive Director. This applies to donations to entities such as other bar associations, legal organizations, or outside causes. Requests made to the Executive Director must be made in writing at least 30 days prior to the desired date of the contribution.

Making charitable contributions
WSBA committees and boards are prohibited from making charitable contributions with WSBA funds.

Contributing to WSBA-Funded Programs
WSBA committees and boards are prohibited from donating or contributing WSBA funds to other WSBA-funded programs.

Employee Gifts
Use of WSBA funds, including committee and board budget funds, for gifts to WSBA employees are prohibited except for *de minimis* or token appreciations.

Procedure for Pre-approval of Form Content

The Controller must **pre-approve** the **content** of all documents that request payment (such as event registrations, order forms, or applications) that WSBA intends to either mail out or include in the *Bar News*, on the Bar web site, or in newsletters. This type of document must include specific information to ensure the correct application of any payment(s) returned to the Bar. Finance must review the document **before** the document is mailed or published.

In the case of form letters, the template should be given to the Controller for review and approval before any letters are mailed. In the case of order forms, once the order form is designed (but not yet mailed or published), a "draft" copy should be given to the Controller for review and approval.

WSBA Price List and User Fees

User fees for Bar products and services are set and revised periodically either during the budgeting process or as deemed appropriate by the department director

Taxes

Local Taxes
WSBA pays personal property taxes to the City of Seattle in accordance with local laws.

State Taxes
WSBA pays taxes to the State of Washington for:

- Use and sales taxes on the sale of taxable products;
- Department of Labor and Industry (L & I) workman's compensation taxes (the reports are prepared and filed by WSBA); and
- State Unemployment (SUTA) tax, which is paid on an "experience" basis only (the SUTA reports are prepared quarterly by ADP, WSBA's payroll vendor).

WSBA is exempt from State of Washington:

- Business and Occupation (B & O) tax, since WSBA is an instrumentality of the State Supreme Court.

Federal Taxes
The WSBA does not pay Federal Unemployment (FUTA) tax.

Letter regarding WSBA Tax Exempt Status
Please contact the Office of General Counsel or the Director of Finance.

Grants
WSBA programs may seek grant funding from foundations/organizations to support specific projects/programs.

Grant application

- With the support of the Executive Director, applications for grants, budget worksheets, grant checklists or work plans will be completed by the WSBA program requesting the grant.
- General Counsel will review grant applications for legal content.
- Accounting information will be reviewed by the Director of Finance before submission.
- The Executive Director will approve in-kind expenses related to a grant.
- The Executive Director or designee must approve the grant request before the application can be submitted to the funding organization.

Grant Awards

- Grantees will alert the Finance Division as to the amount and approximate date of receipt of grant funds.
- Reports, as required by the grant, will be completed by the grantee with assistance from Finance.
- If unused funds are to be returned to the Grantor at the end of the grant period, the grantee and Controller will balance the dollar amount to be returned. A Check Request will then be prepared by the grantee and, after securing proper approval, forwarded to Finance for processing.

Managing Grant Funds

- If grant amount is over $20,000 and anticipated to benefit more than one fiscal year, the amount received will be deposited into a liability account and moved monthly as funds are spent. If the grant is anticipated to be used in the current fiscal year, the funds will be deposited into an income account when received.
- The Controller will review grant status with the grant recipient at fiscal year-end to determine and record the amount to be carried forward to the next year. Unexpended grant funds (i.e., for grants that cover more than one fiscal year) will be moved to a liability account at fiscal year-end by the Controller. This net amount would be adjusted for any expenses not charged as direct expense (i.e., salary/benefits, rent/office space) but included in the grant. The Controller will move those funds to the income account in the appropriate cost center as the related grant expenses are incurred.
- Expenses will be charged to an expense account within the same cost center.
- WSBA may charge an administrative fee. The fee amount would be determined by the grant requirements.
- Awarded Grants will be included within the appropriate cost center's income and expense categories in the annual budget process for that particular fiscal year.

Public Records Access and Fee Policies

WSBA's public records policies and procedures are set forth at http://www.wsba.org/About-WSBA/Contact-Us/Request-Public-Bar-Records .

Submitting Matters to the Board of Governors for Action

Pursuant to the WSBA Bylaws, the Board of Governors (BOG) is the governing body of the Bar that determines the general policies of the Bar and approves its budget each year. In January, 2020, the BOG adopted a policy entitled Board of Governors Policy RE: Requests for Action (Page 195). The policy to sets forth the preferred process for submitting matters to the Board for action. The portions of that policy relevant to the fiscal policies are provided as follows:

3. Analysis. When a matter has been requested by a WSBA entity or has been approved for further exploration by a BOG Committee, the Executive Director will ensure that the matter is analyzed, including fiscal impact, stakeholder analysis and input, rule compliance, and implementation implications. A reasonable amount of time should be provided for this analysis taking into account the scope, magnitude, and relative novelty of the request. This information will be shared, as appropriate, to aid in the Board's decision-making.

Requests Requiring Amendment to the WSBA Budget

Changes to the WSBA Budget should not be approved without a rigorous review of the pros, cons and impacts of said change. As such, any request, proposal, change or suggestion that would require a change to the WSBA budget that arises during a meeting or has not been subject to analysis as described above, should be tabled until the next BOG meeting in order to provide time for that analysis.

The review will be performed by the Treasurer, Director of Finance, HR Director, WSBA President, and the Executive lead for the department affected. The review and potential request will be taken to the Budget and Audit committee for discussion and analysis. The committee's recommendation(s) are intended to be completed and delivered to the BOG for approval in its next meeting.

Chapter 8: Summary of Internal Accounting Controls

Bank Accounts

- The Board of Governors approves banking authorities.
- The Bank is notified timely of signature changes.
- The Finance employee who makes the daily deposit is someone other than the employee who processes the receipts.
- The Bookkeeping Specialist (AP) or Controller do not have signing authority to any WSBA bank accounts.
- Check signers are independent of check preparation.

Bank Reconciliations

- Bank statements are delivered to the appropriate independent person unopened or provided via online access
- WSBA employees reconciling the bank accounts are not involved in day-to-day processing of receipts or expenses.
- Bank reconciliations are generally completed by the 20th working day of each month.
- Copies of completed bank reconciliations are distributed to the Director of Finance and Controller for review.
- A detailed process is followed for checks outstanding for over 90 days.

Investments

- Investment guidelines are approved by the Board of Governors.
- WSBA employees authorized to invest are approved by the Board of Governors.
- All investment paperwork is kept in a safe location.
- All investments are under the name of the Washington State Bar Association or the Client Protection Fund.
- Detailed records are kept on each investment (for example, purchase date, maturity date, interest rate, annual percentage yield, how interest will be paid, purchase price, name of institution, etc.).
- Detailed records are kept by someone other than the person who authorized the investment.

Cash/Check Handling

- Incoming mail is initially opened by two employees (Production employees) with no access to accounting records.
- The cash/check processing is always done by a minimum of two WSBA employees.
- The process results in a daily grand total which is balanced once all receipts are processed.
- WSBA employees do not count/tally a category of receipts they would then process.
- All checks are locked up in a secure location until they are deposited into the bank. Only authorized Finance employees have access.
- Daily receipts are deposited into the bank by the end of each day.
- Cash received at the front desk is recorded on the log sheet.
- Cash received at the front desk is locked up when the office is closed.
- Payments (checks, cash, or credit card info.) and backup from an outside event are collected by WSBA employees at the event and turned into Finance the first day the employees return to the office.

Petty Cash

- Petty Cash boxes are kept in a secure location – always locked when the office is closed.
- Access to Petty Cash is limited to a small number of employees who do not process receipts.
- Petty Cash boxes are audited regularly by someone without regular access to the box.
- Reimbursements for petty cash expenditures up to $30 or $50 are disbursed by a limited small number of employees.
- Petty Cash forms must be completed with documentation and approval before funds can be disbursed.
- Petty Cash will be replenished by completing a Check Request and being processed through the Accounts Payable process.
- IOU's, employee advances, and check cashing are not allowed.
- Petty Cash boxes are kept separate and not mingled with any other cash.

Credit Card Information

WSBA will take necessary steps to ensure it complies with federal and state laws regarding the protection of credit card information (payment card industry data security processing standards). The following general guidelines shall be followed:

- Where possible and feasible, the preferred method of receiving credit card information is from customers/members online whereby the credit card numbers are never seen by employees. Therefore, WSBA shall attempt to provide as many of its products and services online as is possible.

- Where credit card information is received in the mail on WSBA forms, via email, through a walk-in, or by telephone, the following guidelines apply:
    - Employees shall take care to adequately secure, in a locked location, any credit card information until it is processed by Finance (see specific procedures in Chapter 5). Employees may lock such information in drawers or cabinets or use lockboxes provided in Finance, the Service Center, and EOD/CLE. The fewer people that handle credit card information, the better.
    - After the credit card information is entered into Personify, where the payment is processed, it shall be thoroughly redacted from the form before scanning, sending to other departments, or storage.
    - Original forms containing redacted credit card information that are maintained by departments outside Finance shall be kept in a locked location until they are destroyed.

- Employees do not have access to credit card numbers stored in the Personify database or Cybersource because the numbers are encrypted for security.

- Credit card numbers and payment information is not subject to public disclosure and should never be given to anyone outside of the WSBA.

Accounts Receivable

- All invoiced items will be processed through the accounting software.
- Any adjustments must be approved by appropriate department director.

Cash Disbursements

- Checks are pre-numbered and used in sequence.
- Blank check stock is locked up and access is limited.
- Bookkeeping Specialist (AP) does not have authority to approve or change expense requests.
- Bookkeeping Specialist (AP) audits reimbursement forms (Check Requests, Expense Reports, and Petty Cash Slips) for accuracy and adherence to policy.
- Bookkeeping Specialist (AP) ensures each Check Request or Expense Report has been approved by an authorized employee.
- All checks are processed through the accounting software system.
- Blank checks are not signed.
- Checks are always made payable to a person or company - never to cash or bearer.
- Checks presented for signature include backup explaining the reason for the check.
- A copy of the check is attached to the backup and filed in the 'paid' file.
- Voided/spoiled checks are stamped 'void' and maintained in locked cabinet for safekeeping.

Check Signature Stamp Policy

This Check Signature Stamp Policy is designed to speed up the check signing process while providing adequate internal controls over the signature of checks. This policy is only applicable to the Executive Director; other check signers must personally sign the checks. The Check Request will be initialed by the Executive Director, indicating approval to stamp the checks. The Executive Director will then contact a Finance staff person (who does not have the ability to issue checks), who will pick up the checks, stamp them, and mail them. Any checks that have not been approved will be given to the Bookkeeping Specialist (AP) for further review. At no time should the Controller or the Bookkeeping Specialist (AP) have access to the stamp.

Exception: Any checks over $10,000.00 require two signatures and will be hand signed by both signers and included for mailing with the regular checks.

Miscellaneous

- A/P, A/R and General Ledger functions are performed by separate employees.

Chapter 9: Client Protection Fund

Accounting Policy

In 1995, the Washington Supreme Court and the WSBA created the Client Protection Fund ("Fund"). The Fund may be used for the purpose of relieving or mitigating a loss sustained by any person due to the dishonesty of, or failure to account for money or property entrusted to, any member of the WSBA in connection with the member's practice of law, or while acting as a fiduciary in a matter related to the member's practice of law. The Fund is governed by Admission to Practice Rule 15.

The Fund is maintained as a trust, separate from other funds of the WSBA. The Fund has its own checking/savings account and investment accounts. The Fund is maintained as a restricted fund on WSBA's books (designated as a separate cost center in the general ledger). The Fund is completely self-supporting – it receives no revenue from the WSBA or other entities. The Fund cannot expend more than it has collected.

Revenue Procedures

Court-Ordered Assessment
Each active lawyer and LLLT WSBA member, and some other licensees, pay an annual assessment to the Fund; this is the Fund's main source of revenue. Assessment amounts are set by Supreme Court Order, based on recommendations by the WSBA Board of Governors. Assessments are invoiced with each active member's, or licensee's, license fee and are deposited in the WSBA general checking account. During the closing period at each month end, the Accountant makes a journal entry in the general ledger to transfer the assessments received that month from the WSBA general checking account to the CPF checking account. This amount is transferred by the Controller from the WSBA checking account to the CPF checking account.

Investment Revenue
The Fund's excess cash is invested in accordance with WSBA's Investment Policy. Journal entries for the Fund's investment income are prepared by the Controller and given to the Accountant for posting.

Restitution Revenue
The Fund attempts to recover its payments from the members on whose behalf gifts are made, and thus receives some restitution payments. These payments are deposited in the Fund's checking account when received, and recorded in the Fund's restitution general ledger revenue account.

Expense Procedures
The Fund's major expense is gifts made to injured clients. Applicants request a gift by completing and submitting an application form; the Client Protection Board makes gifts and recommends gifts requiring approval to the trustees. Once a gift is approved, the applicant must sign a subrogation agreement. The Client Protection Fund Analyst prepares a Check Request and submits it to the Bookkeeping Specialist (AP), who prepares checks payable from the CPF checking account. The Accountant makes the appropriate journal entries on the CPF general ledger. The maximum gift allowed is $150,000.00. Gifts for more than $5,000.00 are split into an initial payment and a second payment at the end of the fiscal year. This is one of the controls on the Fund. If necessary, the year-end payments are pro-rated by the Board of Governors to maintain the fund viability.

The Fund also pays its administrative costs, which consist of its share of WSBA salaries, benefits and overhead (indirect) expenses, and expenses of the CPF Committee, which oversees the Fund and approves payments. These expenses are recorded at the end of each month.

The Accountant prepares a preliminary Statement of Activities for the Fund each quarter end to determine the liability to the WSBA general fund for CPF expenses paid that quarter by the WSBA. Once that amount is

determined, the Accountant gives the reimbursement amount to the Controller, who transfers the reimbursement amount from the CPF checking account to the WSBA checking account.

Procedure for Financial Reports

Each quarter, the Accountant prepares a Statement of Financial Position and a final Statement of Activities, for the quarter and year-to-date, and a Statement of Changes in Net Assets for the year-to-date. These statements are sent to the Assistant General Counsel assigned to work with the Client Protection Board, who reviews them with the CPF Committee. Annually, these financial reports are included in the annual CPF report to the Board of Governors and the Court

Chapter 10: Sections

Overview of Section Funds

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 employees' 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 years' 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 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 "TheDocket").
- Donate to Washington State Bar Foundation.
- Sponsor 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

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, treasurer, and/or other executive committee members as requested by the section's executive committee, within a reasonable time after 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's staff 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 members from the prior fiscal year.

Interest Earned on Section Fund Balances

Annually, each Section may receive interest income on its fund balance. The calculation and journal entry will be made at the close of WSBA's fiscal year, prior to the annual audit of WSBA's financial statements. Each Section's share of interest income will be determined by taking the average interest rate earned by 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.

WSBA CLE and Programs Presented in Partnership with Sections *(updated and approved by the Board of Governors on July 27, 2018)*

Programs Co-sponsored with Sections

The goal of all WSBA CLE programs is to support the mission and strategic goals of the organization. WSBA Sections are an important partner in these efforts. WSBA retains fiscal reserves ("WSBA CLE Fund") to mitigate against changes in the CLE market, sustain and improve important technology required for the delivery of CLE programs, and protect against unexpected revenue shortfalls.

Net seminar and any associated net on-demand product revenue for all WSBA CLE programs developed in partnership with Sections (excluding mini-CLEs) will be split between the WSBA CLE Fund and the partnering Section's cost center. Beginning with seminars delivered in FY19, net revenues will be split 50-50 (%) between the WSBA CLE Fund and the partnering Section's cost center, up to a total net revenue of $8,000. Net revenue exceeding $8,000 will be split 65% to WSBA and 35% to the Section. WSBA will absorb any net losses sustained by individual programs.

In calculating net revenue, WSBA will subtract all direct and indirect costs for the development of the live program and on-demand product from the gross revenue of the live program and on-demand product sales. WSBA will keep the Section informed of the program financials in a timely and transparent manner. Following each fiscal year's close, the partnering Section will receive its portion of any net revenue earned in that fiscal year, based on audited financial statements.

Because the CLE market is dynamic, WSBA and the Sections will annually review overall results and may seek to adjust the revenue sharing terms set forth in this policy to ensure that CLE programming and WSBA CLE Fund reserves are sustainable.

Mini-CLEs
WSBA CLE also supports Section CLE programming through a "Mini-CLE" model. Mini-CLEs are seen as exclusively member-benefit programs. They do not exceed 2.0 credit hours in length and registration fees must be $35 or less. For Mini-CLEs, WSBA staff provides limited assistance at no charge to the Section (e.g., program accreditation, reporting, and attendance tracking). Sections do much more of the preparation and production of seminars than regular CLE programming, and are responsible for working in collaboration with WSBA (e.g., following procedures outlined including timely notice, providing onsite registration personnel).

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 WSBA as defined by Supreme Court Rule and the Bylaws; and
- The expenditure does not violate the restricted acts of WSBA as defined by Supreme Court Rule, or WSBA or Section Bylaws.

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, section funds may be used to purchase alcoholic beverages -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" where many speakers and volunteers are being honored.

If a Section wishes to spend funds otherwise (in excess of $500.00 over budgeted amount), Section leadership should prepare a written request outlining the purpose and amount of the proposed expenditure and submit it to the Section's staff liaison who will submit it to the Director of Finance and Director of Advancement for review and approval.

Per-Member Charge
Each Section shall reimburse 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. (WSBA Bylaws as updated and approved by the Board of Governors) Article V (B) 2 of the WSBA Bylaws states: "The financial obligation of the Bar to any Bar entity is limited to the amount budgeted and ceases upon payment of that amount unless the BOG authorizes otherwise."

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Article V (B) 3 of the WSBA Bylaws states: "Any liability incurred by any Bar entity, or by its members, in excess of the funds budgeted, will be the personal liability of the person or persons responsible for incurring or authorizing the liability."

Article V (B) 4 of the WSBA Bylaws states: "Any liability incurred by any Bar entity, or by its members, not in accordance with the policies of the BOG or in conflict with any part of these Bylaws, will be the personal liability of the person or persons responsible for incurring or authorizing the liability"

Expenses Over Budget – Directors of Finance and Advancement Approval

Once a Section has incurred 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 Directors of Finance and Advancement. Requests for additional expenses and a spending plan shall be submitted in writing to the Section's staff liaison who will submit it to the Director of Finance and Director of Advancement for review and approval.

Expenses Over Budget – WSBA Executive Director 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 Executive Director 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 submit a request in writing to the Section's staff liaison. The Section's staff liaison will inform the Section of the approval (or denial) of their request after review by the WSBA Executive Director.

Expense Policies for WSBA Sections ***(updated and approved by the Board of Governors on July 23, 2016)***

Sections shall comply with the expense policies of the WSBA (see Chapter 6, Expenses).

The Clean Version of the Changes are highlighted on Pages 51 and 68 of this document.

Washington State Bar Association Fiscal Policies and Procedures Manual

Proposed Draft
Changes for Sections
Policies July 2025

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Introduction

Purpose

The WSBA Fiscal Policies and Procedures Manual (Manual) contains all WSBA fiscal policies and procedures. The fiscal policies encompass the rules by which financial transactions are classified and reported. The goal of these policies and procedures is to ensure accountability and regulatory compliance, sound financial management and data integrity practices. The Manual is available to all WSBA employees, Board of Governors and volunteers to promote organization-wide adherence to documented policies and procedures and to abide with standard accounting practices. The fiscal policies herein must be approved by the Board of Governors and all fiscal procedures set forth herein may be updated by the Executive Director and/or Director of Finance from time to time as procedures, information, or Generally Accepted Accounting Principles change.

Fiscal Year

The WSBA's fiscal year is October 1 through September 30.

Basis of Accounting

During the fiscal year, the WSBA uses a **combination of cash and accrual accounting**. The following items are recorded on a cash basis:

- Bar exam fees
- MCLE fees
- CPF assessment fees
- Miscellaneous revenue (Recovery of Discipline Costs, Diversions, Practice Fees, etc.)
- CLE seminar expenses
- Most other WSBA expenses

The following items are recorded on an accrual basis monthly:

- License fees
- CLE product sales revenue and cost of goods sold
- CLE seminar revenue
- Rent
- Insurance
- Personal Property Taxes
- Most payroll-related expenses
- Credit Card Expenses

WSBA Financial Statements are prepared on an **accrual basis** of accounting. Accrual accounting is an accounting method where revenue or expenses are recorded when a transaction occurs versus when payment is received or made. Therefore, items that may have already been paid and booked as an expense, but for which the corresponding revenue has not been collected or the benefit has not been received, will be moved to "Deferred Costs." Revenue that has not yet been earned will be moved into "Deferred Revenue."

WSBA's Internal Control System

An effective internal control system encourages adherence to prescribed policies; promotes operational efficiencies; protects the business assets from waste, fraud, and theft; and ensures accurate and reliable accounting data. The goal of this internal control system policy is to ensure that duties of individuals are separated so that no one person handles an entire transaction from beginning to end.

The broad principles of internal control are:

- Responsibilities should be clearly identified and established, with one person responsible for each task.
- Adequate records should be maintained. Good records are an important means of protecting assets, ensuring that employees follow prescribed procedures, and providing management with reliable information to monitor business operations.
- Assets should be safeguarded, protected and insured.
- To ensure data integrity, staff responsible for accounting records keeping duties shall be separate and distinct from those responsible for maintaining the asset, be it a physical asset or a virtual asset such as credit card information.
- Responsibility for related transactions should be divided. This provides checks and balances for the related tasks (i.e., the work of one employee acts as a check on another).
- Computerized and mechanical devices should be used whenever possible as they reduce the human error and intentional inaccuracy in routine tasks.
- Regular reviews of the system of internal controls should be conducted, to ensure organizational compliance with policies and procedures.

See Chapter 8 for more details on the WSBA's internal control policies.

Chapter 1: Key Fiscal Policies

Rationale: Key Fiscal Policies are enacted to ensure there is support and rules for operational actions where the fiscal integrity of the WSBA may be at risk. Key Fiscal Policies also intend to ensure a consistent treatment of matters as they relate to fiscal operations of the WSBA.

Responsibility for WSBA Finances

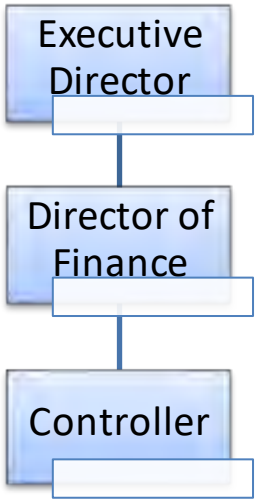
Fiscal Management

The Budget and Audit Committee of the Board of Governors oversees budgeting and financial matters of the Bar. The Director of Finance serves on the Budget and Audit Committee and is in charge of the Bar's financial operations.

WSBA management is responsible for producing complete, accurate financial statements. The Finance Department is delegated the responsibility to implement WSBA's fiscal policies by performing the accounting and finance functions for the WSBA.

Department directors are responsible for preparing their department/cost center budgets, monitoring their monthly financial statements, reviewing back up for accuracy, collecting revenue or receivables related to their cost centers, approving expenses, and enforcing the WSBA's expense policies. These tasks may be delegated to others, but department directors are ultimately responsible for the fiscal issues related to their departments.

The structure of the Finance Department is set forth below (these positions are referred to throughout the Manual):



Board of Governors

With ultimate responsibility for the fiscal health of the WSBA, the Board of Governors approves or sets all *significant* fiscal policies. The following policies are deemed to be significant and must be approved by the Board of Governors:

- Budget and Audit Committee Charter (Chapter 1)
- Approval of the Fiscal Responsibilities Matrix (Chapter 1)
- Budget Policies (Chapter 1)
- Selection of Independent Auditors (Chapter 1)
- Investment Policy (Chapter 2)
- Resolution Authorizing Banking Relationships (Chapter 2)
- Unrestricted and Restricted Fund Balance Policy (Chapter 4)
- General Expense Reimbursement Policy and Philosophy (Chapter 6)
- Purchase of Alcohol for Bar Functions (Chapter 6)
- Expense Policies for the WSBA Officers and Board of Governors (Chapter 6)
- Executive Director Expense Policies (Chapter 6)
- Any other policies that may be approved and established by the Board of Governors from time to time to ensure sound accounting principles and good governance

Rationale

The purpose of the Budget and Audit Committee is to take actions as empowered by the Board of Governors and review and make recommendations to the Board of Governors on financial matters of the WSBA as outlined in the Fiscal Responsibilities Matrix as noted in this policy.

Composition

The voting members of the Budget and Audit Committee shall consist of the following: a minimum of two Governors from each class, not to exceed eight Governors, one of whom must be the Treasurer. The President, President-elect, Executive Director and Director of Finance shall serve as *ex officio*, non-voting members of the Budget and Audit Committee. The Board of Governors elects the Treasurer of the WSBA, who also serves as chair of the Budget and Audit Committee and has a vote on the committee.

Duties

Annual Budget and Long-Range Financial Planning

1. Review and revise drafts of the WSBA's annual budget and recommend approval of a final budget to the Board of Governors.
2. Review long-range financial projections and the revenues, including member license fees, needed to meet long-range needs. Make recommendations to the Board of Governors for increases in license fees when necessary.
3. Recommend to the Board of Governors as needed timely forecasts for the year including annualized impacts of unforeseen matters to the current budget.
4. Review and deliver fiscal analysis of any unbudgeted programs or projects sanctioned by the Board of Governors throughout the Fiscal Year

Approvals

1. Approve expenditures within limits and parameters set forth in this policy as well as the Fiscal Responsibilities Matrix.

Financial Reports

1. On a monthly basis, review the interim management financial reports and report highlights, key information, major variances from budget, and any concerns of the Board of Governors. Recommend corrective action as needed.
2. Review the preliminary year-end management financial reports and report results compared to budget to the Board of Governors.
3. Review status and performance of investments per the WSBA Investment Policy.

Annual Audit

1. Recommend to the Board of Governors the engagement of the independent auditors to perform the annual audit of the WSBA's financial statements.
2. Meet annually with the independent auditors to receive their report on the audit of the financial statements and review their recommendations for improvements on internal controls.
3. Recommend to the Board of Governors the engagement of independent auditors/ to perform other reviews, when deemed appropriate.

Recommend Significant Financial Policies

1. Recommend to the Board of Governors the WSBA's Investment Policy.
2. Recommend to the Board of Governors the WSBA's Fiscal Policies.

Quorum

A quorum shall consist of a simple majority of the voting members.

Purpose

The purpose of the Facilities Advisory Subcommittee is to advise the Budget and Audit Committee on issues related to the WSBA's facility needs (i.e., lease or ownership of real estate to meet WSBA operational needs). The Subcommittee shall seek to examine how efficiently WSBA facilities are being used, how much revenue is being generated through the use of buildings and equipment, track the condition of assets and suggest adequate funds to be earmarked for replacement or repair so as to avoid unexpected expenses for which funds may not be readily at hand from current revenue. The Facilities Advisory Committee is an advisory sub-committee only and has no decision-making authority.

Composition

The voting members of the Facilities Advisory Subcommittee and associated terms are as follows:

- Treasurer (chair/1-year term);
- Executive Director (permanent member);
- Director of Finance (employee liaison/permanent member);
- Two members of the Budget and Audit Committee (1-year term)

The Facilities and Advisory Subcommittee shall endeavor to seek guidance and counsel from experts in the area of Real Estate when considering key matters as defined by the Chair. These areas of expertise include but are not limited to:

- No fewer than three representatives from the real estate industry with experience in one or more of the following (2 year terms):
    - Real estate law (i.e., real estate attorney)
    - Commercial real estate brokerage,
    - Commercial real estate appraisal
    - Commercial construction management
    - Architecture and/ or space planning
    - Commercial real estate lending

Conflict of Interest

No voting member of the Facilities Advisory Committee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any matter that is within the scope of the Subcommittee's activities, so as to avoid any conflict of interest. No former voting member of the Facilities Advisory Subcommittee will be eligible for any business contract or other business arrangement with the Washington State Bar Association relating to any specific transaction or proposed transaction that was considered by the Committee while that person was a voting member.

All voting members of the Facility Advisory Subcommittee will be bound by the Board of Governors Conflict of Interest policy as amended.

Appointment Process

The Treasurer, Executive Director, and Director of Finance shall serve as *ex officio* members. The members of the sub-committee shall be appointed from current members of the Budget and Audit Committee by the Treasurer. The representatives from the real estate industry shall be appointed by the President (the terms shall be staggered so that each President appoints at least one member during his/her term).

Activities

WSBA Facilities Strategy

1. Define and periodically review the facilities needs of the WSBA.
2. Identify key facilities decisions to be taken over a 10-year period and relevant market factors.
3. Review current and future estimated real estate market conditions and analyze how these conditions may affect the WSBA's decisions in connection with the ownership and/or lease of real estate.
4. Review proposed options and provide recommendations for dealing with end-of-lease and other transition issues, such as, for example, whether to renew the existing lease or look for new space and considerations relating to relocation of WSBA offices and other functions.
5. Twice a year the advisory committee will update the Budget and Audit committee with any matters related to facilities.

WSBA Facilities Reserve Fund

1. Periodically review the balance in the Facilities Reserve Fund and analyze whether such balance is prudent and adequate in relation to identified needs and decisions, current market conditions, future market projections, time remaining until the end of current lease, etc.
2. Make recommendations as to target Facilities Reserve Fund balances at future points in time and suggest strategies and/or funding policies for meeting those targeted balances.

Quorum

A quorum shall consist of a majority of the voting members.

Fiscal Responsibilities Matrix

The objective of the Fiscal Responsibilities Matrix is to set forth levels of authority that will be followed by the WSBA to promote transparency and appropriate internal controls. The Fiscal Responsibilities Matrix should also assist in providing an efficient management structure, and appropriate oversight of the Bar's financial activity.

Executive Director

According to WSBA bylaws, the Executive Director is responsible for managing the office and activities of the Bar under the direction of the Board of Governors, with power to employ and compensate employees within limits of the budget. In terms of managing the budget, the following guidelines shall apply (Note: approval authority may be exercised or delegated to the next higher authority at the discretion of the decision-maker):

Authority: The Executive Director is authorized to establish deposit and credit relationships, withdraw WSBA funds from banks, sign checks, and invest excess cash. Signatory authority may be delegated to any department director(s) except the Director of Finance.

The authority to make bank deposits, invest funds in accordance with the Investment Policy, and transfer funds between established accounts may be delegated to the Director of Finance and appropriate accounting and finance employees following sound internal control practices.

Executive Director Approves (Note: Executive Director may delegate approval authority to Directors or other employees as appropriate):

- reimbursement requests – may reject or modify requests to comply with expense policies,
- service and program fees, including,
    - advertising rates

    - fees for copies of the WSBA's public records
    - fees for sale of member contact information
    - sales price of the *Resources* directory
    - sales price of CLE and WSBA publications
    - sales price of other WSBA merchandise
    - miscellaneous fees
- adjustments to employee salaries within the aggregate approved budget dollars,
- in-kind contributions of WSBA to the Washington State Bar Foundation,
- grants to WSBA, including negotiations of administrative fees,
- approving and reporting to the Board of Governors about certain unbudgeted expenses, including reallocations of budgeted expenditures where the intent is similar or varies slightly; unbudgeted expenditures that are fully offset by unbudgeted revenue or a reallocation of budgeted expenditures up to 5% of the approved operating budget to address operational, regulatory or programmatic needs; and necessary and prudent expenditures to implement WSBA's Disaster Recovery Plan or to maintain WSBA's operations. Per occurrence limit is $215,000.00. Reallocations may not affect the annual budget's bottom line. The Executive Director must report reallocation of funds to the President on a monthly basis and to the Board on a quarterly basis. It is expected that the Executive Director will consult with the President on reallocations that may be considered sensitive or controversial in nature, prior to execution.
- supplemental budget requests from sections that exceed 25% of the section's annual expense budget or $1,000, whichever is greater,
- binding the WSBA to future expenses, as in contracts and agreements, for budgeted or operational expenses,
- engagement of independent auditor selected for the up to six-year period, annually; or may initiate the selection of the competitive bid process,
- fiscal policies, where indicated in the specific policy.

In the event of an emergency and when it is not feasible to get the approval of the Budget and Audit Committee or the Board of Governors, the Executive Director and/or Treasurer shall have the authority to approve expenditures that are necessary and prudent in order to keep the WSBA operational in the case of an emergency (e.g., if the WSBA's computer network crashed or an event which triggers the established disaster recovery plan). These expenditures may be beyond the capital or operating budgets and may or may not impact the WSBA's reserves. The Board of Governors shall be immediately notified by the Treasurer or Executive Director when expenditures of this nature are authorized.

Treasurer

Chairs the Budget and Audit Committee, is authorized to establish deposit and credit relationships, withdraw WSBA funds from banks with a dual signature, and sign checks.

Reviews/Approves:

- Executive Director's credit card charges, reports of expenses, payroll reports, and fringe benefits (quarterly)
- Year-to-date vendor payment listing as part of the monthly financial statements review

MCLE Board

Recommends to the Board of Governors:

- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v)), including:
    - MCLE accredited sponsor annual fees (APR 11(j)(7))
    - MCLE sponsor activity application fees and late fees (APR 11(g)(1))
    - MCLE comity fees (APR 11(c)(6))
    - MCLE compliance late fees (APR 11(i)(4)

CLE Committee

Recommends to the Board of Governors:

- Expenditures from the CLE reserve fund
- Adjustments to the standard CLE seminar registration fees

Personnel Committee

Recommends to the Budget and Audit Committee:

- Adjustment to employee compensation policy.

Recommends to the Board of Governors:

- Compensation of the Executive Director

Client Protection Board (APR 15 Reg. 6)

Approves:

- gifts up to $25,000 per applicant

Recommends to Board of Governors:

- gifts over $25,000 per applicant

Budget & Audit Committee
Reviews the long-range financial projections and the revenues, including member license fees, needed to meet long-range needs.

Approves:

- Approving and reporting to the Board of Governors about certain unbudgeted expenses, including, reallocations of budgeted expenditures where the intent is similar or varies slightly; unbudgeted expenditures that are fully offset by unbudgeted revenue or a reallocation of budgeted expenditures over 5% and up to 10% of the approved operating budget to address operational, regulatory or programmatic needs; and necessary and prudent expenditures to implement WSBA's Disaster Recovery Plan or to maintain WSBA's operations. Per occurrence limit is $430,000.00. Reallocations may not affect the annual budget's bottom line.
- Business Recovery Plan
- Fiscal policies, where indicated in the specific policy.

Recommends to the Board of Governors:

- Bar application and admission fees for all license types (APR3(i)(B), APR5(a)(1))
- Bar license fees for all license types (WSBA Bylaws Art. 3 Sec. I, APR 12(f)(3), APR 28I.(3))
- Client Protection Fund assessment
- The annual budget and subsequent adjustments over 10% of approved operating budget.
- Adjustments to the compensation plan (based on recommendation from Personnel Committee)
- Fiscal policies, where indicated in the specific policy
- Investment policy
- Adjustments to the standard CLE seminar registration fees
- Unbudgeted expenditures from reserve funds
- Engagement of the independent auditors for other reviews, when deemed appropriate

Reviews:

- Monthly financial reports, including revenue and expenditure patterns; reports significant variances to Board of Governors
- Reports of the independent auditors

Oversees the process of selecting an independent accounting firm to perform the annual audit, at least once every six years, and makes a recommendation to the Board of Governors.

Board of Governors

Elects the Treasurer

Approves/Sets:

- The annual budget and the following adjustments:
  - Appropriation requests for expenditures from the unallocated contingency budget
  - Unbudgeted expenditures over 10% of operating budget
  - Any changes to the bottom line arising from a reallocation or reforecast
  - Expenditures from reserve funds, in accordance with reserve policies
  - Fiscal policies, where indicated in the specific policy
- Investment policy
- Banking authorities
- Keller deduction to license fees
- Gifts from the Client Protection Fund (CPF) over $25,000 per applicant
- Long-term leases for WSBA office space or equipment
- Election of independent audit firm
- Compensation of the Executive Director
- Standard CLE seminar registration fees
- law clerk program application fees (APR 6(b)(4))

Approves and Sends to the Supreme Court for Information:

- law clerk program enrollment fees (APR 6(d)(1))
- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v)), including:
  - MCLE accredited sponsor annual fees (APR 11(j)(7))
  - MCLE sponsor activity application fees and late fees (APR 11(g)(1))
  - MCLE comity fees (APR 11(c)(6))
  - MCLE compliance late fees (APR 11(i)(4)

Approves and Sends to the Supreme Court for Review:

- Bar license fees for all license types (WSBA Bylaws Art. 3 Sec. I, APR 12(f)(3), APR 28I.(3))
- Bar application and admission fees for all license types (APR 3(i)(B), APR 5(a)(1))
- Licensed legal intern application fees (APR 9(d)(3))

Recommends to the Supreme Court:

- CPF assessment

Reviews/Accepts:

- Quarterly financial reports
- Reports of the independent auditors

Supreme Court

Information:

- law clerk program enrollment fees (APR 6(d)(1))
- all MCLE fees for failure to comply with the MCLE rules and to defray the reasonably necessary costs of administering APR 11 (APR 11(d)(2)(v))

Reviews for Reasonableness (GR 12.2(b)(22)):

- license fees for all license types

Reviews ("subject to review by the Supreme Court"):

- Bar application and admissionfees for all license types (APR 3(i)(B), APR 5(a)(1))
- Licensed legal internapplicationfees (APR 9(d)(3))

Approves:
- CPF assessment

WSBA FISCAL MATRIX	ED	TREASURER	B & A	BOG	S. Court
License fees for all license types	Recommends		Recommends	Sets	Reviews for reasonableness
CPF assessment	Recommends		Recommends	Recommends	Approves
Keller deduction to license fees	Recommends		Recommends	Approves	
Bar application & admission fees for all license types	Recommends		Recommends	Approves	Subject to Review
Legal intern fees	Recommends		Recommends	Approves	Subject to Review
Law clerk program enrollment fees	Recommends		Recommends	Approves	Information
Law clerk program application fees	Recommends		Recommends	Approves	
Annual Budget	Recommends		Recommends	Approves	
Expenditures from unallocated contingency in budget	Recommends		Recommends	Approves	
Expenditures from reserve funds	Recommends		Recommends	Approves	
Unbudgeted expenditures offset by unbudgeted revenue, or reallocation of budgeted expenditures where the intent is similar or varies slightly, which do not affect the annual budget's bottom line	Up to 5% of approved operating budget – up to $215,000 per occurrence – must notify President and report to the Board		Over the ED approval Level Up to 10% of annual operating budget – up to $430,000 per occurrence - must report to the Board	Unlimited	
Changes to annual budget's bottom line	Recommends		Recommends	Approves	
Supplemental Sections budget requests (over 25% of the Sections expense budget or $1,000 whichever is greater)	Approves				
Check Requests/Expense Reports	Approves within parameters of fiscal policies	Approves Expense Reports Exceptions to policy		Approves overall expense policies	
Staff compensation policy/salary adjustments	Approves salaries within adopted comp. policy			Approves overall WSBA comp. policy. Approves annual budget.	
Executive Director compensation		Reviews/approves ED expenses/FBs	Personal Committee recommends	Approves	
MCLE fees under APR 11			(MCLE Board recommends)	Approves	Information
Adjustments to standard CLE seminar fees	Recommends		(CLE Committee recommends)	Approves	
Service & program fees: ad rates, copies, member contact info., publications, merchandise, and misc.	Approves				
Gifts from CPF			Client Protection Board approves up to $25,000/applicant)	Approves +$25,000/applicant	
Grants to WSBA	Approves				
In kind contributions by WSBA	Approves				
Long term leases for WSBA office space and other real estate	Recommends		Recommends	Approves	
Future obligations for budgeted or operational expenses	Approves				
Business Recovery Plan	Recommends		Approves		
Fiscal Policies	As per special policy		As *per* special policy	As *per* special policy	
Investment Policy	Recommends		Recommends	Approves	
Banking authorities	Recommends		Recommends	Approves	
Engagement of independent auditors (up to 6-year period)	Engages as selected by BOG		Recommends	Approves	
Emergency expenditures (Disaster Recovery Plan/maintain WSBA Ops)	Approves	Approves			

Overall Philosophy

WSBA financial statements are important documents both to individuals inside and outside the organization. The budget is a tool that lays out a financial plan for the coming fiscal year and it is also a guide to action for all WSBA employees. The Budget will help guide decision making and provides a way for direct oversight to WSBA Fiscal activities. The Budget is a statement of the values of the organization as well as a financial document as it is a tangible expression of WSBA's real priorities. WSBA's managers are guided by the organization's strategic plan, but various departments, programs or purposes are in competition for the organization's limited resources and the outcome of that competition is determined by where the funds are actually allocated. Budgets invariably create incentives and disincentives that will affect the behavior of managers, staff and volunteers.

Additionally, it gives WSBA staff direction on how and where to invest its resources. In order to be a useful tool, the budget cannot be a rigid document that can never be amended, it can and should be amended if necessary through the reforecast process with adequate oversight and directions. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under this Fiscal Policy as well as the Fiscal Responsibilities Matrix.

WSBA should budget revenues and expenses as accurately as possible. Revenues should be realistic, but not overly conservative. Expenses should be estimated not on remote possibilities, but rather on historical spending patterns and actual planned expenses. There should be some flexibility in the budget to allow for contingencies and necessary adjustments. Variances to the budget (over or under) are to be expected and will be reported to the Budget and Audit Committee through the review of the monthly financial reports throughout the fiscal year.

WSBA fiscal policies recognize the difference between controllable and uncontrollable expenses and will seek to hold managers and staff accountable accordingly. Individual departments or programs may be credited with or charged with revenues and expenditures attributable to them, but a manager can only be held responsible for line items under his/her/they/them control. Managers should be able to make recommendations for significant variations from the budget where and when it faces uncontrollable vagaries and make mid-year corrections as needed.

The WSBA should prepare an annual budget and establish its budget by function ("cost center") insofar as practical to permit subsequent cost-benefit analysis. The budget should be transparent so it is easy for the Board of Governors and members to see how the WSBA is spending its money.

Generally, as much as possible, WSBA budget shall be separated into three broad sections: (1) an operating budget: tracks all revenues and expenditures, (2) a capital budget: concerns the purchase, leaseholds or disposal of long-term physical assets, such as buildings and equipment; (3) Cash Flow: tracks the flow of cash during the year whether related to operating or capital activities.

WSBA budgets shall be structured to accommodate Cost Centers (committees, boards and other entities) and Profit Centers (CLE divisions). The budget for each cost center should include its revenues, its direct expenses, and its share of the WSBA's overhead (indirect) expenses. By knowing the total cost of each program or function, the Board can make policy decisions about which programs should be supported by member license fees, which programs should be self-supporting, and which programs should generate revenue for other WSBA functions or programs.

The revenue and costs associated with specific program areas; committees, boards and other entities; and other activities should be grouped into cost centers in order to further the Board's ability to make such policy decisions.

More specifically, that shall include, but is not limited to, all revenues and expenses (direct and indirect) being presented in separate cost centers for: (1) the Board of Governors; (2) the Executive Director; (3) the LLLT program; (4) the LPO program, and (5) all Supreme Court boards and committees

The only allocation of full-time employee units to the Board of Governor cost center shall be the direct time of any administrative staff among whose primary purposes is to assist the Board. The full cost of the position of Executive Director shall be reflected in its own cost center without allocation to any other cost center and shall include the direct time of any administrative staff among whose primary purposes is to assist the Executive Director. Both the Board of Governors cost center and Executive Director cost center shall be allocated their pro-rata share of enterprise expenses in accord with standing practices.

WSBA's operational needs, taking into account the strategic plan and goals, shall guide the budget process. The budget process shall provide an opportunity for the board of governors to provide direct oversight over WSBA spending and priorities.

Procedure for Long-range Forecasting and Planning

The Director of Finance should prepare long-range forecasts, prior to the annual budgeting process to get an indication of the parameters around the upcoming annual budget; and whenever requested by the Board of Governors, usually for planning for license fee increases and as part of the long-range planning process.

WSBA should annually update its long-range financial plan to anticipate the needs of the Bar and so that, if increased funds become necessary, the Bar can plan logically and in advance on what additional funding will be required to meet such needs

Procedure for Annual Budgeting Timeline/Process

The budgeting process begins in April for the coming fiscal year (October 1 – September 30). An official calendar will be prepared by the Director of Finance and presented for approval to the Budget and Audit Committee prior to the start of the budget process.

The Director of Finance requests budgets from each Department Director, Section Chair, and liaison to the WSBA's various committees and boards. These individual budgets are compiled by the Controller and reviewed by the Director of Finance and the Executive Director.

The Director of Finance and Budget and Finance Manager meet with department directors, employees, section leaders, etc. to conduct a thorough review of all budgets and comparison of budget figures to historical and year-to-date fiscal information.

The Budget and Audit Committee reviews drafts of the entire WSBA budget (general fund, CLE, CPF, and sections) in June, July, and August, and provides guidance where necessary.

The Board of Governors reviews a preliminary budget in July and approves the final entire WSBA budget at its last meeting of the fiscal year (September).

If deemed appropriate from an operational perspective, a budget reforecast process may be executed in late Quarter 2.

Capital Budget

The capital budget forecasts capital purchases anticipated in the coming fiscal year that are over $2,500 and have a useful life over 1 year (the depreciation for which is included in the expense budgets prepared by the WSBA Controller). In addition, Capitalized IT hours are a part of this budget. Capitalized Hours require to be tethered to an ongoing approved capital project or must be included and identified in any newly submitted project. The Board of Governors reviews a preliminary capital budget in June and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

Capital Budget Procedure

A capital budget is prepared each year as part of the annual budget process. The Capital Budget is prepared by the Controller in collaboration with Department Managers.

Cash Flow Budget

Quarterly a cash flow forecast will be prepared by the WSBA Controller to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current quarter and the excess funds available for longer - term investments.

Procedure for Additional Budget Requests

Department directors, committee/board employee liaisons, or section leaders who anticipate a need for funds in excess of their approved budget should make a request to the Director of Finance, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the Executive Director for any unbudgeted expense which totals either 25% or more of the section's annual expense budget or $1,000 (whichever option is greater) – see Chapter 10 for details.) This request will be handled according to the Fiscal Responsibilities Matrix.

Procedure for Ongoing Program Review

WSBA should anticipate both new initiatives and planning for potential termination or decreased funding for some older programs, depending on relevance for and needs of WSBA. WSBA should maintain a scheduled program review process for all non-regulatory WSBA programs.

Procedures for Financial Reporting

Monthly (Interim) Financial Reporting

WSBA should have accurate interim financial reports so that over-expenditures are less likely when the fiscal year ends and so that corrections may be made in mid-year. Interim financial reports should be consistent with final year-end financial statements and prepared with similar governing principles. Below are the financial reports generated by Finance department employees. The format and level of detail provided in the financial statements are subject to modification as needed.

Monthly Financial Summary

Each month, the Controller produces a summary of the year-to-date budgeted (original and amended- *if applicable*) and actual revenue and expenses for the general fund (by cost center), CLE, CPF, and sections (total of all sections) and fund balance information. This report is usually available after the tenth working day of the following month, except at year-end when the closing process is 2-3 months. The Controller provides the report to the Executive Director and department directors; it is also provided to the Budget and Audit Committee and Board of Governors with the

Monthly Summary Reports by Cost Center/Section.

Monthly Cost Center/Section Summary Reports

The Controller prepares year-to-date detailed financial reports for each cost center/section. These reports show the cost center/section's annual budget or Reforecast, actual monthly revenue and expenses, year-to-date actual revenue and expenses, and year-to-date remaining budget. Monthly Cost Center/Section Summary Reports are usually distributed after the tenth working day of the following month to each person responsible for a cost center/section (e.g. department director, Section Chair, and other designated employees). They are also provided to the Budget and Audit Committee and Board of Governors on a regular basis (the months that correspond to their meetings schedules).

Monthly Detailed Reports by Cost Center/Section

In addition to the monthly financial summaries, each person responsible for a cost center/section (e.g., department director, Section Chair, and other designated employees) is provided with reports showing the detail of posted transactions. These detailed reports should be reviewed for **accuracy** (report any adjustments, reclassifications, corrections or questions to Finance) and **comparison to budget** (report the reason for significant variations from budget or trends of interest to the Director of Finance). Any questions about the amount of an income or expense item, the category in which it is recorded, or any other concerns, may be addressed to the Controller or Director of Finance.

Key Financial Benchmarks

The Controller prepares a percentage comparison of key figures (revenue, indirect, and direct expenses for the general and CLE fund) of the current fiscal year's actual year-to-date activity with the percentage of the year completed and the prior year percentage. It also includes additional comments regarding where employees expect to be in terms of budget by year end and any additional information that helps explain large variances. This report is provided to the Executive Director and department directors on a monthly basis with the internal financial statements.

Year-to-date Vendor Payment Listing

The Controller prepares a year-to date vendor payment listing that shows total payments made by vendor over $10,000. The report will be provided to the Executive Director after the tenth working day of the month, consistent with the completion of the monthly financial statements. Additionally, on a quarterly basis, the Director of Finance will provide this report to the Treasurer for review.

Tracking and Accounting for Budget Amendments

1. Budget Amendments (where bottom line is changed– BOG approval required):
    - Tracked on a separate list.
    - Appropriate expense line amended according to BOG decision
      The bottom line of the budget will be amended to reflect amendments made to the budget by the BOG during the year, so that financial statements compare actual to amended budget figures rather than original budget figures.
2. Reallocations of budgeted expenses to other line items:
    - Track any reallocations approved by the Executive Director, Budget and Audit or BOG on a separate sheet.

Quarterly Financial Reporting

On a quarterly basis, the Director of Finance will, if circumstances require, prepare a summary of budget amendments, reallocations, important financial issues, and explanations of significant budget to actual differences for the Executive Director, Budget and Audit Committee and the Board of Governors.

Annual Financial Reporting
The WSBA's annual audited financial statements are prepared by independent auditors. The WSBA Controller prepares the final year-to-date internal financial statements with detail for each cost center (see explanations above).

Selection of Independent Auditors

An annual audit of the Washington State Bar Association's financial records shall be performed by an independent accounting firm for the purpose of expressing an opinion on the Association's financial statements for the fiscal year.

At least once every six years the Association shall undertake a formal process of seeking competitive bids from several qualified accounting firms for performing the annual audit. The Budget and Audit Committee will oversee this process, interview final candidate firms, and make a recommendation to the Board of Governors. The Board of Governors shall make the final selection.

During the six-year period, the Executive Director is authorized to engage the firm so selected for each year's annual audit, or to initiate a competitive bid process prior to the end of the six-year period.

Chapter 2: Assets

Authorization of Banking Relationships

The Board of Governors will authorize banking relationships as needed (e.g., when there is a new Executive Director). Signatures cards with the bank are updated when there are changes in staffing or Treasurers. Below is the standard generic template generally used by WSBA. This resolution is used in conjunction with a letter from the Executive Director naming individuals holding the positions noted in there solution:

RESOLUTION
AUTHORIZING BANKING RELATIONSHIPS

WHEREAS, it is necessary and prudent for the Washington State Bar Association to establish and maintain a number of banking relationships for the purposes of depositing, managing and investing WSBA funds; and

WHEREAS, it is necessary and prudent for the Washington State Bar Association to establish and maintain certain credit relationships for the purposes of purchasing goods and services;

NOW, THEREFORE, BE IT RESOLVED:

That the Treasurer or Executive Director of the Washington State Bar Association are hereby authorized to establish both deposit relationships and credit relationships necessary to conduct WSBA business; and

That the Treasurer, Executive Director, and _____ are authorized as signers on any deposit relationship in order to withdraw funds of the WSBA; and

That the Executive Director, Director of Finance, and the Controller are authorized to invest excess balances, in accordance with the Investment Policy; and

That the Executive Director, Director of Finance, Controller, and their designees, are authorized to make deposits and transfers in established accounts.

Approved by resolution of the Board of Governors on the ____ day of _____, _____.

_____
xxxxx, President

ATTEST:

_____
xxxxx, Executive Director, and
Secretary to the Board of Governors

Investment Policy

PHILOSOPHY

The WSBA's funds have historically been invested exclusively in cash, cash equivalents and debt instruments. Although this provides a high degree of safety, the returns received are low and have not always kept up with inflation. The Board of Governors believes it is prudent and in the best interest of the WSBA and its membership to hold a diversified portfolio of investments that allows funds to be invested in a manner that is consistent with cash needs of the organization while meeting its investment objectives. The WSBA's funds are invested in cash, cash equivalents, debt instruments, and equities.

The investment policy was modified in March 2007 to allow for the investment of a portion of the funds held by the WSBA in the broader market (beyond items such as Certificate of Deposits and Bonds, into the equities market) while at the same time maintaining a pool of short-term investments to meet anticipated needs over the next 12 month period. Investing in the broader market involves a greater degree of investment risk, therefore only that portion of the funds that is not needed to meet the short-term needs may be invested in such markets.

WSBA's approach is to invest in a portfolio that includes stocks, cash, bonds, real estate, and other classes of assets. Funds selected should focus on providing for the long-term growth of the principal investments. The investment strategy is to maximize total return while preserving principal. Returns on investment include total interest, dividends, and appreciation in the value of the funds. Annually, WSBA may decide to withdraw from the fund/investment and transfer to operating funds for expenditures that year. Any additional investment returns are reinvested in the principal, enabling it to grow.

OBJECTIVES

The primary investment objectives of the Washington State Bar Association are:

- Preservation and safeguarding of the principal amount invested;
- Maintenance of liquidity to meet operating cash flow needs; and
- Maximization of return consistent with the above two objectives.

At least quarterly, balances shall be monitored and compared to cash flow needs so that funds may be invested promptly upon receipt in order to meet the primary investment objectives. It is expected that investments in debt instruments or time deposits will be held to maturity, and therefore funds that are allocated to those investments should be invested so that they mature when cash is expected to be needed for operations.

AUTHORITIES

Annually, the Board of Governors will review and make any necessary changes to their resolution authorizing banking and investment relationships that designates who is authorized to:

- Establish deposit relationships;
- Make deposits and transfers in established accounts;
- Invest excess balances and reinvest funds at maturity or when otherwise available from one investment vehicle to another; and
- Deposit proceeds of maturing or sold investments into appropriate interest-bearing accounts.

Investments are made under the prudent investor standard applicable to fiduciaries under the provisions of RCW 11.100.020, with judgment and care under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment,

considering the probable safety of their capital as well as the probable income to be derived.

In making investments, the following factors shall be considered:

- The probable income as well as the probable safety of the investment;
- Marketability of investments;
- General economic conditions;
- Length of the term of the investments; and
- The WSBA's projected liquidity needs for both the short-term (next twelvemonths) and the long-term (over one year).

PORTFOLIO CONSTRUCTION

The assets of WSBA may be held or invested in cash or cash equivalents, governmental and corporate fixed income securities, and equities. WSBA's total portfolio shall be comprised of the following:

1. A portion of the assets not to exceed the Board-designated general fund Facilities Reserve ("long-term portfolio") shall be invested in accordance with the prudent investor standard.

2. The balance of the assets ("short-term portfolio") shall be kept in cash, cash equivalents, auction rate securities, or fixed income securities having maturity dates that are consistent with the time frames for the anticipated liquidity needs of WSBA.

INVESTMENT GUIDELINES

Equities

- U.S. Common Stocks
- U.S. Convertible Notes and Bonds
- U.S. Convertible Preferred Stocks
- American Depository Receipts (ADR) and American Depository Shares (ADS) of Non-U.S. Companies
- No-Load Mutual Funds that invest in securities allowed in this investment policy and which have annual operating expenses of less than one percent (1%)
- Auction Rate Securities with a minimum rating of A or better

Cash Equivalents

- Treasury Bills
- Money Market Funds with a Moody's rating of A or better
- Commercial Paper issued by corporations rated A1 by Standard and Poor's or P1 by Moody's
- Banker's Acceptances issued by domestic banks rated A1 by Standard and Poor's or P1 by Moody's
- Certificates of Deposit issued by any U.S. bank that meets all the regulatory reserve requirements and minimum capital requirements, and which are insured by the FDIC or the National Credit Union Administration, up to the federally insured amount.

Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds, rated AA by Standard and Poor's or Aa by Moody's.
- Mortgage-Backed Notes and Bonds

Combined Funds

- Investments in conservative or moderate growth and value funds which invest in established companies both domestically and internationally and select Government and Corporate Bonds

General Guidelines

Quantitative guidelines for investments will be made at the time of selecting the investment in accordance with this policy and with consideration given to the three Objectives stated above. Decisions regarding investments should only be made after consultation with professional investment advisors who have reviewed the WSBA Investment Policy. Appropriate amounts based on the percentage of the available funds will be made at the time of investment and will be supported by a cash flow analysis prepared by the Director of Finance and must be approved by the Budget and Audit Committee.

MANAGEMENT AND MONITORING OF PERFORMANCE

Investment(s)

The WSBA may engage one or more fee-for-service investment managers and delegate individual investment decisions to such investment managers within the guidelines of this statement and the specific direction of the Budget and Audit Committee. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940. The selection and allocation of funds to individual investment managers will be made by the Budget and Audit Committee. The Director of Finance and/or Controller shall work with the investment managers in implementing the investment strategy.

The Budget and Audit Committee and Board of Governors must approve any significant changes in the investment strategy. In the event the WSBA's investment managers recommend an immediate change in strategy that creates the need for a time-sensitive decision to be made, the Director of Finance has the authority to approve the investment manager's suggested strategic change. Prior to granting such authorization, the Director of Finance shall consult with the Executive Director (or acting E.D.) and/or Treasurer, and if neither of them are available then the President, President-elect, or Immediate Past-President in that order. The Budget and Audit Committee shall be notified of such changes as soon as practicable.

Reporting

A report will be prepared at the end of each month listing the investments held, and which shall state the maturities and rates of return of any fixed income securities. This report will be included in the monthly financial statements and provided to the Budget and Audit Committee and the Director of Finance for review, and provided to the Board of Governors at each meeting. Additionally, the Controller will prepare an investment update at the end of each month that will report on the long-term portion of the portfolio. This will be provided to the Budget and Audit Committee and the Board of Governors at each meeting.

Performance Reviews

The Director of Finance, the Controller, the Treasurer, and one or two current Budget and Audit Committee members (collectively, the "Investment Subcommittee") shall monitor the performance of the investment portfolio. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are

consistent with the investment philosophy, objectives, and guidelines set forth in this policy. The Investment Subcommittee will meet with the investment advisors as necessary, provide reports to the Budget and Audit Committee at least quarterly, make decisions with the investment advisors on changes in investment, and recommend changes in the overall investment strategy.

GENERAL

Safekeeping

Investment assets may be held in street name or in safekeeping at the commercial or investment bank handling the transaction, on behalf of the WSBA.

Application

This policy applies to all investment funds, including those of the Client Protection Fund, WSBA sections, and any other state Bar entity.

Updating of Policy

This policy will be reviewed annually by the Budget and Audit Committee and the Director of Finance.

Account Structure

WSBA maintains its funds in two types of accounts Operational Accounts (Checking and Savings Accounts) and Investment accounts (various). These accounts from time to time will change as required to conduct business or to improve current investment positions. Any account changes must be consistent with this Investment Policy and approved by the Budget and Audit Committee.

Checking/Savings Accounts

The Bar currently maintains the following checking accounts:

- Wells Fargo general checking account;
- Wells Fargo Zero-balance payroll account, linked to the general account;
- Wells Fargo Client Protection Fund checking account;

Investment Accounts

The WSBA currently maintains the following investment accounts:

- Morgan Stanley money market account
- Merrill Lynch money market account
- UBS money market account
- Wells Fargo money market account
- Wells Fargo, Morgan Stanley, UBS, and Merrill Lynch - various individual investments (commercial paper, CDs, auction rate securities, etc.)
- Morgan Stanley money market account (CPF)
- Wells Fargo money market account (CPF)

PETTY CASH

The WSBA maintains several petty cash boxes for varying purposes (reimbursing employees for small dollar-amount expenses, providing change to employees collecting cash receipts, etc.). Access should be limited to only those persons authorized to handle petty cash. The WSBA's authorized petty cash boxes are as follows:

1. Finance Division Petty Cash

The Finance Division maintains the WSBA's primary petty cash for the purpose of paying for expenses **$30 and under**. Ideally, the amount of petty cash on-hand is no less than $50 and no more than $800.
An employee requesting reimbursement from Finance's petty cash:

- Completes a Petty Cash Form;
- Obtains his/her department director's or their designee's signature on the form as approval; and
- Takes the form to the Bookkeeping Specialist (AP) (or another Bookkeeper or the Controller, if the Bookkeeping Specialist (AP) is not available) during the designated hours for Petty Cash service; and
- Initials the form upon receipt of the cash.

The Bookkeeping Specialist (AP) initials the form, pays the cash, and puts the initialed Petty Cash Form in the petty cash box. The Finance Division's petty cash is kept in a box in a locked cabinet in a fireproof box. The keys to the cabinet are accessible only by the Bookkeeping Specialists and the Controller.

The Controller, while being observed by the Finance Division employees, audits the petty cash on a regular basis. Any discrepancies must be reported to the Director of Finance. Petty cash is replenished monthly or as needed by the Bookkeeping Specialist (AP) by preparing a Check Request, which is approved by the Controller or Director of Finance.

2. Office of Disciplinary Counsel Petty Cash

The Office of Disciplinary Counsel (ODC) has a petty cash box for the purpose of reimbursing ODC employees for expenses **$50 and under** (e.g., litigation expenses, supplies, court documents, employee travel, misc., etc.). Ideally, the amount of ODC petty cash on hand is no less than $100 and no more than $500. An employee requesting reimbursement from ODC's petty cash:

- Completes a Petty Cash Form;
- Obtains the ODC director's or their designee's signature on the form as approval;
- Takes the form to the ODC Department Administrator; and
- Initials the form upon receipt of the cash.

The ODC Department Administrator initials the form, pays the cash, and puts the initialed Petty Cash Form in the petty cash box. ODC's Department Administrator controls the box, keeping it in a locked drawer for safekeeping.

Finance Division employees periodically audit the ODC petty cash box. Any discrepancies must be reported to the Controller or the Director of Finance. Petty cash is replenished as needed by preparing a Check Request, which is approved by the appropriate person in ODC.

3. Temporary Change Boxes

A few times each year, other departments draw from the Finance Division's petty cash; generally, in amounts less than $200. It is used for making change for the sale of small items. For example, CLE may need a temporary change box during a bookstore sale, or Admissions may need to sell small items at the bar exam. The change box and all receipts collected are returned to Finance at the end of the day/session, with copies of each sales transaction to account for receipts collected.

Procedures for Bank Account Reconciliation

Responsibility for Reconciliation and Timing

WSBA's checking accounts are reconciled by an employee who does **not** have the ability to prepare or sign checks (this includes the Controller, bookkeeping specialists, Director of Finance, and check signers). Generally, the Senior Accountant and Budget Analyst is a good candidate. Currently, the Senior Accountant and Budget Analyst is the primary person responsible for reconciling the bank statements.

The hard copy monthly Wells Fargo bank statements are delivered to the person reconciling the bank statements **unopened**. This ensures that there is no tampering with the statements or accounts. Electronic copies of statements are provided for all bank accounts and may be used in lieu of the hardcopy.

Each statement should be reconciled by the 20th working day of the month that the statement is received, with the exception of the year-end closing which prevents the reconciliations for October and November from being performed until late December or early January.

Reconciliation Report

The reconciliation process involves matching all deposits and payments recorded in WSBA's books to the bank statements. If errors or discrepancies between the bank and WSBA's accounting systems are noted, they should be documented on the reconciliation report. Copies of the completed reconciliation reports are given to the Controller, who is responsible for researching and correcting any errors or adjustments, and the Director of Finance. Any questionable activity, such as a check that has been altered or forged, is documented and the information is presented to the Director of Finance **the same day** that the activity is located.

Procedure for Outstanding Checks/Unclaimed Property

WSBA will establish and follow unclaimed property procedures in accordance with Washington State laws. During the monthly bank reconciliation process, all outstanding checks will be identified. The Bookkeeping Specialist (AP) will identify all checks that are over three months old and verify with the bank that the check has not been cashed, voided, or had a stop payment put on it between the last day of the previous month and the date of the bank reconciliation. The Bookkeeping Specialist (AP) will follow up on all remaining checks outstanding over $75 by sending an initial due diligence letter to the payee. If no response is received within three months of the date of the initial letter, a final due diligence letter will be sent to the payee. If no response is received within three months, WSBA will hold the check in accordance with the Washington State Department of Revenue Unclaimed Property rules, which generally require a three-year abandonment period (see state Department of Revenue rules for reporting periods). After the abandonment period has been completed, the check amount will be included in the annual unclaimed property report (due October 31 of each year) which will be sent to the Washington State Department of Revenue. The original check will be voided in the general ledger and a stop payment will be placed on the check at the bank by the Bookkeeping Specialist (AP). A final check will be issued to the Washington State Department of Revenue along with the annual report before the October 31 deadline.

Procedure for Accounts Receivable

Generally, the Bar requires that customers pre-pay for WSBA products and services. The exceptions where WSBA will invoice include:

- *Bar News* advertising
- Government Agencies (including law libraries, courts, schools, etc.) that require an invoice before payment can be made
- CLE seminar registration when someone appears at a seminar believing the fee was previously sent in and, after research, we determine it was not
- ABA reimbursements for employee travel expenses
- Practice management Assistance (PMA) fees for consultations or diversions
- Audit fees related to diversions
- LAP client fees
- Situations where a customer has not paid the full amount owing for a product or service
- Miscellaneous items as needed

Procedure for Invoicing

The requesting department prepares an Invoice Request Form and forwards it to Finance. Finance prepares the invoices and either mails them or returns them to the appropriate employee, as requested. *Finance is responsible for creating invoices for all WSBA departments, unless an exception is approved by the Director of Finance (e.g., Office of General Counsel, Membership Records label orders). No invoices should be prepared and mailed by non-Finance WSBA employees unless specifically authorized to do so.* Generally, payments received for Accounts Receivable balances will be applied to the oldest invoice first.

Procedure for Collection Efforts

Finance prepares a monthly aged Accounts Receivable (A/R) listing and forwards a copy to each applicable department. Each department is responsible for contacting customers with a past due balance. Finance will send out invoice copies or statements as needed. Reasonable collection efforts consist of phone calls, letters, statements or copies of invoices, and possibly the use of a collection agency with approval from the Director of Finance. In certain circumstances, Finance employees will take responsibility for collecting receivables upon agreement between the Director of Finance and the appropriate director. An example of this is the Bookkeeping Specialist who collects receivables related to CLE seminars and the Bookkeeping Specialist (AR) who collects advertising receivables for *Bar News* (see below).

Procedure for Bad Debt/Write-Offs

Temporary Write-Off (6 months)

When an invoice reaches 6 months past due, it will be written off as bad debt unless there is a reason not to write it off. Any other invoices that directors wish to keep on the books must be communicated to Finance upon review of the monthly A/R listing; otherwise they will be written off once they reach 6 months past due. The Finance employee debits the associated cost center's Bad Debt Expense account and credits the Allowance for Bad Debt account (which goes against Accounts Receivable). The Accounts Receivable still stays on the WSBA's books as an asset; however, the initial revenue has essentially been eliminated through the recording of a bad debt expense.

Permanent Write-Off (less than 1 year)

Any invoice determined to be uncollectible before one year will be written off. The department responsible for the invoice will provide Finance with a memo including the following information: account name, invoice number, dollar amount, documentation of collection efforts and the reason it is now uncollectible. This memo is signed by the person requesting the write off, approved by the appropriate department director and forwarded to Finance. Finance then will permanently write off the receivable by crediting Accounts Receivable and debiting Allowance for Bad Debts. This entry has no impact on a cost center's expenses, but takes the asset off of WSBA's books.

Permanent Write-Off (1 year)

For any Accounts Receivable amount that is not collected within one year, Finance will write off the item. This is done by crediting Accounts Receivable and debiting Allowance for Bad Debts. This entry has no impact on a cost center's expenses, but takes the asset off of WSBA's books. At the point this is done, Finance will notify the appropriate director and employee in writing (memo or email) of the permanent write-off.

Payments Received After Permanent Write-Off

If payment is received after a receivable has been permanently written off, Finance will debit cash and credit the cost center's Bad Debt Expense account (i.e., it shows as revenue offsetting the expense account).

Prepaid Expenses

Expenses paid in advance are recorded as prepaid expenses (assets). When the service is used, the funds are transferred to the associated expense account. Some examples of the WSBA's prepaid expenses include:

- Deskbooks. While in production, deskbook expenses are charged to the prepaid expense account. Once published, those expenses are transferred to the appropriate deskbook inventory account.
- CLE Seminar Expenses. During the year, expenses related to seminars are booked as an expense when paid (cash basis accounting). At the end of each fiscal year, expenses related to seminars that have not yet been held are transferred to a Prepaid account for the year-end financial statements (accrual accounting).
- Postage
- Insurance
- Property Taxes
- Venue deposits

- Travel and Training
- Seminars

Inventory

Deskbooks

CLE Publications publishes Deskbooks, which are reference materials on Washington law about specific legal topics. Supplements of existing deskbooks are also published and sold periodically to update the deskbooks. Once a deskbook has been supplemented, it is current as of the date of publication of the supplement. Inventory of deskbooks is stated at lower of cost or market on the first-in, first-out (FIFO) method.

Other CLE Products

WSBA CLE produces coursebooks from prior seminars available for sale to members. CLE acknowledges that its customers have many sources from which to purchase publications and other CLE products such as coursebooks. Therefore, CLE wants every customer to have a positive outcome when purchasing their product. Annually, the Controller in collaboration with the cost center manager will review existing publications to ensure that only publications with value are still being offered for sale and they are compliant with the obsolete inventory policy.

Returns of CLE Products

If a customer specifically requests (verbally or in writing via by email or letter) a refund and returns the product within 30 days of shipment and is in a re-sellable condition, the customer will be issued a refund by the method paid (check or credit card). Refunds by check will only be made after verification of collection of the initial check deposited by the WSBA (standard waiting period is 2 weeks). The Education Programs Manager must approve any return of production beyond 30 days from the date of purchase.

If a CLE product is sent in error, WSBA pays the postage for the customer to return it by either reimbursing the customer or having UPS pick it up and bill the WSBA directly. If a customer returns a CLE product for any other reason (e.g., duplicate order, changed their mind, and ordered in error), it is the customer's responsibility to pay for the postage.

Obsolete CLE Inventory

The inventory of deskbooks and supplements will be reviewed annually by the Senior Legal Editor and the Controller to determine which publications, if any, are obsolete; these will be written off. The Chief Communications Officer will document in writing that they have performed this review and state their conclusions that all inventory is current or what amount needs to be written off as obsolete. This process must be completed within 30 days following the fiscal year-end (September 30).

Accounting for CLE Coursebook Binders

The CLE department generally purchases binders in bulk annually to take advantage of volume pricing. The number of binders purchased is based on an estimate of the department's needs for the coming year. The binders are produced as needed by the vendor and shipped to the Bar. A running total of the binders purchased (and remaining) is maintained by the CLE Department.

When the binders are purchased, the amount is charged to the binders inventory account. When the binders are received and assembled by the Bar, the amount is debited to the associated seminar and credited to the binder inventory.

Cash vs. Leasing
It has been WSBA's practice to pay cash for furniture and equipment, as opposed to leasing. On occasion, the WSBA will rent furniture or equipment for very short-term use.

Depreciation
The Bar Association capitalizes furniture and equipment with:

- A purchase price over $2,500; and
- A useful life of more than 1year.

The WSBA uses straight-line depreciation for those times.

Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the assets, generally three to ten years. Depreciation expense for fixed assets which benefit all of the WSBA are is charged to indirect expenses. Depreciation for fixed assets which benefit a select few cost centers is charged only to those cost centers (e.g., CLE, Limited Practice Officers, MCLE, Discipline).

Completing the Physical Inventory
A physical inventory of furniture and equipment (fixed assets) is completed on a periodic basis, ideally annually but no less than every three years. When the physical inventory is completed:

- A report of all fixed assets is generated;
- The furniture/equipment is physically compared to the information on the report; and
- Missing items are noted, researched, and written off, if necessary.

Sale of Fixed Assets
A form is completed by the WSBA employee supervising the sale of furniture or equipment and submitted, along with the payment, to Finance. The form will include the purchaser's name, address and phone number, the item being purchased, inventory tag number (if any), item price, sales tax and any other pertinent information.

Write-off/Disposals of Fixed Assets
On an annual basis, the Finance team will review the current listing of fixed assets and determine if there are items that require write-off or disposal. Any changes shall be incorporated into the WSBA's annual personal property tax report filing.

Accounting for costs of computer software developed or obtained for internal use

The development of computer software for internal use can be done either by outside vendors, or by WSBA employees. The costs incurred in the development stage are capitalized and depreciated on a straight-line basis over the useful life of the software, in accordance with generally accepted accounting principles.

Internal use software is defined as software that is acquired, internally developed, or modified, solely to meet the WSBA's internal needs; and during the development or modification, no substantive plan exists or is being developed to market the software externally.

If, after the development of internal use software is completed, WSBA decides to market the software, proceeds received from the license of the computer software, net of direct incremental costs of marketing, are applied against the carrying amount of that software.

The development of software follows various stages. Costs incurred in development are capitalized; other costs are expensed, as follows:

Preliminary project stage (costs are expensed):

- Conceptual formulation of alternatives
- Evaluation of alternatives
- Determination of existence of needed technology
- Final selection of alternatives

Application development stage (costs are capitalized):

- Design of chosen path, including software configuration and software interfaces
- Coding
- Installation to hardware
- Testing, including parallel processing phase

Post-implementation/operation stage (costs are expensed):

- Training
- Application maintenance

Further guidance can be found in AICPA Statement of Position 98-1.

Procedures

WSBA programmers keep track of their time spent on software development using the WSBA time keeping system. Specific categories are established for significant software development projects (minor software development is not tracked due to immateriality.) The Director of Finance makes the determination of whether a new time keeping sub-category is required.

Salaries and benefits of programmers are initially expensed as incurred through the normal accounting procedures used for all employees. In order to capitalize the development costs, the Accountant makes a monthly journal entry to reclassify the software development costs from salary and benefits to a "work in progress" asset account so that the cost may be capitalized and depreciated when complete.

The IT Director notifies the Accountant when a software development project is complete and placed in service and determines what the useful life of the project is. The Accountant then moves the total cost to a fixed asset account and begins depreciating the asset over its useful life.

The IT Director will ask outside vendors to bill their time so that development stage expenses are clearly differentiated from preliminary and post-implementation costs. Development stage costs paid to outside vendors are also capitalized, and amortization begins when the project is placed in service.

The IT Director shall promptly notify the Accountant when software development projects which have been recorded in the "work in progress" account are cancelled. The Accountant will then reverse the amounts to salaries and benefits expense.

Chapter 3: Liabilities

Accounts Payable

Trade Accounts Payable

During the year, WSBA does generally have a running balance in the Accounts Payable account. Expenses are paid on a recurring (weekly or bi-weekly depending on volume) basis as they come in to Finance. At the fiscal year-end, any expenses related to the fiscal year are accrued as Accounts Payable.

Procedures

Check Security

All checks are issued in sequential numerical order. All checks are accounted for; and checks that are voided are noted for account reconciliation. Blank checks are stored in a locked cabinet. A small supply of checks is stored in a fireproof safe on site to be used in case of disaster or emergency.

Payments – General Guidelines and Procedures

Approval of Check Requests and Expense Reports

Check Requests or invoices must be approved by the Executive Director or his/her designee, subject to review by the Treasurer on request. The Executive Director has delegated signature authority in varying dollar amounts to department directors, who in turn have granted authority to certain employees for limited dollar amounts related to their areas of responsibility. See WSBA's List of Authorized Signers. Once the necessary approvals have been obtained, the Check Request is sent to the Bookkeeping Specialist (AP) for payment.

Method of Payment for Check Requests and Expense Reports

The WSBA pays its expenses via check or EFT. Exceptions to this include payments made by petty cash or the following payments that are paid directly from the WSBA's checking account to the vendor and do not require advance approval (due to adequate controls in the process):

- Rent made by automatic withdrawals by the landlord;
- WSBA Visa payments made by automatic withdrawals from Wells Fargo;
- Federal tax deposits made by ADP (comes out of WSBA's checking account);
- Payroll checks to employees made by direct deposit (comes out of WSBA's checking account);
- Retirement, Deferred Compensation, and sales tax payments made via ACH (comes out of WSBA's checking account); and
- Postage meter refills made by automatic withdrawals from the USPS.

Check Processing Procedures

All invoices, grant payments, and expense reports are entered and submitted through PN3 (Accounts Payable processing system). The information provided in the system includes electronic copies of back-up documentation and general ledger coding. System users are set up in the PN3 system with permissions based on their specific role, including whether or not they can approve invoices, dollar limits for those who can approve, and to whom invoices should be routed for approval after submission. PN3 tracks the items submitted and approval dates. On a weekly basis, the Bookkeeping Specialist (AP) reviews the data for accuracy, reasonableness, general ledger coding, and back-up documentation. Once the information is complete, the Bookkeeping Specialist (AP) runs a data

upload from PN3 into Navision for all items that have been approved for payment and issues checks from Navision.

Fixed asset, ACH payments, Client Protection Fund payments, and customer refund requests are reprocessed in Navision. For those, the Bookkeeping Specialist (AP) stamps the requests with the date received at the A/P desk, reviews the documents for reasonableness and accuracy, and verifies the calculations. Any questions or minor adjustments are given back to the employee submitting the request; other problems or questions should be promptly reported to the Controller or Director of Finance.

The petty cash is available for employees want to receive the reimbursement less than $30. For all other requests, the following general procedures for check processing are followed:

- Bookkeeping Specialist (AP) does review and approval for processing of all invoices and expense reports in the PN3 system by Friday of each week. Fixed asset, inventory invoices and customers refunds are also entered in Navision by Friday of each week.
- Checks are printed on Fridays and are given to the check signer(s) by the following Monday morning for signature.
- Checks are typically mailed no later than Wednesday of the week of signing. (Note: When a holiday falls on a Monday, the checks may not be signed by Tuesday morning, in which case the checks might be mailed/delivered on Thursday).

Incorrect Check Requests or Expense Reports

Occasionally, the Bookkeeping Specialist (AP) notes errors, inconsistencies, or requests that do not comply with WSBA reimbursement policies. The Bookkeeping Specialist (AP) is not authorized to make changes to amounts in PN3. The Bookkeeping Specialist (AP) will send invoice notes in PN3 to the requester for any changes. If there is disagreement about a correction, the Controller or Director of Finance will be notified and resolve the issue.

Rush Checks

Check Requests and Expense Reports should be approved and processed timely but from time to time it will be necessary to obtain a check sooner than the one-week turn-around time. Checks that need to be processed outside the normal time frames must be approved by the Executive Director or the Deputy Executive Director with sufficient time allowed for the Finance Department to process the invoice and produce the check. Rush checks should be used judiciously and for good reason. Approved rush Check Requests should be given to the Bookkeeping Specialist (AP) for processing. If the Bookkeeping Specialist (AP) is not available when the request is dropped off at the A/P desk, the person requesting the rush check shall email both the Bookkeeping Specialist (AP) and the Controller to let them know that a rush Check Request has been submitted. If the Bookkeeping Specialist (AP) is out of the office or busy, the Bookkeeping Specialist (AR) or the Controller will process the rush check. Rush checks will be processed in 24 hours but issuance of the check may vary depending on signatory availability.

Payments to Vendors

Responsibility for Payment

Each invoice from a vendor is distributed to the WSBA employee associated with the expenditure, who reviews the invoice for accuracy and determines if the associated service/product was received to the satisfaction of WSBA. The employee codes it to the appropriate general ledger account, and submits the invoice through PN3. Subsequently the invoice is then routed to their manager for approval.

Duplicate Invoices

Payments should be made based on original invoices, not duplicates or monthly statements. The Bookkeeping Specialist (AP) should always verify in the accounting system that payment has not been

previously made to the vendor, volunteer, or employee for that invoice/expense. If a duplicate payment is discovered the Bookkeeping Specialist (AP) will reach out to the vendor and offer evidence of payment and cancel the duplicate invoice.

Discounts & Timely Payments

WSBA's policy is to take advantage of any discounts available (such as 2% net 10) for prompt payment. WSBA also makes every attempt to avoid penalties and finance charges, such as those assessed if payment is made 30 days after the date of the invoice. Employees are responsible for submitting invoices for payment in a timely fashion. Continued violations of this policy may result in disciplinary action.

Problems with Invoices or Vendors

If an employee who originally received a vendor invoice finds that it is **not** correct or if the WSBA is **not** satisfied with the associated service or product, he/she shall attempt to resolve the problem with the vendor in a timely fashion. If the problem is not resolved within 30 days, the employee should consult with the Director of Finance. If an invoice is being held, pending resolution of a problem, the Bookkeeping Specialist (AP) must be notified in case he/she is contacted by the vendor. The Bookkeeping Specialist (AP) may, in consultation with employees, resolve issues with vendor invoices or statements.

Vendors & Vendor Review

Only one vendor should be set up for each company/person. If a company changes its address, the address should be changed for that vendor. If a company is purchased by another company, a new vendor will be set up. For vendors with more than one mailing address, a separate vendor card will be set up for each address. At least annually, the Bookkeeping Specialist (AP) shall review the vendor list for duplicate or inactive vendors.

Periodically, vendors regularly used by WSBA should be reviewed to ensure WSBA is getting competitive pricing. Examples include vendors of computer supplies, office supplies, equipment, etc. It is the Bar's policy when seeking vendors to provide a major product or service, WSBA submits Requests for Proposal to several vendors to ensure that the WSBA is receiving competitive bids.

Reimbursement of Expenses for Volunteers and Employees

See Chapter 6: Expenses.

Accrued Vacation & Comp Time

WSBA employees accrue vacation and sick leave on a monthly basis according to the length of their employment. Non-exempt employees may earn comp time for approved hours worked over 40 hours in a work week. Employees track their work time and leave time in an electronic timekeeping system. Accruals of paid leave are generated by the ADP electronic time keeping system. WSBA records as a liability the accrued balances of leave time that will be paid out upon the termination of any employee (currently those categories are vacation and comp time).

Each quarter, the Controller provides the Accountant with a detailed report by person indicating the total amount of vacation and comp time accrued. The Accountant computes the amount of the liability based on each person's actual hourly rate, then makes a journal entry for the difference between the current quarter-end liability balance and the amount on the books in the liability account (to bring the G/L up or down to the current liability amount).

Chapter 4: Fund Balance

The fund balances, or net assets, of the Washington State Bar Association (WSBA) are the difference between assets and liabilities. Fund balances are either unrestricted or restricted. The Board of Governors may designate, and has designated, portions of the WSBA's unrestricted fund balance for specific purposes. Annually during the budgeting process, the Budget & Audit Committee shall review all fund balances, determine if funds allocated to the various reserves should be adjusted taking into account the goals and purposes of each fund, and make any recommendations for adjustments to the Board of Governors.

UNRESTRICTED RESERVES

GENERAL FUND RESERVES

The General Fund supports the majority of the WSBA's work, including regulatory functions and most services to members and the public. General Fund reserves are funded by the annual operating income of the WSBA. Use of the General Fund reserves is approved by the Board of Governors, usually planned as part of the annual budget, and is reflected in any annual net loss incurred by the WSBA.

It is fiscally prudent to maintain reserves to support operations in the event that an unanticipated loss occurs. Therefore, unless recommended by the Budget & Audit Committee and approved by the Board of Governors, the total value of the General Fund Reserves shall not fall below $2 million dollars.

1. **Operating Reserve Fund.** The Operating Reserve Fund is a board-designated fund established to cover unanticipated expenses in the event of an emergency. As of September 2022, the Operating Reserve Fund shall be $2.0 million. Any use of this fund shall be recommended by the Budget and Audit Committee and approved by the Board of Governors.

2. **Facilities Reserve Fund**
   The Facilities Reserve Fund is a board-designated fund established to support future facilities needs such as an office move or refurbishment of existing office space or preparation for the purchase of operational real estate. It is expected that the fund's value will increase as the WSBA gets closer to lease completion. To determine the level of reserve funds needed for a future move or refurbishment, the Budget and Audit Committee shall seek the guidance of the Facilities Subcommittee of the Budget and Audit Committee to assist in setting the facilities reserve fund balance goal no later than 5 years prior to the end of the WSBA's lease.

3. **License Fee Stability Fund**
   The License Fee Stability Fund is a board-designated fund established to assist with stabilization of license fees over time. The fund may be used to offset revenue shortages during a budget cycle in lieu of raising license fees. Any usage of the fund should be designated in the budget and approved by the Board of Governors. The minimum balance of this fund shall be determined annually. The Executive Director will work with Budget and Audit to prepare a recommendation to the Board of Governors.

4. **Special Projects and Innovation Fund**
   The Special Projects and Innovation Fund is a board-designated fund established to provide funding for the development of new and innovative programs, projects or products that support and advance the mission of the WSBA. The minimum balance of the fund shall be determined annually. The Executive Director will work with Budget and Audit to prepare a recommendation to the Board of Governors.

5. **Unrestricted General Fund Balance**
   This is the cumulative balance of net assets from General Fund operations not otherwise restricted or designated to any other fund.

CONTINUING LEGAL EDUCATION (CLE) RESERVE FUND

The CLE Reserve Fund is a board-designated fund that serves as an operating reserve in the event CLE suffers an unanticipated financial loss. The CLE reserve is funded by the annual operating income of the CLE Seminars and Products operations. Reserves may be used to cover any net loss or extraordinary costs or technology upgrades. The CLE Fund shall remain a part of the WSBA assets and, as such, is subject to the superintendence and control of the Board of Governors.

SECTIONS FUND

The Sections Fund is a board-designated operating reserve fund for the WSBA sections, consisting of the cumulative balance of net assets of all sections. Separate ledgers will be maintained for each section, making up the total for the Section Fund.

RESTRICTED RESERVES

CLIENT PROTECTION FUND (CPF)

In 1995, the Washington State Supreme Court and the WSBA created the Client Protection Fund (CPF). The purpose of this restricted fund is to relieve or mitigate a loss sustained by any person due to the dishonesty of, or failure to account for money or property entrusted to, any member of the WSBA in connection with the member's practice of law, or while acting as a fiduciary in a matter related to the member's practice of law. The CPF fund receives a mandatory annual assessment from each active lawyer and LLLT member of the WSBA. The difference between revenues and expenses of this fund each year results in the CPF restricted fund balance.

Chapter 5: Income

License Fees

Setting License Fees

Mandatory member license fees, paid annually, are the WSBA's largest source of revenue. License fees are set by the Board of Governors and reviewed for reasonableness by the Washington Supreme Court. There is a tiered scale with different rates based upon status, and the member's original admittance date in any Bar. License fees are paid for the calendar year as contrasted to WSBA accounting which is based on Fiscal Year.

Revenue Recognition of License Fees

License fees are recognized ratably over the applicable calendar year membership period. Accordingly, fees collected during the WSBA's fiscal year that relate to the fourth quarter of the calendar membership period are included as deferred revenue in the financial statements.

Overpayments/Underpayments

Payments received in excess of the amount owed or are less than the amount owed will be handled in accordance with the overpayment/underpayment procedures.

CPF Assessment

The CPF assessment is mandatory for all active members. It is voluntary for inactive members; therefore, if the CPF assessment is paid by an inactive member, it is considered a voluntary donation.

Refunds of License Fees and CPF Assessments

Refund of license fees are controlled by Article III, Section I.4 of the WSBA Bylaws.

Procedure for Deposits/Incoming Receipts

General Procedures for Handling of Payments/Income Receipts

The WSBA Mail Room employee sorts the incoming mail. Two people sort the mail opening those pieces addressed to WSBA or to an employee who routinely receives payments. The Mail Room employee gives all payments received via mail to the Finance Division. There are some payments that might be collected by someone other than Finance employees, including:

- Walk-in payments collected by the front desk;
- Payment information faxed or emailed toan employee;
- Payments taken over the telephone or by email by the Service Center;
- On-site CLE registrations collected at the door;
- On-site non-CLE registrations/fees collected at the door;
- Bar exam on-site sales;

- LAP client counseling payments;
- Office of Disciplinary Counsel payments for recovery of discipline costs; and
- Reimbursements from members of the Board of Governors or other boards/committees that are submitted directly to an employee reconciling the expenses related to a particular event.

Items received from any source other than the mail must be forwarded to Finance employees for inclusion in the counting process the **same or next day**. Payments received on site at a WSBA event will be forwarded to the Finance Division the **first day the employee returns to the office** to ensure timely processing.

Employees should place checks or payment information in the Finance lockbox (located outside the Controller's office) when Finance employees are unavailable to receive them (e.g., after the daily deposit is made or after hours). Finance employees will check the locked box at the end of each workday and secure the payments for processing the next day. **For security reasons, employees should not place payment information in inter-office mail, in Finance employees' in-boxes, or on Finance employees' desks.** During hours that the office is closed all forms will be stored in a locked location.

WSBA maintains three lockboxes for the placement of payments/order/credit card information: (1) in Finance, (2) in the Service Center, and (3) in EOD/CLE. Finance maintains keys to the lockboxes.

Finance will process the forms in Personify and white out or black out the credit card information. In some instances (such as licensing A1 forms, bar exam applications, MCLE submittal forms), the documents are scanned and then passed onto the appropriate department, which is then responsible to store the documents in a secure locked location. In other instances (such as CLE seminar registration and product orders), the documents are scanned; then stored safely in Finance until they are destroyed at fiscal year-end.

Specific Procedures for Handling Payments Received by Non-Finance Employees

Note: In the procedures set forth below, the term "properly delivered to Finance" means either (a) hand-delivered to an employee in Finance (not via inter-office mail nor placed in an inbox or on someone's desk), or (b) placed into the Finance lockbox (located outside the Controller's office). It is critical that all credit card information be immediately secured.

Procedure for Walk In Payments

Receptionist – When a payment is received at the front desk the information will be put into a secure locked location until an Finance employee picks it up.

On-site CLE registration, non-CLE registration, product orders and other services forms collected off-site – Program Coordinators and other CLE employees will keep payments and order forms in a bank deposit bag that will be stored in a secure locked location. Once back at the office, the payment and order form will be promptly and properly delivered Finance.

Other CLE orders – Other payments received by CLE (e.g., product orders) shall be placed in the EOD/CLE lockbox. CLE employees will properly deliver the orders to Finance for processing.

Other – The form will immediately be properly delivered to Finance.

Procedure for Payment received via Mail

All forms received by Production that contain credit card information, will be properly delivered to Finance.

If Production passes the forms onto another department besides Finance, then that department must store the forms in a secure locked location until they are properly delivered to Finance. If the forms are copied before being

passed onto Finance, then the copies must have only redacted credit card information.

Procedure for Payment via Phone

Payments via phone are not permitted.

WSBA has implemented an electronic credit card (CC) payment system for licensing payments and other regulatory services payments. Due to PCI compliance and the risk of personal information being compromised we are avoiding collecting CC information outside of the prescribed system.

Procedure for Redacting credit card information

Occasionally some CC payments will come in outside of our CC system. In that case it's imperative to protect CC Information so CC information must be redacted by following the process below.

After processing the credit card information, it will be marked out with black marker or white correction tape. If a copy is made of a form prior to the credit card information being processed, then the copies must have credit card information redacted.

Procedure for Payment received via Email

Due to security concerns, receiving payments via email is not recommended. When the Service Center receives credit card payments by email, they shall print the email and put into the Service Center lockbox. An Finance employee will pick up the documents from the lockbox twice a day. The email will be permanently deleted by the end of the day received.

Credit card information received by employees outside of the Service Center will be placed in a secure locked location until properly delivered to Finance. The email will be permanently deleted immediately.

Procedure for Payment via Fax

Payments via fax are not permitted.

Deposits

Finance Department Cash/Check Processing Procedures

Payments from the Mail Room are added to payments received that day or the previous day from other sources. The payments are processed by at least two people in the Finance Division (so there is dual **control)** as follows:

- Verifies that each payment matches the amount listed on the associated source document (order or registration form);
- Sorts the payments by bookkeeping specialist;
- Endorses the back of each check using a bank stamp;
- Places the following information on each set of source documents: the date of deposit, check number, and amount;
- Runs adding machine tapes for the payments and the source documents;
- Gives the source documents to the appropriate bookkeeping specialist for processing; and
- Deposits the cash and checks into the bank by 4:00pm.

Credit Card Processing Procedures

WSBA accepts Visa, MasterCard, and American Express for the purchase of all fees, products and services.

Orders Received by Mail, Fax, Email or Phone – Finance collects all credit card payments each day from the multiple sources listed above. They are sorted at the end of each day and given to the appropriate bookkeeping specialist for processing the following morning. The credit card information is entered into Personify along with the order information. The credit card is processed that night by the credit card company (the authorization and charge to the card occurs in one step). Security procedures for the protection of credit card information are noted above in the section "Specific Procedures for Handling Payments Received by Non-Finance Employees."

Orders Received Online - Customers pay for all online orders via Personify with a credit card. Personify processes the credit card automatically and securely stores the information in compliance with data security processing standards.

Procedure for Processing of Source Documents

The bookkeeping specialists make every attempt to process payments the same day they are received. However, during periods of high volume (licensing season), it may take up to three to five working days to process incoming monies. The bookkeeping specialists use the source documents and payment information to process the receipts in either Personify or Navision, whichever is most appropriate (the majority of payments are recorded in Personify; then imported to Navision at the end of the month; however, certain types of payments are processed directly in Navision).

Once the source documents are processed and balanced to the deposits, they are forwarded to the responsible department along with a copy of the posted journal. The receiving department is responsible for reviewing the documents for accuracy, and ensuring the receipt was posted to the proper account. The source documents and journal copies are kept in an organized manner and accessible should any questions arise and be retained as per the retention schedule. Finance scans the documents after they have processed them.

Returned Checks/Declined Credit Cards

Procedure for Returned Checks

Checks may be returned to the WSBA by the bank for non-sufficient funds (NSF), "Account Closed," improper endorsement, or other reasons. Generally, those checks were accepted by the WSBA for payment of fees, products, or services.

As returned checks are received from the bank, Finance credits the cash account and debits Accounts Receivable. If an NSF check has been presented only once, Finance may try re-depositing the check. If the check has been presented twice or has been returned for reasons that would prevent it from being re-deposited, Finance will take further action including phone calls and letters. Outstanding items are reviewed on a monthly basis to determine any further action. Finance will notify the proper employees for further collection efforts.

If the payment was for license fees or status changes, and it is still uncollected, Finance works with the Licensing Lead for further collection efforts. If the payment remains uncollected, the member may owe the penalty amounts or may be suspended for non-payment of dues.

If the payment was for the Bar Exam, Admissions is notified and depending on the timing, the applicant may not be approved to sit for the exam or may not have his/her results released until the funds have been received.

Procedure for Declined Credit Cards

If a credit card charge is declined or the credit card number is invalid, the order is cancelled in Personify and Finance employees will contact the customer to get a new credit card number or an alternate form of payment. In the event a credit card is declined where the event has happened or the customer has picked up the product, Finance will invoice the customer for the amount owing and send a cover letter with the invoice.

Overpayments and Underpayments

Occasionally, WSBA receives payments that differ from the amount owed for the product or service. Below is how overpayments and underpayments are handled:

Overpayments

$.99 or Less

Overpayments of $.99 or less will be accepted, as is, without any refund efforts. The overpayment amount is credited to the appropriate income account under the cost center for that product or service. Refunds up to $.99 overpayments will be made only upon the payer's request.

$1.00 or More

For overpayments of $1.00 or more, the order is processed as usual, with the overpayment amount credited to the appropriated income account under the cost center for that product or service. The amount of the overpayment is automatically refunded to the purchaser by the Finance division. As overpayments are received, the bookkeeping specialists submit the refund paperwork to the Controller for approval.

Underpayments

$4.99 or Less

Underpayments of $4.99 or less will be accepted, as is, without any other collection efforts. The underpayment amount is charged against the appropriate income account under the cost center for that product or service.

$5.00 or More

For underpayments of $5.00 or more, the applicable department is made aware of the underpayment and the department employee may request an invoice from Finance for the amount owed. In some instances (e.g., CLE products and seminars), the customer is automatically invoiced by Finance.

Procedure for Refund of Income

All refunds shall be approved by the department requesting the refund. Approved refund requests are submitted to Finance for processing. A customer refund is handled in the same way in which the payment was received.

Credit Card Refunds

For example, a customer who paid by credit card will be refunded by credit card. If the order was initially processed in Personify, it will be refunded through Personify. If the order was processed online (CLE bookstore or MCLE website), it will be refunded directly through Verisign, the online credit card processor.

Refunds by Check

If a payment was originally made by check, WBSA will write a check for the refund. Refunds by check will only be made after verification of collection of the initial check deposited by the WSBA (standard waiting period is 2

weeks).

Deferred Revenue

Deferred Seminar Revenue

Seminar registration fees are recognized as revenue in the year in which the related seminars are held. Deferred seminar revenue relates to fees collected for seminars to be conducted in subsequent years.

Recovery of Discipline Costs under Rules for Enforcement of Lawyer Conduct

ELC 13.9 Costs and Expenses

Pursuant to ELC 13.9 *Costs and Expenses*, the WSBA may assess costs and expenses to a lawyer at the conclusion of the disciplinary process. The WSBA Office of Disciplinary Counsel (ODC) seeks costs and expenses at the conclusion of formal cases that result in discipline, or when an Admonition becomes final. In resolving cases by Stipulation [ELC 9.1(b)(4)] ODC generally "adjusts" (with approval of the Disciplinary Board or Hearing Officer) the presumed expenses.

"Costs" are certain out-of-pocket expenses (court reporters, service fees, copying costs, hearing officer expenses, etc.) related to a disciplinary proceeding that results in disciplinary action (admonition, reprimand, suspension, disbarment).

"Expenses" are the reasonable charge for attorney fees and administrative costs, and are set at a presumed level, depending on the degree of review required for a matter to become final.

After assessment of costs and expenses, the Supreme Court may enter a monetary judgment [ELC 13.9(*l*)].

ELC 5.3(h)(2) Investigation of Grievance

Costs and expenses (including a $500.00 fee) are also allowed under ELC 5.3(h)(2), when a lawyer fails to cooperate in an investigation and a subpoena is issued, although the investigation may not result in disciplinary action.

Treatment of Costs and Expenses

Amounts due to the WSBA for discipline costs and expenses are not recorded as a receivable on the WSBA's books until actually collected due to the uncertainty of collection (even where judgments are recorded). When checks come in from lawyers related to their costs and expenses, they are processed as income under "Recovery of Discipline Costs."

Applicability to Limited Practice Officers and Limited License Legal Technicians

Recovery of discipline costs described above is also applicable to Limited Practice Officers and Limited Licensed Legal Technicians.

Chapter 6: Expenses

I. General Expense Reimbursement Policy

WSBA depends upon and values the time and talent of its employees and volunteers. As a steward of member funds, WSBA asks for employees and volunteers to be fiscally prudent and follow the policy at all times. **WSBA will reimburse: (1) reasonable and prudent, (2) necessary, and (3) appropriately documented, out-of-pocket expenses incurred in connection with WSBA business or meetings, as set forth herein.**

A. Scope

This policy applies to all employees and volunteers while engaged in authorized WSBA work, including, but not limited to: the President, President-elect, and Immediate Past-President; Board of Governors; Board of Governors-elect; board, committee, task force, council, and panel members; section officers, executive committees and members; and invited guests. Any items not included herein deemed necessary to conduct the WSBA's business, or that deviate from these policies due to extenuating circumstances, may be approved by the WSBA Treasurer or the Executive Director in accordance with the WSBA Fiscal Matrix.

B. Liability

The financial liability of the WSBA to any board, committee, task force, council, panel or section is limited to the funds budgeted (on a line item basis) for it in the current approved budget of the WSBA. If any volunteer, board, committee, task force, council, panel or section (or any one of its members): (1) incurs a liability that is greater than the funds budgeted or otherwise approved; or (2) incurs a liability in excess or outside of the amounts allowed by this policy, such liability will be presented to the Director of Finance who will evaluate for appropriateness. If appropriate the Director of Finance will route to the Executive Director or Treasurer for approval. In the case the expense is not deemed to be reasonable the liability will be the personal obligation of the individual responsible for incurring or authorizing the liability.

C. Policy Exceptions

- WSBA ABA Delegate expenses shall be reimbursed a reasonable amount necessary to attend the ABA House of Delegate annual and midyear meetings only, not to include education and social events connected to the ABA Conference and ancillary meetings. Delegates should seek reimbursement from the ABA for approved expenses and seek reimbursement from the WSBA for those reasonable and necessary expenses not covered by ABA policy. The budget for delegate expenses will be contained as separate and distinct line item in the Executive Director Cost Center

- Certain expenses of WSBA Officers, Board of Governors, and the Executive Director shall be reimbursed in accordance with "IV. Expense Policies: WSBA Officers and Board of Governors" and Section "V. Expense Policies: WSBA Executive Director", *infra.*

- Section executive committees may use their discretion: (a) to use section funds to cover group meal expenses for one guest per section member attendee at section events open to all section members, at executive committee meetings and retreats, and at speaker or award dinners; and (b) to pay or reimburse a speaker or award recipient and guest for travel, meals, and lodging in accordance with WSBA expense policies. Group meals are paid for an entire group on one invoice and are not subject to the per diem amounts for individuals under the reimbursement policy. As with all other expenses, group meals are expected to be reasonable.

D. General Guidelines for Reimbursement Requests

1. WSBA will not reimburse expenses that are reimbursed from another source.

2. WSBA will not reimburse expenses incurred by spouses, domestic partners or guests (hereafter collectively referred to as "guest" or "guests"), except as identified in Section I.C above.

3. WSBA will not reimburse for use of rewards program benefits, such as frequent flyer coupons, air miles, hotel points, etc.

4. In accordance with IRS requirements, any person seeking reimbursement from WSBA shall submit a signed, dated WSBA Expense Report, supported by detailed receipts. In the absence of a detailed receipt, WSBA will reimburse up to $75 for expenses, so long as certification is provided confirming expenses comply with WSBA fiscal policies. If the reimbursement is for meals, no more than the maximum federal per diem rate for the state of Washington (see www.gsa.gov/perdiem) will be reimbursed without a detailed receipt.
5. Barring any unforeseen circumstances, all WSBA Expense Report forms and receipts must be submitted within 60 days of incurring the expense; with the exception that expenses incurred in September must be submitted within 30 days after WSBA's September 30 fiscal year end (by October 30). Reimbursement requests for expenses incurred in the prior fiscal year submitted after October 30th of the following fiscal year will not be paid unless approved by the Executive Director and Director of Finance. The Executive Director will have discretion to approve any expense report beyond the cutoff date when the same isn't completed due to unforeseen issues.

E. Travel Expenses

1. Volunteers:
   WSBA encourages virtual meetings whenever feasible to accomplish board, committee, task force, panel, council and section work. Reimbursement of travel expenses to board, committee, task force, council, panel and section members residing out of state to attend their meetings is limited to the approximate cost of in-state travel (i.e. cost of travel from the nearest WA border to the location of the particular meeting).

2. WSBA Employees:
   Employees must have prior authorization, from their supervisor or inherent in their job description, to incur travel, lodging, and meals expense on the job. All overnight stays at a Board of Governors meeting shall be approved by the Executive Director. For additional terms, see "III. Additional Employee Expense Policies".

F. Transportation

WSBA will reimburse transportation costs based on the limits set forth below. WSBA will not reimburse for lodging *en-route except* when special circumstances such as weather, abnormal traffic patterns or personal circumstances occur. Any expense report containing en-route expenses will be approved by the Executive Director.

WSBA encourages employees and volunteers to utilize the least costly method of transportation available under the circumstances. For example, if a ticket to fly coach economy to a particular destination is less expensive than the cost of reimbursing mileage for driving then flying should be the selected mode of transportation.

1. Personal Autos: Mileage will be reimbursed at the IRS Standard Mileage Rate in effect at the time of travel. *Carpooling is encouraged.* 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.

2. Rental Cars: Rental cars may be used only when economical 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. Volunteers are not covered under WSBA insurance policies and must provide their own insurance coverage when renting vehicles.

3. Ground Transportation: WSBA will reimburse ground transportation, parking costs and tolls. WSBA will reimburse longer term airport parking at the lower of actual parking costs or an airport shuttle to/from the traveler's home. WSBA will reimburse tips for no more than 25% of the cost of the trip, in the case where 25% is less than $2.00 tips can be adjusted to that amount.

4. Airfare: WSBA will only reimburse coach/economy-class airfare, which should be booked sufficiently in advance of travel to obtain the lowest possible fares. Use of private airplanes is permitted; however, reimbursement is limited to an amount not to exceed coach-class airfare on a commercial air carrier, purchased not less than two weeks in advance of travel, for the same or substantially similar route. WSBA will pay a cancelled airfare if WSBA cancels a meeting. Airfare change fees will only be paid for changes in a meeting schedule. *Reimbursement receipts for airline travel must include name of passenger, credit card used for payment, confirmation that flight was paid in full, date of flight, and departure and destination locations. Credit card statements and cancelled checks are not acceptable.*

5. 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.

6. If there is a question about the reasonableness of a travel expense it will be escalated to the appropriate Department Director for a determination of reasonableness.

G. Lodging/Hotel Accommodations

WSBA will reimburse hotel/motel accommodations up to $200 per night ($225 in Seattle) plus taxes. With respect to out of state conferences, WSBA will reimburse hotel accommodations at the advertised conference hotel rate. Generally, if no lodging below the applicable limit is available or convenient in the area of the stay, department directors may approve reimbursements above the applicable per night limit utilizing the reasonable and prudent standard. WSBA will not reimburse for incidental expenses such as entertainment, personal phone calls, etc. *Reimbursement receipts must include name/location of hotel, guest name(s), date(s) of stay, and breakdown of charges for lodging, meals, telephones, and incidentals.*

H. Meal Expenses

1. WSBA will reimburse breakfast, lunch and dinner meal expenses, including reasonable tips, gratuity, and taxes. WSBA will not pay or reimburse for alcohol purchases (see Section II. Purchase of Alcohol for Bar Functions). The WSBA encourages volunteers and employees to adhere to the IRS per diem guidelines for meal reimbursement which are updated periodically. The most recent per diem rates are available on the IRS website and will be updated annually on the WSBA volunteer and employee expense form. Any reimbursement requests within the maximum per diem limits for the State of Washington will be deemed reasonable. Reimbursement requests above the maximum per diem limits should be reasonable and prudent given the circumstances and context in which the expense was incurred. Requests for reimbursement above the Federal Per Diem Rates will be escalated to the appropriate Department Director for a determination of reasonableness.
2. If a meal is provided as part of a meeting or conference, no reimbursement will be made for substitute meals.
3. If a remote meeting of at least four hours in duration is scheduled through a meal period (i.e. breakfast, lunch, or dinner) then regular reimbursement rates will apply.

I. Expenses Other Than Travel/Transportation, Lodging, and Meals

1. Office Expenses: Despite use of services available through the WSBA office, volunteers may occasionally use their own resources 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 set by the WSBA[2]. 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 personal costs or professional services without specific advance authorization.

2. Gifts/Awards: WSBA will reimburse costs (up to $150) for the purchase of gifts, plaques or similar items recognizing an individual's extraordinary volunteer service to the WSBA and/or its component parts. Gifts from volunteers to WSBA employee are prohibited except for *de minimis* or token appreciations (up to $50). All employee liaisons to boards, committees, task forces, councils, panels or sections should make sure the group is aware of this policy.

3. Miscellaneous: Reimbursement for expenses not otherwise described by this policy may be allowed when reasonable, necessary, appropriately documented, explained, and approved by the Executive Director or WSBA Treasurer in accordance with the Fiscal Matrix.

[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.

II. PURCHASE OF ALCOHOL FOR BAR FUNCTIONS

Except as provided herein, WSBA prohibits the use of WSBA funds to purchase alcoholic beverages.

A. WSBA will not pay for or reimburse alcoholic beverages purchased by volunteers or employees as part of a meal. Such purchases shall be segregated from meal expenses and paid for by the individual ordering them.

B. Alcoholic beverages may be served at WSBA functions, as long as they are: (1) paid for with personal funds (e.g. no host bar), or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender.

C. WSBA funds may be used to pay ancillary costs at events such as the cost of a bartender, corkage fees for donated alcohol, and service/setup fees.

D. 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.

III. ADDITIONAL EMPLOYEE EXPENSE POLICIES

A. Weekend Work

Working on a weekend is treated like any other workday. Meals, daycare, etc. will not be reimbursed. However, in some circumstances, employees may be reimbursed for parking if they are required to work on a weekend (see "Private Auto- Parking" policy below).

B. Transportation

1. Rental Cars: Car rental requires pre-approval of a department director, and may be used only when 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. 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). The WSBA will not pay for additional insurance coverage; the renter should decline coverage when renting in the WSBA's name.

2. Car Pooling: Employees are encouraged to car pool when it is feasible as it reduces costs, risk, and can improve coordination amongst employees when traveling together.

3. Private Auto – Parking: 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. 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, licensing

season; or other projects.

4. Taxi Rides: As part of the ORCA program, employees who have an ORCA 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.

5. "Advances" For Travel or Expenses: The Executive Director, upon a director's recommendation, may approve travel advances. Travel advances must be requested at least 7 workdays prior to the trip to allow for sufficient time to prepare the check.

C. Meals

1. 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.

D. Professional License Fees

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, 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%

E. Professional Liability Insurance

WSBA reimburses Lawyers Assistance Program employees for the cost of professional liability coverage for their activities conducted pursuant to their employment with WSBA. An employee who leaves WSBA employment during the insured period must refund to the WSBA that portion of the reimbursement covering any insured period after WSBA employment ends.

F. Employee Membership Dues

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

G. Employee Cell Phone Expense Reimbursement Policy

This policy covers the reimbursement policies and procedures for business use of employee-owned cell phones.

The WSBA acknowledges the use of cell phones is required of some employees to fulfill the responsibilities of their position (see WSBA Employee Handbook for eligibility criteria). As a result, the WSBA has defined two ways of providing cell phone service to employees whose position requires the use of cell phones.

1. Issue a WSBA owned cell phone
2. Allow for use of employee's personal phone and provide a reimbursement

Providing a WSBA Phone

The IT department will maintain a record of both the approvals and the phones issued. This is a critical step as these phones will be subject to public records rules. The type of phone to be issued will be determined by IT.

Use of Personal Phone for Work

A person who qualifies for a WSBA issued cell phone but chooses to use their personal cellular phone for WSBA business may be authorized to receive reimbursement in lieu of being issued a WSBA cellular phone.

The reimbursement will be at a rate of $20 per month for employees who work over 20 hours per week, and $10 per month for employees who work 20 hours or less per week. Eligible employees will receive a stipend via paycheck unless they opt out of the benefit.

Employees who have positions that do not meet these criteria may request this reimbursement as needed for special assignments or events (ex: Bar Exam, BOG meetings) with Director's pre-approval. These employees will be responsible for submitting an expense reimbursement form in PN3 to receive this benefit.

H. Employee Parties and Celebrations

1. Generally, events in which all employees are invited to participate, or were approved by the Executive Director and the directors in advance, are paid by the WSBA. These include:
   - Refreshments for all-employees meetings; and
   - Executive Director's purchase of treats for the entire employees for a special occasion.

2. 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.

I. Employee Development Budget

Each director is given an annual Employee Development budget, with sole discretion to use Employees Development funds reasonably for team building items such as employee retreats or activities, department meetings, meals or snacks, coffee or lunches with employees, and tokens or small gifts of appreciation for employees.

IV. EXPENSE POLICIES: WSBA OFFICERS AND BOARD OF GOVERNORS

The officers and members of the Board of Governors (including sitting and newly elected officers and Governors) are fiduciaries of WSBA and ambassadors to WSBA boards, committees, task forces, councils, panels and sections; to local and specialty bar associations in Washington State; and to other related groups or officials. It is expected that WSBA officers and governors will incur certain expenses in furtherance of this responsibility, and will comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses

Individual meals for a 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 and transportation costs will not be reimbursed.

B. Officer and Governor Attendance at Law-Related Events

From time to time WSBA officers and governors are invited to attend a ticketed, non-educational event 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 statewide organization to reach out to these interest groups, to encourage and support other Bar Associations and law-related organizations, to further the understanding of the activities and purposes of the WSBA, and to foster collegiality among its members and goodwill between the Bar and the public; in a fiscally prudent manner.

To this end, WSBA will annually reimburse expenses incurred for group registration events as follows:

	Statewide Events	Local and Specialty Bar Events	Significant County Bar Events
Officer	yes	up to 8	yes
Governor	yes	up to 6	In Governor's home district

The Executive Director may approve exceptions to these limits. WSBA reserves the right to request reimbursement for cancellations to group registration events.

C. Officer and Governor 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:

1. Officer Conferences:
   The President, President-elect, Past President, and Treasurer may attend three national conferences and the Western States Bar Conference. The President, President-elect, Treasurer, and Past President may also

attend the Northwest Bar Leaders meeting.

2. Governor Conferences
   Governors may attend one national or regional conference during their term of service on the Board of Governors

V. EXPENSE POLICIES: WSBA EXECUTIVE DIRECTOR

The Executive Director is an ambassador of WSBA to WSBA boards, committees, task forces, councils, panels and sections; to 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. The Executive Director shall comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses

Individual meals for a guest will be reimbursed only at Board of Governor functions 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 and transportation costs will not be reimbursed.

B. 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.

C. Travel

Reimbursement will be made for 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.

D. Meals

WSBA will reimburse 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 or WSBA or Washington State elected or appointed official(s) to conduct WSBA business with the official(s). This would also include Washington state local and specialty bar elected or appointed officials.

E. 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 Senior Accountant and Budget Analyst prepares a quarterly report for the Treasurer to review and sign.

VI. CLE SPEAKERS/PROGRAM PARTICIPANTS EXPENSES

In general, reimbursements to speakers and program participants shall be reimbursed according to the WSBA guidelines. However, with prior approval of the Executive Director, W S B A may approve reimbursements for lodging and meal expenses above the WSBA rates, as supported with appropriate receipts.

VII. ACCOMMODATION FUND

A. 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.

B. Procedures

Persons should request accommodation through WSBA employees 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.

C. Other

The Accommodation Fund is intended primarily for use by WSBA members—other resources are available for WSBA employee 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 employees working with the facility at which the meeting or event is to be held.

D. Funding

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 Director of Finance 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.

VIII. WSBA CREDIT CARDS

Each department director and some employees who frequently incur travel expenses (e.g., investigators) are issued individual WSBA corporate credit cards ("card holder") to cover WSBA business expenses only; personal charges are not allowed. An exception is if the charge contains personal expenses beyond the WSBA limit, in which case the card holder shall submit a check to Finance with the credit card bill. All charges on a WSBA credit card must be supported by appropriate detailed receipts.

Card holders may authorize their employees to use their credit card for business expenses. However, the card holders remain responsible for all charges made using their credit card; specifically, that all charges comply with WSBA policies, are made within the delegated budget authority, and are coded to the proper general ledger account.

Each card holder must approve the monthly statement for his/her credit card. The monthly statement, along with detailed receipts and general ledger coding information, shall be submitted to the Bookkeeping Specialist (AP) within 10 days of the end of the month.

Employees who support the WSBA's conference rooms and CLE Conference Center may be issued credit cards for the purpose of purchasing office supplies, food service, kitchen supplies, etc. in order to efficiently and cost-effectively manage the conference rooms and provide support to employee meetings. The monthly American Express bill shall be reconciled and coded to the proper general ledger accounts, then given to the Director of Finance for review and approval.

IX. FUNCTIONAL ACCOUNTING PROCEDURES/ALLOCATION OF INDIRECT EXPENSES

"Indirect" expenses are expenses that benefit the whole organization; in many ways they are the basic cost of doing business. Examples include salaries, benefits, rent, telephone, insurance, legal advice, auditing services, computer equipment, etc., as well as all-employee meetings, coffee/tea service, etc. GAAP does not require a specific method of allocating expenses to their appropriate function. There are numerous ways to allocate common expenses, but there is no one correct way. However, the method chosen must be meaningful, reasonable, accurate, and consistently applied. Changes in the method of allocating indirect expenses, and what specific expenses are included in indirect expenses, are generally disclosed in the audited financial statements.

The main goal of allocating common expenses is to provide the "true cost" of each program. However, getting a "true cost" is a misnomer, since different allocation methods will produce different results. The organization must choose a reasonable method that makes sense and will produce "accurate enough" information. Thus, it is important to understand that you are never really seeing the true cost of any program; you are seeing as close as we can get based on the allocation method chosen. A good example of this is how the WSBA treats certain support expenses. The WSBA has several departments which support all the cost centers, but for which the costs are not allocated to the indirect pool. No employee time for the Human Resources department or Information Technology department is allocated to other cost centers, although they primarily exist to support all cost centers. Thus, the "true cost" of a program does not include many of the WSBA support functions provided to it. It is helpful to understand this when conducting reviews of programs and cost centers.

WSBA has been using functional accounting since 1992. Direct expenses are recorded 100% to the appropriate cost center. Examples include committee expenses, employee travel, events, etc. The WSBA allocates indirect expenses as follows:

- Salaries – Salaries are directly allocated (through payroll) to the cost centers in which the employees primarily work. For example, some employees are allocated among several cost centers in one department (e.g., Advancement or Regulatory Services Departments). Many employees are allocated to only one cost center, although the perform work for many functional areas (e.g., Finance and Administration Department employees). *The allocation of employees is done through the budget process; employees are allocated throughout the year just as they are budgeted.* Therefore, a person may be budgeted at 25%, but may actually spend more or less of their time performing work for that cost center. However, the person is allocated through payroll at 25% regardless of their actual time spent unless a mid-year change in actual allocation is authorized by the Executive Director as part of the Reforecast process. Actual time is considered in allocating employees for the next budget year.

- Benefits – When incurred, benefits expenses are pooled together and allocated among the cost centers *based on the salary expenses (dollars, not FTEs)* for each cost center. This method proportionately distributes benefits in relationship to the salaries expenses. Thus, the departments with higher-paid employees will also incur a higher share of benefits expense.

- Other Indirect Expenses (insurance, telephone, professional fees, etc.) – The WSBA allocates all other indirect expenses based on the *number of FTE's in* a cost center. For example, if a cost center has 10 out of 138 of WSBA's FTEs, then it will be allocated 7.2% (10/138) of the pool of indirect expenses.

Chapter 7: Other Accounting Policies

Policy on Committee and Board Use of WSBA Funds

This Policy restricts committees (standing, ad hoc, special, or other) and boards from donating or contributing WSBA funds to programs or causes not specifically authorized in the approved budget. This restriction on the use of WSBA funds does not apply to sections since general WSBA funds are not used for sections.

Donations/Contributions/Sponsorships to outside entities

WSBA committees and boards are prohibited from donating, contributing to, or financially sponsoring outside entities or causes with WSBA funds even if the allocated budget has unexpended funds, except with special review by the General Counsel and further authorization from the WSBA Executive Director. This applies to donations to entities such as other bar associations, legal organizations, or outside causes. Requests made to the Executive Director must be made in writing at least 30 days prior to the desired date of the contribution.

Making charitable contributions

WSBA committees and boards are prohibited from making charitable contributions with WSBA funds.

Contributing to WSBA-Funded Programs

WSBA committees and boards are prohibited from donating or contributing WSBA funds to other WSBA-funded programs.

Employee Gifts

Use of WSBA funds, including committee and board budget funds, for gifts to WSBA employees are prohibited except for *de minimis* or token appreciations.

Procedure for Pre-approval of Form Content

The Controller must **pre-approve** the **content** of all documents that request payment (such as event registrations, order forms, or applications) that WSBA intends to either mail out or include in the *Bar News*, on the Bar web site, or in newsletters. This type of document must include specific information to ensure the correct application of any payment(s) returned to the Bar. Finance must review the document **before** the document is mailed or published.

In the case of form letters, the template should be given to the Controller for review and approval before any letters are mailed. In the case of order forms, once the order form is designed (but not yet mailed or published), a "draft" copy should be given to the Controller for review and approval.

WSBA Price List and User Fees

User fees for Bar products and services are set and revised periodically either during the budgeting process or as deemed appropriate by the department director

Taxes

Local Taxes
WSBA pays personal property taxes to the City of Seattle in accordance with local laws.

State Taxes
WSBA pays taxes to the State of Washington for:

- Use and sales taxes on the sale of taxable products;
- Department of Labor and Industry (L & I) workman's compensation taxes (the reports are prepared and filed by WSBA); and
- State Unemployment (SUTA) tax, which is paid on an "experience" basis only (the SUTA reports are prepared quarterly by ADP, WSBA's payroll vendor).

WSBA is exempt from State of Washington:

- Business and Occupation (B & O) tax, since WSBA is an instrumentality of the State Supreme Court.

Federal Taxes
The WSBA does not pay Federal Unemployment (FUTA) tax.

Letter regarding WSBA Tax Exempt Status
Please contact the Office of General Counsel or the Director of Finance.

Grants
WSBA programs may seek grant funding from foundations/organizations to support specific projects/programs.

Grant application

- With the support of the Executive Director, applications for grants, budget worksheets, grant checklists or work plans will be completed by the WSBA program requesting the grant.
- General Counsel will review grant applications for legal content.
- Accounting information will be reviewed by the Director of Finance before submission.
- The Executive Director will approve in-kind expenses related to a grant.
- The Executive Director or designee must approve the grant request before the application can be submitted to the funding organization.

Grant Awards

- Grantees will alert the Finance Division as to the amount and approximate date of receipt of grant funds.
- Reports, as required by the grant, will be completed by the grantee with assistance from Finance.
- If unused funds are to be returned to the Grantor at the end of the grant period, the grantee and Controller will balance the dollar amount to be returned. A Check Request will then be prepared by the grantee and, after securing proper approval, forwarded to Finance for processing.

Managing Grant Funds

- If grant amount is over $20,000 and anticipated to benefit more than one fiscal year, the amount received will be deposited into a liability account and moved monthly as funds are spent. If the grant is anticipated to be used in the current fiscal year, the funds will be deposited into an income account when received.
- The Controller will review grant status with the grant recipient at fiscal year-end to determine and record the amount to be carried forward to the next year. Unexpended grant funds (i.e., for grants that cover more than one fiscal year) will be moved to a liability account at fiscal year-end by the Controller. This net amount would be adjusted for any expenses not charged as direct expense (i.e., salary/benefits, rent/office space) but included in the grant. The Controller will move those funds to the income account in the appropriate cost center as the related grant expenses are incurred.
- Expenses will be charged to an expense account within the same cost center.
- WSBA may charge an administrative fee. The fee amount would be determined by the grant requirements.
- Awarded Grants will be included within the appropriate cost center's income and expense categories in the annual budget process for that particular fiscal year.

Public Records Access and Fee Policies

WSBA's public records policies and procedures are set forth at http://www.wsba.org/About-WSBA/Contact-Us/Request-Public-Bar-Records .

Submitting Matters to the Board of Governors for Action

Pursuant to the WSBA Bylaws, the Board of Governors (BOG) is the governing body of the Bar that determines the general policies of the Bar and approves its budget each year. In January, 2020, the BOG adopted a policy entitled Board of Governors Policy RE: Requests for Action (Page 195). The policy to sets forth the preferred process for submitting matters to the Board for action. The portions of that policy relevant to the fiscal policies are provided as follows:

3. Analysis. When a matter has been requested by a WSBA entity or has been approved for further exploration by a BOG Committee, the Executive Director will ensure that the matter is analyzed, including fiscal impact, stakeholder analysis and input, rule compliance, and implementation implications. A reasonable amount of time should be provided for this analysis taking into account the scope, magnitude, and relative novelty of the request. This information will be shared, as appropriate, to aid in the Board's decision-making.

Requests Requiring Amendment to the WSBA Budget

Changes to the WSBA Budget should not be approved without a rigorous review of the pros, cons and impacts of said change. As such, any request, proposal, change or suggestion that would require a change to the WSBA budget that arises during a meeting or has not been subject to analysis as described above, should be tabled until the next BOG meeting in order to provide time for that analysis.

The review will be performed by the Treasurer, Director of Finance, HR Director, WSBA President, and the Executive lead for the department affected. The review and potential request will be taken to the Budget and Audit committee for discussion and analysis. The committee's recommendation(s) are intended to be completed and delivered to the BOG for approval in its next meeting.

Chapter 8: Summary of Internal Accounting Controls

Bank Accounts

- The Board of Governors approves banking authorities.
- The Bank is notified timely of signature changes.
- The Finance employee who makes the daily deposit is someone other than the employee who processes the receipts.
- The Bookkeeping Specialist (AP) or Controller do not have signing authority to any WSBA bank accounts.
- Check signers are independent of check preparation.

Bank Reconciliations

- Bank statements are delivered to the appropriate independent person unopened or provided via online access
- WSBA employees reconciling the bank accounts are not involved in day-to-day processing of receipts or expenses.
- Bank reconciliations are generally completed by the 20th working day of each month.
- Copies of completed bank reconciliations are distributed to the Director of Finance and Controller for review.
- A detailed process is followed for checks outstanding for over 90 days.

Investments

- Investment guidelines are approved by the Board of Governors.
- WSBA employees authorized to invest are approved by the Board of Governors.
- All investment paperwork is kept in a safe location.
- All investments are under the name of the Washington State Bar Association or the Client Protection Fund.
- Detailed records are kept on each investment (for example, purchase date, maturity date, interest rate, annual percentage yield, how interest will be paid, purchase price, name of institution, etc.).
- Detailed records are kept by someone other than the person who authorized the investment.

Cash/Check Handling

- Incoming mail is initially opened by two employees (Production employees) with no access to accounting records.
- The cash/check processing is always done by a minimum of two WSBA employees.
- The process results in a daily grand total which is balanced once all receipts are processed.
- WSBA employees do not count/tally a category of receipts they would then process.
- All checks are locked up in a secure location until they are deposited into the bank. Only authorized Finance employees have access.
- Daily receipts are deposited into the bank by the end of each day.
- Cash received at the front desk is recorded on the log sheet.
- Cash received at the front desk is locked up when the office is closed.
- Payments (checks, cash, or credit card info.) and backup from an outside event are collected by WSBA employees at the event and turned into Finance the first day the employees return to the office.

Petty Cash

- Petty Cash boxes are kept in a secure location – always locked when the office is closed.
- Access to Petty Cash is limited to a small number of employees who do not process receipts.
- Petty Cash boxes are audited regularly by someone without regular access to the box.
- Reimbursements for petty cash expenditures up to $30 or $50 are disbursed by a limited small number of employees.
- Petty Cash forms must be completed with documentation and approval before funds can be disbursed.
- Petty Cash will be replenished by completing a Check Request and being processed through the Accounts Payable process.
- IOU's, employee advances, and check cashing are not allowed.
- Petty Cash boxes are kept separate and not mingled with any other cash.

Credit Card Information

WSBA will take necessary steps to ensure it complies with federal and state laws regarding the protection of credit card information (payment card industry data security processing standards). The following general guidelines shall be followed:

- Where possible and feasible, the preferred method of receiving credit card information is from customers/members online whereby the credit card numbers are never seen by employees. Therefore, WSBA shall attempt to provide as many of its products and services online as is possible.

- Where credit card information is received in the mail on WSBA forms, via email, through a walk-in, or by telephone, the following guidelines apply:
    - Employees shall take care to adequately secure, in a locked location, any credit card information until it is processed by Finance (see specific procedures in Chapter 5). Employees may lock such information in drawers or cabinets or use lockboxes provided in Finance, the Service Center, and EOD/CLE. The fewer people that handle credit card information, the better.
    - After the credit card information is entered into Personify, where the payment is processed, it shall be thoroughly redacted from the form before scanning, sending to other departments, or storage.
    - Original forms containing redacted credit card information that are maintained by departments outside Finance shall be kept in a locked location until they are destroyed.

- Employees do not have access to credit card numbers stored in the Personify database or Cybersource because the numbers are encrypted for security.

- Credit card numbers and payment information is not subject to public disclosure and should never be given to anyone outside of the WSBA.

Accounts Receivable

- All invoiced items will be processed through the accounting software.
- Any adjustments must be approved by appropriate department director.

Cash Disbursements

- Checks are pre-numbered and used in sequence.
- Blank check stock is locked up and access is limited.
- Bookkeeping Specialist (AP) does not have authority to approve or change expense requests.
- Bookkeeping Specialist (AP) audits reimbursement forms (Check Requests, Expense Reports, and Petty Cash Slips) for accuracy and adherence to policy.
- Bookkeeping Specialist (AP) ensures each Check Request or Expense Report has been approved by an authorized employee.
- All checks are processed through the accounting software system.
- Blank checks are not signed.
- Checks are always made payable to a person or company - never to cash or bearer.
- Checks presented for signature include backup explaining the reason for the check.
- A copy of the check is attached to the backup and filed in the 'paid' file.
- Voided/spoiled checks are stamped 'void' and maintained in locked cabinet for safekeeping.

Check Signature Stamp Policy

This Check Signature Stamp Policy is designed to speed up the check signing process while providing adequate internal controls over the signature of checks. This policy is only applicable to the Executive Director; other check signers must personally sign the checks. The Check Request will be initialed by the Executive Director, indicating approval to stamp the checks. The Executive Director will then contact a Finance staff person (who does not have the ability to issue checks), who will pick up the checks, stamp them, and mail them. Any checks that have not been approved will be given to the Bookkeeping Specialist (AP) for further review. At no time should the Controller or the Bookkeeping Specialist (AP) have access to the stamp.

Exception: Any checks over $10,000.00 require two signatures and will be hand signed by both signers and included for mailing with the regular checks.

Miscellaneous

- A/P, A/R and General Ledger functions are performed by separate employees.

Chapter 9: Client Protection Fund

Accounting Policy

In 1995, the Washington Supreme Court and the WSBA created the Client Protection Fund ("Fund"). The Fund may be used for the purpose of relieving or mitigating a loss sustained by any person due to the dishonesty of, or failure to account for money or property entrusted to, any member of the WSBA in connection with the member's practice of law, or while acting as a fiduciary in a matter related to the member's practice of law. The Fund is governed by Admission to Practice Rule 15.

The Fund is maintained as a trust, separate from other funds of the WSBA. The Fund has its own checking/savings account and investment accounts. The Fund is maintained as a restricted fund on WSBA's books (designated as a separate cost center in the general ledger). The Fund is completely self-supporting – it receives no revenue from the WSBA or other entities. The Fund cannot expend more than it has collected.

Revenue Procedures

Court-Ordered Assessment

Each active lawyer and LLLT WSBA member, and some other licensees, pay an annual assessment to the Fund; this is the Fund's main source of revenue. Assessment amounts are set by Supreme Court Order, based on recommendations by the WSBA Board of Governors. Assessments are invoiced with each active member's, or licensee's, license fee and are deposited in the WSBA general checking account. During the closing period at each month end, the Accountant makes a journal entry in the general ledger to transfer the assessments received that month from the WSBA general checking account to the CPF checking account. This amount is transferred by the Controller from the WSBA checking account to the CPF checking account.

Investment Revenue

The Fund's excess cash is invested in accordance with WSBA's Investment Policy. Journal entries for the Fund's investment income are prepared by the Controller and given to the Accountant for posting.

Restitution Revenue

The Fund attempts to recover its payments from the members on whose behalf gifts are made, and thus receives some restitution payments. These payments are deposited in the Fund's checking account when received, and recorded in the Fund's restitution general ledger revenue account.

Expense Procedures

The Fund's major expense is gifts made to injured clients. Applicants request a gift by completing and submitting an application form; the Client Protection Board makes gifts and recommends gifts requiring approval to the trustees. Once a gift is approved, the applicant must sign a subrogation agreement. The Client Protection Fund Analyst prepares a Check Request and submits it to the Bookkeeping Specialist (AP), who prepares checks payable from the CPF checking account. The Accountant makes the appropriate journal entries on the CPF general ledger. The maximum gift allowed is $150,000.00. Gifts for more than $5,000.00 are split into an initial payment and a second payment at the end of the fiscal year. This is one of the controls on the Fund. If necessary, the year-end payments are pro-rated by the Board of Governors to maintain the fund viability.

The Fund also pays its administrative costs, which consist of its share of WSBA salaries, benefits and overhead (indirect) expenses, and expenses of the CPF Committee, which oversees the Fund and approves payments. These expenses are recorded at the end of each month.

The Accountant prepares a preliminary Statement of Activities for the Fund each quarter end to determine the liability to the WSBA general fund for CPF expenses paid that quarter by the WSBA. Once that amount is

determined, the Accountant gives the reimbursement amount to the Controller, who transfers the reimbursement amount from the CPF checking account to the WSBA checking account.

Procedure for Financial Reports

Each quarter, the Accountant prepares a Statement of Financial Position and a final Statement of Activities, for the quarter and year-to-date, and a Statement of Changes in Net Assets for the year-to-date. These statements are sent to the Assistant General Counsel assigned to work with the Client Protection Board, who reviews them with the CPF Committee. Annually, these financial reports are included in the annual CPF report to the Board of Governors and the Court

Chapter 10: Sections

Overview of Section Funds

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 employees' 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 years' 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 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 "TheDocket").
- Donate to Washington State Bar Foundation.
- Sponsor 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

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, treasurer, and/or other executive committee members as requested by the section's executive committee, within a reasonable time after 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's staff 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 members from the prior fiscal year.

Interest Earned on Section Fund Balances

Annually, each Section may receive interest income on its fund balance. The calculation and journal entry will be made at the close of WSBA's fiscal year, prior to the annual audit of WSBA's financial statements. Each Section's share of interest income will be determined by taking the average interest rate earned by 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.

WSBA CLE and Programs Presented in Partnership with Sections *(updated and approved by the Board of Governors on July 27, 2018)*

Programs Co-sponsored with Sections

The goal of all WSBA CLE programs is to support the mission and strategic goals of the organization. WSBA Sections are an important partner in these efforts. WSBA retains fiscal reserves ("WSBA CLE Fund") to mitigate against changes in the CLE market, sustain and improve important technology required for the delivery of CLE programs, and protect against unexpected revenue shortfalls.

Net seminar and any associated net on-demand product revenue for all WSBA CLE programs developed in partnership with Sections (excluding mini-CLEs) will be split between the WSBA CLE Fund and the partnering Section's cost center. Beginning with seminars delivered in FY19, net revenues will be split 50-50 (%) between the WSBA CLE Fund and the partnering Section's cost center, up to a total net revenue of $8,000. Net revenue exceeding $8,000 will be split 65% to WSBA and 35% to the Section. WSBA will absorb any net losses sustained by individual programs.

In calculating net revenue, WSBA will subtract all direct and indirect costs for the development of the live program and on-demand product from the gross revenue of the live program and on-demand product sales. WSBA will keep the Section informed of the program financials in a timely and transparent manner. Following each fiscal year's close, the partnering Section will receive its portion of any net revenue earned in that fiscal year, based on audited financial statements.

Because the CLE market is dynamic, WSBA and the Sections will annually review overall results and may seek to adjust the revenue sharing terms set forth in this policy to ensure that CLE programming and WSBA CLE Fund reserves are sustainable.

Mini-CLEs

WSBA CLE also supports Section CLE programming through a "Mini-CLE" model. Mini-CLEs are seen as exclusively member-benefit programs. They do not exceed 2.0 credit hours in length and registration fees must be $35 or less. For Mini-CLEs, WSBA staff provides limited assistance at no charge to the Section (e.g., program accreditation, reporting, and attendance tracking). Sections do much more of the preparation and production of seminars than regular CLE programming, and are responsible for working in collaboration with WSBA (e.g., following procedures outlined including timely notice, providing onsite registration personnel).

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 WSBA as defined by Supreme Court Rule and the Bylaws; and
- The expenditure does not violate the restricted acts of WSBA as defined by Supreme Court Rule, or WSBA or Section Bylaws.

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, section funds may be used to purchase alcoholic beverages 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" where many speakers and volunteers are being honored.

If a Section wishes to spend funds otherwise (in excess of $500.00 over budgeted amount), Section leadership should prepare a written request outlining the purpose and amount of the proposed expenditure and submit it to the Section's staff liaison who will submit it to the Director of Finance and Director of Advancement for review and approval.

Per-Member Charge

Each Section shall reimburse 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. (WSBA Bylaws as updated and approved by the Board of Governors) Article V (B) 2 of the WSBA Bylaws states: "The financial obligation of the Bar to any Bar entity is limited to the amount budgeted and ceases upon payment of that amount unless the BOG authorizes otherwise."

Article V (B) 3 of the WSBA Bylaws states: "Any liability incurred by any Bar entity, or by its members, in excess of the funds budgeted, will be the personal liability of the person or persons responsible for incurring or authorizing the liability."

Article V (B) 4 of the WSBA Bylaws states: "Any liability incurred by any Bar entity, or by its members, not in accordance with the policies of the BOG or in conflict with any part of these Bylaws, will be the personal liability of the person or persons responsible for incurring or authorizing the liability"

Expenses Over Budget – Directors of Finance and Advancement Approval

Once a Section has incurred 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 Directors of Finance and Advancement. Requests for additional expenses and a spending plan shall be submitted in writing to the Section's staff liaison who will submit it to the Director of Finance and Director of Advancement for review and approval.

Expenses Over Budget – WSBA Executive Director 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 Executive Director 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 submit a request in writing to the Section's staff liaison. The Section's staff liaison will inform the Section of the approval (or denial) of their request after review by the WSBA Executive Director.

Expense Policies for WSBA Sections ***(updated and approved by the Board of Governors on July 23, 2016)***

Sections shall comply with the expense policies of the WSBA (see Chapter 6, Expenses).

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

FROM: Washington Young Lawyers Committee
Chelle Gegax, Member Engagement Specialist and WYLC Staff Liaison

RE: WSBA Bylaws Amendments—Proposed Changes Young Lawyer Title and Definition

DATE: June 4, 2025

SECOND READ-ACTION: Approve proposed WSBA Bylaws Amendments to Articles VI.A.2.b, VI.C.1.b., VI.C.3.b., VI.F.2, XI.F.4, XII.A, and XII.B, regarding Young Lawyers.

1. Introduction and Summary of Request

In various capacities over the past six years, the Washington Young Lawyers Committee (WYLC) has discussed the benefits of and drawbacks to amending Article XII of the Bylaws (the "Bylaws") of the Washington State Bar Association (WSBA). This discussion was, in part, a response to initiatives from other jurisdictions around the country to expand the notion of what it means to be a "new" or "young" lawyer. As a result of this discussion, the WYLC has determined that an amendment to Article XII, and other related Articles, will serve its constituents and further the WSBA's Guiding Principles; the WSBA's mission to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice; and Washington GR 12.2. Specifically, the purpose of this proposed amendment is to (1) promote diversity and inclusion within the bar and facilitate access to justice; (2) enhance member engagement; and (3) extend reach of the WYLC's programming and services to members wishing to benefit from those programming and services.

Article XII, currently titled "Young Lawyers," includes two subsections, one that lists the "Purpose" of Article XII and another that lists the "Definition" of who is considered "Young Lawyers" for purposes of qualifying for WYLC membership and participating in certain activities.[1] The current version of Article XII is as follows:

> **XII. YOUNG LAWYERS**
>
> **A. PURPOSE**
>
> There will be a member segment within the Bar identified as "Young Lawyers" for the purposes of encouraging the interest and participation of (i) new and young lawyers and law students in the activities of the Bar; and (ii) developing and conducting programs of interest and value to new and young lawyers consistent with the focus areas of public service and pro bono programs, transition to

[1] For some WSBA programming, e.g., New Member Education (NME), the WSBA uses a separate new member definition that will be unaffected by this proposed Bylaws amendment.

practice, and member outreach and leadership; and (iii) upholding and supporting the Guiding Principles of the Bar.

B. DEFINITION

Active lawyer members of the Bar will be considered Young Lawyers until the last day of December of the year in which the member attains the age of 36 years or until the last day of December of the fifth year after the year in which such member first was admitted to practice as a lawyer in any state, whichever is later.

As written, Article XII excludes categories of constituents who would benefit from the WYLC's programming and services but, due to immutable circumstances not currently accounted for under the rule, would not qualify as a "Young Lawyer". Examples of situations where constituents might be excluded include, but are not limited to, WYLC membership, WYLC awards and scholarships, Young Lawyer Liaison to Sections program, and eligibility for the At large Young Lawyer Governor seat. In support of a potential amendment, the WYLC surveyed its constituents to obtain additional feedback and assess support for a broader, more inclusive version of Article XII that promotes diversity and inclusion within our legal community. In response to the results of the survey, as well as its ongoing discussion, the WYLC concluded that Article XII should be amended to provide broader coverage to new and young members within Washington state. Specifically, the WYLC proposes an amendment to Article XII that: (1) changes the term "Young Lawyers" to "New Members"; (2) removes the currently imposed age restriction of 36 years old; (3) extends the years of practice requirement to 10 years; and (4) includes all non-lawyer WSBA members. With these changes, other Articles of the Bylaws referring to "Young Lawyers" would need to be revised to reflect the updated term "New Members". Relevant changes include Article VI.A.2.b., Article VI.C., VI.C.1.b., VI.C.3.b.,, and Article XI.F.4. The WYLC further recommends that use of the acronym "WYLC" be replaced with "WNMC."

2. <u>Discussion</u>

a. History and Approach of Other Jurisdictions

During its September 14, 2019 meeting, a WYLC member reported that the American Bar Association (ABA) had recently voted on changing the definition of a "young lawyer" and notified the WYLC that other jurisdictions were assessing similar changes throughout the country. The WYLC began discussing whether the WSBA's definition of "Young Lawyers" should be modified in response to a broader initiative across all jurisdictions.

The WYLC also considered other initiatives to promote the inclusion of "new" and "young" lawyers in other organizations, including the King County Bar Association's recent initiative to change the name of its "Young Lawyers Division" to "New Lawyers Division"—with a stated mission of "further[ing] the objectives of new and aspiring lawyers by representing the diverse interests of the Division's members to the Association and the legal community, creating opportunities for continuing legal education, mentoring, and networking, as well as addressing the needs of the community through pro bono and volunteer service." While this work was set aside during the COVID-19

pandemic, members of the 2024-2025 WYLC revitalized this project to match the continuing shift of other jurisdictions in addressing this topic.

The 2024/2025 sub-committee did a comprehensive review of the definitions across all 50 other state bar associations (including District of Columbia), which is attached as Exhibit D, and a summary of which is attached. Of the 50 states, 11 had definitions that would result in a membership or potential membership more numerous than our proposed definition. Two states, Delaware and Indiana, had definitions quite similar to our proposal in that they eliminate age and include attorneys practicing for 10 years after admission to that bar association, thereby including transitioning lawyers. 15 other states had definitions (or lack of definition) which excluded age, 22 other states offered inclusion for 10 years after admission, and 13 other states allow extra time for transitioning lawyers. While no other definitions (other than the 2021 ABA proposal which was not passed) explicitly included non-lawyers, 10 states referred to "members" or other inclusive language in their definition rather than 'attorney' or 'lawyer' (or lacked a definition altogether), although all other 50 states included 'lawyer' in the title of the group. Our proposed definition and title fall outside the norm in this area in particular because the WSBA includes non-lawyer LLLTs and LPO's in every other area of the organization.

Age	
35	1
36	21
37	8
38	1
40	4
None	15
Total	**50**

Years of practice	
3	2
5	17
6	3
7	1
8	1
10	22
None	4
Total	**50**

Includes Transitioning Lawyers	
Yes	13
No	37
Total	**50**

Include non-lawyers	
Yes	ABA proposal
No	39
Includes law students	1
Uses "Member" or inclusive language in definition (or no definition), but lawyer/attorney in title of group	10
Total	**50**

The approach of other jurisdictions informs our process to some degree, but in large part demonstrates the breadth of possibilities available. As a result, rather than restricting our proposal to fall within the preferences of

the majority, we have attempted to combine the best of all definitions while also customizing our definition to our own specific needs related to non-lawyer admission to WSBA.

b. Stakeholder Feedback

When this project first began, the 2019-2020 WYLC resolved to determine whether its constituents felt that an amendment was needed. On June 1, 2020, WSBA surveyed its new members about a potential revision to the WSBA's definition of "Young Lawyer." The pertinent survey questions, and the corresponding responses, were as follows:

Question	Response (%)		
	Yes	No	No Opinion
Q30. Should the WSBA consider amending the WSBA definition of a young lawyer to remove the age restriction and extend the years of practice to 10 years?	**49.55%**	20.47%	29.97%
Q31. Does the current WSBA's young lawyer definition accurately reflect your understanding of a "young lawyer"?[2]	**41.84%**	32.64%	22.55%
Q32. Should the age restriction (36 years or younger) remain in the definition of WSBA young lawyer?	18.34%	**55.92%**	25.74%
Q34. Should the WSBA young lawyer name and definition align with the definition of a WSBA member, which includes lawyers, limited license legal technicians (LLLTs), and limited practice officers (LPOs)?	28.57%	**36.31%**	35.12%

In addition to these questions, the survey asked whether "the years of practice (5 years or less) be extended in WSBA's definition of a young lawyer and, if so, to how many?" (**Q33**) 25.82% of respondents said no. 3.26% of respondents said yes, to six (6) years. 8.61% of respondents said yes, to seven (7) years. 6.53% of respondents said yes, to eight (8) years. 0.30% of respondents said yes, to nine (9) years. **27.89%** of the respondents said yes, to ten (10) years. 24.93% of respondents had no opinion.

The WYLC, in 2020, also received unsolicited feedback from other members of the WSBA in support of a proposed amendment. For example, we received notification that international attorneys who recently moved to Washington state are interested in participating in the WYLC's networking programs, such as the Mentor Link Mixer, as part of their job hunt. Yet, many of these members do not qualify under the existing definition, since they are over age 36 or have been licensed to practice law in another jurisdiction for greater than five years. Through its outreach and discussion with other WSBA members, the WYLC broadly observed that, although there may only be a handful of constituents who fall at the margins of the existing version of Article XII (and who would thus benefit from a more inclusive definition), those individuals feel strongly about their need to be included within the purview of Article XII.

[2] 2.97% of respondents stated that they do not understand the definition of "young lawyer."

To better review current perceptions of a proposed change, the current committee conducted a second survey during May 2025 and received 141 responses from active new members of the WSBA.[3] The relevant results of that second survey, in comparison, are as follows:

Question	Response (%)		
	Yes	No	Did Not Answer
Q8. Do you believe the WSBA should update the name "Young Lawyer" to something that better reflects the demographics of a new legal professional?	**50.35%**	41.13%	8.51%
Q11. Should the WSBA "Young Lawyer" definition be amended to align with the definition of a WSBA member, which includes lawyers, [LLLTs], and [LPOs]?	**45.39%**	40.42%	14.18%
Q12: What requirements should be included in the definition? (Age)[4]	30.49%	**62.61%**	18.44%
Q12: What requirements should be included in the definition? (Years of Practice)[5]	**77.30%**	05.22%	18.44%

The May 2025 survey also solicited comments from respondents, many of which demonstrate that the terms "Young", "New" and "Lawyer" significantly impact how members perceive their own inclusion or exclusion in the group:

"As a LLLT, I would never attend a Young Lawyers event or sign up for participation with this group. During training to become a LLLT, it is made crystal clear that you are NOT a lawyer. This is really emphasized over and over again. I really do hope you change the name and definition. Having any type of support in these first few years of practice would have been invaluable."

"Any name (such as "Young Lawyer") or definition that includes age will necessarily exclude non-traditional students, either by definition or simply because they will feel it does not apply to them. I was 41 when I passed the bar. I would not consider the term "Young Lawyer" to apply to me, despite technically fitting the definition, and would not feel welcomed or comfortable in groups or at events bearing that name."

"I would support narrowing the definition, as an attorney who has practiced for 10 years is not 'new' and their chronological age seems irrelevant to their competence."

[3] 131 Attorneys, 7 LLLTs, and 3 LPOs.

[4] This question is most comparable Q32 in the original survey. Respondents were asked to select all that apply: Age; Years of Practice, and Other (please specify). The percentage of "Yes" votes is equivalent to the percentage of responses that included "age" as a relevant requirement they believe should be included in the definition. The percentage of "No" votes is equivalent the "yes" percentage minus the total number of individuals who answered 43this question.

[5] See Footnote 4, but instead for the choice "Years of Practice"

"It should be years of experience only; age of a lawyer doesn't make someone a "young" lawyer or not."

"I suggest changing it to "new lawyer." Many of us are "new" but not "young."

"Any age limitation you suggest excludes people who enter the legal profession later in life who could substantially benefit from mentorship and are currently excluded because they are older."

c. WYLC Analysis

Based on the two surveys we see an increased interest in enacting a change to definition and structure of what it means to be new legal professionals in the WSBA. The plurality of those who believe a change needed to be made in the 2020 survey is now a clear majority in 2025; inclusion of LLLTs and LPOs now has a plurality of support as opposed to 2020; dissatisfaction with age as a requirement increased nearly 10%, and; years of practice is overwhelmingly the preferred requirement for 2025 survey. These updated survey results, as well as the WYLC's outreach efforts and informal discussions with constituents, reflected popular support for a more inclusive amendment to Article XII.

The 2019-2020 WYLC conferred on a series of tentative changes designed to implement the feedback it received. Specifically, this committee solicited discussion and debate on the following proposals:

1. Current definition should be amended to reflect constituent responses to Q30 and Q31. Amendments should remove age restriction and extend years of practice to 10 years pursuant to responses to Q30.
2. Remove "until the last day of December of the year in which the member attains the age of 36 years or" and ", whichever is later" to reflect constituent responses to Q30 and Q32.
3. Replace "fifth" with "tenth" to reflect constituent responses to Q30 and Q33.
4. No change to "[a]ctive lawyer members of the Bar" pursuant to constituent responses to Q34 and the majority's preference against expanding the definition to include LLLTs and LPOs.

The same committee also discussed whether (1) the phrase "first admitted to practice as a lawyer in **any state**" (emphasis added) should be changed to "first was admitted to practice as a lawyer in Washington state" and (2) whether the term "Young Lawyer" should be revised to be more inclusive and less age-focused.

Those members largely favored extending the "years of practice" requirement to ten years and removing the age restriction altogether. A concern was raised that, by removing the age restriction and extending the "years of practice" requirement, we would defeat the purpose of what it means to be a new member. WYLC members noted that other services and programming, such as discounts on CLEs for new members, are available to constituents who do not fit within Article XII's current restrictions. Other members noted that, if someone within this category wished to participate in a WYLC program, or utilize a new member benefit, there was no significant reason to deny them that opportunity—particularly since the WYLC rarely meets its capacity at outreach events under the existing version

of Article XII. The consensus was that, in practice, there appears to be little downside to offering these opportunities to a larger segment of the WSBA and offering "new" as well as "young" members services and benefits to a broader group of legal professionals.

After careful consideration of the updated survey and comments and similar discussion, the 2024-2025 WYLC came to the same conclusions both in its Bylaws Subcommittee and the committee at-large.

The 2019-2020 WYLC also considered situations in which the "[a]ctive lawyer members of the Bar" component of Article XII.B. might be unduly restrictive. For example, a person over the age of 36 might relocate to Washington after being barred in another state for over five years. Although that person might benefit from WYLC services, including for example networking events and opportunities to meet local members who are also new to the legal community, they would be excluded from receiving information and updates regarding these events and opportunities under the existing definition. The WYLC agreed that, for this reason, the triggering event should be when a member is first admitted to Washington state, rather than a different state or jurisdiction. The current committee agrees with this assessment. Further, the current committee believes that expanding the definition to include all new members of WSBA will provide much-needed support to members transferring in from more dissimilar jurisdictions, including international and tribal licensees.

At its June 2nd, 2025 meeting, all but one member of the WYLC agreed that the term "Young Lawyers" should be modified to more accurately reflect the proposed changes to Article XII. Both the 2019-2020 and 2024-2025 WYLC members agreed that, even under the existing version of Article XII, a member who is not necessarily young (because they did not enter the legal profession until later in life), but who qualifies under the "years of experience" prong, might either feel excluded under the existing terminology or not be aware that they qualify for the corresponding benefits and programming. Comparatively, the WYLC could not identify any legitimate reason to maintain the existing terminology, so long as the amended terminology accurately reflects the intended membership.

The 2024/25 WYLC also discussed the merits of expanding the definition to include non-lawyer members of WSBA. The WYLC is the only WSBA committee whose membership is specifically defined to exclude LLLTs and LPOs. Otherwise, LLLTs and LPOs are eligible for all other positions and benefits offered to members of WSBA. As reflected in the comments, this inhibits the ability of new non-lawyer practitioners to network with, receive mentorship from, and gain essential experience from other new and also more experienced professionals. As a result, the committee feels that the purposes of WSBA and of the WYLC (or renamed WNMC) are better served by including all WSBA members.

Please note that the two alternate definitions proposed below differ only with respect to whether membership is conferred until December 31 of "the year after" the tenth year or simply "of" the tenth year. It is unclear to the committee whether the current language "of the year after" carries any significance, whether it is being implemented as currently written, or whether it should be dropped in favor of a slightly shorter and simpler definition.

Finally, just as the 2019-2020 WYLC believed that the pros and cons of their proposed amendment should be weighed in the context of the ongoing COVID-19 pandemic, the 2024-2025 committee believes that the current proposal must be weighed in the context of the volatile state the legal field is currently in and the attacks we see on state sovereignty and judicial independence. New and young members entering the legal market are faced with unique challenges that members did not experience in the pre-pandemic world and current law students may not enter this field under the same institutional structures that benefited their predecessors. As such, the WYLC observed that a larger segment of the WSBA is likely looking for more opportunities to network with peers, develop mentorship relationships, and provide volunteer services. By providing services to a larger segment of the WSBA membership, the WYLC can fill this growing need.

d. Implementation Implications and Fiscal Impact of Proposed Amendment

The WYLC discussed whether an amendment to cover a broader segment of the WSBA might overextend the WYLC's resources and require budget changes. As of December 31, 2024, 6638 lawyers qualified under the existing definition of "Young Lawyer." Had the proposed amendment been in place at that time, 12,470 members of the WSBA would qualify as a "New Member". The WYLC does not currently foresee the need for additional outreach events, increased scholarships, or changes to meeting costs as a result of the proposed amendment. For these reasons, the WYLC does not currently anticipate any increase in any of the three expense line items associated with the WYLC (55266 WYLC Outreach Events; 58525 WYLC ABA Scholarship; 55270 WYL Committee). Although newly admitted WSBA members receive a discount on licensing within their first few years of practice, the WYLC is not proposing any change to that policy at this time. The WYLC anticipates questions from constituents concerning the amendment and will be prepared to address those questions.

3. <u>Proposed Amendment & Rule Compliance</u>

The proposed amendment agreed upon by the WYLC, reflected in redline, is enclosed as **Exhibit A**. A clean copy of the proposed amendment is attached as **Exhibit B**. The changes reflected in these enclosures are intended to address the considerations discussed above. If adopted, other references in the Bylaws to "Young Lawyer(s)" will need to be updated to "New Member(s)". Additionally attached to the memo are the full results of the WYLC's May 2025 Survey, as **Exhibit C**.

This preferred Bylaw Amendment, as well as the alternate proposal, were approved by the WYLC on June 2nd, 2025 by a majority vote of 8 with 1 dissenting vote and 1 abstaining. Article XVI. Amendments of the WSBA Bylaws governs the next steps of this proposed amendment. Under Subsection A., the Bylaws "may be amended by the BOG at any regular meeting of the BOG . . . ."

The "first reading" of the initial amendment was heard by the BOG on June 23, 2023. After incorporating the feedback of the BOG, the WYLC respectfully requests that, in compliance with the requirements of Article XVI, the BOG post the proposed amendment to the Bar's website and present for "second reading" the proposed amendment. Please let me know if you have any questions or concerns, or need anything else from the WYLC.

Thank you,

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WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

The Legal Risk Analysis is included in the BOG's confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

The fiscal impact to WSBA resulting from the proposed changes to the bylaws includes a limited amount of staff time used to incorporate the changes to WSBA records, outreach to communicate changes, and management of potential increased volume in applications in the election process for the young lawyer at-large governor position. The staff time that would be allocated to this work is included in the overall duties of existing WSBA staff and would not require additional staff or allocation of resources from other internal sources.

WSBA currently offers new member discounts on CLE seminars and products, however the discount applies to all members (lawyers, limited license legal technicians, and limited practice officers) who are within their first 5 years of admission to the WSBA and is not limited by age. The proposed changes to the bylaws do not impact the new member discount as it is set by internal policy. However, it is possible that if the proposal is approved, WSBA's internal policy could be reviewed for alignment considerations.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into the recommended policy or bylaw changes presented to the Board of Governors and to identify any potential impacts on the diversity and inclusion of the profession or fairness in access to resources and opportunities. It is clear that the WYLC conducted comprehensive research with their constituents as well as WSBA members who are currently excluded from networking and other opportunities based on existing bylaws (particularly LLLTs, LPOs, and legal professionals who entered law school or a law clerk program during a later stage in life). Ultimately, the proposed changes to the name, definitions, and bylaws will likely result in a net positive impact on inclusion in the profession by being responsive to differences in circumstances that impact the age at which people enter the profession. These changes would also significantly enhance fair and just access to resources and networking opportunities for LLLTs, LPOs, and legal professionals who have not had a straightforward path to entering the profession, many of whom are often from underrepresented and marginalized communities.

EXHIBIT A: PROPOSED AMENDMENTS TO RELEVANT WSBA BYLAWS (Preferred Language, Redlined)

VI. ELECTIONS

A. ELIGIBILITY FOR MEMBERSHIP ON BOARD OF GOVERNORS

2. At Large Governors:

b. One New Member~~Young Lawyer~~ ("New Member~~Young Lawyer~~ At Large Governor") Position: Any Active ~~lawyer~~ member of the Bar who qualifies as a ~~Young Lawyer~~New Member as set forth in these Bylaws, except for a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply.

C. ELECTION OF GOVERNORS

1. Election of One Governor…

b. First, Fourth, Fifth Congressional Districts and the South region of the Seventh Congressional District and one At Large ~~Young Lawyer~~New Member Governor – 2015 and every three years thereafter.

3. Eligibility Requirements: Election of At-Large Governors

b. ~~Young Lawyer~~New Member At Large Governor: By May 1, the Washington ~~Young Lawyers~~New Members Committee shall forward at least three candidates to the BOG who qualify as ~~Young Lawyers~~New Members as defined by Article XII(B) of these Bylaws in the year of the election. The BOG shall then place all candidates forwarded by the Washington ~~Young Lawyers~~New Members Committee on the ballot to be elected by a vote of all ~~Young Lawyer~~New Members as defined in ~~section~~ Article XII(B) of these Bylaws. If the Washington ~~Young Lawyers~~New Members Committee forwards less than three candidates by May 1, the Executive Director shall notify the BOG~~D~~, which may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Washington ~~Young Lawyers~~ New Members Committee on the ballot to be elected by a vote of all ~~Young Lawyer~~ New Members as defined in ~~section~~ Article XII(B) of these Bylaws.

F. MEMBER RECALL OF GOVERNORS

2. For the ~~Young Lawyers~~New Members At Large Governor, the petition must be signed by five percent of the ~~Young Lawyers~~New Members as defined in Article XII of these Bylaws at the time of filing. ~~Only Young Lawyers~~New Members who are on Active status at the time of the vote are eligible to vote….

XI. SECTIONS

F. SECTION EXECUTIVE COMMITTEE

4. At-Large Members. At-large members of the section executive committee will be voting members. At-large members will be elected by the section membership for terms of up to three-years. A section executive committee may appoint its ~~Young Lawyer~~New Member Liaison (if any) as a voting member of the section's executive committee.

XII. YOUNG LAWYERS

A. PURPOSE OF THE WASHINGTON NEW MEMBERS COMMITTEE

There will be a member segment within the Bar identified as ~~"Young Lawyers"~~ "Washington New Members Committee" for the purposes of encouraging the interest and participation of (i) new and young members~~lawyers~~ and law students in the activities of the Bar; and (ii) developing and conducting programs of interest and value to new and young members~~lawyers~~ consistent with the focus areas of public service and pro bono programs, transition to practice, and member outreach and leadership; and (iii) upholding and supporting the Guiding Principles of the Bar.

B. DEFINITION

Active ~~lawyer~~ members of the Washington State Bar Association will be considered New Members~~Young Lawyers~~ until the last day of December of the ~~year in which the member attains the age of 36 years or until the last day of December of the fifth~~ tenth year ~~after the year~~ in which such member first was admitted to practice ~~as a lawyer in any state, whichever is later~~in the State of Washington.

OR

Active members of the Washington State Bar Association will be considered New Members until the last day of December after the tenth year in which such member first was admitted to practice in the State of Washington.

EXHIBIT B: PROPOSED AMENDMENTS TO RELEVANT WSBA BYLAWS (Preferred Language, Clean Copy)

VI. ELECTIONS

A. ELIGIBILITY FOR MEMBERSHIP ON BOARD OF GOVERNORS

2. At Large Governors:

b. One New Member ("New Member At Large Governor") Position: Any Active member of the Bar who qualifies as a New Member as set forth in these Bylaws, except for a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply.

C. ELECTION OF GOVERNORS

1. Election of One Governor…

b. First, Fourth, Fifth Congressional Districts and the South region of the Seventh Congressional District and one At Large New Member Governor – 2015 and every three years thereafter.

3. Eligibility Requirements: Election of At-Large Governors

b. New Member At Large Governor: By May 1, the Washington New Members Committee shall forward at least three candidates to the BOG who qualify as New Members as defined by Article XII(B) of these Bylaws in the year of the election. The BOG shall then place all candidates forwarded by the Washington New Members Committee on the ballot to be elected by a vote of all New Members as defined in Article XII(B) of these Bylaws. If the Washington New Members Committee forwards less than three candidates by May 1, the Executive Director shall notify the BOG, which may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Washington New Members Committee on the ballot to be elected by a vote of all New Members as defined in Article XII(B) of these Bylaws.

F. MEMBER RECALL OF GOVERNORS

2. For the New Members At Large Governor, the petition must be signed by five percent of the New Members as defined in Article XII of these Bylaws at the time of filing. New Members who are on Active status at the time of the vote are eligible to vote….

XI. SECTIONS

F. SECTION EXECUTIVE COMMITTEE

4. At-Large Members. At-large members of the section executive committee will be voting members. At-large members will be elected by the section membership for terms of up to three-years. A section executive committee may appoint its New Member Liaison (if any) as a voting member of the section's executive committee.

XII. YOUNG LAWYERS

A. PURPOSE OF THE WASHINGTON NEW MEMBERS COMMITTEE

There will be a member segment within the Bar identified as "Washington New Members Committee" for the purposes of encouraging the interest and participation of (i) new and young members and law students in the activities of the Bar; and (ii) developing and conducting programs of interest and value to new and young members consistent with the focus areas of public service and pro bono programs, transition to practice, and member outreach and leadership; and (iii) upholding and supporting the Guiding Principles of the Bar.

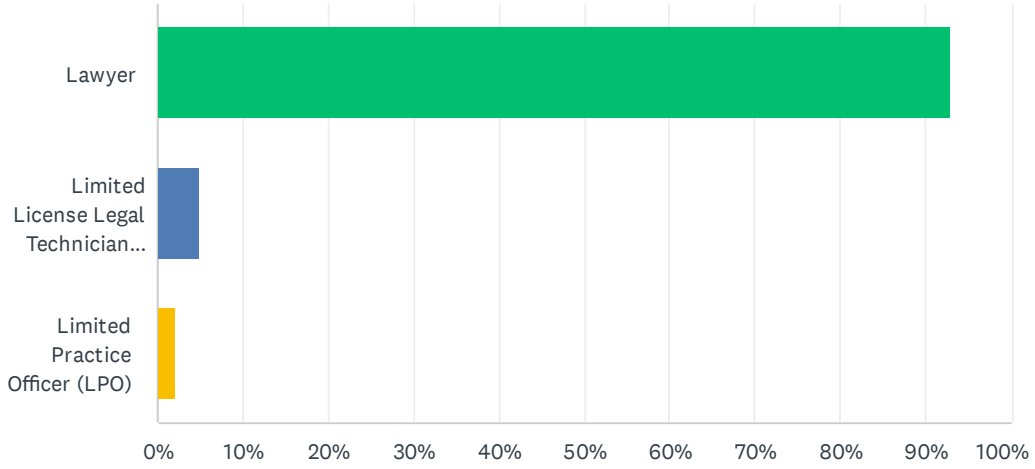
B. DEFINITION

Active members of the Washington State Bar Association will be considered New Members until the last day of December of the tenth year in which such member first was admitted to practice in the State of Washington.

EXHIBIT C

Q1 Member Type

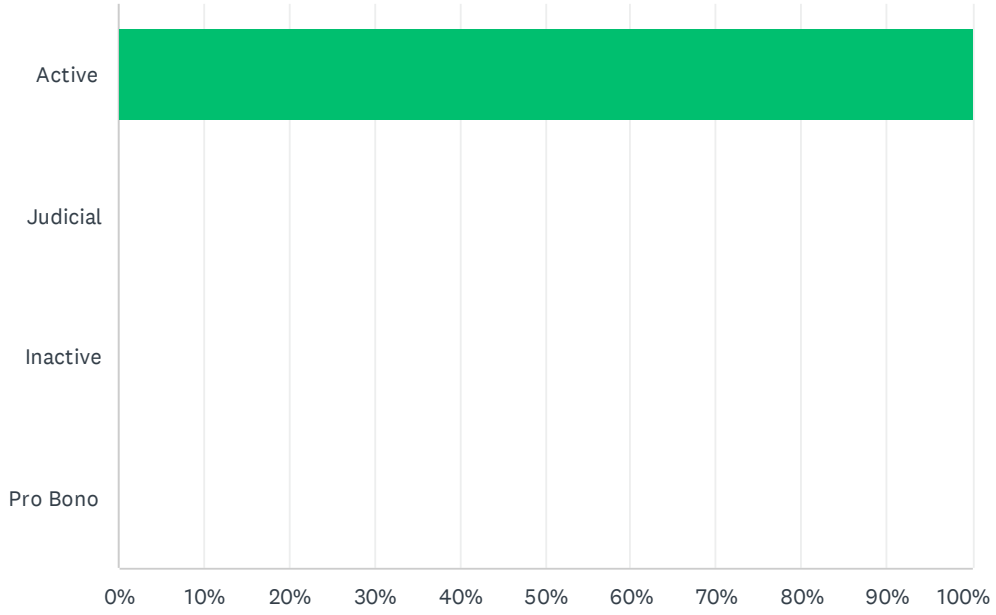
Answered: 141 Skipped: 0



ANSWER CHOICES	RESPONSES	
Lawyer	92.91%	131
Limited License Legal Technician (LLLT)	4.96%	7
Limited Practice Officer (LPO)	2.13%	3
TOTAL		141

Q2 Member Status

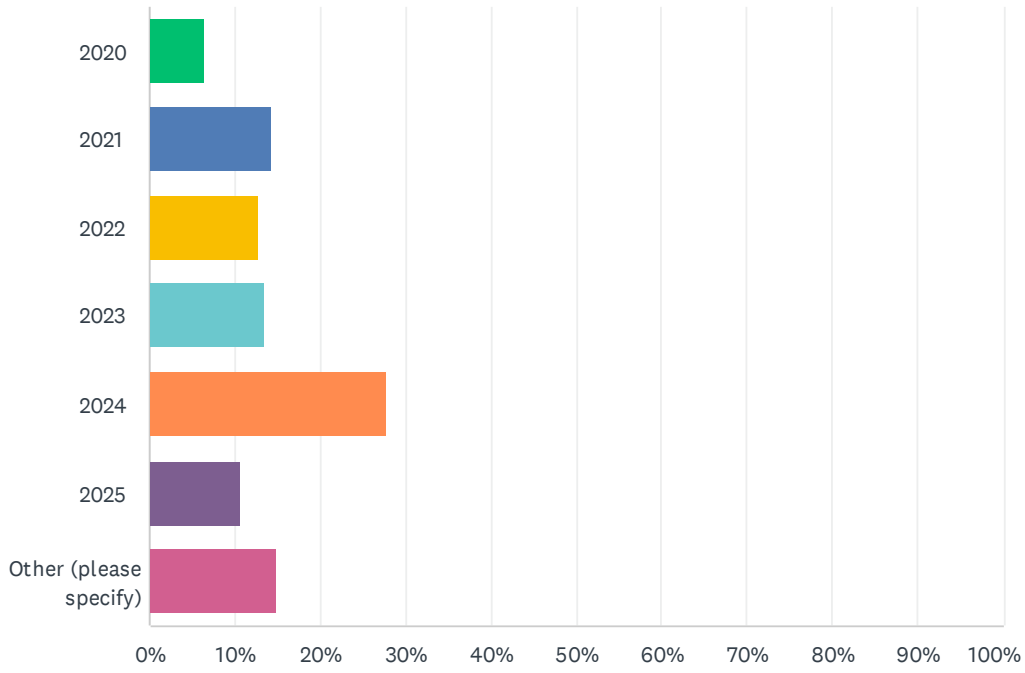
Answered: 141 Skipped: 0



ANSWER CHOICES	RESPONSES	
Active	100.00%	141
Judicial	0.00%	0
Inactive	0.00%	0
Pro Bono	0.00%	0
TOTAL		141

Q3 What year were you admitted to practice law in Washington state?

Answered: 141 Skipped: 0



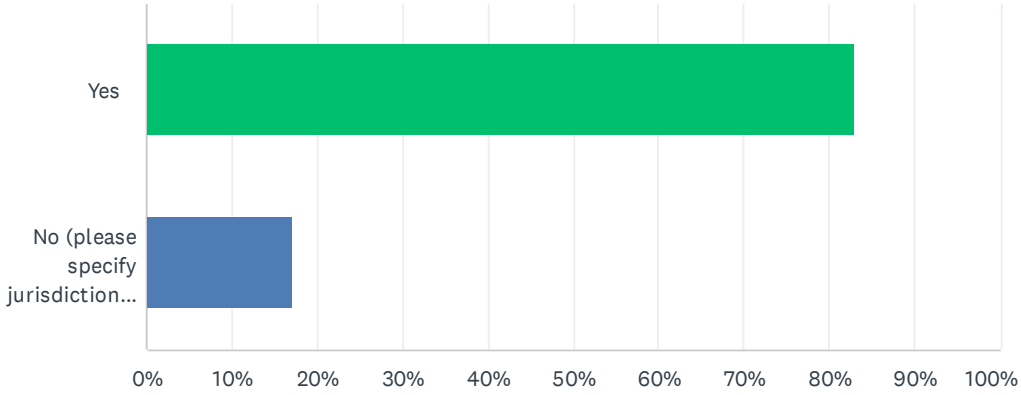
ANSWER CHOICES	RESPONSES	
2020	6.38%	9
2021	14.18%	20
2022	12.77%	18
2023	13.48%	19
2024	27.66%	39
2025	10.64%	15
Other (please specify)	14.89%	21
TOTAL		141

#	OTHER (PLEASE SPECIFY)	DATE
1	2015	5/15/2025 8:40 PM
2	2018	5/6/2025 10:36 PM
3	2015	5/6/2025 4:49 PM
4	2019	5/6/2025 4:08 PM
5	2016	5/6/2025 2:31 PM
6	2018	5/6/2025 2:11 PM
7	2018	5/6/2025 2:10 PM

8	2018	5/6/2025 1:56 PM
9	2019	5/6/2025 1:40 PM
10	2019	5/6/2025 1:31 PM
11	2017	5/6/2025 1:24 PM
12	2018	5/6/2025 1:21 PM
13	2017	5/6/2025 1:18 PM
14	2016	5/6/2025 1:16 PM
15	2017	5/6/2025 1:16 PM
16	2018	5/6/2025 1:13 PM
17	2017	5/6/2025 1:07 PM
18	2019	5/6/2025 1:06 PM
19	2016	5/6/2025 1:06 PM
20	2017	5/6/2025 1:05 PM
21	2018	5/6/2025 1:04 PM

Q4 Is WSBA your first bar of admission?

Answered: 141 Skipped: 0



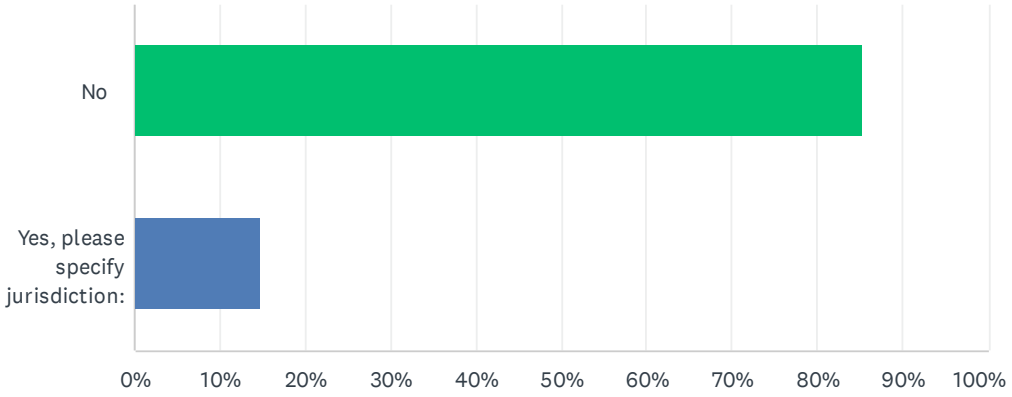
ANSWER CHOICES	RESPONSES	
Yes	82.98%	117
No (please specify jurisdiction including but not limited to other states, international jurisdictions, and tribal jurisdictions)	17.02%	24
TOTAL		141

#	NO (PLEASE SPECIFY JURISDICTION INCLUDING BUT NOT LIMITED TO OTHER STATES, INTERNATIONAL JURISDICTIONS, AND TRIBAL JURISDICTIONS)	DATE
1	Wisconsin	5/7/2025 3:34 PM
2	PA 2022, US Dist. Ct. W.D. PA 2022	5/7/2025 12:29 PM
3	Tribal Admissions: Kalispel (2019); Spokane (2019); Coeur d'Alene (2019)	5/6/2025 3:00 PM
4	Oregon	5/6/2025 1:56 PM
5	Oregon	5/6/2025 1:48 PM
6	Oregon	5/6/2025 1:46 PM
7	Oregon	5/6/2025 1:40 PM
8	Indiana (2023)	5/6/2025 1:32 PM
9	Pennsylvania	5/6/2025 1:31 PM
10	California	5/6/2025 1:30 PM
11	New York, DC	5/6/2025 1:23 PM
12	Oregon	5/6/2025 1:23 PM
13	Brazil	5/6/2025 1:22 PM
14	DC	5/6/2025 1:16 PM
15	Idaho	5/6/2025 1:14 PM
16	Idaho	5/6/2025 1:09 PM
17	Oregon	5/6/2025 1:09 PM
18	California	5/6/2025 1:05 PM

19	California, Shingle Springs Band of Miwok Indians Tribal Court, Intertribal Court of Southern California	5/6/2025 1:03 PM
20	Texas	5/6/2025 1:02 PM
21	Montana	5/6/2025 1:02 PM
22	Oregon	5/6/2025 1:02 PM
23	Idaho	5/6/2025 1:02 PM
24	Arizona	5/6/2025 1:02 PM

Q5 After being admitted in Washington, have you ever been admitted to practice in another jurisdiction, including, but not limited to, other states, international jurisdictions, and tribal jurisdictions?

Answered: 129 Skipped: 12



ANSWER CHOICES	RESPONSES	
No	85.27%	110
Yes, please specify jurisdiction:	14.73%	19
TOTAL		129

#	YES, PLEASE SPECIFY JURISDICTION:	DATE
1	Idaho	5/11/2025 11:25 PM
2	Tulalip 2025, Lummi 2025	5/7/2025 12:31 PM
3	CA	5/6/2025 10:38 PM
4	Idaho	5/6/2025 3:12 PM
5	Tribal Jurisdictions: Nooksack (2022); Yakima (2023)	5/6/2025 3:02 PM
6	New York	5/6/2025 2:51 PM
7	Oregon	5/6/2025 2:46 PM
8	Federal Courts, and the Department of Veterans Affairs	5/6/2025 2:13 PM
9	Alaska	5/6/2025 1:42 PM
10	Oregon	5/6/2025 1:25 PM
11	Kansas, Missouri, Western District of Missouri	5/6/2025 1:12 PM
12	Western District of Washington	5/6/2025 1:10 PM
13	Tennessee	5/6/2025 1:08 PM
14	(Does WDWa Count?)	5/6/2025 1:08 PM
15	9th Cir.	5/6/2025 1:07 PM
16	Oregon; Pennsylvania	5/6/2025 1:06 PM

400

17	U.S. District Court of Western Washington	5/6/2025 1:04 PM
18	Chehalis Tribal Court	5/6/2025 1:04 PM
19	Practicing VA law	5/6/2025 1:04 PM

Q6 In what year were you admitted to practice in other jurisdictions?

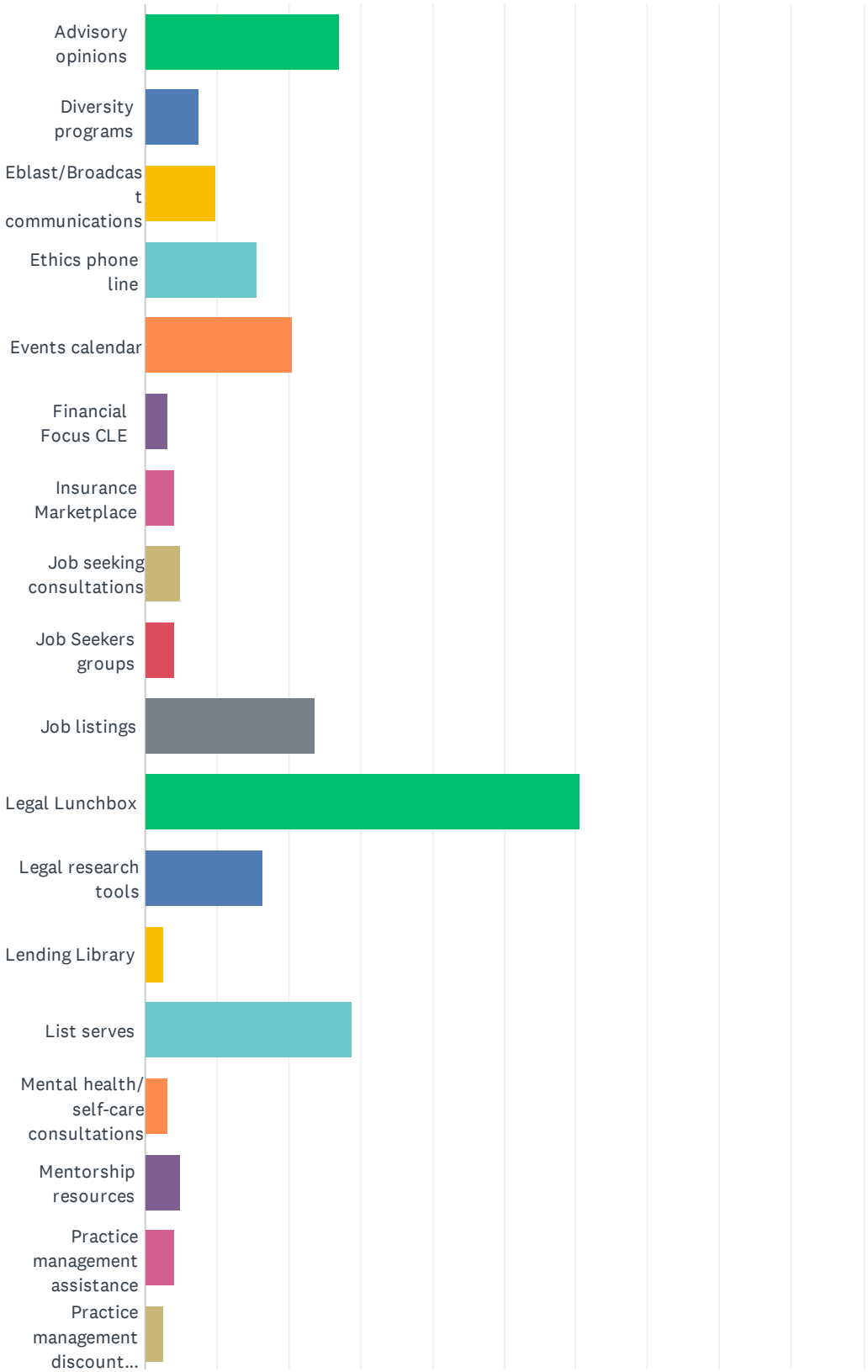
Answered: 47 Skipped: 94

#	RESPONSES	DATE
1	2024	5/11/2025 11:25 PM
2	N/A	5/8/2025 1:16 PM
3	N/A	5/7/2025 3:35 PM
4	2022	5/7/2025 12:31 PM
5	2019	5/6/2025 10:38 PM
6	N/A	5/6/2025 6:25 PM
7	N/A	5/6/2025 4:50 PM
8	n/a	5/6/2025 4:06 PM
9	2022	5/6/2025 3:12 PM
10	2019: Kalispel, Spokane, Coeur d'Alene; 2022: Nooksack; 2023: Yakama	5/6/2025 3:02 PM
11	2025	5/6/2025 2:51 PM
12	2022	5/6/2025 2:46 PM
13	N/A	5/6/2025 2:18 PM
14	2019, 2022	5/6/2025 2:13 PM
15	2020	5/6/2025 1:49 PM
16	2018, 2019	5/6/2025 1:42 PM
17	Indiana in 2023	5/6/2025 1:34 PM
18	2013	5/6/2025 1:32 PM
19	2022	5/6/2025 1:31 PM
20	N/A	5/6/2025 1:30 PM
21	n/a	5/6/2025 1:25 PM
22	2025	5/6/2025 1:25 PM
23	N/A	5/6/2025 1:25 PM
24	2021, 2022	5/6/2025 1:24 PM
25	2024	5/6/2025 1:23 PM
26	N/A	5/6/2025 1:21 PM
27	N/A	5/6/2025 1:17 PM
28	2022	5/6/2025 1:16 PM
29	2021	5/6/2025 1:15 PM
30	n/a	5/6/2025 1:14 PM
31	2021, 2025	5/6/2025 1:12 PM
32	2022	5/6/2025 1:11 PM
33	2024	5/6/2025 1:10 PM

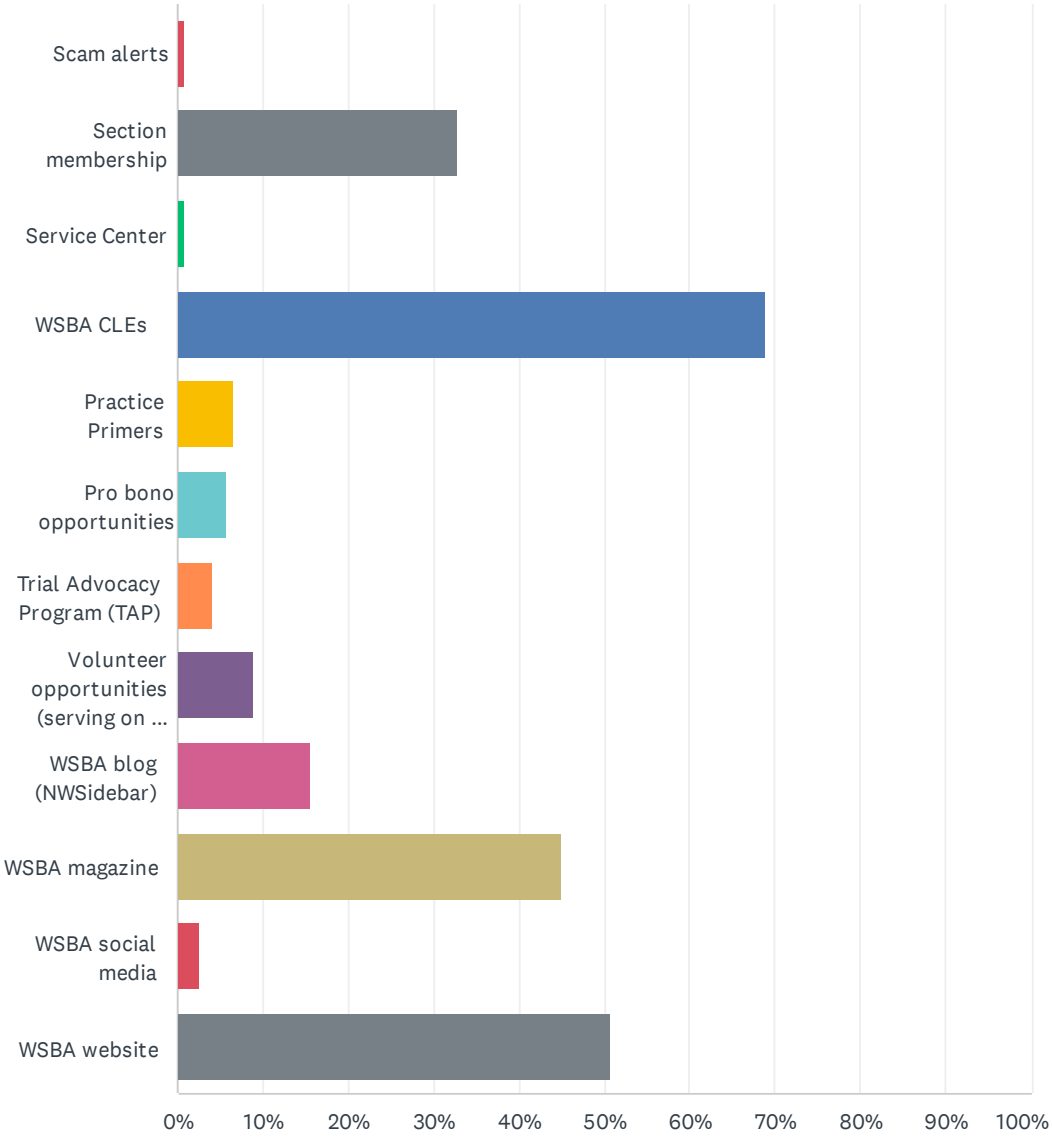
34	2025	5/6/2025 1:08 PM
35	N/A	5/6/2025 1:07 PM
36	2025	5/6/2025 1:07 PM
37	2021; 2023	5/6/2025 1:06 PM
38	2015	5/6/2025 1:05 PM
39	N/A	5/6/2025 1:04 PM
40	2024	5/6/2025 1:04 PM
41	N/A	5/6/2025 1:04 PM
42	2025	5/6/2025 1:04 PM
43	2022	5/6/2025 1:04 PM
44	2024	5/6/2025 1:04 PM
45	2024	5/6/2025 1:03 PM
46	2018	5/6/2025 1:03 PM
47	2021	5/6/2025 1:03 PM

Q7 As a current WSBA member, what resources, services, and benefits have you utilized/ have been helpful to you?

Answered: 122 Skipped: 19



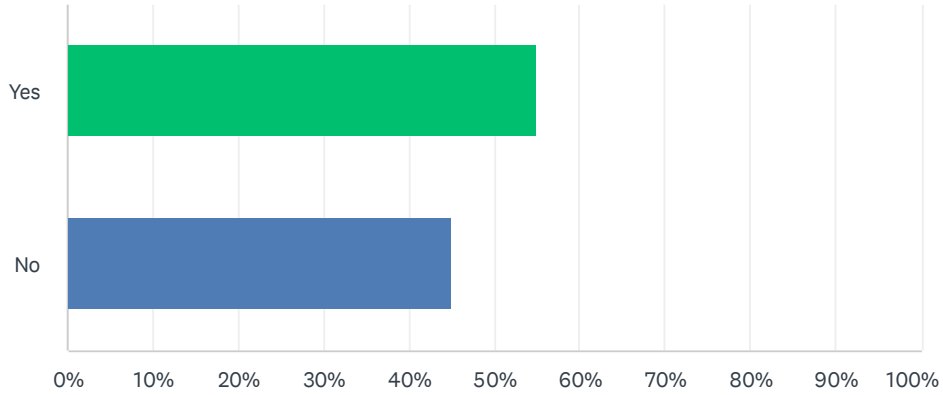
404


Scam alerts
Section membership
Service Center
WSBA CLEs
Practice Primers
Pro bono opportunities
Trial Advocacy Program (TAP)
Volunteer opportunities (serving on ...
WSBA blog (NWSidebar)
WSBA magazine
WSBA social media
WSBA website
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Advisory opinions	27.05%	33
Diversity programs	7.38%	9
Eblast/Broadcast communications	9.84%	12
Ethics phone line	15.57%	19
Events calendar	20.49%	25
Financial Focus CLE	3.28%	4
Insurance Marketplace	4.10%	5
Job seeking consultations	4.92%	6
Job Seekers groups	4.10%	5
Job listings	23.77%	29
Legal Lunchbox	60.66%	74
Legal research tools	16.39%	20
Lending Library	2.46%	3
List serves	28.69%	35
Mental health/ self-care consultations	3.28%	4
Mentorship resources	4.92%	6
Practice management assistance	4.10%	5
Practice management discount network	2.46%	3
Scam alerts	0.82%	1
Section membership	32.79%	40
Service Center	0.82%	1
WSBA CLEs	68.85%	84
Practice Primers	6.56%	8
Pro bono opportunities	5.74%	7
Trial Advocacy Program (TAP)	4.10%	5
Volunteer opportunities (serving on a WSBA committee, board, etc.)	9.02%	11
WSBA blog (NWSidebar)	15.57%	19
WSBA magazine	45.08%	55
WSBA social media	2.46%	3
WSBA website	50.82%	62
Total Respondents: 122		

Q8 Do you believe the WSBA should update the name "Young Lawyer" to something that better reflects the demographics of a new legal professional?

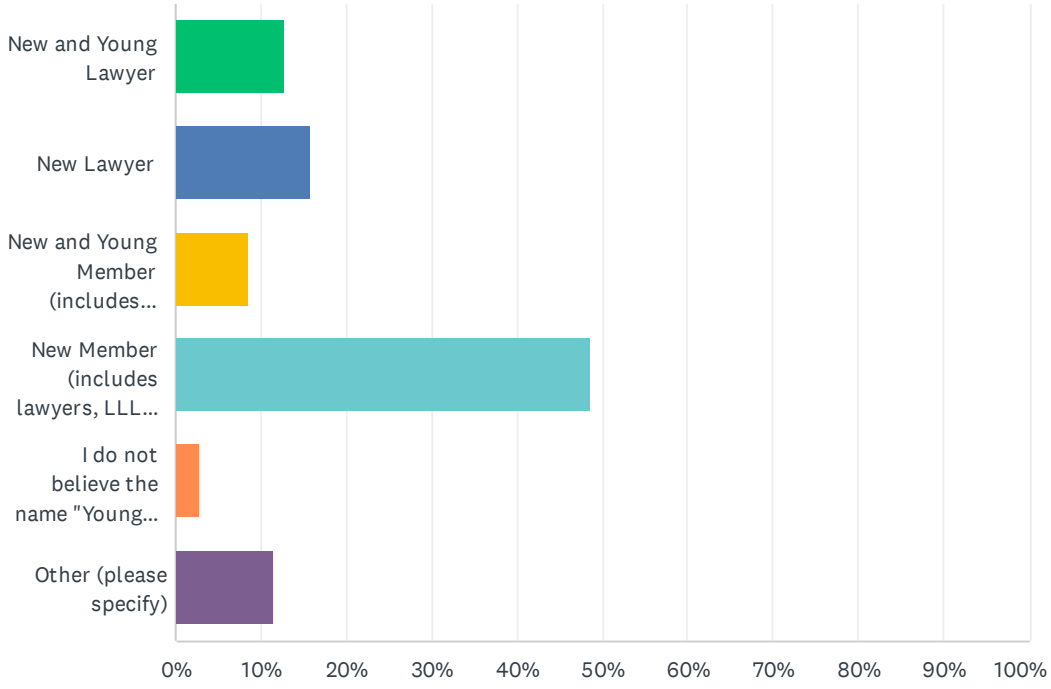
Answered: 129 Skipped: 12



ANSWER CHOICES	RESPONSES	
Yes	55.04%	71
No	44.96%	58
TOTAL		129

Q9 What should the name "Young Lawyer" be changed to?

Answered: 70 Skipped: 71



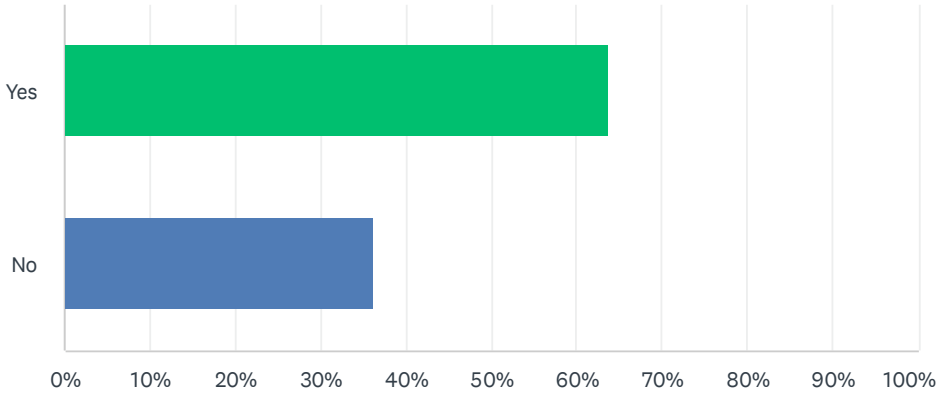
ANSWER CHOICES	RESPONSES	
New and Young Lawyer	12.86%	9
New Lawyer	15.71%	11
New and Young Member (includes lawyers, LLLTs, LPOs)	8.57%	6
New Member (includes lawyers, LLLTs, LPOs)	48.57%	34
I do not believe the name "Young Lawyers" should be changed	2.86%	2
Other (please specify)	11.43%	8
TOTAL		70

#	OTHER (PLEASE SPECIFY)	DATE
1	New/Young Lawyer	5/7/2025 7:28 PM
2	Early Career Lawyer	5/6/2025 2:57 PM
3	First Five Years Member	5/6/2025 2:50 PM
4	Washington Emerging Professionals Committee	5/6/2025 2:25 PM
5	I'm concerned lawyers, LLLTs and LPOs would be grouped together in the same organization. I feel like it waters down the discussion and opens up attorneys to possible malpractice claims if an LLLT or LPO relies on something the attorney said. I'm also concerned about UPL.	5/6/2025 1:59 PM
6	Developing; Developing Practitioner; Growing, Early, and New Lawyers (GEN Law); New, Early, and Developing Lawyers (NEDL)	5/6/2025 1:44 PM

7	Emerging Lawyers	5/6/2025 1:36 PM
8	Rising Attorney	5/6/2025 1:05 PM

Q10 Does the current WSBA's "Young Lawyer" definition accurately reflect your understanding of what it means to be a new legal professional?

Answered: 124 Skipped: 17

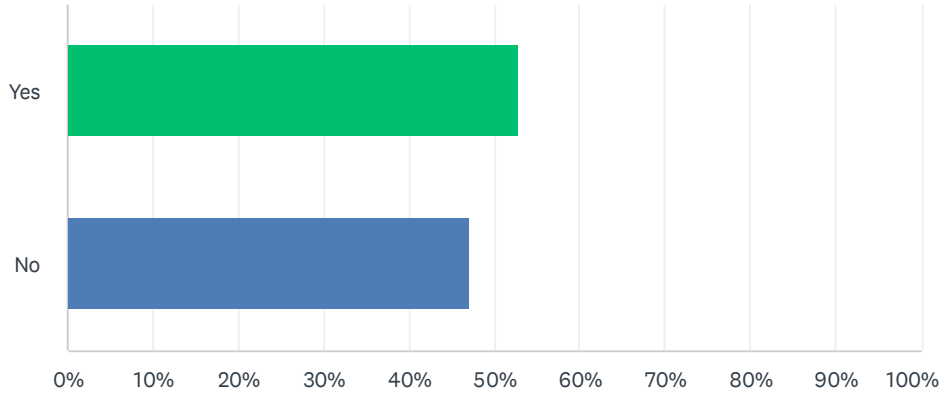


ANSWER CHOICES	RESPONSES	
Yes	63.71%	79
No	36.29%	45
TOTAL		124

410

Q11 Should the WSBA "Young Lawyer" definition be amended to align with the definition of a WSBA member, which includes lawyers, limited license legal technicians (LLLTs), and limited practice officers (LPOs)?

Answered: 121 Skipped: 20

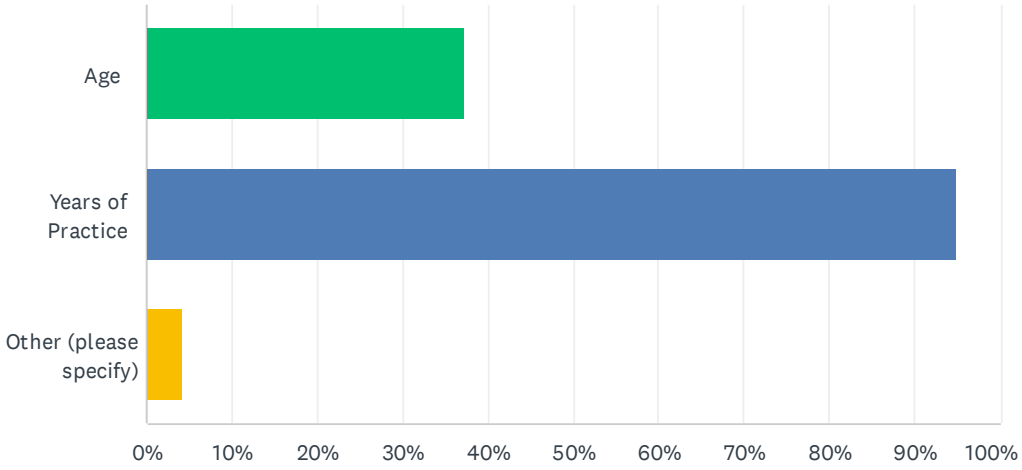


ANSWER CHOICES	RESPONSES	
Yes	52.89%	64
No	47.11%	57
TOTAL		121

411

Q12 What requirements should be included in the definition? (select all that apply)

Answered: 115 Skipped: 26

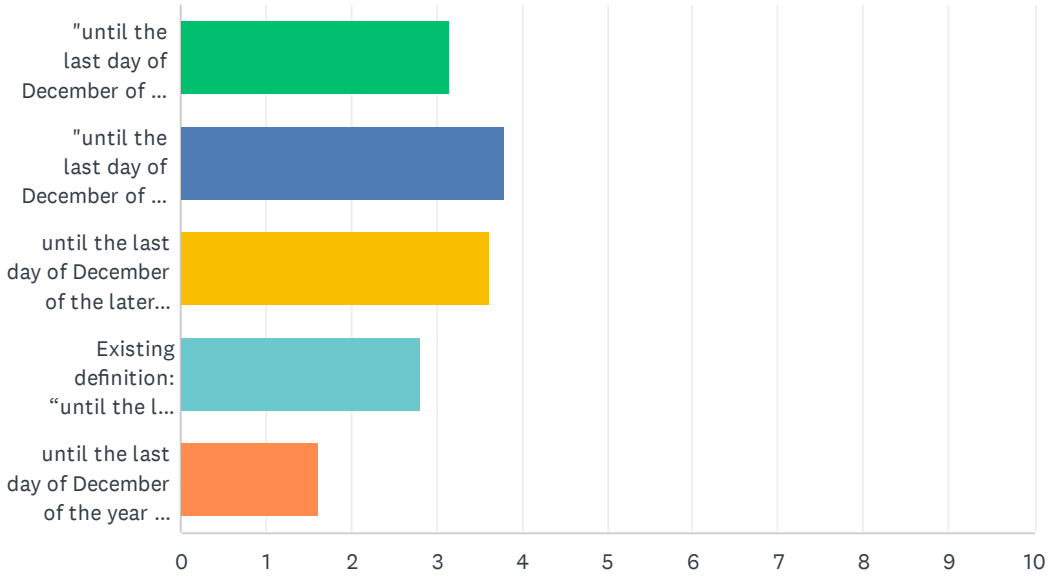


ANSWER CHOICES	RESPONSES	
Age	37.39%	43
Years of Practice	94.78%	109
Other (please specify)	4.35%	5
Total Respondents: 115		

#	OTHER (PLEASE SPECIFY)	DATE
1	Practice must include active practice of law and not merely licensure	5/6/2025 4:53 PM
2	Lawyers only; no LLLTs or similar.	5/6/2025 2:13 PM
3	law degree and bar number	5/6/2025 2:03 PM
4	Years and Age of Practice. Under 40 years old or under 5 years of practice	5/6/2025 1:19 PM
5	Years within particular jurisdictions so should include new members within the specific jurisdiction	5/6/2025 1:07 PM

Q13 Please rank the following proposed definition time limitations in order of preference (begin with most preferred to least preferred):

Answered: 115 Skipped: 26



	1	2	3	4	5	TOTAL	SCORE
"until the last day of December of the tenth year in which the member first was admitted to practice in Washington state. (full 10 years regardless of previous experience)	13.91% 16	25.22% 29	30.43% 35	22.61% 26	7.83% 9	115	3.15
"until the last day of December of the tenth year in which the member first was admitted to practice in any jurisdiction, including Washington. (no extra time for lawyers transferring in from dissimilar jurisdictions)	35.65% 41	26.96% 31	20.00% 23	15.65% 18	1.74% 2	115	3.79
until the last day of December of the later of: a) the tenth year after the member was first licensed in any jurisdiction, including Washington, or b) the fifth year after the member was first licensed by the Washington State Bar Association.	26.96% 31	28.70% 33	31.30% 36	5.22% 6	7.83% 9	115	3.62
Existing definition: “until the last day of December of the year in which the member attains the age of 36 years or until the last day of December of the fifth year after the year in which such member first was admitted to practice … in Washington state, whichever is later.”	20.00% 23	11.30% 13	13.04% 15	40.87% 47	14.78% 17	115	2.81
until the last day of December of the year in which the member attains the age of 40	3.48% 4	7.83% 9	5.22% 6	15.65% 18	67.83% 78	115	1.63

413

Q14 If you have your own suggested definition, or any additional comments or feedback that will assist the WYLC in their proposal to amend the definition, please provide that below:

Answered: 21 Skipped: 120

#	RESPONSES	DATE
1	Consider a separate definition for LLLTs and LPOs. Consider what the purpose of this definition is and whether it can be fulfilled with any of the above definitions. Someone could graduate from law school at 25 and have 10 years of practice at 35. They are young but not new to practicing law (even if those 10 years were in another jurisdiction). Conversely, someone could graduate from law school at 50 and be a new lawyer but not a young lawyer. Those two people need different types of support and resources.	5/9/2025 1:30 PM
2	As a LLLT, I would never attend a Young Lawyers event or sign up for participation with this group. During training to become a LLLT, it is made crystal clear that you are NOT a lawyer. This is really emphasized over and over again. I really do hope you change the name and definition. Having any type of support in these first few years of practice would have been invaluable.	5/8/2025 1:26 PM
3	Definition 1 and 2 above together.	5/7/2025 7:31 PM
4	"Young" lawyers does not apply to elder "New" attorneys, and presents as an exclusionary title on its face. I don't go to WLD events (here or when I was in PA) because it is usually a bunch of young, horny, newly minted, slowly-getting-hammered kids at social events who share war stories from law school but have no life experience. I am also old enough to not be seen as eligible/worthy/whatever for decent mentorship. I am truly baffled by WSBA's insistence on semantics (how do we define "young lawyer", what is "rural" for the purpose of STAR, etc.) without truly connecting those semantics to meaningful application and lived experiences. Most of us - especially those of us outside of Seattle - are just out here on our own, trying our best to figure it all out ourselves. Aside from one listserv I subscribe to, membership in every other section has been a waste of time and money, and every committee-like branch of WSBA I have engaged with has been a drain on my mental and emotional wellbeing. Can we please focus on doing things that actually matter?	5/7/2025 12:40 PM
5	I don't think age should be part of the definition.	5/7/2025 8:10 AM
6	Making the cutoff be at December of the year the person turns a certain age serves to disadvantage those with December/late-month birthdays	5/7/2025 3:48 AM
7	Year counts were negatively impacted by COVID, lots of shuffle (extension of time seems best). Stating a specific numerical age cutoff can appear ageist and does not reflect diversity of experiences and backgrounds of legal professionals. WSBA should strive to avoid perpetuating discriminatory limits like numerical age of the lawyer.	5/6/2025 4:18 PM
8	New lawyers and legal professionals	5/6/2025 2:41 PM
9	Any name (such as "Young Lawyer") or definition that includes age will necessarily exclude non-traditional students, either by definition or simply because they will feel it does not apply to them. I was 41 when I passed the bar. I would not consider the term "Young Lawyer" to apply to me, despite technically fitting the definition, and would not feel welcomed or comfortable in groups or at events bearing that name. If the intent of the term is to encompass individuals new to the profession, "young" is not a necessary word.	5/6/2025 2:09 PM
10	The proposed definitions seem to suggest that a more expansive view of ‘young lawyer’ is being considered. However, I would support narrowing the definition, as an attorney who has practiced for 10 years is not ‘new’ and their chronological age seems irrelevant to their competence.	5/6/2025 1:52 PM
11	It should be years of experience only; age of a lawyer doesn't make someone a "young" lawyer or not.	5/6/2025 1:51 PM

12	I would lower the 10 years to 7 years. And for transfer members, the greater of 3 years or 7 from first licensure. This should be a group for people to get their footing and find their place in the profession.	5/6/2025 1:50 PM
13	My option #5 lacks clarity that the current definition uses - is it the earlier of or later? That makes it an unworkable definition. I don't like the others because 40 could mean you've been practicing for 15 years, and even those with 10 years of experience are not new to practice anymore. Five years really does feel like a fair and appropriate metric, and it doesn't implicate any age biases, so I like that singular criterion the best.	5/6/2025 1:38 PM
14	As a new attorney turning 40 next month, I appreciate that the current definition is not based solely on age. Our paths to practicing law are not all the same.	5/6/2025 1:36 PM
15	Any age limitation you suggest excludes people who enter the legal profession later in life who could substantially benefit from mentorship and are currently excluded because they are older.	5/6/2025 1:30 PM
16	I went to law school at age 40, graduated and barred in two jurisdictions at 43. I never felt like the "Young Lawyer" division was for me because I am not "young", even though I'm still a pretty new attorney (4 years out from graduation).	5/6/2025 1:19 PM
17	If you all decide to abscond with any particular age requirement -- I suggest changing it to "new lawyer." Many of us are "new" but not "young."	5/6/2025 1:15 PM
18	I strongly believe it should include both age and years of experience like the current one. I can't immediately think of why the years of experience only counts Washington, which explains what I ranked #1, but I would be open to that if someone explained the rationale to me	5/6/2025 1:13 PM
19	LLLTs and LPO should not be included in the practice of law.	5/6/2025 1:13 PM
20	I don't feel strongly about my answer choices. It feels helpful to have a guiding definition but I do not have a problem with people self-selecting to associate with this group. However, I do think it's helpful to have this group dedicated exclusively to lawyers. LPOs and LLLTs are welcome to establish their own cohort if that would be more useful for them but I do not think it would be that helpful to try to create content/programming/resources that are simultaneously useful for all 3 license types when scope of practice is so different.	5/6/2025 1:10 PM
21	Rising Attorney; Emerging Litigator; "Rising attorneys" (or "emerging litigators") are legal professionals in the early stages of their practice — typically within their first 5 years of first-licensure — who demonstrate strong professional growth, commitment to the legal community, and a forward-looking approach to advocacy and service. This phrasing: Avoids the word "young" Focuses on years in practice, not age Highlights drive, contribution, and potential	5/6/2025 1:08 PM

EXHIBIT D

Chart of ABA, State Bar Association 'Young Lawyer' equivalent Definitions

Jurisdiction	Definition	Age limit	Years after admission	Transitioning lawyers included	Non-lawyers	Category	Notable for
ABA	Current definition: "a lawyer who has been admitted to practice in their first bar within the past ten years, or is less than thirty-six years old."	36	10	No	No	Traditional	
	Proposed not passed: "After August 31, 2021, a “young lawyer” includes: (a) a lawyer who has been admitted to practice in their first bar within the past ten years, or is less than thirty-six years old; or (b) a non-lawyer legal practitioner, as authorized by the highest court or practice of law regulator in the person’s home state, who has been admitted to practice in their first bar within the past ten years, or is less than thirty-six years old."	36	10	No	Yes		Most similar to proposal
Alabama	The Alabama State Bar Young Lawyers’ Section includes lawyers under 37 years of age or admitted to practice for less than three years.	37	3	No	No	Modified traditional	
Alaska	The Alaska Bar Association’s Young Lawyers Section defines young lawyers as those under 36 or practicing for five years or less.	36	5	No	No	Traditional	
Arizona	The State Bar of Arizona Young Lawyers Division includes attorneys under 37 or within their first five years of practice.	37	5	No	No	Modified traditional	
Arkansas	The Arkansas Bar Association Young Lawyers Section defines young lawyers as those under 36 or within their first five years of practice.	36	5	No	No	Traditional	
California	The California Lawyers Association’s New Lawyers Section includes attorneys in their first eight years of practice.	None	8	No	No	Ageless	
Colorado	The Colorado Bar Association Young Lawyers Division defines young lawyers as those under 37 or within their first five years of practice.	37	5	No	No	Modified traditional	
Connecticut	The Connecticut Bar Association Young Lawyers Section includes attorneys under 37 or in their first six years of practice.	37	6	No	No	Modified traditional	
Delaware	The Delaware State Bar Association Young Lawyers is open to anyone who is a member of the Delaware bar for 10 years or less.	None	10	Yes	Member	Modified traditional	Most similar to proposal

Jurisdiction	Definition	Age limit	Years after admission	Transitioning lawyers included	Non-lawyers	Category	Notable for
Florida	The Florida Bar Young Lawyers Division includes attorneys under 36 or within their first five years of practice after admission to the Florida State Bar.	36	5	Yes	No	Modified traditional	
Georgia	The State Bar of Georgia Younger Lawyers Division defines young lawyers as those under 36 or within their first five years of practice.	36	5	No	No	Traditional	
Hawaii	The Hawaii State Bar Association Young Lawyers Division includes attorneys under 36 or within their first five years of practice.	36	5	No	No	Traditional	
Idaho	The Idaho State Bar Young Lawyers Section defines young lawyers as those under 37 or within their first five years of admission to Idaho State Bar.	37	5	Yes	No	Modified traditional	
Illinois	The Illinois State Bar Association Young Lawyers Division includes all ISBA members under age 37 and members admitted to practice under 7 years.	37	7	Yes	Member	Liberal	
Indiana	The Indiana State Bar Association Young Lawyers Section is open to all ISBA members who have practiced 10 years or less.	None	10	Yes	Member	Ageless	Most similar to proposal
Iowa	The Iowa State Bar Association Young Lawyers Division includes members of the bar who have not reached 36 years of age or have been practicing for 10 years or less.	36	10	No	Member	Liberal	
Kansas	The Kansas Bar Association Young Lawyers Section are those admitted in the past 10 years.	None	10	No	Member	Ageless	
Kentucky	The Kentucky Bar Association Young Lawyers Division includes attorneys under 40 or within their first 10 years of practice.	40	10	No	No	Liberal	
Louisiana	The Louisiana State Bar Association Young Lawyers Division defines young lawyers as those under 40 or within their first five years of practice.	40	5	No	No	Liberal	
Maine	The Maine State Bar Association Young Lawyers Section includes lawyers with less than 10 years of practice.	None	10	No	No	Ageless	
Maryland	The Maryland State Bar Association Young Lawyers Section defines young lawyers as those under 38 or within their first five years of practice.	38	5	No	No	Modified traditional	
Massachusetts	The Massachusetts Bar Association Young Lawyers Division includes attorneys in practice for 10 years or less.	None	10	No	No	Ageless	

Jurisdiction	Definition	Age limit	Years after admission	Transitioning lawyers included	Non-lawyers	Category	Notable for
Michigan	The State Bar of Michigan Young Lawyers Section defines young lawyers as those under 36 or within their first 10 years of practice.	36	10	No	No	Liberal	
Minnesota	The Minnesota State Bar Association New Lawyers Section includes attorneys admitted to practice within the past six years or who are less than 36 years of age, as well as law students.	36	6	No	Law students	Modified traditional	
Mississippi	The Mississippi Bar Young Lawyers Division defines young lawyers as those under 37 or within their first three years of practice.	37	3	No	No	Modified traditional	
Missouri	The Missouri Bar Young Lawyers Section includes attorneys under 36 or within their first 10 years of practice.	None	10	No	No	Ageless	
Montana	The State Bar of Montana Young Lawyers Section defines young lawyers as those within their first 10 years of practice. (Decade)	None	10	No	No	Ageless	
Nebraska	The Nebraska State Bar Association Young Lawyers Section does not clearly communicate any membership criteria. It "is comprised of lawyers who work to integrate young and new lawyers into the practice of law, encourage them to participate in the activities of the Nebraska Sate Bar Association and the American Bar Association, and to provide educational and social opportunities for all members of the Bar". (Undefined)	None	None	Yes	Member	Undefined	More numerous than proposed
Nevada	The Nevada State Bar Young Lawyers Section defines young lawyers as those under 37 or admitted to the State Bar for less than ten (10) years.	37	10	Yes	No	Liberal	More numerous than proposed
New Hampshire	The New Hampshire Bar Association New Lawyers Division does not clearly communicate any membership criteria. Instead, it "monitors the integration of newly admitted members of the Bar into both the association and the legal profession and plans meetings, provides materials, and educational and social programs to assist new admittees and make them feel welcome to the Bar Association".	None	None	Yes	Member	Undefined	More numerous than proposed
New Jersey	The New Jersey State Bar Association Young Lawyers Division defines young lawyers as those under 36 or within their first 10 years of practice.	36	10	No	No	Liberal	

Jurisdiction	Definition	Age limit	Years after admission	Transitioning lawyers included	Non-lawyers	Category	Notable for
New Mexico	The State Bar of New Mexico Young Lawyers Division includes attorneys admitted to the practice of law in any state for ten (10) years or less.	None	10	No	No	Ageless	
New York	The New York State Bar Association Young Lawyers Section is open to all law students and attorneys who have been admitted within the past 10 years.	None	10	No	No	Ageless	
North Carolina	The North Carolina Bar Association Young Lawyers Division includes all NCBA members under 36 or within their first 10 years of practice.	36	10	Yes	Member	Liberal	More numerous than proposed
North Dakota	The State Bar Association of North Dakota Young Lawyers Section defines young lawyers as those under 36 or within their first five years of practice.	36	5	No	No	Traditional	
Ohio	The Ohio State Bar Association Young Lawyers Section does not clearly communicate any membership criteria.	None	None	Yes	Member	Undefined	
Oklahoma	The Oklahoma Bar Association Young Lawyers Division defines young lawyers as those within their first 10 years of practice.	None	10	No	No	Ageless	
Oregon	The Oregon New Lawyers Division includes attorneys within their first six years of practice, or who are 36 years old or younger, whichever is longer.	36	6	No	No	Modified traditional	
Pennsylvania	The Pennsylvania Bar Association Young Lawyers Division defines young lawyers as those under 40 or within their first 10 years of practice.	40	10	No	No	Liberal	More numerous than proposed
Rhode Island	The Rhode Island Bar Association New Lawyers Committee does not clearly communicate any membership criteria.	None	None	Yes	Member	Undefined	More numerous than proposed
South Carolina	The South Carolina Bar Young Lawyers Division defines young lawyers as those under 36 or within their first five years of practice.	36	5	No	No	Traditional	
South Dakota	The State Bar of South Dakota Young Lawyers Section includes attorneys under 36 or within their first 10 years of practice.	36	10	No	No	Liberal	More numerous than proposed
Tennessee	The Tennessee Bar Association Young Lawyers Division defines young lawyers as those under 36 or within their first 10 years of practice.	36	10	No	No	Liberal	More numerous than proposed
Texas	The Texas Young Lawyers Association includes attorneys 36 or younger or within their first five years of practice.	36	5	No	No	Traditional	

Jurisdiction	Definition	Age limit	Years after admission	Transitioning lawyers included	Non-lawyers	Category	Notable for
Utah	The Utah State Bar Young Lawyers Division defines young lawyers as those under 36 or who have been admitted to their first state bar for less than less than ten (10) years.	36	10	Yes	No	Liberal	More numerous than proposed
Vermont	The Vermont Bar Association Young Lawyers Division includes attorneys under 36 or tenth anniversary of admission to practice law within the State of Vermont.	36	10	Yes	No	Liberal	More numerous than proposed
Virginia	The Virginia State Bar Young Lawyers Conference defines young lawyers as those under 40 or within their first five years of practice.	40	5	No	No	Liberal	
West Virginia	The West Virginia State Bar Young Lawyers Section defines young lawyers as those under 35 or within their first ten years of practice.	35	10	No	No	Liberal	More numerous than proposed
Wisconsin	The State Bar of Wisconsin Young Lawyers Division includes attorneys under 36 or within their first five years of practice.	36	5	No	No	Traditional	
Wyoming	The Wyoming State Bar Young Lawyers Section defines young lawyers as those under 36 or within their first five years of practice.	36	5	No	No	Traditional	
District of Columbia	The District of Columbia Bar Young Lawyers Section includes attorneys under 36 or within their first five years of practice.	36	5	No	No	Traditional	
	Total	**50**	**50**	**50**	**50**	**50**	**14**

Analysis

Age

35	1
36	21
37	8
38	1
40	4
None	15
Total	**50**

Include non-lawyers

Yes	ABA proposal only
No	39
Includes law students	1
Uses "Member" or inclusive language in definition (or no definition), but lawyer/attorney in title of group	10
Total	**50**

Years of practice

3	2
5	17
6	3
7	1
8	1
10	22
None	4
Total	**50**

Characterization

Traditional	10
Liberal	15
Modified traditional	11
Ageless	10
Undefined	4
Total	**50**

Include Transitioning Lawyers

Yes	13
No	37
Total	**50**

Comments

More numerous than proposed	11
Most similar to proposal	3
Total	**14**

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Kim Chose, Limited Practice Board Exam Committee Chair
Catherine A. Biestek, Managing Regulatory Counsel and Staff Liaison to Limited Practice Board
Renata de Carvalho Garcia, Chief Regulatory Counsel

DATE: June 20, 2025

RE: Limited Practice Officer Exam Suggested Study Topics List Revisions

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INFORMATIONAL: The Limited Practice Board is sharing with the Board of Governors a revised version of the study topics for the LPO exam. No action is requested.

The Limited Practice Officer Exam Suggested Study Topics list was last revised in July 2009. The Limited Practice Board approved a revised version of the Study Topics list that will be submitted to the Supreme Court for review and approval pursuant to Admission and Practice Rule (APR) 12(b)(2)(A). The Limited Practice Board is sharing the revised version with the Board of Governors for informational purposes and is not asking for any action from the Board of Governors.

Attachments

Current Study Topics List

Study Topics List– mark-up version – 06.10.2025

Study Topics List – mark-up version – reordered – 06.10.2025

Study Topics List – clean version – 06.10.2025

THE LIMITED PRACTICE OFFICER EXAM
SUGGESTED STUDY TOPICS
REVISED JULY 2009

The following suggested study topics have been prepared by the Limited Practice Board.

Since the successful examinee will be engaged in the limited practice of law under APR 12, it is considered that a general basic knowledge of the nature of real and personal property, basic contract law, laws concerning conveyance and transfer of property title, a thorough knowledge of APR 12, and other related subjects is necessary for success and accuracy. Study and review of these objectives should enable you to fully prepare for the examination.

The exam is four hours long. There are three sections. In order to pass the exam, you must receive a score of 75% or higher on each section. The sections are:

1. Fifty (50) objective questions which may include multiple choice, true or false, matching, or fill-in-the blank types of questions.
2. Between one and five essay questions.
3. A problem to complete in which the examinee will prepare the documents necessary for the proper closing of a real estate transaction. The examinee, after studying the problem will select those documents needed, and complete them properly.

Upon completion of study, you should be able to:

1. Define "property," "real property," and "personal property," and give examples of each definition.
2. List the basic rights inherent in a freehold estate.
3. Describe the characteristics of each of the following estates in land:
   a. Fee simple absolute
   b. Fee simple defeasible
      (1) fee simple determinable
      (2) subject to a condition subsequent
   c. Life estate
      (1) with reversion right
      (2) with remainder rights
   d. Future interests
4. When given the title of a person or institution holding title to property for the benefit of others, be able to describe the function, duties and powers of:
   a. A personal representative (sometimes known as executor, executrix, administrator or administratrix)
   b. A trustee
   c. A guardian
   d. A receiver
   e. A custodian

5. Illustrate the phrasing used in the grantor clause of a deed for each of the foregoing (see question 4)
6. Name the various legal entities that can hold title to real property which are recognized in Washington and be able to illustrate a grantee/grantor clause for each.
    a. Write the format by which a corporation may transfer property.
    b. Prepare a grantor clause and a signature block for a deed by which a corporation would transfer property.
7. Recite the four factors inherent in a joint tenancy ownership of land.
8. Prepare a deed that establishes a joint tenancy ownership.
9. Describe how a tenancy in common is established in Washington.
10. Define and describe the facets of a tenancy in common and be able to give examples.
11. Prepare a grantee clause for a deed transferring title to tenants in common.
12. State how community and separate property ownership is recognized in preparing deeds, and recite the definitions of "community property" and "separate property."
13. Name the types of partnerships that may hold interests in real property and describe the requirements for each as to authority to execute real property instruments.
14. Name the law that provides for condominium development and state how condominium ownership may be held and transferred.
15. Name the type of ownership interest that may be held in a cooperative apartment.
16. Name and describe the kinds of trusts that may hold land ownership.
17. Define an easement and describe:
    a. Dominant estate/benefited estate
    b. Servient estate/burdened estate
18. Name and describe at least seven uses of easements.
19. Define the term "encumbrances."
20. Describe the difference between an easement and a license concerning the use of another's land.
21. Give examples of at least five types of common license usage of land belonging to others.
22. Define "covenant" and describe, with examples, the effects if placed on a parcel of land.
23. Prepare a deed that includes covenants that "run with the land."
24. Define the word "restrictions" as used in connection with land ownership and usage.
25. Describe the effects of restrictions placed on a parcel of land and be able to give examples.
26. Prepare a deed that includes restrictions on the use of the land.

27. Define the word “reservation” as used when a property is being transferred.
28. Prepare a deed that includes a reservation in favor of the grantor.
29. Define the term “mineral rights” and list some of the types of minerals to which these rights may apply.
30. Understand the differences between real and personal property in relation to standing and/or down timber.
31. Outline the process of determining crop ownership and rights when unharvested crops are involved in a real property transaction.
32. Define the terms "riparian rights", "navigable waters", "accretion", "avulsion", "first class tidelands" and "second class tidelands". Be able to describe how these terms may affect ownership of property located on or near water.
33. Define the term “lien” and describe various types of liens and how they may affect the transferability of a property.
34. Prepare deeds dealing with various types of liens not satisfied at closing, such as mortgages, deeds of trust, assessments, etc.
35. Define “fixture” and “trade fixture” and describe how each is transferred in connection with a real property transaction.
36. Describe the possible interests and/or rights held by a lessee and how they affect the transferability of a parcel of land.
37. Understand and describe the effects on property transfer of the following regulations: taxation, subdividing, Shoreline, FIRPTA (Foreign Investment in Real Property Transfer Act) requirements.
38. Determine the necessity for an excise tax affidavit and excise tax liability for all types of transactions by reference to appropriate statutes and regulations.
39. Demonstrate the following: the ability to select and complete the proper legal instruments when given a particular Purchase and Sale Agreement and Preliminary Commitment for Title Insurance.
40. State the purpose and demonstrate an understanding of APR 12, and the rules and regulations adopted by the Board pursuant to the rule.
41. Describe the composition and functions of the Limited Practice Board.
42. Recite certification requirements for the Limited Practice Officer.
43. Summarize what the Limited Practice Officer is authorized to do under APR 12 and the Limited Practice Rule.
44. List the categories of documents the LPO is authorized to prepare.
45. Describe:
    a. the conditions under which the LPO is authorized to render LPO services.
    b. the information that needs to be disclosed by the LPO rendering LPO services to the clients and parties incident to a transaction.

46. Enumerate continuing certification requirements.
47. Name the three types of deeds used in Washington State.
    a. Statutory Warranty Deed
    b. Bargain and Sale Deed
    c. Quitclaim Deed
48. List the three statutory warranties for a Statutory Warranty Deed.
49. Provide the statutory words of conveyance for, and understand the differences between: Quitclaim Deeds, Statutory Warranty Deeds, and Bargain and Sale Deeds.
50. Describe and understand the statute of frauds.
51. Enumerate the eight elements that must be present for a valid conveyance by deed.
52. Describe the different forms of consideration recitals and indicate when each is appropriate.
53. List the basic types of legal descriptions.
54. Describe the requirements for valid corporate and individual notary acknowledgments.
55. Discern the entities involved in the execution of documents and develop appropriate grantor/grantee clauses, signature blocks and notary acknowledgments.
56. Define the requirements of "legal competency" for the execution of valid legal instruments.
57. Describe the required elements of a negotiable note.
58. Describe the following note clauses and be prepared to give an example in writing:
    a. Accounting clause
    b. Acceleration clause
    c. Recital of security
    d. Due on sale clause
    e. Penalty interest and late charges
59. Know and be able to describe the ways in which notes are secured and released by different security instruments on both real and personal property.
60. Describe the effect of the various types of assignments of the Payee's interest in a promissory note, e.g., with and without recourse.
61. Understand provisions of Washington usury laws and how to deal with potentially usurious transactions.
62. Understand "negative amortization" and describe special considerations that should be included in such a promissory note.
63. Describe the differences between a deed of trust, a mortgage, and a real estate contract.

64. Understand when a rider for a note or deed of trust may be required by the lender to modify the original terms and conditions of the pre-recorded master form deed of trust or pre-printed forms of the secondary mortgage market.

65. Describe how the trustee of a deed of trust is named and the role the trustee has in relation to the foreclosure of the grantor's rights in the real property.

66. Describe the significance of the practice that the date of the note and the stated date of the note in the security instrument be the same.

67. Describe the reasons for the use of the following additional clauses in a real estate transaction:

    a. Deed release provision
    b. Prepayment penalty
    c. Accelerated interest rate in the event of default
    d. Reimbursement of taxes and insurance payments advanced by the seller or the lender for the seller
    e. Deed release with subordination agreement

68. Describe the ways in which the purchaser's and/or seller's interest in a real estate contract can be used as security for a debt.

69. Define the limitations of the warranty that is given by the grantor of a deed given in fulfillment of a real estate contract.

70. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for security purposes.

71. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for other than security purposes.

72. Know when and what documents are used to convey and/or release an interest (full or partial) in real and/or personal property: Quit Claim Deed (to release interest/clear title/release security), Release of Lien, Satisfaction of Mortgage, Satisfaction of Judgment, Assignment or Reconveyance of Deed of Trust and UCC Termination.

73. Explain the significance of "standard of care" and describe the standard of care of an LPO. APR 12(g) and Comment 2.

74. Describe the methods of complying with the financial responsibility requirement and explain the major limitations of each type of coverage (e.g., "course and scope of employment"). APR 12 Regulation 7.

75. Understand the potential liabilities in the event you commit negligence which causes a loss, including your liability to a client, your employer's liability to a client, your liability to your employer, your spouse's liability, etc.

76. Define power of attorney and give examples of its use.

77. Understand the uses and differences of financing statements under the Uniform Commercial Code.

78. Understand the differences between an option to purchase and a purchase and sale agreement.
79. Understand the purpose of RESPA and Truth in Lending (Reg. Z).
80. Understand the definition and purpose of title insurance.
81. Understand the features of FHA, VA and conventional loans.
82. State the purpose and demonstrate an understanding of the Limited Practice Officer Rules of Professional Conduct (LPORPC).

WSBA

WASHINGTON STATE BAR ASSOCIATION

THE LIMITED PRACTICE OFFICER EXAM
SUGGESTED STUDY TOPICS
REVISED TBD~~JULY 2009~~

The following suggested study topics have been prepared by the Limited Practice Board.

Since the successful examinee will be engaged in the limited practice of law under Rule 12 of the Admission and Practice Rules (APR) ~~12~~, it is considered that a general basic knowledge of the nature of real and personal property, basic contract law, laws concerning conveyance and transfer of property title, a thorough knowledge of APR 12, and other related subjects is necessary for success and accuracy. Study and review of these ~~objectives~~ subjects should enable you to fully prepare for the examination.

The exam is four hours long. There are three sections. In order to pass the exam, you must receive a score of 75% or higher on each section. A failing grade in one section results in failure of the entirety of the exam in which case grading of any remaining sections is not completed. Multiple choice is the first section graded, followed by the essay section and then the problem section. The sections are described below:

1. Multiple-Choice Section: Fifty (50) objective multiple-choice questions ~~which may include multiple choice, true or false, matching, or fill in the blank types of questions~~.
2. Essay Section: Between one and five essay questions.
3. Problem Section: A problem to complete in which the examinee will prepare the documents necessary for the proper closing of a real estate transaction. The examinee, after studying the problem will select those documents needed, and complete them properly.

Upon completion of study, you should be able to:

1. Define “property,” “real property,” and “personal property,” and give examples of each definition.
2. List the basic rights inherent in a freehold estate.

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3. Describe the characteristics of each of the following estates in land:

   a. Fee simple absolute
   b. Fee simple defeasible
      (1) fee simple determinable
      (2) subject to a condition subsequent
   c. Life estate
      (1) with reversion right
      (2) with remainder rights
   d. Future interests

4. When given the title of a person or institution holding title to property for the benefit of others, be able to describe the function, duties and powers of:

   a. A personal representative (sometimes known as executor, executrix, administrator or administratrix)
   b. A trustee
   c. A guardian
   d. A receiver
   e. A custodian

5. Illustrate the phrasing used in the grantor clause of a deed for each of the foregoing ~~(see question 4).~~

   a. A personal representative (sometimes known as executor, executrix, administrator or administratrix)
   b. A trustee
   c. A guardian
   d. A receiver
   e. A custodian

~~6. Name the various legal entities that can hold title to real property which are recognized in Washington and be able to illustrate a grantee/grantor clause for each.~~

   ~~a. Write the format by which a corporation may transfer property.~~
   ~~b. Prepare a grantor clause and a signature block for a deed by which a corporation would transfer property.~~

7. Recite the four factors inherent in a joint tenancy ownership of land.
8. Prepare a deed that establishes a joint tenancy ownership.
9. Describe how a tenancy in common is established in Washington.
10. Define and describe the facets of a tenancy in common and be able to give examples.

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11. Prepare a grantee clause for a deed transferring title to tenants in common.
12. State how community and separate property ownership is recognized in preparing deeds, and recite the definitions of "community property" and "separate property."
13. Name the types of partnerships that may hold interests in real property and describe the requirements for each as to authority to execute real property instruments.
14. Name the law that provides for condominium development and state how condominium ownership may be held and transferred.
15. Name the type of ownership interest that may be held in a cooperative apartment.
16. Name and describe the kinds of trusts that may hold land ownership.
17. Define an easement and describe:
    a. Dominant estate/benefited estate
    b. Servient estate/burdened estate
18. Name and describe at least seven uses of easements.
19. Define the term "encumbrances."
20. Describe the difference between an easement and a license concerning the use of another's land.
21. Give examples of at least five types of common license usage of land belonging to others.
22. Define "covenant" and describe, with examples, the effects if placed on a parcel of land.
23. ~~Prepare~~ Recognize and understand a deed that includes covenants that "run with the land."
24. Define the word "restrictions" as used in connection with land ownership and usage.
25. Describe the effects of restrictions placed on a parcel of land and be able to give examples.
26. ~~Prepare~~ Recognize and understand a deed that includes restrictions on the use of the land.
27. Define the word "reservation" as used when a property is being transferred.
28. ~~Prepare~~ Recognize and understand a deed that includes a reservation in favor of the grantor.
29. Define the term "mineral rights" and list some of the types of minerals to which these rights may apply.
30. Understand the differences between real and personal property in relation to standing and/or down timber.

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31. Outline the process of determining crop ownership and rights when unharvested crops are involved in a real property transaction.
32. Define the terms "riparian rights", "navigable waters", "accretion", "avulsion", "first class tidelands" and "second class tidelands". Be able to describe how these terms may affect ownership of property located on or near water.
33. Define the term “lien” and describe various types of liens and how they may affect the transferability of a property.
34. Prepare deeds dealing with various types of liens not satisfied at closing, such as mortgages, deeds of trust, assessments, etc.
35. Define “fixture” and “trade fixture” and describe how each is transferred in connection with a real property transaction.
36. Describe the possible interests and/or rights held by a lessee and how they affect the transferability of a parcel of land.
37. Understand and describe the effects on property transfer of the following regulations: taxation, subdividing, Shoreline, and Foreign Investment in Real Property Transfer Act (FIRPTA) ~~(Foreign Investment in Real Property Transfer Act)~~ requirements.
38. Determine the necessity for an excise tax affidavit and excise tax liability for all types of transactions by reference to appropriate statutes and regulations.
39. Demonstrate the ~~following: the~~ ability to select and complete the proper legal instruments when given a particular Purchase and Sale Agreement and Preliminary Commitment for Title Insurance.
40. State the purpose and demonstrate an understanding of APR 12~~, and the rules and regulations adopted by the Board pursuant to the rule~~.
41. List t and functions of the Limited Practice Board. See APR 12.

~~42. Recite certification requirements for the Limited Practice Officer.~~

~~43.~~ 42. Summarize what the Limited Practice Officer is authorized to do under APR 12, ~~and~~ the Limited Practice Rule.

~~44.~~ 43. List the categories of documents the LPO is authorized to prepare under APR 12(d).

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44. Know how to complete the forms approved by the Limited Practice Board for LPO use, which are also listed on the LPO Forms webpage, with primary focus on forms that fall within the sections below:

    a. Section 2 - Escrow Documentation
    b. Section 3 – UCC Forms
    c. Section 4 -
        i. Excise Tax Affidavit Forms
        ii. Department of Licensing Forms
        iii. Auditor's Cover Sheet
        iv. Internally Approved Security Agreement Forms
        v. Consumer Use Tax Return, from the Department of Revenue

45. Describe the following as provided in APR 12(e):

    a. the conditions under which the LPO is authorized to render LPO services.
    b. the information that needs to be disclosed by the LPO rendering LPO services to the clients and parties incident to a transaction.

46. Enumerate LPO continuing ~~certification~~ license requirements. See APR 12(f).

47. ~~Name~~ Identify by name and know how to complete a ~~the three types of deeds used in Washington State.~~ Statutory Warranty Deed, Bargain and Sale Deed, Quitclaim Deed, and Personal Representative Deed.

    ~~a. Statutory Warranty Deed,~~
    ~~b. Bargain and Sale Deed,~~
    ~~c. Quitclaim Deed~~

48. List the three statutory warranties for a Statutory Warranty Deed.

49. Provide the statutory words of conveyance for, and understand the differences between: Quitclaim Deeds, Statutory Warranty Deeds, Personal Representative Deed, and Bargain and Sale Deeds.

50. Describe and understand the statute of frauds.

51. Enumerate the eight elements that must be present for a valid conveyance by deed.

52. Describe the different forms of consideration recitals and indicate when each is appropriate.

53. List the basic types of legal descriptions.

54. Describe the requirements for valid corporate and individual notary acknowledgments.

55. Name the various legal entities that can hold title to real and personal property ~~Discern the entities involved in the execution of documents~~ and develop appropriate

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grantor/grantee clauses, signature blocks, and notary acknowledgments for each entity.

56. Define the requirements of "legal competency" for the execution of valid legal instruments.
57. Describe the required elements of a negotiable note.
58. Describe the following note clauses and be prepared to give an example in writing:
    a. Accounting clause
    b. Acceleration clause
    c. Recital of security
    d. Due on sale clause
    e. Penalty interest and late charges
59. Know and be able to describe the ways in which notes are secured and released by different security instruments on both real and personal property.
60. Describe the effect of the various types of assignments of the Payee's interest in a promissory note, e.g., with and without recourse.
61. Understand provisions of Washington usury laws and how to deal with potentially usurious transactions.
62. Understand "negative amortization" and describe special considerations that should be included in such a promissory note.
63. Describe the differences between a deed of trust, a mortgage, and a real estate contract.
64. Understand when a rider for a note or deed of trust may be required by the lender to modify the original terms and conditions of the pre-recorded master form deed of trust or pre-printed forms of the secondary mortgage market.
65. Describe how the trustee of a deed of trust is named and the role the trustee has in relation to the foreclosure of the grantor's rights in the real property.
66. Describe the significance of the practice that the date of the note and the stated date of the note in the security instrument be the same.
67. Describe the reasons for the use of the following additional clauses in a real estate transaction:
    a. Deed release provision
    b. Prepayment penalty
    c. Accelerated interest rate in the event of default

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d. Reimbursement of taxes and insurance payments advanced by the seller or the lender for the seller
e. Deed release with subordination agreement

68. Describe the ways in which the purchaser's and/or seller's interest in a real estate contract can be used as security for a debt.
69. Define the limitations of the warranty that is given by the grantor of a deed given in fulfillment of a real estate contract.
70. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for security purposes.
71. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for other than security purposes.
72. Know when and what documents are used to convey and/or release an interest (full or partial) in real and/or personal property (the latter which includes manufactured/mobile homes): Quit Claim Deed (to release interest/clear title/release security), Release of Lien, Satisfaction of Mortgage, Satisfaction of Judgment, Assignment or Reconveyance of Deed of Trust and UCC Termination.
73. Explain the significance of "standard of care" and describe the standard of care of an LPO. APR 12(g) ~~and Comment 2~~.
74. Describe the methods of complying with the financial responsibility requirement and explain the major limitations of each type of coverage (e.g., "course and scope of employment"). APR 12(f) ~~Regulation 7~~.
75. Understand the potential liabilities in the event you commit negligence which causes a loss, including your liability to a client, your employer's liability to a client, your liability to your employer, your spouse's liability, etc.
76. Define power of attorney and give examples of its use.
77. Understand the uses and differences of financing statements under the Uniform Commercial Code (UCC).
78. Understand the differences between an option to purchase and a purchase and sale agreement.
79. Understand the purpose of the TILA-RESPA Integrated Disclosures (TRID) rules, Consumer Financial Protection Bureau (CFPB), Real Estate Settlement Procedures Act (RESPA) and Truth in Lending (Regulation ~~.~~ Z).
80. Understand the definition and purpose of title insurance.
81. Understand the features of Federal Housing Administration (FHA), Veterans Affairs (VA) and conventional loans.

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82. State the purpose and demonstrate ~~a~~an thorough understanding of the Limited Practice Officer Rules of Professional Conduct (LPORPC).

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WASHINGTON STATE BAR ASSOCIATION

THE LIMITED PRACTICE OFFICER EXAM
SUGGESTED STUDY TOPICS
REVISED *TBD*~~JULY 2009~~

The following suggested study topics have been prepared by the Limited Practice Board.

Since the successful examinee will be engaged in the limited practice of law under Rule 12 of the Admission and Practice Rules (APR)~~ 12~~, it is considered that a general basic knowledge of the nature of real and personal property, basic contract law, laws concerning conveyance and transfer of property title, a thorough knowledge of APR 12, and other related subjects is necessary for success and accuracy. Study and review of these ~~objectives~~ subjects should enable you to fully prepare for the examination.

The exam is four hours long. There are three sections. In order to pass the exam, you must receive a score of 75% or higher on each section. A failing grade in one section results in failure of the entirety of the exam in which case grading of any remaining sections is not completed. Multiple choice is the first section graded, followed by the essay section and then the problem section. The sections are described below:

1. Multiple-Choice Section: Fifty (50) objective multiple-choice questions~~ which may include multiple choice, true or false, matching, or fill in the blank types of questions~~.
2. Essay Section: Between one and five essay questions.
3. Problem Section: A problem to complete in which the examinee will prepare the documents necessary for the proper closing of a real estate transaction. The examinee, after studying the problem will select those documents needed, and complete them properly.

Upon completion of study, you should be able to:

1. State the purpose and demonstrate a~~n~~ thorough understanding of the Limited Practice Officer Rules of Professional Conduct (LPORPC).
2. Demonstrate the ~~following: the~~ ability to select and complete the proper legal instruments when given a particular Purchase and Sale Agreement and Preliminary Commitment for Title Insurance.

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3. Know how to complete the forms approved by the Limited Practice Board for LPO use, which are also listed on the LPO Forms webpage, with primary focus on forms that fall within the sections below:
    a. Section 2 - Escrow Documentation
    b. Section 3 – UCC Forms
    c. Section 4 -
        i. Excise Tax Affidavit Forms
        ii. Department of Licensing Forms
        iii. Auditor's Cover Sheet
        iv. Internally Approved Security Agreement Forms
        v. Consumer Use Tax Return, from the Department of Revenue
4. State the purpose and demonstrate an understanding of APR 12~~, and the rules and regulations adopted by the Board pursuant to the rule~~.
5. Describe the composition and functions of the Limited Practice Board. See APR 12.
6. Summarize what the Limited Practice Officer is authorized to do under APR 12, ~~and~~ the Limited Practice Rule.
7. List the categories of documents the LPO is authorized to prepare under APR 12(d).
8. Describe the following as provided in APR 12(e):
    a. the conditions under which the LPO is authorized to render LPO services.
    b. the information that needs to be disclosed by the LPO rendering LPO services to the clients and parties incident to a transaction.
9. Enumerate LPO continuing ~~certification~~ license requirements. See APR 12(f).
10. Describe the methods of complying with the financial responsibility requirement and explain the major limitations of each type of coverage (e.g., "course and scope of employment"). APR 12(f)~~ Regulation 7~~.
11. Explain the significance of "standard of care" and describe the standard of care of an LPO. APR 12(g)~~ and Comment 2~~.
12. Understand the potential liabilities in the event you commit negligence which causes a loss, including your liability to a client, your employer's liability to a client, your liability to your employer, your spouse's liability, etc.
13. List the basic rights inherent in a freehold estate.

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14. Describe the characteristics of each of the following estates in land:

    a. Fee simple absolute
    b. Fee simple defeasible
        (1) fee simple determinable
        (2) subject to a condition subsequent
    c. Life estate
        (1) with reversion right
        (2) with remainder rights
    d. Future interests

15. When given the title of a person or institution holding title to property for the benefit of others, be able to describe the function, duties and powers of:

    a. A personal representative (sometimes known as executor, executrix, administrator or administratrix)
    b. A trustee
    c. A guardian
    d. A receiver
    e. A custodian

16. Illustrate the phrasing used in the grantor clause of a deed for each of the foregoing ~~(see question 4).~~

    a. A personal representative (sometimes known as executor, executrix, administrator or administratrix)
    b. A trustee
    c. A guardian
    d. A receiver
    e. A custodian

17. Recite the four factors inherent in a joint tenancy ownership of land.

18. Prepare a deed that establishes a joint tenancy ownership.

19. Describe how a tenancy in common is established in Washington.

20. Define and describe the facets of a tenancy in common and be able to give examples.

21. Prepare a grantee clause for a deed transferring title to tenants in common.

22. State how community and separate property ownership is recognized in preparing deeds, and recite the definitions of “community property” and “separate property.”

23. Name the types of partnerships that may hold interests in real property and describe the requirements for each as to authority to execute real property instruments.

24. Name the type of ownership interest that may be held in a cooperative apartment.

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25. Name and describe the kinds of trusts that may hold land ownership.
26. Describe the possible interests and/or rights held by a lessee and how they affect the transferability of a parcel of land.
27. Describe the requirements for valid corporate and individual notary acknowledgments.
28. Name the various legal entities that can hold title to real and personal property ~~Discern the entities involved in the execution of documents~~ and develop appropriate grantor/grantee clauses, signature blocks, and notary acknowledgments for each entity.
29. Define the requirements of "legal competency" for the execution of valid legal instruments.
30. Define power of attorney and give examples of its use.
31. Describe the required elements of a negotiable note.
32. Describe the following note clauses and be prepared to give an example in writing:
    a. Accounting clause
    b. Acceleration clause
    c. Recital of security
    d. Due on sale clause
    e. Penalty interest and late charges
33. Know and be able to describe the ways in which notes are secured and released by different security instruments on both real and personal property.
34. Describe the effect of the various types of assignments of the Payee's interest in a promissory note, e.g., with and without recourse.
35. Understand provisions of Washington usury laws and how to deal with potentially usurious transactions.
36. Understand "negative amortization" and describe special considerations that should be included in such a promissory note.
37. Describe the differences between a deed of trust, a mortgage, and a real estate contract.
38. Understand when a rider for a note or deed of trust may be required by the lender to modify the original terms and conditions of the pre-recorded master form deed of trust or pre-printed forms of the secondary mortgage market.
39. Describe how the trustee of a deed of trust is named and the role the trustee has in relation to the foreclosure of the grantor's rights in the real property.
40. Describe the significance of the practice that the date of the note and the stated date of the note in the security instrument be the same.

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41. Describe the reasons for the use of the following additional clauses in a real estate transaction:
    a. Deed release provision
    b. Prepayment penalty
    c. Accelerated interest rate in the event of default
    d. Reimbursement of taxes and insurance payments advanced by the seller or the lender for the seller
    e. Deed release with subordination agreement
42. Understand the features of Federal Housing Administration (FHA), Veterans Affairs (VA) and conventional loans.
43. Describe the ways in which the purchaser's and/or seller's interest in a real estate contract can be used as security for a debt.
44. Define the limitations of the warranty that is given by the grantor of a deed given in fulfillment of a real estate contract.
45. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for security purposes.
46. Know how to assign a seller's interest or a purchaser's interest in a real estate contract for other than security purposes.
47. Describe and understand the statute of frauds.
48. Understand the differences between an option to purchase and a purchase and sale agreement.
49. ~~Name~~ Identify by name and know how to complete a ~~the three types of deeds used in Washington State.~~ Statutory Warranty Deed, Bargain and Sale Deed, Quitclaim Deed, and Personal Representative Deed.
    ~~a. Statutory Warranty Deed,~~
    ~~b. Bargain and Sale Deed,~~
    ~~c. Quitclaim Deed~~
50. List the three statutory warranties for a Statutory Warranty Deed.
51. Provide the statutory words of conveyance for, and understand the differences between: Quitclaim Deeds, Statutory Warranty Deeds, Personal Representative Deed, and Bargain and Sale Deeds.
52. Enumerate the eight elements that must be present for a valid conveyance by deed.
53. Describe the different forms of consideration recitals and indicate when each is appropriate.
54. Know when and what documents are used to convey and/or release an interest (full or partial) in real and/or personal property (the latter which includes

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manufactured/mobile homes): Quit Claim Deed (to release interest/clear title/release security), Release of Lien, Satisfaction of Mortgage, Satisfaction of Judgment, Assignment or Reconveyance of Deed of Trust and UCC Termination.

55. List the basic types of legal descriptions.
56. Understand the definition and purpose of title insurance.
57. Understand the purpose of the TILA-RESPA Integrated Disclosures (TRID) rules, Consumer Financial Protection Bureau (CFPB), Real Estate Settlement Procedures Act (RESPA) and Truth in Lending (Regulation Z).
58. Define "covenant" and describe, with examples, the effects if placed on a parcel of land.
59. ~~Prepare~~ Recognize and understand a deed that includes covenants that "run with the land."
60. Define an easement and describe:
    a. Dominant estate/benefited estate
    b. Servient estate/burdened estate
61. Define the term "encumbrances."
62. Define the word "restrictions" as used in connection with land ownership and usage.
63. Describe the effects of restrictions placed on a parcel of land and be able to give examples.
64. ~~Prepare~~ Recognize and understand a deed that includes restrictions on the use of the land.
65. Define the word "reservation" as used when a property is being transferred.
66. ~~Prepare~~ Recognize and understand a deed that includes a reservation in favor of the grantor.
67. Define the term "mineral rights" and list some of the types of minerals to which these rights may apply.
68. Define the terms "riparian rights", "navigable waters", "accretion", "avulsion", "first class tidelands" and "second class tidelands". Be able to describe how these terms may affect ownership of property located on or near water.
69. Define the term "lien" and describe various types of liens and how they may affect the transferability of a property.
70. Prepare deeds dealing with various types of liens not satisfied at closing, such as mortgages, deeds of trust, assessments, etc.
71. Understand the uses and differences of financing statements under the Uniform Commercial Code (UCC).

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72. Describe the difference between an easement and a license concerning the use of another's land.
73. Give examples of at least five types of common license usage of land belonging to others.
74. Name and describe at least seven uses of easements.
75. Define "property," "real property," and "personal property," and give examples of each definition.
76. Understand the differences between real and personal property in relation to standing and/or down timber.
77. Outline the process of determining crop ownership and rights when unharvested crops are involved in a real property transaction.
78. Define "fixture" and "trade fixture" and describe how each is transferred in connection with a real property transaction.
79. Name the law that provides for condominium development and state how condominium ownership may be held and transferred.
80. Understand and describe the effects on property transfer of the following regulations: taxation, subdividing, Shoreline, and Foreign Investment in Real Property Transfer Act (FIRPTA) ~~(Foreign Investment in Real Property Transfer Act)~~ requirements.
81. Determine the necessity for an excise tax affidavit and excise tax liability for all types of transactions by reference to appropriate statutes and regulations.

~~6. Name the various legal entities that can hold title to real property which are recognized in Washington and be able to illustrate a grantee/grantor clause for each.~~

~~a. Write the format by which a corporation may transfer property.~~
~~b. Prepare a grantor clause and a signature block for a deed by which a corporation would transfer property.~~

~~42. Recite certification requirements for the Limited Practice Officer.~~

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WASHINGTON STATE BAR ASSOCIATION

THE LIMITED PRACTICE OFFICER EXAM
SUGGESTED STUDY TOPICS
REVISED *TBD*

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1. State the purpose and demonstrate a thorough understanding of the Limited Practice Officer Rules of Professional Conduct (LPORPC).
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        (1) with reversion right
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    c. A guardian
    d. A receiver
    e. A custodian

16. Illustrate the phrasing used in the grantor clause of a deed for each of the foregoing

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47. Describe and understand the statute of frauds.
48. Understand the differences between an option to purchase and a purchase and sale agreement.
49. Identify by name and know how to complete a Statutory Warranty Deed, Bargain and Sale Deed, Quitclaim Deed, and Personal Representative Deed.
50. List the three statutory warranties for a Statutory Warranty Deed.
51. Provide the statutory words of conveyance for, and understand the differences between: Quitclaim Deeds, Statutory Warranty Deeds, Personal Representative Deed, and Bargain and Sale Deeds.
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    a. Dominant estate/benefited estate
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61. Define the term “encumbrances.”
62. Define the word “restrictions” as used in connection with land ownership and usage.
63. Describe the effects of restrictions placed on a parcel of land and be able to give examples.
64. Recognize and understand a deed that includes restrictions on the use of the land.
65. Define the word “reservation” as used when a property is being transferred.
66. Recognize and understand a deed that includes a reservation in favor of the grantor.
67. Define the term “mineral rights” and list some of the types of minerals to which these rights may apply.
68. Define the terms "riparian rights", "navigable waters", "accretion", "avulsion", "first class tidelands" and "second class tidelands". Be able to describe how these terms may affect ownership of property located on or near water.
69. Define the term “lien” and describe various types of liens and how they may affect the transferability of a property.
70. Prepare deeds dealing with various types of liens not satisfied at closing, such as mortgages, deeds of trust, assessments, etc.
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72. Describe the difference between an easement and a license concerning the use of another’s land.
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75. Define “property,” “real property,” and “personal property,” and give examples of each definition.
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77. Outline the process of determining crop ownership and rights when unharvested crops are involved in a real property transaction.
78. Define “fixture” and “trade fixture” and describe how each is transferred in connection with a real property transaction.
79. Name the law that provides for condominium development and state how condominium ownership may be held and transferred.
80. Understand and describe the effects on property transfer of the following regulations: taxation, subdividing, Shoreline, and Foreign Investment in Real Property Transfer Act (FIRPTA) requirements.
81. Determine the necessity for an excise tax affidavit and excise tax liability for all types of transactions by reference to appropriate statutes and regulations.

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WASHINGTON STATE
BAR ASSOCIATION

Financial Reports

(Unaudited)

Year to Date March 31, 2025

Prepared by
Maggie Yu, Controller

Submitted by
Tiffany Lynch, Director of Finance
April 23, 2025

WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors
Budget and Audit Committee

From: Terra Nevitt, Executive Director; Tiffany Lynch, Director of Finance; Maggie Yu, Controller

Re: Key Financial Benchmarks for the Preliminary Fiscal Year to Date (YTD) through March 31, 2025, As % of Completion to Annual Budget

	% of Year	Current Year % YTD	Current Year $ Difference Favorable/(Unfavorable)	Prior Year YTD	Comments
Total Salaries & Benefits	**50%**	**50%**	**$475**	**51%**	**Overall on budget with savings in FICA and Retirement and higher spending for temporary staffing due to seasonality.**
Other Indirect Expenses*	**50%**	**49%**	**$19,481**	**48%**	**Favorable to budget due to timing of payments for workplace benefits, legal fees, computer and HR pooled expenses, and savings in bank fees.**
Total Indirect Expenses	**50%**	**50%**	**$19,956**	**50%**	**Favorable to budget resulting from other indirect expenses described above.**
General Fund Revenues	**50%**	**56%**	**$1,286,701**	**56%**	**Favorable to budget due to timing of donations and fee collection for the summer bar exam, law clerks, and MCLE. Additional revenue from interest income and sales for new member products.**
General Fund Indirect Expenses	**50%**	**50%**	**$30,788**	**50%**	**Favorable to budget as described for indirect expenses above.**
General Fund Direct Expenses	**50%**	**38%**	**$379,975**	**31%**	**Favorable to budget due to timing of program activities and meetings/events.**
General Fund Net	**50%**	**-166%**	**$1,697,464**	**134%**	**Favorable to budget for the reasons described above.**
CLE Revenue	**50%**	**49%**	**($22,611)**	**63%**	**Unfavorable to budget due to lower attendees and timing of deskbook royalty payments.**
CLE Direct Expenses	**50%**	**14%**	**$130,147**	**20%**	**Favorable to budget due to timing of expenses for seminar activities and product sales.**
CLE Indirect Expenses	**50%**	**51%**	**($10,710)**	**52%**	**Unfavorable to budget mainly due to cost of staff replacement.**
CLE Net	**50%**	**199%**	**$96,826**	**236%**	**Favorable to budget primarily due to timing of direct expenses.**

*Workplace benefits, Human Resources, meeting support, rent, taxes, furniture & maintenance, office supplies, depreciation, insurance, equipment, professional fees (legal & audit), internet & telephone, postage, storage, bank fees, Technology

Washington State Bar Association Financial Summary
Compared to Fiscal Year 2025 Budget
For the Period from March 1, 2025 to March 31, 2025

Category	Actual Revenues	Budgeted Revenues	Actual Indirect Expenses	Budgeted Indirect Expenses	Actual Direct Expenses	Budgeted Direct Expenses	Actual Total Expenses	Budgeted Total Expenses	Actual Net Result	Budgeted Net Result
Access to Justice	-	-	125,290	250,535	71,861	139,795	197,151	390,330	(197,151)	(390,330)
Admissions/Bar Exam	1,128,295	1,480,180	456,576	906,127	183,833	480,204	640,408	1,386,331	487,887	93,849
Advancement FTE		-	189,950	386,288	120	3,300	190,070	389,588	(190,070)	(389,588)
Bar News	296,579	589,600	164,180	326,761	193,931	387,175	358,112	713,936	(61,533)	(124,336)
Board of Governors	-	-	106,182	222,445	132,095	360,300	238,277	582,745	(238,277)	(582,745)
Character & Fitness Board	-	-	70,697	140,905	6,436	33,000	77,134	173,905	(77,134)	(173,905)
Communications Strategies	-	600	317,868	710,318	15,654	180,295	333,523	890,613	(333,523)	(890,013)
Communications Strategies FTE		-	129,992	249,012	-	-	129,992	249,012	(129,992)	(249,012)
Discipline	42,238	90,000	3,076,752	6,275,710	67,169	216,544	3,143,921	6,492,254	(3,101,683)	(6,402,254)
Diversity	135,000	135,000	182,574	371,905	7,215	70,900	189,789	442,805	(54,789)	(307,805)
Finance	375,670	600,000	599,103	1,154,793	3,232	4,920	602,334	1,159,713	(226,664)	(559,713)
Foundation	-	-	82,698	165,726	4,683	17,800	87,381	183,526	(87,381)	(183,526)
Human Resources	-	-	405,036	574,952	-	-	405,036	574,952	(405,036)	(574,952)
Law Clerk Program	237,393	207,200	89,220	178,661	2,826	51,031	92,045	229,692	145,348	(22,492)
Legislative	-	-	127,041	254,298	15,403	26,275	142,444	280,573	(142,444)	(280,573)
Legal Lunchbox	31,001	34,000	26,351	34,192	4,414	4,725	30,765	38,917	236	(4,917)
Licensing and Membership Records	239,415	450,200	392,654	790,226	10,545	36,032	403,199	826,258	(163,783)	(376,058)
Licensing Fees	8,744,448	17,492,616	-	-	-	-	0	-	8,744,448	17,492,616
Limited License Legal Technician	13,819	25,031	49,376	103,088	403	12,500	49,779	115,588	(35,960)	(90,557)
Limited Practice Officers	94,857	189,300	51,611	106,563	10,849	37,304	62,460	143,867	32,398	45,433
Mandatory CLE	848,100	1,233,800	345,959	653,747	73,582	151,333	419,541	805,080	428,559	428,720
Member Wellness Program	1,500	10,000	113,642	227,746	2,180	11,905	115,822	239,651	(114,322)	(229,651)
Member Services & Engagement	7,550	16,300	128,847	291,819	16,235	119,550	145,082	411,369	(137,532)	(395,069)
Mini CLE	-	-	59,752	119,503	-	-	59,752	119,503	(59,752)	(119,503)
New Member Education	119,430	88,000	53,387	106,868	-	1,950	53,387	108,818	66,043	(20,818)
Office of General Counsel	270	-	503,682	1,002,440	3,506	26,005	507,188	1,028,445	(506,918)	(1,028,445)
Office of the Executive Director	-	-	435,263	884,643	110,773	138,975	546,036	1,023,618	(546,036)	(1,023,618)
OGC-Disciplinary Board	-	-	101,080	198,045	64,536	128,500	165,616	326,545	(165,616)	(326,545)
Practice of Law Board	-	-	36,855	76,989	-	16,000	36,855	92,989	(36,855)	(92,989)
Practice Management Assistance	33,061	62,000	70,872	142,003	87,730	93,650	158,602	235,653	(125,541)	(173,653)
Professional Responsibility Program	-	-	104,576	208,419	1,347	6,700	105,923	215,119	(105,923)	(215,119)
Public Service Programs	134,832	132,400	110,453	223,674	103,653	310,700	214,106	534,374	(79,275)	(401,974)
Publication and Design Services	-	-	65,053	124,220	4,844	5,000	69,897	129,220	(69,897)	(129,220)
Regulatory Services FTE			220,201	439,881	1,265	9,490	221,467	449,371	(221,467)	(449,371)
Regulatory Reform	-	-	79,230	157,462	3,184	42,500	82,415	199,962	(82,415)	(199,962)
Sections Administration	358,856	275,000	142,959	296,910	95	2,400	143,054	299,310	215,802	(24,310)
Service Center	-	-	361,102	726,174	1,111	3,053	362,213	729,227	(362,213)	(729,227)
Volunteer Engagement	-	-	106,477	242,951	14,253	68,066	120,731	311,017.01	(120,731)	(311,017)
Technology	-	-	973,754	2,048,168	-	-	973,754	2,048,168	(973,754)	(2,048,168)
Subtotal General Fund	**12,842,314**	23,111,227	**10,656,295**	**21,374,165**	**1,218,964**	3,197,877	**11,875,259**	24,572,042	**967,055**	**(1,460,815)**
Expenses using Facilities Reserve funds			(140,188)				(140,188)	(109,065)	140,188	109,065
Expenses using Special Project Reserve funds			(79,230)		(3,184)		(82,415)	(199,962)	82,415	199,962
Total General Fund - Net Result from Operations	**12,842,314**		**10,436,877**		**1,215,780**		**11,652,656**	**24,263,015**	**1,189,658**	**(1,151,788)**
Percentage of Budget	**56%**		**50%**		**38%**		**48%**			
CLE-Seminars and Products	821,917	1,623,710	515,227	1,051,695	49,934	306,112	565,161	1,357,807	256,756	265,904
CLE - Deskbooks	32,827	131,000	159,806	276,952	450	54,950	160,256	331,902	(127,429)	(200,902)
Total CLE	854,744	1,754,710	675,033	1,328,647	50,384	361,062	725,416	1,689,709	129,327	65,001
Percentage of Budget	**49%**		**51%**		**14%**		**43%**	(7,789)	8,111	7,789
Expenses using Facilities Reserve funds			(8,111)				(8,111)	**1,681,920**	**137,438**	**72,790**
Total CLE Fund - Net Result from Operations			**666,922**				**717,305**			
Total All Sections	585,165	645,483	-	-	499,154	1,040,206	499,154	1,040,206	86,011	(394,722)
Client Protection Fund-Restricted	822,375	930,540	91,604	182,964	(147,559)	506,400	(55,955)	689,364	878,330	241,176
Expenses using Facilities Reserve funds			(1,247)				(1,247)	(983)	1,247	983
Total CPF Fund - Net Result from Operations			**90,357**				**(57,202)**	**688,381**	**879,577**	**242,159**
Totals	**15,104,598**	**26,441,960**	**11,422,932**	**22,885,776**	**1,620,943**	**5,105,545**	**13,043,875**	**27,991,320**	**2,060,724**	**(1,549,360)**
Totals Net of Use of Facilities Reserve Funds			(149,546)				(149,546)	**27,673,521**	149,546	**(1,231,561)**
Totals Net of Use of Special Project Reserve Funds			(79,230)		(3,184)		(82,415)		82,415	
			11,194,155		**1,617,759**		**12,811,914**		**2,292,685**	
Percentage of Budget	**57%**		**50%**		**32%**		**47%**			

Summary of Fund Balances:	Fund Balances Sept. 30, 2024	2025 Budgeted Fund Balances	Fund Balances Year to date
Restricted Funds:			
Client Protection Fund	4,759,353	5,000,528	5,638,930
Board-Designated Funds (Non-General Fund):			
CLE Fund Balance	1,344,457	1,409,459	1,481,896
Section Funds	2,123,665	1,728,943	2,209,676
Board-Designated Funds (General Fund):			
Operating Reserve Fund	2,500,000	2,500,000	2,500,000
Facilities Reserve Fund	207,286	-	33,485
Special Projects and Innovation Fund	400,000	200,038	317,585
Unrestricted Funds (General Fund):			
Unrestricted General Fund	7,019,063	5,965,497	8,208,721
Total General Fund Balance	**10,126,350**	**8,665,535**	**11,059,792**
Net Change in Total General Fund Balance		**(1,460,815)**	**967,055**
Total Fund Balance	**18,353,825**	**16,804,465**	**20,390,293**
Net Change In Fund Balance		**(1,549,360)**	**2,036,469**

Washington State Bar Association
Analysis of Cash Investments
As of March 31, 2025

Checking & Savings Accounts

General Fund

Checking

Bank	Account	Amount
Wells Fargo	General	1,339,373
	Total	

Investments	Rate (yield)	Amount
Wells Fargo Money Market	4.27%	16,002,482
UBS Financial Money Market	3.89%	1,168,907
CDs/Treasuries	see list	8,982,767
	General Fund Total	**27,493,529**

Client Protection Fund

Checking

Bank	Amount
Wells Fargo	439,175

Investments	Rate (yield)	Amount
Wells Fargo Money Market	4.27%	2,619,688
CDs/Treasuries	see list	2,717,526
	Client Protection Fund Total	**5,776,390**

Grand Total Cash & Investments	**33,269,919**

Washington State Bar Association
Analysis of Cash Investments
As of March 31, 2025

General Fund

Bank	Yield	Term Months	Trade Date	Settle Date	Maturity Date	Amount
Beal Bank Plano TX CD	5.00%	12	3/26/2024	4/3/2024	4/2/2025	250,000
Old National BK CD	5.00%	12	3/26/2024	4/4/2024	4/4/2025	250,000
Exchange Bank CD	5.00%	12	4/16/2024	4/24/2024	4/23/2025	250,000
Northside Community Bank CD	5.00%	12	4/16/2024	4/24/2024	4/24/2025	250,000
CF Bank CD	5.05%	12	4/26/2024	5/3/2024	5/2/2025	250,000
Morgan Stanley Bank CD	5.10%	12	5/2/2024	5/8/2024	5/8/2025	250,000
Meridian Bank CD	5.10%	12	5/9/2024	5/15/2024	5/15/2025	250,000
Morgan Stanley PVT Bank CD	5.15%	12	5/9/2024	5/15/2024	5/15/2025	250,000
City National Bank of FL CD	4.15%	9	10/10/2024	10/16/2024	7/16/2025	250,000
Bank of America Calif CD	4.10%	9	10/10/2024	10/17/2024	7/17/2025	250,000
Western Allance Bank CD	4.10%	9	10/10/2024	10/18/2024	7/18/2025	250,000
Cross River Bank CD	4.30%	9	11/19/2024	11/22/2024	8/22/2025	250,000
US Bank NA Cincinnati CD	4.40%	9	11/19/2024	11/26/2024	8/26/2025	250,000
BMO bank NA CD	4.30%	9	11/26/2024	11/29/2024	8/29/2025	250,000
HomeTrust Bank CD	4.15%	9	12/31/2024	1/9/2025	10/9/2025	250,000
Tompkins Community Bank CD	4.10%	9	1/7/2025	1/17/2025	10/17/2025	250,000
Needham Bank CD	4.10%	9	1/16/2025	1/24/2025	10/24/2025	250,000
Dogwood St Bank CD	4.20%	9	1/16/2025	1/28/2025	10/28/2025	250,000
First Bank Chicago CD	4.20%	12	11/26/2024	11/27/2024	11/26/2025	250,000
Bank of India NY CD	4.10%	11	12/17/2024	12/27/2024	12/3/2025	250,000
State Bank India CD	4.25%	9	3/17/2025	3/24/2025	12/19/2025	250,000
Federal Farm Credit Bank CD	4.25%	12	12/17/2024	12/20/2024	12/19/2025	250,243
Stearns Bank CD	4.15%	12	12/12/2024	12/23/2024	12/23/2025	250,000
Regions Bank CD	4.10%	12	12/31/2024	1/8/2025	1/8/2026	250,000
TowneBank Portsmouth CD	4.10%	12	12/31/2024	1/10/2025	1/9/2026	250,000
First Reliance Bank CD	4.25%	12	2/21/2025	2/26/2025	2/25/2026	250,000
Bank of NY Mellon CD	4.20%	12	2/21/2025	2/26/2025	2/26/2026	250,000
Wells Fargo CD	4.25%	12	2/24/2025	3/5/2025	3/5/2026	250,000
US T- Bill's						
US Treasury Bill	4.60%	6	10/10/2024	10/11/2024	4/10/2025	244,781
US Treasury Bill	4.20%	4	12/17/2024	12/18/2024	4/15/2025	246,651
US Treasury Bill	4.15%	4	1/7/2025	1/8/2025	5/6/2025	246,689
US Treasury Bill	4.20%	6	12/12/2024	12/13/2024	6/12/2025	244,897
US Treasury Bill	4.12%	6	12/31/2024	1/2/2025	7/3/2025	244,967
US Treasury Bill	4.22%	6	2/21/2025	2/24/2025	8/31/2025	514,177
US Treasury Bill	4.30%	11	11/26/2024	11/27/2024	10/30/2025	240,364
					Total	**8,982,767**

Client Fund Protection Fund

Bank	Yield	Term Months	Trade Date	Settle Date	Maturity Date	Amount
Goldman Sachs Bank CD	5.00%	9	7/12/2024	7/23/2024	4/23/2025	250,000
FirstBank Nashville CD	5.15%	12	5/14/2024	5/17/2024	5/16/2025	250,000
Ally Bank CD	4.05%	9	10/10/2024	10/17/2024	7/17/2025	250,000
Dollar Bank CD	4.15%	12	12/12/2024	12/20/2024	12/19/2025	250,000

Washington State Bar Association
Analysis of Cash Investments
As of March 31, 2025

Mizuho Bank USA CD	4.20%	9	3/17/2025	3/26/2025	12/26/2025	250,000
Bank of American NA CD	4.35%	12	1/16/2025	1/24/2025	1/23/2026	250,000
US T- Bill's						
US Treasury Bill	4.30%	6	10/10/2024	10/11/2024	4/10/2025	244,781
US Treasury Bill	4.35%	10	8/27/2024	8/28/2024	6/12/2025	241,640
US Treasury Bill	4.20%	6	2/21/2025	2/24/2025	8/21/2025	489,963
US Treasury Bill	4.30%	10	11/26/2024	11/27/2024	10/2/2025	241,143
					Total	**2,717,526**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
LICENSE FEES						
REVENUE:						
LICENSE FEES	17,492,616	1,548,740	8,744,448	8,748,168	50%	(1,860)
TOTAL REVENUE:	**17,492,616**	**1,548,740**	**8,744,448**	**8,748,168**	**50%**	**(1,860)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

ADMISSIONS

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
EXAM SOFTWARE REVENUE	27,500	-	-	27,500	0%	(13,750)
BAR EXAM FEES	1,378,980	340,845	1,096,110	282,870	79%	406,620
RULE 9/LEGAL INTERN FEES	12,500	550	2,900	9,600	23%	(3,350)
SPECIAL ADMISSIONS	61,200	4,850	29,285	31,915	48%	(1,315)
TOTAL REVENUE:	**1,480,180**	**346,245**	**1,128,295**	**351,885**	**76%**	**388,205**
DIRECT EXPENSES:						
POSTAGE	2,000	169	1,810	190	91%	(810)
STAFF TRAVEL/PARKING	24,000	6,266	8,264	15,736	34%	3,736
STAFF MEMBERSHIP DUES	495	-	245	250	49%	3
SUPPLIES	2,000	313	3,033	(1,033)	152%	(2,033)
FACILITY, PARKING, FOOD	100,000	(1,101)	43,083	56,917	43%	6,917
EXAMINER FEES	44,500	-	21,750	22,750	49%	500
UBE EXMINATIONS	118,000	41,448	41,448	76,552	35%	17,552
BOARD OF BAR EXAMINERS	42,500	2,502	2,502	39,998	6%	18,748
BAR EXAM PROCTORS	23,000	9,432	9,432	13,568	41%	2,068
DISABILITY ACCOMMODATIONS	65,000	23,209	25,184	39,816	39%	7,316
CHARACTER & FITNESS INVESTIGATIONS	1,000	-	700	300	70%	(200)
LAW SCHOOL VISITS	2,000	21	21	1,979	1%	979
SOFTWARE HOSTING	45,609	3,653	22,058	23,551	48%	747
STAFF CONFERENCE & TRAINING	10,100	-	4,302	5,798	43%	748
TOTAL DIRECT EXPENSES:	**480,204**	**85,913**	**183,833**	**296,371**	**38%**	**56,269**
INDIRECT EXPENSES:						
SALARY EXPENSE (6.65 FTE)	551,588	48,731	282,226	269,362	51%	(6,432)
BENEFITS EXPENSE	194,873	16,842	95,368	99,505	49%	2,069
OTHER INDIRECT EXPENSE	159,666	8,455	78,982	80,685	49%	852
TOTAL INDIRECT EXPENSES:	**906,127**	**74,028**	**456,576**	**449,552**	**50%**	**(3,512)**
TOTAL ALL EXPENSES:	**1,386,331**	**159,941**	**640,408**	**745,923**	**46%**	**52,758**
NET INCOME (LOSS):	**93,849**	**186,304**	**487,887**	**(394,038)**	**520%**	**440,963**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

ADVANCEMENT FTE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF CONFERENCE & TRAINING	3,300	-	120	3,180	4%	1,530
TOTAL DIRECT EXPENSES:	**3,300**	**-**	**120**	**3,180**	**4%**	**1,530**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.96 FTE)	264,525	22,418	130,354	134,172	49%	1,909
BENEFITS EXPENSE	74,703	6,436	36,305	38,399	49%	1,047
OTHER INDIRECT EXPENSE	47,060	2,493	23,292	23,768	49%	238
TOTAL INDIRECT EXPENSES:	**386,288**	**31,347**	**189,950**	**196,338**	**49%**	**3,194**
TOTAL ALL EXPENSES:	**389,588**	**31,347**	**190,070**	**199,518**	**49%**	**4,724**
NET INCOME (LOSS):	**(389,588)**	**(31,347)**	**(190,070)**	**(199,518)**	**49%**	**4,724**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
ACCESS TO JUSTICE						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
ATJ BOARD RETREAT	6,000	-	2,371	3,629	40%	629
LEADERSHIP TRAINING	6,000	-	1,624	4,376	27%	1,376
ATJ BOARD EXPENSE	58,500	5,237	31,404	27,096	54%	(2,154)
STAFF TRAVEL/PARKING	2,800	20	315	2,485	11%	1,085
STAFF CONFERENCE & TRAINING	2,495	-	1,530	965	61%	(283)
PUBLIC DEFENSE	4,000	-	2,279	1,721	57%	(279)
CONFERENCE/INSTITUTE EXPENSE	30,000	-	19,167	10,833	64%	(4,167)
RECEPTION/FORUM EXPENSE	30,000	700	13,170	16,830	44%	1,830
TOTAL DIRECT EXPENSES:	**139,795**	**5,957**	**71,861**	**67,934**	**51%**	**(1,964)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.68 FTE)	157,861	14,047	79,734	78,127	51%	(804)
BENEFITS EXPENSE	52,337	4,538	25,591	26,746	49%	577
OTHER INDIRECT EXPENSE	40,337	2,137	19,964	20,373	49%	204
TOTAL INDIRECT EXPENSES:	**250,535**	**20,722**	**125,290**	**125,245**	**50%**	**(22)**
TOTAL ALL EXPENSES:	**390,330**	**26,678**	**197,151**	**193,179**	**51%**	**(1,986)**
NET INCOME (LOSS):	**(390,330)**	**(26,678)**	**(197,151)**	**(193,179)**	**51%**	**(1,986)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

BAR NEWS

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
ROYALTIES	2,000	-	-	2,000	0%	(1,000)
DISPLAY ADVERTISING	405,000	54,163	246,560	158,440	61%	44,060
SUBSCRIPT/SINGLE ISSUES	100	36	108	(8)	108%	58
CLASSIFIED ADVERTISING	2,500	602	2,521	(21)	101%	1,271
JOB TARGET ADVERSTISING	180,000	11,850	47,390	132,610	26%	(42,610)
TOTAL REVENUE:	**589,600**	**66,651**	**296,579**	**293,021**	**50%**	**1,779**
DIRECT EXPENSES:						
POSTAGE	121,000	15,072	75,851	45,149	63%	(15,351)
PRINTING, COPYING & MAILING	262,500	23,093	117,305	145,195	45%	13,945
DIGITAL/ONLINE DEVELOPMENT	2,000	-	572	1,428	29%	428
GRAPHICS/ARTWORK	1,000	-	-	1,000	0%	500
EDITORIAL ADVISORY COMMITTEE	300	-	-	300	0%	150
STAFF MEMBERSHIP DUES	150	-	-	150	0%	75
SUBSCRIPTIONS	225	-	204	21	91%	(92)
TOTAL DIRECT EXPENSES:	**387,175**	**38,165**	**193,931**	**193,244**	**50%**	**(344)**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.13 FTE)	207,867	16,552	106,641	101,226	51%	(2,707)
BENEFITS EXPENSE	67,753	5,578	32,322	35,432	48%	1,555
OTHER INDIRECT EXPENSE	51,141	2,700	25,218	25,923	49%	353
TOTAL INDIRECT EXPENSES:	**326,761**	**24,830**	**164,180**	**162,581**	**50%**	**(800)**
TOTAL ALL EXPENSES:	**713,936**	**62,994**	**358,112**	**355,824**	**50%**	**(1,144)**
NET INCOME (LOSS):	**(124,336)**	**3,657**	**(61,533)**	**(62,803)**	**49%**	**635**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
BOARD OF GOVERNORS						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
BOG MEETINGS	148,000	34,862	61,893	86,107	42%	12,107
BOG COMMITTEES' EXPENSES **	8,500	18	3,708	4,792	44%	542
BOG RETREAT **	43,000	161	38,128	4,872	89%	(16,628)
BOG CONFERENCE ATTENDANCE **	36,500	10,152	15,372	21,128	42%	2,878
BOG TRAVEL & OUTREACH	50,000	763	8,739	41,261	17%	16,261
LEADERSHIP TRAINING	15,000	-	-	15,000	0%	7,500
BOG ELECTIONS	42,000	-	4,018	37,982	10%	16,982
PRESIDENT'S DINNER	10,000	-	0	10,000	0%	5,000
NEW GOVERNOR ORIENTATION **	3,500	154	154	3,346	4%	1,596
PRESIDENT'S PHOTO	3,300	-	-	3,300	0%	1,650
SUPPLIES	500	11	84	416	17%	166
TOTAL DIRECT EXPENSES:	**360,300**	**46,120**	**132,095**	**228,205**	**37%**	**48,055**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.73 FTE) **	132,168	11,429	62,723	69,445	47%	3,361
BENEFITS EXPENSE **	48,740	4,131	22,954	25,785	47%	1,416
OTHER INDIRECT EXPENSE **	41,537	2,194	20,505	21,033	49%	264
TOTAL INDIRECT EXPENSES:	**222,445**	**17,754**	**106,182**	**116,263**	**48%**	**5,040**
TOTAL ALL EXPENSES:	**582,745**	**63,874**	**238,277**	**344,468**	**41%**	**53,096**
NET INCOME (LOSS):	**(582,745)**	**(63,874)**	**(238,277)**	**(344,468)**	**41%**	**53,096**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

CHARACTER & FITNESS BOARD

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CHARACTER & FITNESS BOARD EXP	18,000	318	3,340	14,660	19%	5,660
COURT REPORTERS	15,000	-	3,096	11,904	21%	4,404
TOTAL DIRECT EXPENSES:	**33,000**	**318.25**	**6,436.46**	**26,564**	**20%**	**10,064**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.75 FTE)	95,315	8,183	48,149	47,166	51%	(491)
BENEFITS EXPENSE	27,582	2,395	13,617	13,965	49%	174
OTHER INDIRECT EXPENSE	18,007	956	8,931	9,076	50%	72
TOTAL INDIRECT EXPENSES:	**140,905**	**11,534**	**70,697**	**70,208**	**50%**	**(245)**
TOTAL ALL EXPENSES:	**173,905**	**11,853**	**77,134**	**96,771**	**44%**	**9,819**
NET INCOME (LOSS):	**(173,905)**	**(11,853)**	**(77,134)**	**(96,771)**	**44%**	**9,819**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
CONTINUING LEGAL EDUCATION (CLE)						
(CLES - CLEP)						
REVENUE:						
SEMINAR REGISTRATIONS	825,000	47,262	238,459	586,541	29%	(174,041)
SEMINAR REVENUE-OTHER	20,000	-	800	19,200	4%	(9,200)
SEMINAR SPLITS W/ CLE	(150,000)	-	-	(150,000)	0%	75,000
SHIPPING & HANDLING	210	9	90	120	43%	(15)
COURSEBOOK SALES	3,500	95	650	2,850	19%	(1,100)
MP3 AND VIDEO SALES	925,000	43,359	581,918	343,082	63%	119,418
TOTAL REVENUE:	**1,623,710**	**90,725**	**821,917**	**801,793**	**51%**	**(108,241)**
DIRECT EXPENSES:						
COURSEBOOK PRODUCTION	500	-	-	500	0%	250
DEPRECIATION	2,012	170	1,020	992	51%	(14)
ONLINE EXPENSES	54,000	2,219	22,078	31,922	41%	4,922
ACCREDITATION FEES	3,000	(108)	2,064	936	69%	(564)
FACILITIES	165,000	2,701	23,671	141,329	14%	58,829
DISABILITY ACCOMMODATIONS	7,000	-	-	7,000	0%	3,500
SPEAKERS & PROGRAM DEVELOP	48,000	-	766	47,234	2%	23,234
HONORARIA	3,000	-	-	3,000	0%	1,500
CLE SEMINAR COMMITTEE	200	-	-	200	0%	100
STAFF TRAVEL/PARKING	15,000	181	234	14,766	2%	7,266
STAFF CONFERENCE & TRAINING	5,900	-	-	5,900	0%	2,950
STAFF MEMBERSHIP DUES	1,500	-	-	1,500	0%	750
SUPPLIES	500	-	-	500	0%	250
COST OF SALES - COURSEBOOKS	300	10	48	252	16%	102
POSTAGE & DELIVERY-COURSEBOOKS	200	22	53	147	26%	47
TOTAL DIRECT EXPENSES:	**306,112**	**5,195**	**49,934**	**256,178**	**16%**	**103,122**
INDIRECT EXPENSES:						
SALARY EXPENSE (8.00 FTE)	630,924	55,789	310,429	320,495	49%	5,033
BENEFITS EXPENSE	228,691	19,531	109,880	118,811	48%	4,466
OTHER INDIRECT EXPENSE	192,080	10,161	94,918	97,162	49%	1,122
TOTAL INDIRECT EXPENSES:	**1,051,695**	**85,481**	**515,227**	**536,468**	**49%**	**10,621**
TOTAL ALL EXPENSES:	**1,357,807**	**90,676**	**565,161**	**792,646**	**42%**	**113,743**
NET INCOME (LOSS):	**265,904**	**48**	**256,756**	**9,147**	**97%**	**123,804**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
CLIENT PROTECTION FUND						
REVENUE:						
CPF RESTITUTION	10,000	1,164	17,361	(7,361)	174%	12,361
CPF MEMBER ASSESSMENTS	720,540	13,890	697,335	23,205	97%	337,065
INTEREST INCOME	200,000	19,208	107,679	92,321	54%	7,679
TOTAL REVENUE:	**930,540**	**34,262**	**822,375**	**108,165**	**88%**	**357,105**
DIRECT EXPENSES:						
BANK FEES	2,500	(361)	(2,523)	5,023	-101%	3,773
GIFTS TO INJURED CLIENTS	500,000	18,500	(145,180)	645,180	-29%	395,180
CPF BOARD EXPENSES	2,000	-	144	1,856	7%	856
STAFF CONFERENCE & TRAINING	1,700	-	-	1,700	0%	850
STAFF MEMBERSHIP DUES	200	-	-	200	0%	100
TOTAL DIRECT EXPENSES:	**506,400**	**18,139**	**(147,559)**	**653,959**	**-29%**	**400,759**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.23 FTE)	115,160	9,922	58,369	56,791	51%	(789)
BENEFITS EXPENSE	38,272	3,283	18,699	19,573	49%	437
OTHER INDIRECT EXPENSE	29,532	1,556	14,535	14,997	49%	231
TOTAL INDIRECT EXPENSES:	**182,964**	**14,762**	**91,604**	**91,361**	**50%**	**(122)**
TOTAL ALL EXPENSES:	**689,364**	**32,901**	**(55,955)**	**745,320**	**-8%**	**400,637**
NET INCOME (LOSS):	**241,176**	**1,361**	**878,330**	**(637,155)**	**364%**	**757,743**

Washington State Bar Association

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For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

COMMUNICATION STRATEGIES

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
50 YEAR MEMBER TRIBUTE LUNCH	100	-	-	100	0%	(50)
WSBA LOGO MERCHANDISE SALES	500	-	-	500	0%	(250)
TOTAL REVENUE:	**600**	**-**	**-**	**600**	**0%**	**(300)**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	5,895	198	1,111	4,784	19%	1,837
STAFF MEMBERSHIP DUES	1,800	-	-	1,800	0%	900
SUBSCRIPTIONS	4,000	131	670	3,330	17%	1,330
APEX DINNER	52,500	5	5	52,495	0%	26,245
BAR LEADERS SUMMIT	35,000	-	-	35,000	0%	17,500
50 YEAR MEMBER TRIBUTE LUNCH	35,000	3,358	3,358	31,642	10%	14,142
BAR OUTREACH	20,000	47	121	19,879	1%	9,879
COMMUNICATIONS OUTREACH	15,000	82	1,668	13,332	11%	5,832
STAFF CONFERENCE & TRAINING	11,100	-	8,721	2,379	79%	(3,171)
TOTAL DIRECT EXPENSES:	**180,295**	**3,821**	**15,654**	**164,641**	**9%**	**74,493**
INDIRECT EXPENSES:						
SALARY EXPENSE (5.39 FTE) **	426,569	35,155	183,709	242,860	43%	29,575
BENEFITS EXPENSE **	154,335	13,056	70,143	84,193	45%	7,025
OTHER INDIRECT EXPENSE **	129,414	6,843	64,017	65,397	49%	690
TOTAL INDIRECT EXPENSES:	**710,318**	**55,054**	**317,868**	**392,450**	**45%**	**37,291**
TOTAL ALL EXPENSES:	**890,613**	**58,875**	**333,523**	**557,090**	**37%**	**111,784**
NET INCOME (LOSS):	**(890,013)**	**(58,875)**	**(333,523)**	**(556,490)**	**37%**	**111,484**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

COMMUNICATION STRATEGIES FTE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
INDIRECT EXPENSES:						
SALARY EXPENSE (1.00 FTE)	179,737	15,526	94,458	85,279	53%	(4,589)
BENEFITS EXPENSE	45,265	4,311	23,626	21,640	52%	(993)
OTHER INDIRECT EXPENSE	24,010	1,275	11,909	12,101	50%	96
TOTAL INDIRECT EXPENSES:	**249,012**	**21,112**	**129,992**	**119,020**	**52%**	**(5,486)**
NET INCOME (LOSS):	**(249,012)**	**(21,112)**	**(129,992)**	**(119,020)**	**52%**	**(5,486)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
DESKBOOKS						
REVENUE:						
DESKBOOK SALES	30,000	3,899	3,899	26,101	13%	(11,101)
LEXIS/NEXIS ROYALTIES	75,000	10,083	20,716	54,284	28%	(16,784)
SECTION PUBLICATION SALES	1,000	-	-	1,000	0%	(500)
FASTCASE ROYALTIES	25,000	-	8,212	16,788	33%	(4,288)
TOTAL REVENUE:	**131,000**	**13,982**	**32,827**	**98,173**	**25%**	**(32,673)**
DIRECT EXPENSES:						
COST OF SALES - DESKBOOKS	5,000	450	450	4,550	9%	2,050
COST OF SALES - SECTION PUBLICATION	500	-	-	500	0%	250
SPLITS TO SECTIONS	300	-	-	300	0%	150
DESKBOOK ROYALTIES	300	-	-	300	0%	150
POSTAGE & DELIVER-DESKBOOKS	300	-	-	300	0%	150
OBSOLETE INVENTORY	48,250	-	-	48,250	0%	24,125
STAFF MEMBERSHIP DUES	250	-	-	250	0%	125
SUBSCRIPTIONS	50	-	-	50	0%	25
TOTAL DIRECT EXPENSES:	**54,950**	**450**	**450**	**54,500**	**1%**	**27,025**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.75 FTE)	178,087	12,173	110,590	67,497	62%	(21,547)
BENEFITS EXPENSE	56,847	4,493	28,376	28,472	50%	48
OTHER INDIRECT EXPENSE	42,017	2,231	20,840	21,178	50%	169
TOTAL INDIRECT EXPENSES:	**276,952**	**18,896**	**159,806**	**117,146**	**58%**	**(21,330)**
TOTAL ALL EXPENSES:	**331,902**	**19,346**	**160,256**	**171,646**	**48%**	**5,695**
NET INCOME (LOSS):	**(200,902)**	**(5,364)**	**(127,429)**	**(73,473)**	**63%**	**(26,978)**

Washington State Bar Association

Statement of Activities

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50% OF YEAR COMPLETE

DISCIPLINE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
AUDIT REVENUE	1,000	-	213	788	21%	(288)
RECOVERY OF DISCIPLINE COSTS	70,000	2,778	31,105	38,895	44%	(3,895)
DISCIPLINE HISTORY SUMMARY	19,000	2,040	10,920	8,080	57%	1,420
TOTAL REVENUE:	**90,000**	**4,818**	**42,238**	**47,762**	**47%**	**(2,762)**
DIRECT EXPENSES:						
DEPRECIATION-SOFTWARE	24,259	-	-	24,259	0%	12,130
PUBLICATIONS PRODUCTION	350	-	-	350	0%	175
STAFF TRAVEL/PARKING	25,000	695	4,900	20,100	20%	7,600
STAFF MEMBERSHIP DUES	7,090	300	6,608	482	93%	(3,063)
TELEPHONE	4,000	196	1,117	2,883	28%	883
COURT REPORTERS	60,000	1,198	26,916	33,084	45%	3,084
OUTSIDE COUNSEL/AIC	1,000	-	-	1,000	0%	500
LITIGATION EXPENSES	40,000	1,257	4,932	35,068	12%	15,068
DISABILITY EXPENSES	5,500	49	3,699	1,801	67%	(949)
TRANSLATION SERVICES	12,000	321	1,559	10,441	13%	4,441
STAFF CONFERENCE & TRAINING	37,345	4,963	17,439	19,906	47%	1,234
TOTAL DIRECT EXPENSES:	**216,544**	**8,978**	**67,169**	**149,375**	**31%**	**41,103**
INDIRECT EXPENSES:						
SALARY EXPENSE (39.00 FTE)	4,063,643	340,042	1,995,726	2,067,917	49%	36,096
BENEFITS EXPENSE	1,275,677	107,856	617,994	657,683	48%	19,844
OTHER INDIRECT EXPENSE	936,389	49,570	463,032	473,358	49%	5,163
TOTAL INDIRECT EXPENSES:	**6,275,710**	**497,468**	**3,076,752**	**3,198,958**	**49%**	**61,103**
TOTAL ALL EXPENSES:	**6,492,254**	**506,446**	**3,143,921**	**3,348,333**	**48%**	**102,206**
NET INCOME (LOSS):	**(6,402,254)**	**(501,628)**	**(3,101,683)**	**(3,300,570)**	**48%**	**99,444**

Washington State Bar Association

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50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
DIVERSITY						
REVENUE:						
DONATIONS	135,000	95,084	135,000	0	100%	67,500
TOTAL REVENUE:	**135,000**	**95,084**	**135,000**	**0**	**100%**	**67,500**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,700	57	268	3,432	7%	1,582
STAFF MEMBERSHIP DUES	700	-	480	220	69%	(130)
DEI COUNCIL	5,900	140	419	5,481	7%	2,531
DIVERSITY EVENTS & PROJECTS	43,100	2,166	5,841	37,259	14%	15,709
INTERNAL DIVERSITY OUTREACH	7,500	-	-	7,500	0%	3,750
STAFF CONFERENCE & TRAINING	3,000	-	162	2,838	5%	1,338
CONSULTING SERVICES	7,000	-	45	6,955	1%	3,455
TOTAL DIRECT EXPENSE:	**70,900**	**2,363**	**7,215**	**63,685**	**10%**	**28,235**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.69 FTE)	227,749	19,462	112,372	115,378	49%	1,503
BENEFITS EXPENSE	79,569	6,765	38,330	41,239	48%	1,455
OTHER INDIRECT EXPENSE	64,587	3,412	31,873	32,714	49%	421
TOTAL INDIRECT EXPENSES:	**371,905**	**29,639**	**182,574**	**189,330**	**49%**	**3,378**
TOTAL ALL EXPENSES:	**442,805**	**32,002**	**189,789**	**253,016**	**43%**	**31,613**
NET INCOME (LOSS):	**(307,805)**	**63,082**	**(54,789)**	**(253,015)**	**18%**	**99,113**

Washington State Bar Association

Statement of Activities

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50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
ETHICS, WELLNESS, & PRACTICE						
(MWP-PMA-PRP)						
REVENUE:						
DIVERSIONS	10,000	-	1,500	8,500	15%	(3,500)
ROYALTIES	62,000	-	33,061	28,939	53%	2,061
TOTAL REVENUE:	**72,000**	**-**	**34,561**	**37,439**	**48%**	**(1,439)**
DIRECT EXPENSES:						
STAFF MEMBERSHIP DUES	1,450	-	965	485	67%	(240)
MEMBER WELLNESS COUNCIL	4,250	-	1,042	3,208	25%	1,083
LEGAL TECH TASK FORCE	5,000	-	2,750	2,250	55%	(250)
STAFF TRAVEL/PARKING	5,000	72	761	4,239	15%	1,739
STAFF CONFERENCE & TRAINING	9,100	-	222	8,878	2%	4,328
SUBSCRIPTIONS	1,455	110	662	793	46%	65
CPE COMMITTEE	1,000	-	286	714	29%	214
FASTCASE	85,000	-	84,568	432	99%	(42,068)
TOTAL DIRECT EXPENSES:	**112,255**	**183**	**91,257**	**20,998**	**81%**	**(35,129)**
INDIRECT EXPENSES:						
SALARY EXPENSE (3.51 FTE)	376,056	32,482	190,096	185,961	51%	(2,067)
BENEFITS EXPENSE	117,836	10,128	57,490	60,346	49%	1,428
OTHER INDIRECT EXPENSE	84,275	4,443	41,505	42,770	49%	633
TOTAL INDIRECT EXPENSES:	**578,168**	**47,053**	**289,090**	**289,077**	**50%**	**(7)**
TOTAL ALL EXPENSES:	**690,423**	**47,236**	**380,347**	**310,076**	**55%**	**(35,136)**
NET INCOME (LOSS):	**(618,423)**	**(47,236)**	**(345,786)**	**(272,637)**	**56%**	**(36,574)**

Washington State Bar Association

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50% OF YEAR COMPLETE

FINANCE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
INTEREST INCOME	600,000	86,561	375,670	224,330	63%	75,670
TOTAL REVENUE:	**600,000**	**86,561**	**375,670**	**224,330**	**63%**	**75,670**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,750	772	2,928	822	78%	(1,053)
STAFF CONFERENCE & TRAINING	500	-	303	197	61%	(53)
STAFF MEMBERSHIP DUES	670	-	-	670	0%	335
TOTAL DIRECT EXPENSES:	**4,920**	**772**	**3,232**	**1,688**	**66%**	**(772)**
INDIRECT EXPENSES:						
SALARY EXPENSE (6.92 FTE)	755,465	68,418	399,832	355,633	53%	(22,099)
BENEFITS EXPENSE	233,179	20,604	117,137	116,042	50%	(548)
OTHER INDIRECT EXPENSE	166,149	8,793	82,134	84,015	49%	941
TOTAL INDIRECT EXPENSES:	**1,154,793**	**97,815**	**599,103**	**555,690**	**52%**	**(21,706)**
TOTAL ALL EXPENSES:	**1,159,713**	**98,587**	**602,334**	**557,378**	**52%**	**(22,478)**
NET INCOME (LOSS):	**(559,713)**	**(12,026)**	**(226,664)**	**(333,049)**	**40%**	**53,192**

Washington State Bar Association

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50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
FOUNDATION						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	3,200	-	3,200	-	100%	(1,600)
PRINTING & COPYING	1,000	-	-	1,000	0%	500
STAFF TRAVEL/PARKING	3,000	-	-	3,000	0%	1,500
SUPPLIES	2,000	103	103	1,897	5%	897
BOARD OF TRUSTEES	3,600	-	62	3,538	2%	1,738
EQUIPMENT/HARDWARE/SOFTWARE	2,400	220	1,318	1,082	55%	(118)
POSTAGE	400	-	-	400	0%	200
STAFF CONFERENCE & TRAINING	2,200	-	-	2,200	0%	1,100
TOTAL DIRECT EXPENSES:	**17,800**	**323**	**4,683**	**13,117**	**26%**	**4,217**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.05 FTE)	106,460	9,139	53,621	52,839	50%	(391)
BENEFITS EXPENSE	34,056	2,923	16,644	17,412	49%	384
OTHER INDIRECT EXPENSE	25,210	1,331	12,434	12,777	49%	171
TOTAL INDIRECT EXPENSES:	**165,726**	**13,393**	**82,698**	**83,028**	**50%**	**165**
TOTAL ALL EXPENSES:	**183,526**	**13,716**	**87,381**	**96,145**	**48%**	**4,382**
NET INCOME (LOSS):	**(183,526)**	**(13,716)**	**(87,381)**	**(96,145)**	**48%**	**4,382**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
HUMAN RESOURCES						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	300	18	33	267	11%	117
STAFF MEMBERSHIP DUES	1,000	-	528	472	53%	(28)
SUBSCRIPTIONS	2,000	-	993	1,007	50%	7
STAFF TRAINING- GENERAL	36,800	50	777	36,023	2%	17,623
RECRUITING AND ADVERTISING	8,000	185	2,170	5,830	27%	1,830
PAYROLL PROCESSING	50,000	3,541	28,340	21,660	57%	(3,340)
SALARY SURVEYS	1,000	-	-	1,000	0%	500
CONSULTING SERVICES	10,000	-	-	10,000	0%	5,000
STAFF CONFERENCE & TRAINING	2,200	-	171	2,029	8%	929
TRANSFER TO INDIRECT EXPENSE	(111,300)	(3,793)	(33,012)	(78,288)	30%	(22,638)
TOTAL DIRECT EXPENSES:	-	-	-	-		-
INDIRECT EXPENSES:						
SALARY EXPENSE (4.00 FTE)	565,461	42,974	286,475	278,986	51%	(3,745)
ALLOWANCE FOR OPEN POSITIONS	(200,000)	-	-	(200,000)	0%	(100,000)
BENEFITS EXPENSE	113,451	12,272	71,102	42,350	63%	(14,376)
OTHER INDIRECT EXPENSE	96,040	5,081	47,459	48,581	49%	561
TOTAL INDIRECT EXPENSES:	**574,952**	**60,327**	**405,036**	**169,916**	**70%**	**(117,560)**
TOTAL ALL EXPENSES:	**574,952**	**60,327**	**405,036**	**169,916**	**70%**	**(117,560)**
NET INCOME (LOSS):	**(574,952)**	**(60,327)**	**(405,036)**	**(169,916)**	**70%**	**(117,560)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

LAW CLERK PROGRAM

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
LAW CLERK FEES	204,000	4,833	234,993	(30,993)	115%	132,993
LAW CLERK APPLICATION FEES	3,200	100	2,400	800	75%	800
TOTAL REVENUE:	**207,200**	**4,933**	**237,393**	**(30,193)**	**115%**	**133,793**
DIRECT EXPENSES:						
SUBSCRIPTIONS	250	-	-	250	0%	125
DEPRECIATION	12,000	-	-	12,000	0%	6,000
CHARACTER & FITNESS INVESTIGATIONS	100	-	-	100	0%	50
LAW CLERK BOARD EXPENSE	8,000	882	2,494	5,506	31%	1,506
SOFTWARE HOSTING	681	55	331	350	49%	9
LAW CLERK OUTREACH	30,000	-	-	30,000	0%	15,000
TOTAL DIRECT EXPENSES:	**51,031**	**936**	**2,826**	**48,205**	**6%**	**22,690**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.23 FTE)	111,508	9,782	56,580	54,928	51%	(826)
BENEFITS EXPENSE	37,621	3,229	18,104	19,517	48%	706
OTHER INDIRECT EXPENSE	29,532	1,556	14,535	14,997	49%	231
TOTAL INDIRECT EXPENSES:	**178,661**	**14,567**	**89,220**	**89,442**	**50%**	**111**
TOTAL ALL EXPENSES:	**229,692**	**15,503**	**92,045**	**137,647**	**40%**	**22,801**
NET INCOME (LOSS):	**(22,492)**	**(10,570)**	**145,348**	**(167,840)**	**-646%**	**156,594**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
LEGISLATIVE						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	2,500	228	565	1,935	23%	685
STAFF MEMBERSHIP DUES	200	-	-	200	0%	100
JUD RECOMMEND COMMITTEE	2,250	1,334	1,334	916	59%	(209)
SUBSCRIPTIONS	2,000	-	1,986	14	99%	(986)
TELEPHONE	575	48	288	287	50%	(1)
CONTRACT LOBBYIST	15,000	3,000	9,000	6,000	60%	(1,500)
LEGISLATIVE REVIEW COMMITTEE	1,250	-	130	1,120	10%	495
BOG LEGISLATIVE COMMITTEE	300	-	-	300	0%	150
STAFF CONFERENCE & TRAINING	2,200	-	2,101	99	95%	(1,001)
TOTAL DIRECT EXPENSES:	**26,275**	**4,610**	**15,403**	**10,872**	**59%**	**(2,266)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.70 FTE)	160,438	13,762	80,963	79,475	50%	(744)
BENEFITS EXPENSE	53,043	4,553	25,938	27,105	49%	583
OTHER INDIRECT EXPENSE	40,817	2,156	20,139	20,678	49%	269
TOTAL INDIRECT EXPENSES:	**254,298**	**20,472**	**127,041**	**127,257**	**50%**	**108**
TOTAL ALL EXPENSES:	**280,573**	**25,081**	**142,444**	**138,129**	**51%**	**(2,157)**
NET INCOME (LOSS):	**(280,573)**	**(25,081)**	**(142,444)**	**(138,129)**	**51%**	**(2,157)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

LICENSING & MEMBERSHIP RECORDS

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
STATUS CERTIFICATE FEES	27,000	2,725	16,725	10,275	62%	3,225
INVESTIGATION FEES	20,000	1,500	14,400	5,600	72%	4,400
PRO HAC VICE **	400,000	34,330	204,781	195,219	51%	4,781
MEMBER CONTACT INFORMATION	3,000	-	3,173	(173)	106%	1,673
PHOTO BAR CARD SALES	200	84	336	(136)	168%	236
TOTAL REVENUE:	**450,200**	**38,639**	**239,415**	**210,785**	**53%**	**14,315**
DIRECT EXPENSES:						
POSTAGE	17,652	1,572	1,661	15,991	9%	7,165
SOFTWARE HOSTING	18,380	1,472	8,884	9,496	48%	306
TOTAL DIRECT EXPENSES:	**36,032**	**3,044**	**10,545**	**25,487**	**29%**	**7,471**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.83 FTE)	515,705	44,497	258,004	257,701	50%	(151)
BENEFITS EXPENSE	158,553	13,675	77,384	81,169	49%	1,893
OTHER INDIRECT EXPENSE	115,968	6,131	57,266	58,702	49%	718
TOTAL INDIRECT EXPENSES:	**790,226**	**64,302**	**392,654**	**397,573**	**50%**	**2,459**
TOTAL ALL EXPENSES:	**826,258**	**67,346**	**403,199**	**423,060**	**49%**	**9,931**
NET INCOME (LOSS):	**(376,058)**	**(28,707)**	**(163,783)**	**(212,275)**	**44%**	**24,246**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

LIMITED LICENSE LEGAL TECHNICIAN PROGRAM

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
SEMINAR REGISTRATIONS	7,000	-	5,600	1,400	80%	2,100
LLLT LICENSE FEES	17,731	1,403	7,914	9,817	45%	(952)
LLLT LATE LICENSE FEES	-	99	305	(305)		305
MCLE LATE FEES	300	-	-	300	0%	(150)
TOTAL REVENUE:	**25,031**	**1,502**	**13,819**	**11,212**	**55%**	**1,303**
DIRECT EXPENSES:						
LLLT BOARD	11,500	-	368	11,132	3%	5,382
LLLT EDUCATION	1,000	-	35	965	4%	465
TOTAL DIRECT EXPENSES:	**12,500**	**-**	**403**	**12,097**	**3%**	**5,847**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.66 FTE)	66,030	5,965	31,762	34,267	48%	1,252
BENEFITS EXPENSE	21,211	1,810	9,733	11,479	46%	873
OTHER INDIRECT EXPENSE	15,847	844	7,881	7,966	50%	43
TOTAL INDIRECT EXPENSES:	**103,088**	**8,619**	**49,376**	**53,712**	**48%**	**2,168**
TOTAL ALL EXPENSES:	**115,588**	**8,619**	**49,779**	**65,809**	**43%**	**8,015**
NET INCOME (LOSS):	**(90,557)**	**(7,117)**	**(35,960)**	**(54,597)**	**40%**	**9,318**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

LIMITED PRACTICE OFFICERS

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
INVESTIGATION FEES	300	-	300	-	100%	150
MCLE LATE FEES	4,000	150	1,800	2,200	45%	(200)
LPO EXAMINATION FEES	23,000	2,000	12,300	10,700	53%	800
LPO LICENSE FEES	160,000	13,175	77,067	82,933	48%	(2,933)
LPO LATE LICENSE FEES	2,000	1,050	3,390	(1,390)	170%	2,390
TOTAL REVENUE:	**189,300**	**16,375**	**94,857**	**94,443**	**50%**	**207**
DIRECT EXPENSES:						
FACILITY, PARKING, FOOD	9,500	2,640	4,612	4,888	49%	138
EXAM WRITING	19,000	-	4,200	14,800	22%	5,300
LPO BOARD	4,000	356	356	3,644	9%	1,644
LPO OUTREACH	1,000	-	-	1,000	0%	500
PRINTING & COPYING	200	-	34	166	17%	66
SUPPLIES	200	-	-	200	0%	100
SOFTWARE HOSTING	3,404	273	1,646	1,758	48%	56
TOTAL DIRECT EXPENSES:	**37,304**	**3,269**	**10,849**	**26,455**	**29%**	**7,803**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.70 FTE)	67,660	6,111	33,292	34,368	49%	538
BENEFITS EXPENSE	22,097	1,869	10,088	12,009	46%	961
OTHER INDIRECT EXPENSE	16,807	881	8,231	8,576	49%	173
TOTAL INDIRECT EXPENSES:	**106,563**	**8,861**	**51,611**	**54,953**	**48%**	**1,671**
TOTAL ALL EXPENSES:	**143,867**	**12,130**	**62,460**	**81,408**	**43%**	**9,474**
NET INCOME (LOSS):	**45,433**	**4,245**	**32,398**	**13,035**	**71%**	**9,681**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
MANDATORY CONTINUING LEGAL EDUCATION						
REVENUE:						
ACTIVITY APPLICATION FEE	600,000	64,300	368,100	231,900	61%	68,100
ACTIVITY APPLICATION LATE FEE	220,000	23,700	148,150	71,850	67%	38,150
MCLE LATE FEES	225,000	26,000	207,500	17,500	92%	95,000
ANNUAL ACCREDITED SPONSOR FEES	39,000	750	39,750	(750)	102%	20,250
ATTENDANCE LATE FEES	120,000	6,000	55,400	64,600	46%	(4,600)
COMITY CERTIFICATES	29,800	1,900	29,200	600	98%	14,300
TOTAL REVENUE:	**1,233,800**	**122,650**	**848,100**	**385,700**	**69%**	**231,200**
DIRECT EXPENSES:						
DEPRECIATION	142,183	12,012	72,072	70,111	51%	(981)
STAFF MEMBERSHIP DUES	500	-	500	-	100%	(250)
MCLE BOARD	4,000	18	1,010	2,990	25%	990
STAFF TRAVEL/PARKING	50	-	-	50	0%	25
STAFF CONFERENCE & TRAINING	4,600	-	-	4,600	0%	2,300
TOTAL DIRECT EXPENSES:	**151,333**	**12,030**	**73,582**	**77,751**	**49%**	**2,084**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.78 FTE)	402,008	36,983	221,172	180,836	55%	(20,168)
BENEFITS EXPENSE	136,972	11,913	68,047	68,925	50%	439
OTHER INDIRECT EXPENSE	114,768	6,074	56,741	58,027	49%	643
TOTAL INDIRECT EXPENSES:	**653,747**	**54,970**	**345,959**	**307,788**	**53%**	**(19,085)**
TOTAL ALL EXPENSES:	**805,080**	**67,000**	**419,541**	**385,539**	**52%**	**(17,001)**
NET INCOME (LOSS):	**428,720**	**55,650**	**428,559**	**161**	**100%**	**214,199**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
MEMBER SERVICES & ENGAGEMENT TEAM						
(LLB-MINI-MSE-NME)						
REVENUE:						
ROYALTIES	10,800	1,200	7,550	3,250	70%	2,150
NMP PRODUCT SALES	60,000	1,727	100,353	(40,353)	167%	70,353
DIGITAL VIDEO SALES	25,000	735	22,001	2,999	88%	9,501
SPONSORSHIPS	11,500	-	9,000	2,500	78%	3,250
SEMINAR REGISTRATIONS	16,000	8,337	19,062	(3,062)	119%	11,062
TRIAL ADVOCACY PROGRAM	15,000	-	-	15,000	0%	(7,500)
TOTAL REVENUE:	**138,300**	**11,999**	**157,966**	**(19,666)**	**114%**	**88,816**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,500	-	82	3,418	2%	1,668
STAFF CONFERENCE & TRAINING	2,200	-	-	2,200	0%	1,100
SMALL TOWN AND RURAL COMMITTEE	7,500	-	-	7,500	0%	3,750
PRINTING & COPYING	1,600	-	1,442	158	90%	(642)
NEW LAWYER OUTREACH	1,000	-	-	1,000	0%	500
DISABILITY ACCOMMODATIONS	2,000	-	-	2,000	0%	1,000
HONORARIUM	1,500	-	-	1,500	0%	750
YLL SECTION PROGRAM	1,300	-	520	780	40%	130
SMALL TOWN AND RURAL COMMITTEE OUTREACH AND ACTIVITIES	65,000	-	-	65,000	0%	32,500
ON24 OVERAGE CHARGE	4,500	-	4,414	86	98%	(2,164)
MEMBER ENGAGEMENT COUNCIL	500	-	-	500	0%	250
WYLC CLE COMPS	1,000	-	-	1,000	0%	500
WYLC OUTREACH EVENTS	5,000	2,173	3,519	1,481	70%	(1,019)
SPEAKERS & PROGRAM DEVELOP	100	-	-	100	0%	50
WYL COMMITTEE	15,000	-	778	14,222	5%	6,722
TRIAL ADVOCACY EXPENSES	1,700	-	-	1,700	0%	850
LAW LIBRARY DESKBOOK ACCESS	10,000	-	9,311	689	93%	(4,311)
LAW SCHOOL OUTREACH	500	-	-	500	0%	250
RECEPTION/FORUM EXPENSE	1,000	-	200	800	20%	300
INSURANCE REBATE	(3,375)	-	-	(3,375)	0%	(1,688)
STAFF MEMBERSHIP DUES	450	195	195	255	43%	30
LENDING LIBRARY	4,000	51	187	3,813	5%	1,813
NMP SPEAKERS & PROGRAM DEVELOPMENT	250	-	-	250	0%	125
TOTAL DIRECT EXPENSES:	**126,225**	**2,419**	**20,649**	**105,576**	**16%**	**42,464**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.64 FTE)	333,094	28,065	153,934	179,160	46%	12,613
BENEFITS EXPENSE	126,899	10,670	59,414	67,484	47%	4,035
OTHER INDIRECT EXPENSE	111,406	5,887	54,990	56,417	49%	714
INSURANCE REBATE	(19,016)	-	-	(19,016)	0%	(9,508)
TOTAL INDIRECT EXPENSES:	**552,383**	**44,622**	**268,338**	**284,045**	**49%**	**7,853**
TOTAL ALL EXPENSES:	**678,608**	**47,041**	**288,987**	**389,621**	**43%**	**50,317**
NET INCOME (LOSS):	**(540,308)**	**(35,042)**	**(131,021)**	**(409,287)**	**24%**	**139,133**

Washington State Bar Association

Statement of Activities

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50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
OFFICE OF THE EXECUTIVE DIRECTOR						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
LEADERSHIP TRAINING	20,000	-	-	20,000	0%	10,000
WASHINGTON LEADERSHIP INSTITUTE	100,000	-	100,000	-	100%	(50,000)
ED TRAVEL & OUTREACH	6,000	19	1,600	4,400	27%	1,400
STAFF TRAVEL/PARKING	2,000	198	1,111	889	56%	(111)
STAFF CONFERENCE & TRAINING	8,800	5,612	7,117	1,683	81%	(2,717)
STAFF MEMBERSHIP DUES	2,175	-	945	1,230	43%	143
TOTAL DIRECT EXPENSES:	**138,975**	**5,829**	**110,773**	**28,202**	**80%**	**(41,286)**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.23 FTE) **	621,554	53,481	303,117	318,437	49%	7,660
BENEFITS EXPENSE **	161,527	14,796	81,995	79,531	51%	(1,232)
OTHER INDIRECT EXPENSE **	101,562	5,381	50,150	51,412	49%	631
TOTAL INDIRECT EXPENSES:	**884,643**	**73,657**	**435,263**	**449,380**	**49%**	**7,058**
TOTAL ALL EXPENSES:	**1,023,618**	**79,486**	**546,036**	**477,581**	**53%**	**(34,227)**
NET INCOME (LOSS):	**(1,023,618)**	**(79,486)**	**(546,036)**	**(477,581)**	**53%**	**(34,227)**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

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50% OF YEAR COMPLETE

OFFICE OF GENERAL COUNSEL

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
RECORDS REQUEST FEES	-	-	270	(270)		270
TOTAL REVENUE:	**-**	**-**	**270**	**(270)**		**270**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,500	1,590	1,590	1,910	45%	160
STAFF MEMBERSHIP DUES	2,090	-	1,625	465	78%	(580)
COURT RULES COMMITTEE	1,000	-	-	1,000	0%	500
CUSTODIANSHIPS	5,000	51	51	4,949	1%	2,449
WILLS	2,000	-	-	2,000	0%	1,000
LITIGATION EXPENSES	200	-	136	64	68%	(36)
DISABILITY ACCOMMODATIONS	6,000	-	-	6,000	0%	3,000
STAFF CONFERENCE & TRAINING	6,215	-	104	6,111	2%	3,003
TOTAL DIRECT EXPENSES:	**26,005**	**1,641**	**3,506**	**22,499**	**13%**	**9,496**
INDIRECT EXPENSES:						
SALARY EXPENSE (5.92 FTE) **	658,437	52,062	334,002	324,435	51%	(4,783)
BENEFITS EXPENSE	201,864	17,226	99,455	102,409	49%	1,477
OTHER INDIRECT EXPENSE	142,139	7,518	70,225	71,914	49%	844
TOTAL INDIRECT EXPENSES:	**1,002,440**	**76,805**	**503,682**	**498,758**	**50%**	**(2,462)**
TOTAL ALL EXPENSES:	**1,028,445**	**78,446**	**507,188**	**521,257**	**49%**	**7,034**
NET INCOME (LOSS):	**(1,028,445)**	**(78,446)**	**(506,918)**	**(521,527)**	**49%**	**7,304**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

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For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

OFFICE OF GENERAL COUNSEL - DISCIPLINARY BOARD

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSE:						
STAFF MEMBERSHIP DUES	100	-	-	100	0%	50
DISCIPLINARY BOARD EXPENSES	5,000	-	-	5,000	0%	2,500
CHIEF HEARING OFFICER	40,000	3,333	19,998	20,002	50%	2
COURT REPORTERS	25,000	14,848	19,259	5,741	77%	(6,759)
HEARING OFFICER EXPENSES	4,000	61	79	3,921	2%	1,921
HEARING OFFICER TRAINING	1,000	-	-	1,000	0%	500
APPOINTED COUNSEL	50,400	4,200	25,200	25,200	50%	-
DISCIPLINARY SELECTION PANEL	1,000	-	-	1,000	0%	500
STAFF CONFERENCE & TRAINING	2,000	-	-	2,000	0%	1,000
TOTAL DIRECT EXPENSES:	**128,500**	**22,442**	**64,536**	**63,964**	**50%**	**(286)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.30 FTE)	125,704	10,827	65,243	60,461	52%	(2,391)
BENEFITS EXPENSE	41,128	3,530	20,425	20,702	50%	138
OTHER INDIRECT EXPENSE	31,213	1,650	15,411	15,802	49%	195
TOTAL INDIRECT EXPENSES:	**198,045**	**16,007**	**101,080**	**96,965**	**51%**	**(2,057)**
TOTAL ALL EXPENSES:	**326,545**	**38,449**	**165,616**	**160,929**	**51%**	**(2,344)**
NET INCOME (LOSS):	**(326,545)**	**(38,449)**	**(165,616)**	**(160,929)**	**51%**	**(2,344)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

PRACTICE OF LAW BOARD

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
PRACTICE OF LAW BOARD	16,000	-	-	16,000	0%	8,000
TOTAL DIRECT EXPENSES:	**16,000**	**-**	**-**	**16,000**	**0%**	**8,000**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.55 FTE)	47,386	2,665	22,526	24,861	48%	1,168
BENEFITS EXPENSE	16,398	1,263	7,850	8,548	48%	349
OTHER INDIRECT EXPENSE	13,205	694	6,480	6,726	49%	123
TOTAL INDIRECT EXPENSES:	**76,989**	**4,621**	**36,855**	**40,134**	**48%**	**1,639**
TOTAL ALL EXPENSES:	**92,989**	**4,621**	**36,855**	**56,134**	**40%**	**9,639**
NET INCOME (LOSS):	**(92,989)**	**(4,621)**	**(36,855)**	**(56,134)**	**40%**	**9,639**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
PUBLIC SERVICE PROGRAMS						
REVENUE:						
DONATIONS & GRANTS	132,400	94,916	134,832	(2,432)	102%	68,632
TOTAL REVENUE:	**132,400**	**94,916**	**134,832**	**(2,432)**	**102%**	**68,632**
DIRECT EXPENSES:						
DONATIONS/SPONSORSHIPS/GRANTS	300,000	-	102,441	197,559	34%	47,559
STAFF TRAVEL/PARKING	2,000	71	125	1,875	6%	875
PRO BONO & PUBLIC SERVICE COMMITTEE	2,500	-	-	2,500	0%	1,250
STAFF CONFERENCE & TRAINING	2,200	-	-	2,200	0%	1,100
PRO BONO OUTREACH	4,000	418	1,087	2,913	27%	913
TOTAL DIRECT EXPENSES:	**310,700**	**489**	**103,653**	**207,047**	**33%**	**51,697**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.62 FTE)	136,915	11,714	68,025	68,891	50%	433
BENEFITS EXPENSE	47,862	4,071	23,165	24,697	48%	766
OTHER INDIRECT EXPENSE	38,896	2,062	19,264	19,632	50%	184
TOTAL INDIRECT EXPENSES:	**223,674**	**17,848**	**110,453**	**113,220**	**49%**	**1,383**
TOTAL ALL EXPENSES:	**534,374**	**18,337**	**214,106**	**320,267**	**40%**	**53,080**
NET INCOME (LOSS):	**(401,974)**	**76,579**	**(79,275)**	**(322,699)**	**20%**	**121,712**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

PUBLICATION & DESIGN SERVICES

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
SUBSCRIPTIONS	200	-	88	112	44%	12
IMAGE LIBRARY	4,800	-	4,756	44	99%	(2,356)
TOTAL DIRECT EXPENSES:	**5,000**	**-**	**4,844**	**156**	**97%**	**(2,344)**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.89 FTE)	76,345	7,481	41,224	35,121	54%	(3,051)
BENEFITS EXPENSE	26,506	2,391	13,322	13,184	50%	(69)
OTHER INDIRECT EXPENSE	21,369	1,125	10,507	10,861	49%	177
TOTAL INDIRECT EXPENSES:	**124,220**	**10,997**	**65,053**	**59,167**	**52%**	**(2,943)**
TOTAL ALL EXPENSES:	**129,220**	**10,997**	**69,897**	**59,322**	**54%**	**(5,288)**
NET INCOME (LOSS):	**(129,220)**	**(10,997)**	**(69,897)**	**(59,322)**	**54%**	**(5,288)**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

REGULATORY SERVICES FTE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF MEMBERSHIP DUES	490	-	490	-	100%	(245)
STAFF CONFERENCE & TRAINING	8,400	-	600	7,800	7%	3,600
STAFF TRAVEL/PARKING	600	49	175	425	29%	125
TOTAL DIRECT EXPENSES:	**9,490**	**49**	**1,265**	**8,225**	**13%**	**3,725**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.25 FTE)	300,943	26,118	151,590	149,353	50%	(1,119)
BENEFITS EXPENSE	84,916	7,414	41,817	43,099	49%	641
OTHER INDIRECT EXPENSE	54,022	2,868	26,794	27,228	50%	217
TOTAL INDIRECT EXPENSES:	**439,881**	**36,400**	**220,201**	**219,680**	**50%**	**(261)**
TOTAL ALL EXPENSES:	**449,371**	**36,449**	**221,467**	**227,905**	**49%**	**3,464**
NET INCOME (LOSS):	**(449,371)**	**(36,449)**	**(221,467)**	**(227,905)**	**49%**	**3,219**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

REGULATORY REFORM

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	42,500	-	3,184	39,316	7%	18,066
TOTAL DIRECT EXPENSES:	**42,500**	**-**	**3,184**	**39,316**	**7%**	**-**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.75 FTE)	109,615	9,469	55,436	54,179	51%	(628)
BENEFITS EXPENSE	29,839	2,620	14,863	14,976	50%	56
OTHER INDIRECT EXPENSE	18,007	956	8,931	9,076	50%	72
TOTAL INDIRECT EXPENSES:	**157,462**	**13,045**	**79,230**	**78,232**	**50%**	**(499)**
TOTAL ALL EXPENSES:	**199,962**	**13,045**	**82,415**	**117,547**	**41%**	**(499)**
NET INCOME (LOSS):	**(199,962)**	**(13,045)**	**(82,415)**	**(117,547)**	**41%**	**17,566**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SERVICE CENTER						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	2,376	198	1,111	1,265	47%	77
STAFF CONFERENCE & TRAINING	677	-	-	677	0%	339
TOTAL DIRECT EXPENSES:	**3,053**	**198**	**1,111**	**1,942**	**36%**	**416**
INDIRECT EXPENSES:						
SALARY EXPENSE (5.78 FTE)	427,125	37,414	214,572	212,553	50%	(1,010)
BENEFITS EXPENSE	160,271	13,845	77,705	82,566	48%	2,430
OTHER INDIRECT EXPENSE	138,778	7,368	68,824	69,953	50%	565
TOTAL INDIRECT EXPENSES:	**726,174**	**58,627**	**361,102**	**365,072**	**50%**	**1,985**
TOTAL ALL EXPENSES:	**729,227**	**58,825**	**362,213**	**367,014**	**50%**	**2,401**
NET INCOME (LOSS):	**(729,227)**	**(58,825)**	**(362,213)**	**(367,014)**	**50%**	**2,401**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SECTIONS ADMINISTRATION						
REVENUE:						
REIMBURSEMENTS FROM SECTIONS	275,000	5,000	358,856	(83,856)	130%	221,356
TOTAL REVENUE:	**275,000**	**5,000**	**358,856**	**(83,856)**	**130%**	**221,356**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	1,500	-	35	1,465	2%	715
SECTION/COMMITTEE CHAIR MTGS	700	-	-	700	0%	350
STAFF MEMBERSHIP DUES	200	60	60	140	30%	40
TOTAL DIRECT EXPENSES:	**2,400**	**60**	**95**	**2,305**	**4%**	**1,105**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.53 FTE)	169,092	14,456	80,675	88,417	48%	3,871
BENEFITS EXPENSE	67,073	5,717	31,988	35,085	48%	1,549
OTHER INDIRECT EXPENSE	60,745	3,243	30,297	30,449	50%	76
TOTAL INDIRECT EXPENSES:	**296,910**	**23,416**	**142,959**	**153,950**	**48%**	**5,495**
TOTAL ALL EXPENSES:	**299,310**	**23,476**	**143,054**	**156,255**	**48%**	**6,601**
NET INCOME (LOSS):	**(24,310)**	**(18,476)**	**215,802**	**(240,112)**	**-888%**	**227,957**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SECTIONS OPERATIONS						
REVENUE:						
SECTION DUES	438,280	7,817	561,991	(123,711)	128%	342,851
SEMINAR PROFIT SHARE	159,700	-	-	159,700	0%	(79,850)
INTEREST INCOME	2,050	-	-	2,050	0%	(1,025)
PUBLICATIONS REVENUE	1,250	414	2,279	(1,029)	182%	1,654
OTHER	44,203	7,570	20,895	23,308	47%	(1,207)
TOTAL REVENUE:	**645,483**	**15,801**	**585,165**	**60,318**	**91%**	**262,424**
DIRECT EXPENSES:						
DIRECT EXPENSES OF SECTION ACTIVITIES	759,773	1,077	140,298	619,475	18%	239,588
REIMBURSEMENT TO WSBA FOR INDIRECT EXPENSES	280,433	5,000	358,856	(78,424)	128%	(218,640)
TOTAL DIRECT EXPENSES:	**1,040,206**	**6,077**	**499,154**	**541,051**	**48%**	**20,948**
NET INCOME (LOSS):	**(394,722)**	**9,724**	**86,011**	**(480,733)**	**-22%**	**283,372**

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
TECHNOLOGY						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	115,000	6,208	73,213	41,787	64%	(15,713)
STAFF TRAVEL/PARKING	1,000	213	303	697	30%	197
STAFF MEMBERSHIP DUES	300	-	-	300	0%	150
TELEPHONE	90,000	6,843	43,164	46,836	48%	1,836
COMPUTER HARDWARE	66,200	10,544	40,758	25,442	62%	(7,658)
COMPUTER SOFTWARE	530,000	1,974	248,082	281,918	47%	16,918
HARDWARE SERVICE & WARRANTIES	50,000	-	21,699	28,301	43%	3,301
SOFTWARE MAINTENANCE & LICENSING	380,000	1,395	160,809	219,191	42%	29,191
THIRD PARTY SERVICES	65,000	246	47,841	17,159	74%	(15,341)
CLOUD INFRASTRUCTURE	130,000	13,779	27,273	102,727	21%	37,727
STAFF CONFERENCE & TRAINING	6,000	1,091	1,091	4,909	18%	1,909
TRANSFER TO INDIRECT EXPENSES	(1,433,500)	(42,292)	(664,232)	(769,268)	46%	(52,518)
TOTAL DIRECT EXPENSES:	-	-	-	-		-
INDIRECT EXPENSES:						
SALARY EXPENSE (12.00 FTE) **	1,414,575	118,753	706,221	708,355	50%	1,067
BENEFITS EXPENSE **	420,473	33,761	191,725	228,747	46%	18,511
CAPITAL LABOR & OVERHEAD	(75,000)	(17,221)	(66,920)	(8,080)	89%	(29,420)
OTHER INDIRECT EXPENSE	288,120	15,280	142,727	145,393	50%	1,333
TOTAL INDIRECT EXPENSES:	**2,048,168**	**150,573**	**973,754**	**1,074,414**	**48%**	**(8,509)**
TOTAL ALL EXPENSES:	**2,048,168**	**150,573**	**973,754**	**1,074,414**	**48%**	**(8,509)**
NET INCOME (LOSS):	**(2,048,168)**	**(150,573)**	**(973,754)**	**(1,074,414)**	**48%**	**50,330**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

VOLUNTEER ENGAGEMENT

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
POSTAGE	600	-	468	132	78%	(168)
STAFF MEMBERSHIP DUES	450	-	300	150	67%	(75)
STAFF CONFERENCE & TRAINING	5,200	-	-	5,200	0%	2,600
SUBSCRIPTIONS	816	-	358	458	44%	50
REGULATORY SCHOOL	45,000	2,665	7,767	37,233	17%	14,733
ABA DELEGATES	16,000	3,419	5,360	10,640	34%	2,640
TOTAL DIRECT EXPENSES:	**68,066**	**6,084**	**14,253**	**53,813**	**21%**	**19,780**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.70 FTE)	150,680	12,496	63,112	87,568	42%	12,228
BENEFITS EXPENSE	51,454	4,357	23,051	28,404	45%	2,676
OTHER INDIRECT EXPENSE	40,817	2,175	20,315	20,502	50%	94
TOTAL INDIRECT EXPENSES:	**242,951**	**19,028**	**106,477**	**136,474**	**44%**	**14,998**
TOTAL ALL EXPENSES:	**311,017**	**25,112**	**120,731**	**190,286**	**39%**	**14,998**
NET INCOME (LOSS):	**(311,017)**	**(25,112)**	**(120,731)**	**(190,286)**	**39%**	**34,778**

Washington State Bar Association

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50% OF YEAR COMPLETE

	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
INDIRECT EXPENSES:						
SALARIES	14,691,362	1,228,285	7,167,693	7,523,669	49%	177,988
TEMPORARY SALARIES	238,085	36,255	279,258	(41,173)	117%	(160,216)
CAPITAL LABOR & OVERHEAD	(75,000)	(17,221)	(66,920)	(8,080)	89%	29,420
ALLOWANCE FOR OPEN POSITIONS	(200,000)	-	-	(200,000)	0%	(100,000)
INSURANCE REBATE	(19,016)	-	-	(19,016)	0%	(9,508)
EMPLOYEE ASSISTANCE PLAN	4,800	-	2,400	2,400	50%	-
EMPLOYEE SERVICE AWARDS	2,610	230	1,360	1,250	52%	(55)
FICA (EMPLOYER PORTION)	1,110,604	92,121	533,468	577,136	48%	21,834
L&I INSURANCE	72,277	14,599	29,544	42,733	41%	6,595
WA STATE FAMILY MEDICAL LEAVE (EMPLOYI	33,182	3,219	16,797	16,384	51%	(207)
MEDICAL (EMPLOYER PORTION)	2,057,482	178,775	1,018,777	1,038,705	50%	9,964
RETIREMENT (EMPLOYER PORTION)	1,322,122	106,298	632,953	689,169	48%	28,108
TRANSPORTATION ALLOWANCE	34,000	377	23,612	10,388	69%	(6,612)
UNEMPLOYMENT INSURANCE	71,794	8,232	32,733	39,061	46%	3,164
TOTAL SALARY & BENEFITS EXPENSE:	**19,344,303**	**1,651,171**	**9,671,677**	**9,672,626**	**50%**	**475**
WORKPLACE BENEFITS	56,400	1,492	8,039	48,361	14%	20,161
HUMAN RESOURCES POOLED EXP	111,300	3,793	33,012	78,288	30%	22,638
MEETING SUPPORT EXPENSES	9,950	416	4,283	5,667	43%	692
RENT	900,000	75,432	534,795	365,205	59%	(84,795)
MOVE / DOWNSIZE EXPENSES	-	1,887	24,906	(24,906)		(24,906)
PERSONAL PROP TAXES-WSBA	8,400	619	3,479	4,921	41%	721
FURNITURE, MAINT, LH IMP	75,617	303	35,122	40,495	46%	2,686
OFFICE SUPPLIES & EQUIPMENT	22,164	1,132	9,517	12,647	43%	1,565
FURN & OFFICE EQUIP DEPRECIATION	112,375	9,626	57,066	55,309	51%	(879)
COMPUTER HARDWARE DEPRECIATION **	42,000	3,391	19,272	22,728	46%	1,728
COMPUTER SOFTWARE DEPRECIATION	18,067	3,717	25,089	(7,022)	139%	(16,055)
INSURANCE	288,200	21,710	130,260	157,940	45%	13,840
WORK HOME FURNITURE & EQUIP	14,000	-	1,030	12,970	7%	5,970
PROFESSIONAL FEES-AUDIT	41,000	-	36,577	4,423	89%	(16,077)
PROFESSIONAL FEES-LEGAL	200,000	18,346	63,259	136,741	32%	36,741
ONLINE LEGAL RESEARCH	77,900	6,330	45,751	32,149	59%	(6,801)
ACCOMODATIONS FUND	6,500	-	-	6,500	0%	3,250
TRANSLATION SERVICES	12,000	470	3,018	8,982	25%	2,982
TELEPHONE & INTERNET	33,600	2,760	16,320	17,280	49%	480
POSTAGE - GENERAL	15,500	452	2,909	12,591	19%	4,841
RECORDS STORAGE	10,000	822	19,672	(9,672)	197%	(14,672)
BANK FEES	40,000	(8,402)	8,463	31,537	21%	11,537
PRODUCTION MAINTENANCE & SUPPLIES	13,000	893	5,184	7,816	40%	1,316
COMPUTER POOLED EXPENSES	1,433,500	42,292	664,232	769,268	46%	52,518
TOTAL OTHER INDIRECT EXPENSES:	**3,541,473**	**187,480**	**1,751,255**	**1,790,218**	**49%**	**19,481**
TOTAL INDIRECT EXPENSES:	**22,885,776**	**1,838,652**	**11,422,932**	**11,462,844**	**50%**	**19,956**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from March 1, 2025 to March 31, 2025

50% OF YEAR COMPLETE

SUMMARY PAGE	FISCAL 2025 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE
ACCESS TO JUSTICE	(390,330)	(26,678)	(197,151)	(193,179)
ADMISSIONS/BAR EXAM	93,849	186,304	487,887	(394,038)
ADVANCEMENT FTE	(389,588)	(31,347)	(190,070)	(199,518)
BAR NEWS	(124,336)	3,657	(61,533)	(62,803)
BOARD OF GOVERNORS	(582,745)	(63,874)	(238,277)	(344,468)
CLE - PRODUCTS	699,820	27,703	474,642	225,178
CLE - SEMINARS	(433,917)	(27,655)	(217,886)	(216,031)
CLIENT PROTECTION FUND	241,176	1,361	878,330	(637,155)
CHARACTER & FITNESS BOARD	(173,905)	(11,853)	(77,134)	(96,771)
COMMUNICATIONS	(890,013)	(58,875)	(333,523)	(556,490)
COMMUNICATIONS FTE	(249,012)	(21,112)	(129,992)	(119,020)
DESKBOOKS	(200,902)	(5,364)	(127,429)	(73,473)
DISCIPLINE	(6,402,254)	(501,628)	(3,101,683)	(3,300,570)
DIVERSITY	(307,805)	63,082	(54,789)	(253,015)
FINANCE	(559,713)	(12,026)	(226,664)	(333,049)
FOUNDATION	(183,526)	(13,716)	(87,381)	(96,145)
HUMAN RESOURCES	(574,952)	(60,327)	(405,036)	(169,916)
LAW CLERK PROGRAM	(22,492)	(10,570)	145,348	(167,840)
LEGISLATIVE	(280,573)	(25,081)	(142,444)	(138,129)
LEGAL LUNCHBOX	(4,917)	(3,431)	236	(5,153)
LICENSE FEES	17,492,616	1,548,740	8,744,448	8,748,168
LICENSING AND MEMBERSHIP	(376,058)	(28,707)	(163,783)	(212,275)
LIMITED LICENSE LEGAL TECHNICIAN	(90,557)	(7,117)	(35,960)	(54,597)
LIMITED PRACTICE OFFICERS	45,433	4,245	32,398	13,035
MANDATORY CLE ADMINISTRATION	428,720	55,650	428,559	161
MEMBER WELLNESS PROGRAM	(229,651)	(18,683)	(114,322)	(115,329)
MINI CLE	(119,503)	(9,830)	(59,752)	(59,751)
MEMBER SERVICES & ENGAGEMENT	(395,069)	(23,342)	(137,532)	(257,536)
NEW MEMBER EDUCATION	(20,818)	1,576	66,043	(86,861)
OFFICE OF GENERAL COUNSEL	(1,028,445)	(78,446)	(506,918)	(521,527)
OFFICE OF THE EXECUTIVE DIRECTOR	(1,023,618)	(79,486)	(546,036)	(477,581)
OGC-DISCIPLINARY BOARD	(326,545)	(38,449)	(165,616)	(160,929)
PRACTICE OF LAW BOARD	(92,989)	(4,621)	(36,855)	(56,134)
PRACTICE MANAGEMENT ASSISTANCE	(173,653)	(11,418)	(125,541)	(48,112)
PROFESSIONAL RESPONSIBILITY PRO	(215,119)	(17,135)	(105,923)	(109,196)
PUBLIC SERVICE PROGRAMS	(401,974)	76,579	(79,275)	(322,699)
PUBLICATION & DESIGN SERVICES	(129,220)	(10,997)	(69,897)	(59,322)
REGULATORY SERVICES FTE	(449,371)	(36,449)	(221,467)	(227,905)
REGULATORY REFORM	(199,962)	(13,045)	(82,415)	(117,547)
SECTIONS ADMINISTRATION	(24,310)	(18,476)	215,802	(240,112)
SECTIONS OPERATIONS	(394,722)	9,724	86,011	(480,733)
SERVICE CENTER	(729,227)	(58,825)	(362,213)	(367,014)
TECHNOLOGY	(2,048,168)	(150,573)	(973,754)	(1,074,414)
VOLUNTEER EDUCATION	(311,017)	(25,112)	(120,731)	(190,286)
INDIRECT EXPENSES	22,885,776	1,838,652	11,422,932	11,462,844
TOTAL OF ALL	**(21,336,416)**	**(2,313,025)**	**(13,483,655)**	**(7,852,760)**
NET INCOME (LOSS)	**(1,549,360)**	**474,373**	**2,060,724**	**(3,610,084)**

WASHINGTON STATE
BAR ASSOCIATION

Financial Reports

(Unaudited)

Year to Date May 31, 2025

Prepared by
Maggie Yu, Controller

Submitted by
Tiffany Lynch, Director of Finance
June 18, 2025

WASHINGTON STATE BAR ASSOCIATION

To: Board of Governors
Budget and Audit Committee

From: Terra Nevitt, Executive Director; Tiffany Lynch, Director of Finance; Maggie Yu, Controller

Re: Key Financial Benchmarks for the Preliminary Fiscal Year to Date (YTD) through May 31, 2025, As % of Completion to Annual Budget

	% of Year	Current Year % YTD	Current Year $ Difference Favorable/(Unfavorable)	Prior Year YTD	Comments
Total Salaries & Benefits	**67%**	**66%**	**$112,410**	**66%**	**Favorable to budget due to the timing of L&I quarterly payments, lower than budgeted FICA and retirement, and higher capital labor.**
Other Indirect Expenses*	**67%**	**63%**	**$142,716**	**65%**	**Favorable to budget mainly due to timing of workplace benefits, and lower than budgeted bank fees, HR, legal, and depreciation expenses.**
Total Indirect Expenses	**67%**	**66%**	**$255,126**	**66%**	**Favorable to budget resulting from other indirect expenses described above.**
General Fund Revenues	**67%**	**72%**	**$1,260,654**	**72%**	**Favorable to budget due to timing of donations and fee collection for bar exam, law clerks, PHV, and MCLE. Additional revenue continues from interest income and sales for new member products.**
General Fund Indirect Expenses	**67%**	**66%**	**$230,389**	**66%**	**Favorable to budget as described for indirect expenses above.**
General Fund Direct Expenses	**67%**	**53%**	**$433,653**	**50%**	**Favorable to budget due to timing of program activities and meetings/events.**
General Fund Net	**67%**	**158%**	**$1,924,696**	**134%**	**Favorable to budget for the reasons described above.**
CLE Revenue	**67%**	**71%**	**$75,564**	**74%**	**Favorable to budget mainly due to product sales.**
CLE Direct Expenses	**67%**	**36%**	**$112,315**	**32%**	**Favorable to budget due to timing of expenses for seminar activities and product sales.**
CLE Indirect Expenses	**67%**	**65%**	**$23,678**	**66%**	**Favorable to budget mainly due to other indirect savings as described above.**
CLE Net	**67%**	**94%**	**$211,557**	**277%**	**Favorable to budget primarily due to timing of direct expenses.**

*Workplace benefits, Human Resources, meeting support, rent, taxes, furniture & maintenance, office supplies, depreciation, insurance, equipment, professional fees (legal & audit), internet & telephone, postage, storage, bank fees, Technology

Washington State Bar Association Financial Summary
Compared to Fiscal Year 2025 Budget
For the Period from May 1, 2025 to May 31, 2025

Category	Actual Revenues	Reforcasted Revenues	Actual Indirect Expenses	Reforecasted Indirect Expenses	Actual Direct Expenses	Reforecasted Direct Expenses	Actual Total Expenses	Reforecasted Total Expenses	Actual Net Result	Reforecasted Net Result
Access to Justice	-	-	166,792	249,489	100,248	139,795	267,041	389,284	(267,041)	(389,284)
Admissions/Bar Exam	1,468,305	1,480,180	606,862	882,840	203,702	482,204	810,564	1,365,044	657,741	115,136
Advancement FTE		-	254,201	389,192	120	3,300	254,321	392,492	(254,321)	(392,492)
Bar News	371,775	589,600	214,209	329,917	232,829	400,175	447,038	730,092	(75,262)	(140,492)
Board of Governors	-	-	144,848	224,497	192,617	360,300	337,465	584,797	(337,465)	(584,797)
Character & Fitness Board	-	-	94,425	142,016	9,966	33,000	104,391	175,016	(104,391)	(175,016)
Communications Strategies	1,842	600	433,291	719,328	58,518	180,295	491,808	899,623	(489,966)	(899,023)
Communications Strategies FTE		-	171,770	250,494	-	-	171,770	250,494	(171,770)	(250,494)
Discipline	50,489	90,000	4,074,788	6,319,195	75,963	201,785	4,150,752	6,520,980	(4,100,263)	(6,430,980)
Diversity	135,000	135,000	241,632	375,891	10,166	70,900	251,797	446,791	(116,798)	(311,791)
Finance	549,069	600,000	790,275	1,160,064	3,394	4,920	793,669	1,164,984	(244,599)	(564,984)
Foundation	-	-	110,475	167,282	5,607	17,800	116,082	185,082	(116,082)	(185,082)
Human Resources	-	-	531,762	613,706	-	-	531,762	613,706	(531,762)	(613,706)
Law Clerk Program	242,426	237,200	119,916	182,789	3,176	51,031	123,091	233,820	119,335	3,380
Legislative	-	-	169,586	256,817	21,499	26,275	191,086	283,092	(191,086)	(283,092)
Legal Lunchbox	32,128	34,000	35,147	34,829	4,414	4,725	39,561	39,554	(7,433)	(5,554)
Licensing and Membership Records	346,778	482,200	524,625	797,383	21,780	28,380	546,405	825,763	(199,627)	(343,563)
Licensing Fees	11,666,447	17,492,616	-	-	-	-	0	-	11,666,447	17,492,616
Limited License Legal Technician	16,817	25,031	61,479	87,751	2,598	12,500	64,077	100,251	(47,260)	(75,220)
Limited Practice Officers	125,056	189,300	68,722	105,161	15,636	37,304	84,358	142,465	40,698	46,835
Mandatory CLE	1,072,375	1,233,800	447,055	658,390	98,402	151,333	545,458	809,723	526,917	424,077
Member Wellness Program	1,500	10,000	151,895	229,939	2,489	11,905	154,384	241,844	(152,884)	(231,844)
Member Services & Engagement	13,150	16,300	176,270	295,449	62,925	118,900	239,195	414,349	(226,045)	(398,049)
Mini CLE	-	-	79,706	120,867	-	-	79,706	120,867	(79,706)	(120,867)
New Member Education	129,445	178,000	71,027	108,113	-	2,600	71,027	110,713	58,418	67,287
Office of General Counsel	270	-	677,348	1,050,467	5,355	26,805	682,704	1,077,272	(682,434)	(1,077,272)
Office of the Executive Director	-	-	584,632	890,399	120,724	138,975	705,357	1,029,374	(705,357)	(1,029,374)
OGC-Disciplinary Board	-	-	134,137	199,971	78,482	128,500	212,619	328,471	(212,619)	(328,471)
Practice of Law Board	-	-	47,136	70,566	523	16,000	47,660	86,566	(47,660)	(86,566)
Practice Management Assistance	50,570	62,000	94,482	143,410	90,586	93,650	185,068	237,060	(134,499)	(175,060)
Professional Responsibility Program	-	-	139,387	210,019	3,196	7,700	142,583	217,719	(142,583)	(217,719)
Public Service Programs	134,832	135,280	147,983	226,074	240,338	310,700	388,321	536,774	(253,489)	(401,494)
Publication and Design Services	-	-	86,678	125,539	4,844	5,000	91,522	130,539	(91,522)	(130,539)
Regulatory Services FTE			292,953	440,534	1,688	9,490	294,641	450,024	(294,641)	(450,024)
Regulatory Reform	-	-	127,011	236,405	12,409	82,500	139,420	318,905	(139,420)	(318,905)
Sections Administration	363,118	275,000	192,480	300,658	209	2,400	192,689	303,058	170,429	(28,058)
Service Center	-	-	486,036	734,738	1,507	3,053	487,543	737,791	(487,543)	(737,791)
Volunteer Engagement	-	-	135,130	208,173	14,611	37,066	149,741	245,239.42	(149,741)	(245,239)
Technology	-	-	1,291,775	2,074,118	-	-	1,291,775	2,074,118	(1,291,775)	(2,074,118)
Subtotal General Fund	**16,771,392**	23,266,107	**14,177,924**	**21,612,469**	**1,700,524**	3,201,266	**15,878,448**	24,813,735	**892,944**	**(1,547,628)**
Expenses using Facilities Reserve funds			(158,780)				(158,780)	(169,206)	158,780	169,206
Expenses using Special Project Reserve funds			(127,011)		(12,409)		(139,420)	(318,905)	139,420	318,905
Total General Fund - Net Result from Operations	**16,771,392**		**13,892,134**		**1,688,115**		**15,580,249**	**24,325,624**	**1,191,143**	**(1,059,517)**
Percentage of Budget	**72%**		**66%**		**53%**		**64%**			
CLE-Seminars and Products	1,067,980	1,443,710	672,805	1,063,549	127,824	307,112	800,629	1,370,661	267,351	73,049
CLE - Deskbooks	57,392	131,000	198,913	279,545	1,236	54,950	200,149	334,495	(142,757)	(203,495)
Total CLE	1,125,371	1,574,710	871,718	1,343,094	129,060	362,062	1,000,778	1,705,156	124,594	(130,446)
Percentage of Budget	**71%**		**65%**		**36%**		**59%**	(11,269)	9,187	11,269
Expenses using Facilities Reserve funds			(9,187)				(9,187)	**1,693,887**	**133,780**	**(119,177)**
Total CLE Fund - Net Result from Operations			**862,532**				**991,591**			
Total All Sections	595,631	645,483	-	-	583,715	1,040,206	583,715	1,040,206	11,916	(394,722)
Client Protection Fund-Restricted	877,215	930,540	122,132	184,787	(82,963)	506,400	39,169	691,187	838,046	239,353
Expenses using Facilities Reserve funds			(1,412)				(1,412)	(1,518)	1,412	1,518
Total CPF Fund - Net Result from Operations			**120,719**				**37,757**	**689,669**	**839,458**	**240,871**
Totals	**19,369,609**	**26,416,840**	**15,171,774**	**23,140,350**	**2,330,336**	**5,109,934**	**17,502,110**	**28,250,284**	**1,867,499**	**(1,833,444)**
Totals Net of Use of Facilities Reserve Funds			(169,379)				(169,379)	**27,749,386**	169,379	**(1,332,546)**
Totals Net of Use of Special Project Reserve Funds			(127,011)		(12,409)		(139,420)		139,420	
			14,875,385		**2,317,927**		**17,193,311**		**2,176,297**	
Percentage of Budget	**73%**		**66%**		**46%**		**62%**			

Summary of Fund Balances:	Fund Balances Sept. 30, 2024	2025 Reforecasted Fund Balances	Fund Balances Year to date
Restricted Funds:			
Client Protection Fund	4,759,353	4,998,705	5,598,811
Board-Designated Funds (Non-General Fund):			
CLE Fund Balance	1,344,457	1,214,012	1,478,238
Section Funds	2,123,665	1,728,943	2,135,581
Board-Designated Funds (General Fund):			
Operating Reserve Fund	2,500,000	2,500,000	2,500,000
Facilities Reserve Fund	207,286	-	13,653
Special Projects and Innovation Fund	400,000	81,095	260,580
Unrestricted Funds (General Fund):			
Unrestricted General Fund	7,019,063	5,997,626	8,234,461
Total General Fund Balance	**10,126,350**	**8,578,721**	**11,008,694**
Net Change in Total General Fund Balance		**(1,547,628)**	**892,944**
Total Fund Balance	**18,353,825**	**16,520,381**	**20,221,323**
Net Change In Fund Balance		**(1,833,444)**	**1,867,499**

Washington State Bar Association
Analysis of Cash Investments
As of May 31, 2025

Checking & Savings Accounts

General Fund

Checking

Bank	Account	Amount
Wells Fargo	General	1,255,510
	Total	

Investments	Rate (yield)	Amount
Wells Fargo Money Market	4.23%	14,122,139
UBS Financial Money Market	4.10%	1,170,997
CDs/Treasuries	see list	8,238,026
	General Fund Total	**24,786,672**

Client Protection Fund

Checking

Bank	Amount
Wells Fargo	378,586

Investments	Rate (yield)	Amount
Wells Fargo Money Market	4.23%	2,438,387
CDs/Treasuries	see list	2,962,811
	Client Protection Fund Total	**5,779,784**

Grand Total Cash & Investments	**30,566,456**

Washington State Bar Association
Analysis of Cash Investments
As of May 31, 2025

General Fund

Bank	Yield	Term Months	Trade Date	Settle Date	Maturity Date	Amount
City National Bank of FL CD	4.15%	9	10/10/2024	10/16/2024	7/16/2025	250,000
Bank of America Calif CD	4.10%	9	10/10/2024	10/17/2024	7/17/2025	250,000
Western Allance Bank CD	4.10%	9	10/10/2024	10/18/2024	7/18/2025	250,000
Cross River Bank CD	4.30%	9	11/19/2024	11/22/2024	8/22/2025	250,000
US Bank NA Cincinnati CD	4.40%	9	11/19/2024	11/26/2024	8/26/2025	250,000
BMO Bank NA CD	4.30%	9	11/26/2024	11/29/2024	8/29/2025	250,000
HomeTrust Bank CD	4.15%	9	12/31/2024	1/9/2025	10/9/2025	250,000
Tompkins Community Bank CD	4.10%	9	1/7/2025	1/17/2025	10/17/2025	250,000
Needham Bank CD	4.10%	9	1/16/2025	1/24/2025	10/24/2025	250,000
Dogwood St Bank CD	4.20%	9	1/16/2025	1/28/2025	10/28/2025	250,000
First Bank Chicago CD	4.20%	12	11/26/2024	11/27/2024	11/26/2025	250,000
Bank of India NY CD	4.10%	11	12/17/2024	12/27/2024	12/3/2025	250,000
State Bank India CD	4.25%	9	3/17/2025	3/24/2025	12/19/2025	250,000
Federal Farm Credit Bank CD	4.25%	12	12/17/2024	12/20/2024	12/19/2025	250,243
Stearns Bank CD	4.15%	12	12/12/2024	12/23/2024	12/23/2025	250,000
Zions Bancorp NA CD	4.15%	9	3/28/2025	4/2/2025	1/2/2026	250,000
Regions Bank CD	4.10%	12	12/31/2024	1/8/2025	1/8/2026	250,000
TowneBank Portsmouth CD	4.10%	12	12/31/2024	1/10/2025	1/9/2026	250,000
First Reliance Bank CD	4.25%	12	2/21/2025	2/26/2025	2/25/2026	250,000
Bank of NY Mellon CD	4.20%	12	2/21/2025	2/26/2025	2/26/2026	250,000
Preferred Bank La Calif CD	4.30%	9	5/28/2025	5/30/2025	2/27/2026	250,000
Southeast Bank CD	4.25%	9	5/28/2025	5/30/2025	2/27/2026	250,000
Old National Bank CD	4.25%	9	5/28/2025	5/29/2025	3/2/2026	250,000
Wells Fargo CD	4.25%	12	2/24/2025	3/5/2025	3/5/2026	250,000
Fortis Bankus CD	4.25%	12	3/28/2025	4/11/2025	4/10/2026	250,000
Israel Discount BK of NY CD	4.00%	12	4/22/2025	4/28/2025	4/28/2026	250,000
US T- Bill's						
US Treasury Bill	4.20%	6	12/12/2024	12/13/2024	6/12/2025	244,897
US Treasury Bill	4.12%	6	12/31/2024	1/2/2025	7/3/2025	244,967
US Treasury Bill	4.15%	4	4/22/2025	4/23/2025	8/19/2025	493,379
US Treasury Bill	4.22%	6	2/21/2025	2/24/2025	8/31/2025	514,177
US Treasury Bill	4.30%	11	11/26/2024	11/27/2024	10/30/2025	240,364
					Total	**8,238,026**

Washington State Bar Association
Analysis of Cash Investments
As of May 31, 2025

Client Fund Protection Fund

Bank	Yield	Term Months	Trade Date	Settle Date	Maturity Date	Amount
Ally Bank CD	4.05%	9	10/10/2024	10/17/2024	7/17/2025	250,000
Dollar Bank CD	4.15%	12	12/12/2024	12/20/2024	12/19/2025	250,000
Mizuho Bank USA	4.20%	9	3/17/2025	3/26/2025	12/26/2025	250,000
Bank of American NA CD	4.35%	12	1/16/2025	1/24/2025	1/23/2026	250,000
Bank of China/NY CD	4.25%	9	5/28/2025	5/30/2025	2/27/2026	250,000
US T- Bill's						
US Treasury Bill	4.35%	10	8/27/2024	8/28/2024	6/12/2025	241,640
US Treasury Bill	4.12%	4	4/7/2025	4/8/2025	8/5/2025	246,686
US Treasury Bill	4.00%	4	4/22/2025	4/23/2025	8/19/2025	493,379
US Treasury Bill	4.20%	6	2/21/2025	2/24/2025	8/21/2025	489,963
US Treasury Bill	4.30%	10	11/26/2024	11/27/2024	10/2/2025	241,143
					Total	**2,962,811**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
LICENSE FEES						
REVENUE:						
LICENSE FEES	17,492,616	1,440,861	11,666,447	5,826,169	67%	4,703
TOTAL REVENUE:	**17,492,616**	**1,440,861**	**11,666,447**	**5,826,169**	**67%**	**4,703**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

ADMISSIONS

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
EXAM SOFTWARE REVENUE	27,500	-	8,150	19,350	30%	(10,183)
BAR EXAM FEES	1,378,980	100,785	1,412,285	(33,305)	102%	492,965
RULE 9/LEGAL INTERN FEES	12,500	5,000	11,950	550	96%	3,617
SPECIAL ADMISSIONS	61,200	4,475	35,920	25,280	59%	(4,880)
TOTAL REVENUE:	**1,480,180**	**110,260**	**1,468,305**	**11,875**	**99%**	**481,518**
DIRECT EXPENSES:						
POSTAGE	2,000	273	2,236	(236)	112%	(903)
STAFF TRAVEL/PARKING	24,000	-	8,264	15,736	34%	7,736
STAFF MEMBERSHIP DUES	495	-	245	250	49%	85
SUPPLIES	4,000	-	3,110	890	78%	(444)
FACILITY, PARKING, FOOD	100,000	-	43,083	56,917	43%	23,584
EXAMINER FEES	44,500	-	21,750	22,750	49%	7,917
UBE EXMINATIONS	118,000	-	41,448	76,552	35%	37,219
BOARD OF BAR EXAMINERS	42,500	4,481	7,511	34,989	18%	20,823
BAR EXAM PROCTORS	23,000	-	9,432	13,568	41%	5,901
DISABILITY ACCOMMODATIONS	65,000	3,750	28,934	36,066	45%	14,399
CHARACTER & FITNESS INVESTIGATIONS	1,000	-	700	300	70%	(33)
LAW SCHOOL VISITS	2,000	-	21	1,979	1%	1,313
SOFTWARE HOSTING	45,609	4,111	29,928	15,681	66%	478
STAFF CONFERENCE & TRAINING	10,100	2,738	7,040	3,060	70%	(307)
TOTAL DIRECT EXPENSES:	**482,204**	**15,353**	**203,702**	**278,502**	**42%**	**117,767**
INDIRECT EXPENSES:						
SALARY EXPENSE (6.17 FTE)	531,757	44,738	374,281	157,476	70%	(19,777)
BENEFITS EXPENSE	187,665	15,340	126,845	60,820	68%	(1,735)
OTHER INDIRECT EXPENSE	163,419	10,213	105,735	57,683	65%	3,211
TOTAL INDIRECT EXPENSES:	**882,840**	**70,291**	**606,862**	**275,979**	**69%**	**(18,301)**
TOTAL ALL EXPENSES:	**1,365,044**	**85,644**	**810,564**	**554,480**	**59%**	**99,466**
NET INCOME (LOSS):	**115,136**	**24,616**	**657,741**	**(542,605)**	**571%**	**580,984**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
ADVANCEMENT FTE						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF CONFERENCE & TRAINING	3,300	-	120	3,180	4%	2,080
TOTAL DIRECT EXPENSES:	**3,300**	**-**	**120**	**3,180**	**4%**	**2,080**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.96 FTE)	264,525	21,866	174,091	90,434	66%	2,259
BENEFITS EXPENSE	74,703	6,211	48,669	26,034	65%	1,133
OTHER INDIRECT EXPENSE	49,964	3,250	31,441	18,523	63%	1,868
TOTAL INDIRECT EXPENSES:	**389,192**	**31,327**	**254,201**	**134,991**	**65%**	**5,260**
TOTAL ALL EXPENSES:	**392,492**	**31,327**	**254,321**	**138,171**	**65%**	**7,340**
NET INCOME (LOSS):	**(392,492)**	**(31,327)**	**(254,321)**	**(138,171)**	**65%**	**7,340**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
ACCESS TO JUSTICE						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
ATJ BOARD RETREAT	6,000	2,746	5,117	883	85%	(1,117)
LEADERSHIP TRAINING	6,000	5,606	7,230	(1,230)	121%	(3,230)
ATJ BOARD EXPENSE	58,500	9,517	42,520	15,980	73%	(3,520)
STAFF TRAVEL/PARKING	2,800	1,027	1,342	1,458	48%	525
STAFF CONFERENCE & TRAINING	2,495	-	1,530	965	61%	133
PUBLIC DEFENSE	4,000	-	2,279	1,721	57%	387
CONFERENCE/INSTITUTE EXPENSE	30,000	3,750	22,916	7,084	76%	(2,916)
RECEPTION/FORUM EXPENSE	30,000	4,144	17,314	12,686	58%	2,686
TOTAL DIRECT EXPENSES:	**139,795**	**26,789**	**100,248**	**39,547**	**72%**	**(7,052)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.63 FTE)	155,733	12,807	105,928	49,805	68%	(2,106)
BENEFITS EXPENSE	51,565	4,229	34,098	17,466	66%	278
OTHER INDIRECT EXPENSE	42,191	2,712	26,765	15,425	63%	1,362
TOTAL INDIRECT EXPENSES:	**249,489**	**19,748**	**166,792**	**82,697**	**67%**	**(466)**
TOTAL ALL EXPENSES:	**389,284**	**46,537**	**267,041**	**122,243**	**69%**	**(7,518)**
NET INCOME (LOSS):	**(389,284)**	**(46,537)**	**(267,041)**	**(122,243)**	**69%**	**(7,518)**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

BAR NEWS

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
ROYALTIES	2,000	-	-	2,000	0%	(1,333)
DISPLAY ADVERTISING	405,000	-	305,679	99,321	75%	35,679
SUBSCRIPT/SINGLE ISSUES	100	-	108	(8)	108%	41
CLASSIFIED ADVERTISING	2,500	180	2,872	(372)	115%	1,205
JOB TARGET ADVERSTISING	180,000	6,874	63,116	116,884	35%	(56,884)
TOTAL REVENUE:	**589,600**	**7,054**	**371,775**	**217,825**	**63%**	**(21,291)**
DIRECT EXPENSES:						
POSTAGE	135,000	-	91,121	43,879	67%	(1,121)
PRINTING, COPYING & MAILING **	261,500	-	140,525	120,975	54%	33,808
DIGITAL/ONLINE DEVELOPMENT	2,000	-	903	1,097	45%	431
GRAPHICS/ARTWORK	1,000	75	75	925	8%	592
EDITORIAL ADVISORY COMMITTEE	300	-	-	300	0%	200
STAFF MEMBERSHIP DUES	150	-	-	150	0%	100
SUBSCRIPTIONS	225	-	204	21	91%	(54)
TOTAL DIRECT EXPENSES:	**400,175**	**75**	**232,829**	**167,346**	**58%**	**33,954**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.13 FTE)	207,867	15,361	137,363	70,503	66%	1,214
BENEFITS EXPENSE	67,753	5,272	42,804	24,949	63%	2,365
OTHER INDIRECT EXPENSE	54,297	3,518	34,041	20,256	63%	2,157
TOTAL INDIRECT EXPENSES:	**329,917**	**24,152**	**214,209**	**115,709**	**65%**	**5,736**
TOTAL ALL EXPENSES:	**730,092**	**24,227**	**447,038**	**283,055**	**61%**	**39,690**
NET INCOME (LOSS):	**(140,492)**	**(17,173)**	**(75,262)**	**(65,230)**	**54%**	**18,399**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
BOARD OF GOVERNORS						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
BOG MEETINGS	148,000	27,340	89,738	58,262	61%	8,928
BOG COMMITTEES' EXPENSES **	8,500	450	4,173	4,327	49%	1,494
BOG RETREAT **	43,000	-	38,128	4,872	89%	(9,461)
BOG CONFERENCE ATTENDANCE **	36,500	-	31,162	5,338	85%	(6,829)
BOG TRAVEL & OUTREACH	50,000	6,118	15,111	34,889	30%	18,222
LEADERSHIP TRAINING	15,000	-	-	15,000	0%	10,000
BOG ELECTIONS	42,000	-	14,043	27,958	33%	13,958
PRESIDENT'S DINNER	10,000	-	0	10,000	0%	6,667
NEW GOVERNOR ORIENTATION **	3,500	-	177	3,323	5%	2,156
PRESIDENT'S PHOTO	3,300	-	-	3,300	0%	2,200
SUPPLIES	500	-	84	416	17%	249
TOTAL DIRECT EXPENSES:	**360,300**	**33,908**	**192,617**	**167,683**	**53%**	**47,583**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.73 FTE) **	132,168	11,420	85,994	46,174	65%	2,118
BENEFITS EXPENSE **	48,740	4,104	31,180	17,559	64%	1,313
OTHER INDIRECT EXPENSE **	43,589	2,859	27,673	15,916	63%	1,386
TOTAL INDIRECT EXPENSES:	**224,497**	**18,382**	**144,848**	**79,649**	**65%**	**4,817**
TOTAL ALL EXPENSES:	**584,797**	**52,290**	**337,465**	**247,332**	**58%**	**52,400**
NET INCOME (LOSS):	**(584,797)**	**(52,290)**	**(337,465)**	**(247,332)**	**58%**	**52,400**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
CHARACTER & FITNESS BOARD						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CHARACTER & FITNESS BOARD EXP	18,000	1,414	5,219	12,781	29%	6,781
COURT REPORTERS	15,000	-	4,748	10,252	32%	5,252
TOTAL DIRECT EXPENSES:	**33,000**	**1,413.72**	**9,966.34**	**23,034**	**30%**	**12,034**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.75 FTE)	95,315	7,957	64,139	31,177	67%	(595)
BENEFITS EXPENSE	27,582	2,313	18,230	9,352	66%	158
OTHER INDIRECT EXPENSE	19,119	1,246	12,056	7,063	63%	690
TOTAL INDIRECT EXPENSES:	**142,016**	**11,516**	**94,425**	**47,591**	**66%**	**253**
TOTAL ALL EXPENSES:	**175,016**	**12,929**	**104,391**	**70,625**	**60%**	**12,286**
NET INCOME (LOSS):	**(175,016)**	**(12,929)**	**(104,391)**	**(70,625)**	**60%**	**12,286**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
CONTINUING LEGAL EDUCATION (CLE)						
(CLES - CLEP)						
REVENUE:						
SEMINAR REGISTRATIONS	725,000	117,531	379,159	345,841	52%	(104,175)
SEMINAR REVENUE-OTHER	20,000	13,800	14,600	5,400	73%	1,267
SEMINAR SPLITS W/ CLE	(150,000)	-	-	(150,000)	0%	100,000
SHIPPING & HANDLING	210	-	90	120	43%	(50)
COURSEBOOK SALES	3,500	-	650	2,850	19%	(1,683)
MP3 AND VIDEO SALES	845,000	20,870	673,481	171,519	80%	110,148
TOTAL REVENUE:	**1,443,710**	**152,201**	**1,067,980**	**375,730**	**74%**	**(2,908)**
DIRECT EXPENSES:						
COURSEBOOK PRODUCTION	500	-	-	500	0%	333
DEPRECIATION	2,012	170	1,360	652	68%	(19)
ONLINE EXPENSES	54,000	2,030	26,137	27,863	48%	9,863
ACCREDITATION FEES	3,000	(60)	1,980	1,020	66%	20
FACILITIES	165,000	60,929	90,832	74,168	55%	19,168
DISABILITY ACCOMMODATIONS	7,000	-	-	7,000	0%	4,667
SPEAKERS & PROGRAM DEVELOP	48,000	5,283	6,049	41,951	13%	25,951
HONORARIA	3,000	-	-	3,000	0%	2,000
CLE SEMINAR COMMITTEE	200	-	-	200	0%	133
STAFF TRAVEL/PARKING	15,000	787	1,365	13,635	9%	8,635
STAFF CONFERENCE & TRAINING	6,900	-	-	6,900	0%	4,600
STAFF MEMBERSHIP DUES	1,500	-	-	1,500	0%	1,000
SUPPLIES	500	-	-	500	0%	333
COST OF SALES - COURSEBOOKS	300	-	48	252	16%	152
POSTAGE & DELIVERY-COURSEBOOKS	200	-	53	147	26%	80
TOTAL DIRECT EXPENSES:	**307,112**	**69,138**	**127,824**	**179,288**	**42%**	**76,917**
INDIRECT EXPENSES:						
SALARY EXPENSE (8.00 FTE)	630,924	45,169	399,904	231,020	63%	20,712
BENEFITS EXPENSE	228,691	17,670	144,774	83,917	63%	7,687
OTHER INDIRECT EXPENSE	203,934	13,243	128,127	75,807	63%	7,829
TOTAL INDIRECT EXPENSES:	**1,063,549**	**76,081**	**672,805**	**390,744**	**63%**	**36,227**
TOTAL ALL EXPENSES:	**1,370,661**	**145,220**	**800,629**	**570,032**	**58%**	**113,145**
NET INCOME (LOSS):	**73,049**	**6,981**	**267,351**	**(194,301)**	**366%**	**218,651**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

CLIENT PROTECTION FUND

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
CPF RESTITUTION	10,000	465	18,812	(8,812)	188%	12,146
CPF MEMBER ASSESSMENTS	720,540	6,320	711,840	8,700	99%	231,480
INTEREST INCOME	200,000	19,417	146,562	53,438	73%	13,229
TOTAL REVENUE:	**930,540**	**26,202**	**877,215**	**53,325**	**94%**	**256,855**
DIRECT EXPENSES:						
BANK FEES	2,500	(138)	(2,835)	5,335	-113%	4,502
GIFTS TO INJURED CLIENTS	500,000	19,700	(80,480)	580,480	-16%	413,813
CPF BOARD EXPENSES	2,000	173	353	1,647	18%	981
STAFF CONFERENCE & TRAINING	1,700	-	-	1,700	0%	1,133
STAFF MEMBERSHIP DUES	200	-	-	200	0%	133
TOTAL DIRECT EXPENSES:	**506,400**	**19,735**	**(82,963)**	**589,363**	**-16%**	**420,563**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.23 FTE)	115,160	9,573	77,516	37,645	67%	(742)
BENEFITS EXPENSE	38,272	3,165	24,995	13,277	65%	520
OTHER INDIRECT EXPENSE	31,355	2,028	19,621	11,734	63%	1,282
TOTAL INDIRECT EXPENSES:	**184,787**	**14,766**	**122,132**	**62,655**	**66%**	**1,060**
TOTAL ALL EXPENSES:	**691,187**	**34,501**	**39,169**	**652,018**	**6%**	**421,622**
NET INCOME (LOSS):	**239,353**	**(8,299)**	**838,046**	**(598,693)**	**350%**	**678,477**

Washington State Bar Association

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For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
COMMUNICATION STRATEGIES						
REVENUE:						
50 YEAR MEMBER TRIBUTE LUNCH	100	380	380	(280)	380%	313
WSBA LOGO MERCHANDISE SALES	500	1,462	1,462	(962)	292%	1,129
TOTAL REVENUE:	**600**	**1,842**	**1,842**	**(1,242)**	**307%**	**1,442**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	5,895	198	1,507	4,388	26%	2,423
STAFF MEMBERSHIP DUES	1,800	327	327	1,473	18%	873
SUBSCRIPTIONS	4,000	542	1,438	2,562	36%	1,229
APEX	52,500	50	55	52,445	0%	34,945
BAR LEADERS SUMMIT	35,000	20,017	33,963	1,037	97%	(10,629)
50 YEAR MEMBER TRIBUTE LUNCH	35,000	4,225	7,583	27,417	22%	15,750
BAR OUTREACH	20,000	2,249	2,408	17,592	12%	10,926
COMMUNICATIONS OUTREACH	15,000	284	2,476	12,524	17%	7,524
STAFF CONFERENCE & TRAINING	11,100	40	8,761	2,339	79%	(1,361)
TOTAL DIRECT EXPENSES:	**180,295**	**27,932**	**58,518**	**121,777**	**32%**	**61,679**
INDIRECT EXPENSES:						
SALARY EXPENSE (5.39 FTE) **	426,569	34,144	251,881	174,688	59%	32,498
BENEFITS EXPENSE **	154,335	12,544	95,029	59,306	62%	7,861
OTHER INDIRECT EXPENSE **	138,424	8,918	86,381	52,043	62%	5,902
TOTAL INDIRECT EXPENSES:	**719,328**	**55,606**	**433,291**	**286,037**	**60%**	**46,261**
TOTAL ALL EXPENSES:	**899,623**	**83,538**	**491,808**	**407,814**	**55%**	**107,940**
NET INCOME (LOSS):	**(899,023)**	**(81,695)**	**(489,966)**	**(409,057)**	**54%**	**109,383**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

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67% OF YEAR COMPLETE

COMMUNICATION STRATEGIES FTE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
INDIRECT EXPENSES:						
SALARY EXPENSE (1.00 FTE)	179,737	14,978	124,414	55,323	69%	(4,589)
BENEFITS EXPENSE	45,265	3,839	31,281	13,984	69%	(1,104)
OTHER INDIRECT EXPENSE	25,492	1,661	16,075	9,417	63%	919
TOTAL INDIRECT EXPENSES:	**250,494**	**20,478**	**171,770**	**78,724**	**69%**	**(4,774)**
NET INCOME (LOSS):	**(250,494)**	**(20,478)**	**(171,770)**	**(78,724)**	**69%**	**(4,774)**

Washington State Bar Association

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67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
DESKBOOKS						
REVENUE:						
DESKBOOK SALES	30,000	3,596	7,495	22,505	25%	(12,505)
LEXIS/NEXIS ROYALTIES	75,000	11,741	32,457	42,543	43%	(17,543)
SECTION PUBLICATION SALES	1,000	90	90	910	9%	(577)
FASTCASE ROYALTIES	25,000	9,138	17,350	7,651	69%	683
TOTAL REVENUE:	**131,000**	**24,565**	**57,392**	**73,608**	**44%**	**(29,941)**
DIRECT EXPENSES:						
COST OF SALES - DESKBOOKS	5,000	713	1,162	3,838	23%	2,171
COST OF SALES - SECTION PUBLICATION	500	74	74	426	15%	260
SPLITS TO SECTIONS	300	-	-	300	0%	200
DESKBOOK ROYALTIES	300	-	-	300	0%	200
POSTAGE & DELIVER-DESKBOOKS	300	-	-	300	0%	200
OBSOLETE INVENTORY	48,250	-	-	48,250	0%	32,167
STAFF MEMBERSHIP DUES	250	-	-	250	0%	167
SUBSCRIPTIONS	50	-	-	50	0%	33
TOTAL DIRECT EXPENSES:	**54,950**	**786**	**1,236**	**53,714**	**2%**	**35,398**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.75 FTE)	178,087	11,744	134,078	44,009	75%	(15,354)
BENEFITS EXPENSE	56,847	4,191	36,703	20,144	65%	1,195
OTHER INDIRECT EXPENSE	44,611	2,908	28,131	16,479	63%	1,609
TOTAL INDIRECT EXPENSES:	**279,545**	**18,842**	**198,913**	**80,632**	**71%**	**(12,550)**
TOTAL ALL EXPENSES:	**334,495**	**19,629**	**200,149**	**134,346**	**60%**	**22,848**
NET INCOME (LOSS):	**(203,495)**	**4,936**	**(142,757)**	**(60,738)**	**70%**	**(7,094)**

Washington State Bar Association

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67% OF YEAR COMPLETE

DISCIPLINE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
AUDIT REVENUE	1,000	43	468	533	47%	(199)
RECOVERY OF DISCIPLINE COSTS	70,000	3,466	35,681	34,319	51%	(10,986)
DISCIPLINE HISTORY SUMMARY	19,000	1,710	14,340	4,660	75%	1,673
TOTAL REVENUE:	**90,000**	**5,218**	**50,489**	**39,511**	**56%**	**(9,511)**
DIRECT EXPENSES:						
PUBLICATIONS PRODUCTION	350	-	-	350	0%	233
STAFF TRAVEL/PARKING	25,000	1,260	6,816	18,184	27%	9,850
STAFF MEMBERSHIP DUES	7,090	232	6,840	250	96%	(2,113)
TELEPHONE	4,000	196	1,509	2,492	38%	1,158
COURT REPORTERS	60,000	3,198	25,861	34,139	43%	14,139
OUTSIDE COUNSEL/AIC	1,000	-	-	1,000	0%	667
LITIGATION EXPENSES	40,000	1,130	7,802	32,198	20%	18,864
DISABILITY EXPENSES	15,000	800	4,499	10,501	30%	5,501
TRANSLATION SERVICES	12,000	321	2,905	9,095	24%	5,095
STAFF CONFERENCE & TRAINING	37,345	2,293	19,731	17,614	53%	5,165
TOTAL DIRECT EXPENSES:	**201,785**	**9,428**	**75,963**	**125,822**	**38%**	**58,560**
INDIRECT EXPENSES:						
SALARY EXPENSE (38.90 FTE)	4,053,832	309,686	2,628,417	1,425,416	65%	74,138
BENEFITS EXPENSE	1,272,455	101,486	821,766	450,689	65%	26,537
OTHER INDIRECT EXPENSE	992,908	64,430	624,606	368,302	63%	37,333
TOTAL INDIRECT EXPENSES:	**6,319,195**	**475,602**	**4,074,788**	**2,244,407**	**64%**	**138,008**
TOTAL ALL EXPENSES:	**6,520,980**	**485,030**	**4,150,752**	**2,370,228**	**64%**	**196,568**
NET INCOME (LOSS):	**(6,430,980)**	**(479,812)**	**(4,100,263)**	**(2,330,717)**	**64%**	**187,057**

Washington State Bar Association

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67% OF YEAR COMPLETE

DIVERSITY

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
DONATIONS	135,000	-	135,000	0	100%	45,000
TOTAL REVENUE:	**135,000**	**-**	**135,000**	**0**	**100%**	**45,000**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,700	108	454	3,246	12%	2,013
STAFF MEMBERSHIP DUES	700	175	655	45	94%	(188)
DEI COUNCIL	5,900	373	792	5,108	13%	3,141
DIVERSITY EVENTS & PROJECTS	43,100	3,143	8,058	35,042	19%	20,676
INTERNAL DIVERSITY OUTREACH	7,500	-	-	7,500	0%	5,000
STAFF CONFERENCE & TRAINING	3,000	-	162	2,838	5%	1,838
CONSULTING SERVICES	7,000	-	45	6,955	1%	4,622
TOTAL DIRECT EXPENSE:	**70,900**	**3,799**	**10,166**	**60,734**	**14%**	**37,101**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.69 FTE)	227,749	16,094	147,634	80,115	65%	4,198
BENEFITS EXPENSE	79,569	6,100	50,973	28,596	64%	2,073
OTHER INDIRECT EXPENSE	68,573	4,447	43,024	25,549	63%	2,691
TOTAL INDIRECT EXPENSES:	**375,891**	**26,641**	**241,632**	**134,259**	**64%**	**8,962**
TOTAL ALL EXPENSES:	**446,791**	**30,440**	**251,797**	**194,993**	**56%**	**46,063**
NET INCOME (LOSS):	**(311,791)**	**(30,440)**	**(116,798)**	**(194,993)**	**37%**	**91,063**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
ETHICS, WELLNESS, & PRACTICE						
(MWP-PMA-PRP)						
REVENUE:						
DIVERSIONS	10,000	-	1,500	8,500	15%	(5,167)
ROYALTIES	62,000	17,487	50,570	11,430	82%	9,237
TOTAL REVENUE:	**72,000**	**17,487**	**52,070**	**19,930**	**72%**	**4,070**
DIRECT EXPENSES:						
STAFF MEMBERSHIP DUES	1,450	-	1,053	397	73%	(86)
MEMBER WELLNESS COUNCIL	4,250	-	1,042	3,208	25%	1,791
LEGAL TECH TASK FORCE	5,000	-	2,750	2,250	55%	583
STAFF TRAVEL/PARKING	6,000	308	1,069	4,931	18%	2,931
STAFF CONFERENCE & TRAINING	9,100	1,542	4,620	4,480	51%	1,447
SUBSCRIPTIONS	1,455	110	883	572	61%	87
CPE COMMITTEE	1,000	-	286	714	29%	380
FASTCASE	85,000	-	84,568	432	99%	(27,902)
TOTAL DIRECT EXPENSES:	**113,255**	**1,960**	**96,271**	**16,984**	**85%**	**(20,768)**
INDIRECT EXPENSES:						
SALARY EXPENSE (3.51 FTE)	376,056	31,412	252,850	123,206	67%	(2,146)
BENEFITS EXPENSE	117,836	9,756	76,888	40,948	65%	1,669
OTHER INDIRECT EXPENSE	89,476	5,791	56,026	33,450	63%	3,625
TOTAL INDIRECT EXPENSES:	**583,369**	**46,959**	**385,764**	**197,604**	**66%**	**3,148**
TOTAL ALL EXPENSES:	**696,624**	**48,918**	**482,035**	**214,588**	**69%**	**(17,620)**
NET INCOME (LOSS):	**(624,624)**	**(31,431)**	**(429,965)**	**(194,658)**	**69%**	**(13,550)**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

FINANCE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
INTEREST INCOME	600,000	82,981	549,069	50,931	92%	149,069
TOTAL REVENUE:	**600,000**	**82,981**	**549,069**	**50,931**	**92%**	**149,069**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,750	72	3,090	660	82%	(590)
STAFF CONFERENCE & TRAINING	500	-	303	197	61%	30
STAFF MEMBERSHIP DUES	670	-	-	670	0%	447
TOTAL DIRECT EXPENSES:	**4,920**	**72**	**3,394**	**1,526**	**69%**	**(114)**
INDIRECT EXPENSES:						
SALARY EXPENSE (6.92 FTE)	751,265	60,267	523,920	227,345	70%	(23,077)
BENEFITS EXPENSE	232,396	18,973	155,484	76,912	67%	(554)
OTHER INDIRECT EXPENSE	176,403	11,459	110,870	65,533	63%	6,732
TOTAL INDIRECT EXPENSES:	**1,160,064**	**90,699**	**790,275**	**369,789**	**68%**	**(16,899)**
TOTAL ALL EXPENSES:	**1,164,984**	**90,771**	**793,669**	**371,315**	**68%**	**(17,013)**
NET INCOME (LOSS):	**(564,984)**	**(7,790)**	**(244,599)**	**(320,385)**	**43%**	**132,057**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
FOUNDATION						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	3,200	-	3,200	-	100%	(1,067)
PRINTING & COPYING	1,000	-	-	1,000	0%	667
STAFF TRAVEL/PARKING	3,000	-	54	2,946	2%	1,946
SUPPLIES	2,000	-	103	1,897	5%	1,230
BOARD OF TRUSTEES	3,600	430	492	3,108	14%	1,908
EQUIPMENT/HARDWARE/SOFTWARE	2,400	220	1,757	643	73%	(157)
POSTAGE	400	-	-	400	0%	267
STAFF CONFERENCE & TRAINING	2,200	-	-	2,200	0%	1,467
TOTAL DIRECT EXPENSES:	**17,800**	**650**	**5,607**	**12,193**	**31%**	**6,260**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.05 FTE)	106,460	8,978	71,415	35,044	67%	(442)
BENEFITS EXPENSE	34,056	2,846	22,276	11,780	65%	428
OTHER INDIRECT EXPENSE	26,766	1,735	16,784	9,982	63%	1,060
TOTAL INDIRECT EXPENSES:	**167,282**	**13,560**	**110,475**	**56,807**	**66%**	**1,046**
TOTAL ALL EXPENSES:	**185,082**	**14,209**	**116,082**	**69,000**	**63%**	**7,306**
NET INCOME (LOSS):	**(185,082)**	**(14,209)**	**(116,082)**	**(69,000)**	**63%**	**7,306**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
HUMAN RESOURCES						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	300	64	97	203	32%	103
STAFF MEMBERSHIP DUES	1,000	-	528	472	53%	139
SUBSCRIPTIONS	2,000	-	993	1,007	50%	340
STAFF TRAINING- GENERAL	36,800	50	926	35,874	3%	23,607
RECRUITING AND ADVERTISING	8,000	120	2,290	5,710	29%	3,044
PAYROLL PROCESSING	50,000	3,360	35,260	14,740	71%	(1,927)
SALARY SURVEYS	1,000	-	-	1,000	0%	667
CONSULTING SERVICES	10,000	-	-	10,000	0%	6,667
STAFF CONFERENCE & TRAINING	2,200	-	171	2,029	8%	1,295
TRANSFER TO INDIRECT EXPENSE	(111,300)	(3,593)	(40,266)	(71,034)	36%	(33,934)
TOTAL DIRECT EXPENSES:	-	-	-	-		-
INDIRECT EXPENSES:						
SALARY EXPENSE (4.00 FTE) **	595,894	41,077	373,174	222,720	63%	24,089
ALLOWANCE FOR OPEN POSITIONS	(200,000)	-	-	(200,000)	0%	(133,333)
BENEFITS EXPENSE	115,845	11,509	94,524	21,320	82%	(17,295)
OTHER INDIRECT EXPENSE	101,967	6,621	64,064	37,903	63%	3,914
TOTAL INDIRECT EXPENSES:	**613,706**	**59,207**	**531,762**	**81,944**	**87%**	**(122,625)**
TOTAL ALL EXPENSES:	**613,706**	**59,207**	**531,762**	**81,944**	**87%**	**(122,625)**
NET INCOME (LOSS):	**(613,706)**	**(59,207)**	**(531,762)**	**(81,944)**	**87%**	**(122,625)**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

LAW CLERK PROGRAM

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
LAW CLERK FEES	234,000	-	238,826	(4,826)	102%	82,826
LAW CLERK APPLICATION FEES	3,200	500	3,600	(400)	113%	1,467
TOTAL REVENUE:	**237,200**	**500**	**242,426**	**(5,226)**	**102%**	**84,293**
DIRECT EXPENSES:						
SUBSCRIPTIONS	250	-	-	250	0%	167
DEPRECIATION	12,000	-	-	12,000	0%	8,000
CHARACTER & FITNESS INVESTIGATIONS	100	-	-	100	0%	67
LAW CLERK BOARD EXPENSE	8,000	-	2,727	5,273	34%	2,606
SOFTWARE HOSTING	681	61	449	232	66%	5
LAW CLERK OUTREACH	30,000	-	-	30,000	0%	20,000
TOTAL DIRECT EXPENSES:	**51,031**	**61**	**3,176**	**47,855**	**6%**	**30,845**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.23 FTE)	113,225	9,687	75,874	37,351	67%	(391)
BENEFITS EXPENSE	38,208	3,185	24,420	13,788	64%	1,052
OTHER INDIRECT EXPENSE	31,355	2,028	19,621	11,734	63%	1,282
TOTAL INDIRECT EXPENSES:	**182,789**	**14,900**	**119,916**	**62,873**	**66%**	**1,943**
TOTAL ALL EXPENSES:	**233,820**	**14,961**	**123,091**	**110,728**	**53%**	**32,788**
NET INCOME (LOSS):	**3,380**	**(14,461)**	**119,335**	**(115,954)**	**3530%**	**117,081**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
LEGISLATIVE						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	2,500	-	565	1,935	23%	1,102
STAFF MEMBERSHIP DUES	200	-	-	200	0%	133
JUD RECOMMEND COMMITTEE	2,250	-	1,334	916	59%	166
SUBSCRIPTIONS	2,000	-	1,986	14	99%	(653)
TELEPHONE	575	48	384	191	67%	(1)
CONTRACT LOBBYIST	15,000	3,000	15,000	-	100%	(5,000)
LEGISLATIVE REVIEW COMMITTEE	1,250	-	130	1,120	10%	703
BOG LEGISLATIVE COMMITTEE	300	-	-	300	0%	200
STAFF CONFERENCE & TRAINING	2,200	-	2,101	99	95%	(634)
TOTAL DIRECT EXPENSES:	**26,275**	**3,048**	**21,499**	**4,776**	**82%**	**(3,983)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.70 FTE)	160,438	13,473	107,712	52,726	67%	(753)
BENEFITS EXPENSE	53,043	4,423	34,689	18,354	65%	673
OTHER INDIRECT EXPENSE	43,336	2,810	27,186	16,150	63%	1,705
TOTAL INDIRECT EXPENSES:	**256,817**	**20,706**	**169,586**	**87,230**	**66%**	**1,625**
TOTAL ALL EXPENSES:	**283,092**	**23,754**	**191,086**	**92,006**	**67%**	**(2,358)**
NET INCOME (LOSS):	**(283,092)**	**(23,754)**	**(191,086)**	**(92,006)**	**67%**	**(2,358)**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
LICENSING & MEMBERSHIP RECORDS						
REVENUE:						
STATUS CERTIFICATE FEES	27,000	2,775	21,775	5,225	81%	3,775
INVESTIGATION FEES	25,000	2,400	18,200	6,800	73%	1,533
PRO HAC VICE **	425,000	57,728	302,873	122,127	71%	19,540
MEMBER CONTACT INFORMATION	5,000	325	3,498	1,502	70%	165
PHOTO BAR CARD SALES	200	24	432	(232)	216%	299
TOTAL REVENUE:	**482,200**	**63,252**	**346,778**	**135,422**	**72%**	**25,312**
DIRECT EXPENSES:						
POSTAGE	4,000	2,064	3,725	275	93%	(1,058)
CONSULTING SERVICES	6,000	6,000	6,000	-	100%	(2,000)
SOFTWARE HOSTING	18,380	1,657	12,055	6,325	66%	198
TOTAL DIRECT EXPENSES:	**28,380**	**9,721**	**21,780**	**6,600**	**77%**	**(2,860)**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.83 FTE)	515,705	41,043	343,811	171,894	67%	(7)
BENEFITS EXPENSE	158,553	12,983	103,512	55,041	65%	2,190
OTHER INDIRECT EXPENSE	123,125	7,990	77,302	45,823	63%	4,782
TOTAL INDIRECT EXPENSES:	**797,383**	**62,016**	**524,625**	**272,758**	**66%**	**6,964**
TOTAL ALL EXPENSES:	**825,763**	**71,737**	**546,405**	**279,358**	**66%**	**4,104**
NET INCOME (LOSS):	**(343,563)**	**(8,485)**	**(199,627)**	**(143,936)**	**58%**	**29,415**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

LIMITED LICENSE LEGAL TECHNICIAN PROGRAM

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
SEMINAR REGISTRATIONS	7,000	-	5,600	1,400	80%	933
LLLT LICENSE FEES	17,731	1,403	10,702	7,029	60%	(1,119)
LLLT LATE LICENSE FEES	-	30	365	(365)		365
MCLE LATE FEES	300	150	150	150	50%	(50)
TOTAL REVENUE:	**25,031**	**1,583**	**16,817**	**8,214**	**67%**	**130**
DIRECT EXPENSES:						
LLLT BOARD	11,500	1,171	2,563	8,937	22%	5,104
LLLT EDUCATION	1,000	-	35	965	4%	632
TOTAL DIRECT EXPENSES:	**12,500**	**1,171**	**2,598**	**9,902**	**21%**	**5,735**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.48 FTE)	55,689	3,855	39,342	16,347	71%	(2,216)
BENEFITS EXPENSE	17,525	1,266	12,234	5,292	70%	(550)
OTHER INDIRECT EXPENSE	14,536	806	9,903	4,634	68%	(212)
TOTAL INDIRECT EXPENSES:	**87,751**	**5,928**	**61,479**	**26,273**	**70%**	**(2,978)**
TOTAL ALL EXPENSES:	**100,251**	**7,099**	**64,077**	**36,175**	**64%**	**2,757**
NET INCOME (LOSS):	**(75,220)**	**(5,516)**	**(47,260)**	**(27,960)**	**63%**	**2,887**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

LIMITED PRACTICE OFFICERS

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
INVESTIGATION FEES	300	200	600	(300)	200%	400
MCLE LATE FEES	4,000	-	1,800	2,200	45%	(867)
LPO EXAMINATION FEES	23,000	800	14,700	8,300	64%	(633)
LPO LICENSE FEES	160,000	14,014	104,206	55,794	65%	(2,461)
LPO LATE LICENSE FEES	2,000	90	3,750	(1,750)	188%	2,417
TOTAL REVENUE:	**189,300**	**15,104**	**125,056**	**64,244**	**66%**	**(1,144)**
DIRECT EXPENSES:						
FACILITY, PARKING, FOOD	9,500	-	4,612	4,888	49%	1,721
EXAM WRITING	19,000	4,200	8,400	10,600	44%	4,267
LPO BOARD	4,000	-	356	3,644	9%	2,310
LPO OUTREACH	1,000	-	-	1,000	0%	667
PRINTING & COPYING	200	-	34	166	17%	99
SUPPLIES	200	-	-	200	0%	133
SOFTWARE HOSTING	3,404	307	2,233	1,171	66%	36
TOTAL DIRECT EXPENSES:	**37,304**	**4,507**	**15,636**	**21,668**	**42%**	**9,233**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.68 FTE)	66,043	5,480	44,066	21,977	67%	(37)
BENEFITS EXPENSE	21,528	1,785	13,606	7,921	63%	746
OTHER INDIRECT EXPENSE	17,590	1,124	11,049	6,541	63%	677
TOTAL INDIRECT EXPENSES:	**105,161**	**8,389**	**68,722**	**36,439**	**65%**	**1,385**
TOTAL ALL EXPENSES:	**142,465**	**12,896**	**84,358**	**58,107**	**59%**	**10,619**
NET INCOME (LOSS):	**46,835**	**2,208**	**40,698**	**6,138**	**87%**	**9,474**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

MANDATORY CONTINUING LEGAL EDUCATION

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
ACTIVITY APPLICATION FEE	600,000	54,800	487,300	112,700	81%	87,300
ACTIVITY APPLICATION LATE FEE	220,000	20,150	192,750	27,250	88%	46,083
MCLE LATE FEES	225,000	26,550	252,200	(27,200)	112%	102,200
ANNUAL ACCREDITED SPONSOR FEES	39,000	-	39,750	(750)	102%	13,750
ATTENDANCE LATE FEES	120,000	7,350	69,400	50,600	58%	(10,600)
COMITY CERTIFICATES	29,800	300	30,975	(1,175)	104%	11,108
TOTAL REVENUE:	**1,233,800**	**109,150**	**1,072,375**	**161,425**	**87%**	**249,842**
DIRECT EXPENSES:						
DEPRECIATION	142,183	12,012	96,096	46,087	68%	(1,307)
STAFF MEMBERSHIP DUES	500	-	500	-	100%	(167)
MCLE BOARD	4,000	-	1,806	2,194	45%	860
STAFF TRAVEL/PARKING	50	-	-	50	0%	33
STAFF CONFERENCE & TRAINING	4,600	-	-	4,600	0%	3,067
TOTAL DIRECT EXPENSES:	**151,333**	**12,012**	**98,402**	**52,931**	**65%**	**2,486**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.76 FTE)	400,391	28,847	280,754	119,637	70%	(13,826)
BENEFITS EXPENSE	136,403	10,861	89,770	46,633	66%	1,165
OTHER INDIRECT EXPENSE	121,596	7,892	76,532	45,065	63%	4,533
TOTAL INDIRECT EXPENSES:	**658,390**	**47,600**	**447,055**	**211,335**	**68%**	**(8,129)**
TOTAL ALL EXPENSES:	**809,723**	**59,612**	**545,458**	**264,265**	**67%**	**(5,642)**
NET INCOME (LOSS):	**424,077**	**49,538**	**526,917**	**(102,840)**	**124%**	**244,199**

Washington State Bar Association

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67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
MEMBER SERVICES & ENGAGEMENT TEAM						
(LLB-MINI-MSE-NME)						
REVENUE:						
ROYALTIES	10,800	1,200	11,150	(350)	103%	3,950
NMP PRODUCT SALES	150,000	3,967	110,368	39,632	74%	10,368
DIGITAL VIDEO SALES	25,000	441	23,128	1,872	93%	6,461
SPONSORSHIPS	11,500	2,000	11,000	500	96%	3,333
SEMINAR REGISTRATIONS	16,000	-	19,062	(3,062)	119%	8,395
TRIAL ADVOCACY PROGRAM	15,000	-	-	15,000	0%	(10,000)
TOTAL REVENUE:	**228,300**	**7,608**	**174,708**	**53,592**	**77%**	**22,508**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,500	-	82	3,418	2%	2,251
STAFF CONFERENCE & TRAINING	2,200	808	1,058	1,142	48%	409
SMALL TOWN AND RURAL COMMITTEE	7,500	-	-	7,500	0%	5,000
PRINTING & COPYING	1,600	-	1,442	158	90%	(375)
DISABILITY ACCOMMODATIONS	2,000	-	-	2,000	0%	1,333
HONORARIUM	1,500	-	-	1,500	0%	1,000
SUBSCRIPTIONS	350	350	350	-	100%	(117)
YLL SECTION PROGRAM	1,300	65	585	715	45%	282
SMALL TOWN AND RURAL COMMITTEE OUTREACH AND ACTIVITIES	65,000	50,000	45,000	20,000	69%	(1,667)
ON24 OVERAGE CHARGE	4,500	-	4,414	86	98%	(1,414)
MEMBER ENGAGEMENT COUNCIL	500	-	-	500	0%	333
WYLC CLE COMPS	1,000	-	-	1,000	0%	667
WYLC OUTREACH EVENTS	5,000	-	3,519	1,481	70%	(186)
SPEAKERS & PROGRAM DEVELOP	100	-	-	100	0%	67
WYL COMMITTEE	15,000	-	778	14,222	5%	9,222
TRIAL ADVOCACY EXPENSES	2,025	-	-	2,025	0%	1,350
LAW LIBRARY DESKBOOK ACCESS	10,000	-	9,311	689	93%	(2,644)
LAW SCHOOL OUTREACH	500	-	-	500	0%	333
RECEPTION/FORUM EXPENSE	1,000	-	200	800	20%	467
INSURANCE REBATE	(3,375)	-	-	(3,375)	0%	(2,250)
STAFF MEMBERSHIP DUES	450	195	390	60	87%	(90)
LENDING LIBRARY	4,000	11	209	3,791	5%	2,458
NMP SPEAKERS & PROGRAM DEVELOPMENT	575	-	-	575	0%	383
TOTAL DIRECT EXPENSES:	**126,225**	**51,429**	**67,339**	**58,886**	**53%**	**16,811**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.64 FTE)	333,094	27,114	207,925	125,169	62%	14,138
BENEFITS EXPENSE	126,899	10,394	79,997	46,902	63%	4,602
OTHER INDIRECT EXPENSE	118,282	7,672	74,229	44,053	63%	4,626
INSURANCE REBATE	(19,016)	-	-	(19,016)	0%	(12,677)
TOTAL INDIRECT EXPENSES:	**559,258**	**45,179**	**362,150**	**197,108**	**65%**	**10,688**
TOTAL ALL EXPENSES:	**685,483**	**96,609**	**429,489**	**255,994**	**63%**	**27,499**
NET INCOME (LOSS):	**(457,183)**	**(89,001)**	**(254,782)**	**(202,401)**	**56%**	**50,007**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
OFFICE OF THE EXECUTIVE DIRECTOR						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
LEADERSHIP TRAINING **	14,600	5,122	5,122	9,478	35%	4,612
WASHINGTON LEADERSHIP INSTITUTE	100,000	-	100,000	-	100%	(33,333)
ED TRAVEL & OUTREACH	6,000	1,380	2,129	3,871	35%	1,871
STAFF TRAVEL/PARKING	2,000	198	1,507	493	75%	(174)
STAFF CONFERENCE & TRAINING **	14,200	914	10,846	3,354	76%	(1,380)
STAFF MEMBERSHIP DUES	2,175	175	1,120	1,055	51%	330
TOTAL DIRECT EXPENSES:	**138,975**	**7,789**	**120,724**	**18,251**	**87%**	**(28,074)**
INDIRECT EXPENSES:						
SALARY EXPENSE (4.23 FTE) **	621,554	51,706	406,627	214,927	65%	7,742
BENEFITS EXPENSE **	161,527	14,194	110,270	51,257	68%	(2,586)
OTHER INDIRECT EXPENSE **	107,319	7,012	67,735	39,583	63%	3,810
TOTAL INDIRECT EXPENSES:	**890,399**	**72,911**	**584,632**	**305,767**	**66%**	**8,967**
TOTAL ALL EXPENSES:	**1,029,374**	**80,700**	**705,357**	**324,017**	**69%**	**(19,107)**
NET INCOME (LOSS):	**(1,029,374)**	**(80,700)**	**(705,357)**	**(324,017)**	**69%**	**(19,107)**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

OFFICE OF GENERAL COUNSEL

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
RECORDS REQUEST FEES	-	-	270	(270)		270
TOTAL REVENUE:	**-**	**-**	**270**	**(270)**		**270**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	3,500	318	2,226	1,274	64%	107
STAFF MEMBERSHIP DUES	2,090	200	1,825	265	87%	(432)
COURT RULES COMMITTEE	1,000	-	-	1,000	0%	667
COURT REPORTERS	-	-	(179)	179		179
CUSTODIANSHIPS	5,000	150	201	4,799	4%	3,132
WILLS	2,000	-	-	2,000	0%	1,333
LITIGATION EXPENSES	1,000	13	148	852	15%	518
DISABILITY ACCOMMODATIONS	6,000	423	667	5,333	11%	3,333
STAFF CONFERENCE & TRAINING	6,215	363	363	5,852	6%	3,780
SUPPLIES	-	-	104	(104)		(104)
TOTAL DIRECT EXPENSES:	**26,805**	**1,467**	**5,355**	**21,450**	**20%**	**12,515**
INDIRECT EXPENSES:						
SALARY EXPENSE (6.47 FTE) **	682,130	54,428	445,570	236,560	65%	9,183
BENEFITS EXPENSE	210,435	17,466	134,655	75,780	64%	5,635
OTHER INDIRECT EXPENSE	157,903	10,726	97,124	60,779	62%	8,145
TOTAL INDIRECT EXPENSES:	**1,050,467**	**82,620**	**677,348**	**373,119**	**64%**	**22,963**
TOTAL ALL EXPENSES:	**1,077,272**	**84,087**	**682,704**	**394,569**	**63%**	**35,478**
NET INCOME (LOSS):	**(1,077,272)**	**(84,087)**	**(682,434)**	**(394,839)**	**63%**	**35,748**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

OFFICE OF GENERAL COUNSEL - DISCIPLINARY BOARD

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSE:						
STAFF MEMBERSHIP DUES	100	-	-	100	0%	67
DISCIPLINARY BOARD EXPENSES	5,000	526	868	4,132	17%	2,465
CHIEF HEARING OFFICER	40,000	3,333	26,664	13,336	67%	3
COURT REPORTERS	25,000	475	17,271	7,729	69%	(605)
HEARING OFFICER EXPENSES	4,000	-	79	3,921	2%	2,588
HEARING OFFICER TRAINING	1,000	-	-	1,000	0%	667
APPOINTED COUNSEL	50,400	4,200	33,600	16,800	67%	-
DISCIPLINARY SELECTION PANEL	1,000	-	-	1,000	0%	667
STAFF CONFERENCE & TRAINING	2,000	-	-	2,000	0%	1,333
TOTAL DIRECT EXPENSES:	**128,500**	**8,534**	**78,482**	**50,018**	**61%**	**7,184**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.30 FTE)	125,704	10,447	86,136	39,568	69%	(2,333)
BENEFITS EXPENSE	41,128	3,408	27,198	13,930	66%	221
OTHER INDIRECT EXPENSE	33,139	2,150	20,803	12,336	63%	1,290
TOTAL INDIRECT EXPENSES:	**199,971**	**16,004**	**134,137**	**65,834**	**67%**	**(823)**
TOTAL ALL EXPENSES:	**328,471**	**24,538**	**212,619**	**115,852**	**65%**	**6,362**
NET INCOME (LOSS):	**(328,471)**	**(24,538)**	**(212,619)**	**(115,852)**	**65%**	**6,362**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
PRACTICE OF LAW BOARD						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
PRACTICE OF LAW BOARD	16,000	126	523	15,477	3%	10,143
TOTAL DIRECT EXPENSES:	**16,000**	**126**	**523**	**15,477**	**3%**	**10,143**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.35 FTE)	44,050	3,421	29,310	14,740	67%	57
BENEFITS EXPENSE	15,037	1,023	9,876	5,161	66%	149
OTHER INDIRECT EXPENSE	11,478	586	7,950	3,528	69%	(298)
TOTAL INDIRECT EXPENSES:	**70,566**	**5,030**	**47,136**	**23,429**	**67%**	**(93)**
TOTAL ALL EXPENSES:	**86,566**	**5,156**	**47,660**	**38,906**	**55%**	**10,051**
NET INCOME (LOSS):	**(86,566)**	**(5,156)**	**(47,660)**	**(38,906)**	**55%**	**10,051**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
PUBLIC SERVICE PROGRAMS						
REVENUE:						
DONATIONS & GRANTS	135,280	-	134,832	448	100%	44,645
TOTAL REVENUE:	**135,280**	**-**	**134,832**	**448**	**100%**	**44,645**
DIRECT EXPENSES:						
DONATIONS/SPONSORSHIPS/GRANTS	300,000	79,185	238,011	61,989	79%	(38,011)
STAFF TRAVEL/PARKING	2,000	17	142	1,858	7%	1,191
PRO BONO & PUBLIC SERVICE COMMITTEE	2,500	323	323	2,177	13%	1,344
STAFF CONFERENCE & TRAINING	2,200	775	775	1,425	35%	692
PRO BONO OUTREACH	4,000	-	1,087	2,913	27%	1,580
TOTAL DIRECT EXPENSES:	**310,700**	**80,300**	**240,338**	**70,362**	**77%**	**(33,204)**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.62 FTE)	136,915	11,572	90,900	46,015	66%	377
BENEFITS EXPENSE	47,862	4,008	31,079	16,783	65%	829
OTHER INDIRECT EXPENSE	41,297	2,688	26,004	15,293	63%	1,527
TOTAL INDIRECT EXPENSES:	**226,074**	**18,268**	**147,983**	**78,091**	**65%**	**2,733**
TOTAL ALL EXPENSES:	**536,774**	**98,567**	**388,321**	**148,453**	**72%**	**(30,471)**
NET INCOME (LOSS):	**(401,494)**	**(98,567)**	**(253,489)**	**(148,005)**	**63%**	**14,174**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

PUBLICATION & DESIGN SERVICES

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
SUBSCRIPTIONS	200	-	88	112	44%	45
IMAGE LIBRARY	4,800	-	4,756	44	99%	(1,556)
TOTAL DIRECT EXPENSES:	**5,000**	**-**	**4,844**	**156**	**97%**	**(1,511)**
INDIRECT EXPENSES:						
SALARY EXPENSE (0.89 FTE)	76,345	6,729	54,682	21,663	72%	(3,786)
BENEFITS EXPENSE	26,506	2,262	17,812	8,694	67%	(141)
OTHER INDIRECT EXPENSE	22,688	1,466	14,184	8,504	63%	941
TOTAL INDIRECT EXPENSES:	**125,539**	**10,457**	**86,678**	**38,861**	**69%**	**(2,985)**
TOTAL ALL EXPENSES:	**130,539**	**10,457**	**91,522**	**39,016**	**70%**	**(4,496)**
NET INCOME (LOSS):	**(130,539)**	**(10,457)**	**(91,522)**	**(39,016)**	**70%**	**(4,496)**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

REGULATORY SERVICES FTE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF MEMBERSHIP DUES	490	-	490	-	100%	(163)
STAFF CONFERENCE & TRAINING	8,400	332	932	7,468	11%	4,668
STAFF TRAVEL/PARKING	600	36	265	335	44%	135
TOTAL DIRECT EXPENSES:	**9,490**	**369**	**1,688**	**7,802**	**18%**	**4,802**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.20 FTE)	299,450	24,916	201,240	98,210	67%	(1,607)
BENEFITS EXPENSE	84,363	7,039	55,789	28,574	66%	453
OTHER INDIRECT EXPENSE	56,721	3,641	35,924	20,797	63%	1,890
TOTAL INDIRECT EXPENSES:	**440,534**	**35,596**	**292,953**	**147,581**	**66%**	**736**
TOTAL ALL EXPENSES:	**450,024**	**35,964**	**294,641**	**155,383**	**65%**	**5,538**
NET INCOME (LOSS):	**(450,024)**	**(35,964)**	**(294,641)**	**(155,383)**	**65%**	**5,375**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

REGULATORY REFORM

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	72,500	-	10,311	62,189	14%	38,022
OUTREACH EXPENSES	10,000	-	-	10,000	0%	6,667
MEETING EXPENSE	-	-	2,098	(2,098)		(2,098)
TOTAL DIRECT EXPENSES:	**82,500**	**-**	**12,409**	**70,091**	**15%**	**-**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.80 FTE)	157,764	16,880	87,449	70,315	55%	17,727
BENEFITS EXPENSE	46,175	5,139	24,260	21,914	53%	6,523
OTHER INDIRECT EXPENSE	32,466	2,981	15,301	17,165	47%	6,343
TOTAL INDIRECT EXPENSES:	**236,405**	**25,000**	**127,011**	**109,394**	**54%**	**30,593**
TOTAL ALL EXPENSES:	**318,905**	**25,000**	**139,420**	**179,485**	**44%**	**30,593**
NET INCOME (LOSS):	**(318,905)**	**(25,000)**	**(139,420)**	**(179,485)**	**44%**	**73,183**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SERVICE CENTER						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	2,376	198	1,507	869	63%	77
STAFF CONFERENCE & TRAINING	677	-	-	677	0%	451
TOTAL DIRECT EXPENSES:	**3,053**	**198**	**1,507**	**1,546**	**49%**	**528**
INDIRECT EXPENSES:						
SALARY EXPENSE (5.78 FTE)	427,125	38,893	288,610	138,515	68%	(3,860)
BENEFITS EXPENSE	160,271	13,864	104,583	55,688	65%	2,265
OTHER INDIRECT EXPENSE	147,342	9,578	92,843	54,500	63%	5,385
TOTAL INDIRECT EXPENSES:	**734,738**	**62,335**	**486,036**	**248,703**	**66%**	**3,790**
TOTAL ALL EXPENSES:	**737,791**	**62,533**	**487,543**	**250,249**	**66%**	**4,318**
NET INCOME (LOSS):	**(737,791)**	**(62,533)**	**(487,543)**	**(250,249)**	**66%**	**4,318**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SECTIONS ADMINISTRATION						
REVENUE:						
REIMBURSEMENTS FROM SECTIONS	275,000	1,697	363,118	(88,118)	132%	179,785
TOTAL REVENUE:	**275,000**	**1,697**	**363,118**	**(88,118)**	**132%**	**179,785**
DIRECT EXPENSES:						
STAFF TRAVEL/PARKING	1,500	-	60	1,440	4%	940
SECTION/COMMITTEE CHAIR MTGS	700	-	89	611	13%	377
STAFF MEMBERSHIP DUES	200	-	60	140	30%	73
TOTAL DIRECT EXPENSES:	**2,400**	**-**	**209**	**2,191**	**9%**	**1,391**
INDIRECT EXPENSES:						
SALARY EXPENSE (2.53 FTE)	169,092	14,101	108,609	60,482	64%	4,118
BENEFITS EXPENSE	67,073	5,582	43,010	24,062	64%	1,705
OTHER INDIRECT EXPENSE	64,494	4,227	40,860	23,634	63%	2,136
TOTAL INDIRECT EXPENSES:	**300,658**	**23,910**	**192,480**	**108,179**	**64%**	**7,959**
TOTAL ALL EXPENSES:	**303,058**	**23,910**	**192,689**	**110,369**	**64%**	**9,350**
NET INCOME (LOSS):	**(28,058)**	**(22,213)**	**170,429**	**(198,488)**	**-607%**	**189,135**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
SECTIONS OPERATIONS						
REVENUE:						
SECTION DUES	438,280	2,900	569,086	(130,806)	130%	276,899
SEMINAR PROFIT SHARE	159,700	-	-	159,700	0%	(106,467)
INTEREST INCOME	2,050	-	-	2,050	0%	(1,367)
PUBLICATIONS REVENUE	1,250	-	2,279	(1,029)	182%	1,446
OTHER	44,203	2,135	24,265	19,938	55%	(5,204)
TOTAL REVENUE:	**645,483**	**5,035**	**595,631**	**49,853**	**92%**	**165,308**
DIRECT EXPENSES:						
DIRECT EXPENSES OF SECTION ACTIVITIES	759,773	52,841	220,596	539,176	29%	285,919
REIMBURSEMENT TO WSBA FOR INDIRECT EXPENSES	280,433	1,697	363,118	(82,686)	129%	(176,163)
TOTAL DIRECT EXPENSES:	**1,040,206**	**54,539**	**583,715**	**456,491**	**56%**	**109,756**
NET INCOME (LOSS):	**(394,722)**	**(49,504)**	**11,916**	**(406,638)**	**-3%**	**275,064**

Washington State Bar Association

Statement of Activities

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67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
TECHNOLOGY						
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
CONSULTING SERVICES	140,000	6,766	101,256	38,744	72%	(7,923)
STAFF TRAVEL/PARKING	1,000	216	771	229	77%	(104)
STAFF MEMBERSHIP DUES	300	-	-	300	0%	200
TELEPHONE	90,000	6,739	56,739	33,261	63%	3,261
COMPUTER HARDWARE	66,200	1,580	60,179	6,021	91%	(16,046)
COMPUTER SOFTWARE	530,000	42,772	295,950	234,050	56%	57,383
HARDWARE SERVICE & WARRANTIES	50,000	12,450	34,392	15,608	69%	(1,058)
SOFTWARE MAINTENANCE & LICENSING	400,000	(11,723)	340,918	59,082	85%	(74,252)
THIRD PARTY SERVICES	65,000	246	48,763	16,237	75%	(5,430)
CLOUD INFRASTRUCTURE	130,000	7,440	39,237	90,763	30%	47,429
STAFF CONFERENCE & TRAINING	6,000	-	1,091	4,909	18%	2,909
TRANSFER TO INDIRECT EXPENSES	(1,478,500)	(66,485)	(979,297)	(499,203)	66%	(6,370)
TOTAL DIRECT EXPENSES:	-	-	-	-		(0)
INDIRECT EXPENSES:						
SALARY EXPENSE (12.00 FTE) **	1,422,045	114,667	935,789	486,257	66%	12,242
BENEFITS EXPENSE **	421,171	32,282	256,527	164,645	61%	24,254
CAPITAL LABOR & OVERHEAD	(75,000)	(9,668)	(93,204)	18,204	124%	(43,204)
OTHER INDIRECT EXPENSE	305,901	19,913	192,664	113,237	63%	11,270
TOTAL INDIRECT EXPENSES:	**2,074,118**	**157,194**	**1,291,775**	**782,343**	**62%**	**4,562**
TOTAL ALL EXPENSES:	**2,074,118**	**157,194**	**1,291,775**	**782,343**	**62%**	**4,562**
NET INCOME (LOSS):	**(2,074,118)**	**(157,194)**	**(1,291,775)**	**(782,343)**	**62%**	**90,971**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

VOLUNTEER ENGAGEMENT

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
REVENUE:						
TOTAL REVENUE:	-	-	-	-		-
DIRECT EXPENSES:						
POSTAGE	600	-	468	132	78%	(68)
STAFF MEMBERSHIP DUES	450	-	300	150	67%	-
STAFF CONFERENCE & TRAINING	5,200	-	-	5,200	0%	3,467
SUBSCRIPTIONS	816	-	716	100	88%	(172)
VOLUNTEER RECOGNITION	2,000	-	-	2,000	0%	1,333
REGULATORY SCHOOL	12,000	-	7,767	4,233	65%	233
ABA DELEGATES	16,000	-	5,360	10,640	34%	5,306
TOTAL DIRECT EXPENSES:	**37,066**	**-**	**14,611**	**22,455**	**39%**	**10,099**
INDIRECT EXPENSES:						
SALARY EXPENSE (1.20 FTE)	127,293	8,812	80,735	46,558	63%	4,127
BENEFITS EXPENSE	43,900	3,016	29,056	14,845	66%	211
OTHER INDIRECT EXPENSE	36,980	2,004	25,339	11,641	69%	(685)
TOTAL INDIRECT EXPENSES:	**208,173**	**13,831**	**135,130**	**73,044**	**65%**	**3,653**
TOTAL ALL EXPENSES:	**245,239**	**13,831**	**149,741**	**95,498**	**61%**	**3,653**
NET INCOME (LOSS):	**(245,239)**	**(13,831)**	**(149,741)**	**(95,498)**	**61%**	**13,752**

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF REFORECAST	YEAR TO DATE VARIANCE FAVORABLE/(UNFAVORABLE)
INDIRECT EXPENSES:						
SALARIES	14,691,362	1,161,089	9,507,221	5,184,140	65%	287,020
TEMPORARY SALARIES	271,788	22,254	334,918	(63,130)	123%	(153,726)
CAPITAL LABOR & OVERHEAD	(75,000)	(9,668)	(93,204)	18,204	124%	43,204
ALLOWANCE FOR OPEN POSITIONS	(200,000)	-	-	(200,000)	0%	(133,333)
INSURANCE REBATE	(19,016)	-	-	(19,016)	0%	(12,677)
EMPLOYEE ASSISTANCE PLAN	4,800	1,200	3,600	1,200	75%	(400)
EMPLOYEE SERVICE AWARDS	2,610	220	1,730	880	66%	10
FICA (EMPLOYER PORTION)	1,112,598	87,529	710,984	401,615	64%	30,749
L&I INSURANCE	72,487	-	29,544	42,943	41%	18,781
WA STATE FAMILY MEDICAL LEAVE (EMPLOYI	33,236	3,065	23,011	10,225	69%	(854)
MEDICAL (EMPLOYER PORTION)	2,057,482	178,744	1,372,320	685,162	67%	(665)
RETIREMENT (EMPLOYER PORTION)	1,322,122	105,214	845,212	476,910	64%	36,203
TRANSPORTATION ALLOWANCE	34,000	400	24,222	9,778	71%	(1,555)
UNEMPLOYMENT INSURANCE	71,847	7,354	48,243	23,604	67%	(345)
TOTAL SALARY & BENEFITS EXPENSE:	**19,380,315**	**1,557,402**	**12,807,800**	**6,572,515**	**66%**	**112,410**
WORKPLACE BENEFITS	56,400	1,345	11,774	44,626	21%	25,826
HUMAN RESOURCES POOLED EXP	111,300	3,593	40,266	71,034	36%	33,934
MEETING SUPPORT EXPENSES	9,950	1,078	6,302	3,648	63%	331
RENT	960,000	73,710	663,016	296,984	69%	(23,016)
MOVE / DOWNSIZE EXPENSES	28,208	-	24,906	3,302	88%	(6,101)
PERSONAL PROP TAXES-WSBA	8,400	619	4,716	3,684	56%	884
FURNITURE, MAINT, LH IMP **	65,497	3,062	40,629	24,868	62%	3,035
OFFICE SUPPLIES & EQUIPMENT	22,164	543	11,093	11,071	50%	3,683
FURN & OFFICE EQUIP DEPRECIATION	159,628	9,567	76,202	83,426	48%	30,217
COMPUTER HARDWARE DEPRECIATION **	42,000	3,040	25,700	16,300	61%	2,300
COMPUTER SOFTWARE DEPRECIATION	49,339	3,717	32,523	16,816	66%	370
INSURANCE	288,200	21,710	173,680	114,520	60%	18,453
WORK HOME FURNITURE & EQUIP	14,000	511	1,541	12,459	11%	7,793
PROFESSIONAL FEES-AUDIT	41,000	-	36,577	4,423	89%	(9,243)
PROFESSIONAL FEES-LEGAL	200,000	41,762	106,115	93,885	53%	27,218
ONLINE LEGAL RESEARCH	86,000	6,260	58,316	27,684	68%	(983)
ACCOMODATIONS FUND	6,500	-	-	6,500	0%	4,333
TRANSLATION SERVICES	12,000	277	4,163	7,837	35%	3,837
TELEPHONE & INTERNET	33,600	2,790	21,880	11,720	65%	520
POSTAGE - GENERAL	15,500	1,055	4,629	10,871	30%	5,704
RECORDS STORAGE	28,849	1,025	23,060	5,789	80%	(3,828)
BANK FEES	30,000	648	8,181	21,819	27%	11,819
PRODUCTION MAINTENANCE & SUPPLIES	13,000	1,532	8,012	4,988	62%	655
COMPUTER POOLED EXPENSES	1,478,500	66,485	979,297	499,203	66%	6,370
GAIN (LOSS) ASSETS	-	-	1,396	(1,396)		(1,396)
TOTAL OTHER INDIRECT EXPENSES:	**3,760,035**	**244,329**	**2,363,974**	**1,396,061**	**63%**	**142,716**
TOTAL INDIRECT EXPENSES:	**23,140,350**	**1,801,731**	**15,171,774**	**7,968,576**	**66%**	**255,126**

**Budget reallocations apply to this line item. For details, see FY25 Budget Reallocations memo(s) included in the Board of Governors meeting materials.

Washington State Bar Association

Statement of Activities

For the Period from May 1, 2025 to May 31, 2025

67% OF YEAR COMPLETE

SUMMARY PAGE	FISCAL 2025 REFORECAST	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE
ACCESS TO JUSTICE	(389,284)	(46,537)	(267,041)	(122,243)
ADMISSIONS/BAR EXAM	115,136	24,616	657,741	(542,605)
ADVANCEMENT FTE	(392,492)	(31,327)	(254,321)	(138,171)
BAR NEWS	(140,492)	(17,173)	(75,262)	(65,230)
BOARD OF GOVERNORS	(584,797)	(52,290)	(337,465)	(247,332)
CLE - PRODUCTS	616,909	5,414	534,327	82,582
CLE - SEMINARS	(543,860)	1,567	(266,977)	(276,883)
CLIENT PROTECTION FUND	239,353	(8,299)	838,046	(598,693)
CHARACTER & FITNESS BOARD	(175,016)	(12,929)	(104,391)	(70,625)
COMMUNICATIONS	(899,023)	(81,695)	(489,966)	(409,057)
COMMUNICATIONS FTE	(250,494)	(20,478)	(171,770)	(78,724)
DESKBOOKS	(203,495)	4,936	(142,757)	(60,738)
DISCIPLINE	(6,430,980)	(479,812)	(4,100,263)	(2,330,717)
DIVERSITY	(311,791)	(30,440)	(116,798)	(194,993)
FINANCE	(564,984)	(7,790)	(244,599)	(320,385)
FOUNDATION	(185,082)	(14,209)	(116,082)	(69,000)
HUMAN RESOURCES	(613,706)	(59,207)	(531,762)	(81,944)
LAW CLERK PROGRAM	3,380	(14,461)	119,335	(115,954)
LEGISLATIVE	(283,092)	(23,754)	(191,086)	(92,006)
LEGAL LUNCHBOX	(5,554)	(3,816)	(7,433)	1,879
LICENSE FEES	17,492,616	1,440,861	11,666,447	5,826,169
LICENSING AND MEMBERSHIP	(343,563)	(8,485)	(199,627)	(143,936)
LIMITED LICENSE LEGAL TECHNICIAN	(75,220)	(5,516)	(47,260)	(27,960)
LIMITED PRACTICE OFFICERS	46,835	2,208	40,698	6,138
MANDATORY CLE ADMINISTRATION	424,077	49,538	526,917	(102,840)
MEMBER WELLNESS PROGRAM	(231,844)	(18,643)	(152,884)	(78,960)
MINI CLE	(120,867)	(9,642)	(79,706)	(41,161)
MEMBER SERVICES & ENGAGEMENT	(398,049)	(70,952)	(226,045)	(172,004)
NEW MEMBER EDUCATION	67,287	(4,591)	58,418	8,869
OFFICE OF GENERAL COUNSEL	(1,077,272)	(84,087)	(682,434)	(394,839)
OFFICE OF THE EXECUTIVE DIRECTOR	(1,029,374)	(80,700)	(705,357)	(324,017)
OGC-DISCIPLINARY BOARD	(328,471)	(24,538)	(212,619)	(115,852)
PRACTICE OF LAW BOARD	(86,566)	(5,156)	(47,660)	(38,906)
PRACTICE MANAGEMENT ASSISTANCE	(175,060)	6,068	(134,499)	(40,562)
PROFESSIONAL RESPONSIBILITY PROGRAM	(217,719)	(18,856)	(142,583)	(75,137)
PUBLIC SERVICE PROGRAMS	(401,494)	(98,567)	(253,489)	(148,005)
PUBLICATION & DESIGN SERVICES	(130,539)	(10,457)	(91,522)	(39,016)
REGULATORY SERVICES FTE	(450,024)	(35,964)	(294,641)	(155,383)
REGULATORY REFORM	(318,905)	(25,000)	(139,420)	(179,485)
SECTIONS ADMINISTRATION	(28,058)	(22,213)	170,429	(198,488)
SECTIONS OPERATIONS	(394,722)	(49,504)	11,916	(406,638)
SERVICE CENTER	(737,791)	(62,533)	(487,543)	(250,249)
TECHNOLOGY	(2,074,118)	(157,194)	(1,291,775)	(782,343)
VOLUNTEER EDUCATION	(245,239)	(13,831)	(149,741)	(95,498)
INDIRECT EXPENSES	23,140,350	1,801,731	15,171,774	7,968,576
TOTAL OF ALL	**(21,306,907)**	**(1,626,293)**	**(17,039,273)**	**(4,267,634)**
NET INCOME (LOSS)	**(1,833,444)**	**(175,437)**	**1,867,499**	**(3,700,942)**

WASHINGTON STATE
BAR ASSOCIATION

WSBA MISSION

The Washington State Bar Association's mission is to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

WSBA GUIDING PRINCIPLES

The WSBA will operate a well-managed association that supports its members and advances and promotes:

- **Access to the justice system.**
  Focus: Provide training and leverage community partnerships in order to enhance a culture of service for legal professionals to give back to their communities, with a particular focus on services to underserved low and moderate income people.
- **Diversity, equality, and cultural understanding throughout the legal community.**
  Focus: Work to understand the lay of the land of our legal community and provide tools to members and employers in order to enhance the retention of minority legal professionals in our community.
- **The public's understanding of the rule of law and its confidence in the legal system.**
  Focus: Educate youth and adult audiences about the importance of the three branches of government and how they work together.
- **A fair and impartial judiciary.**
- **The ethics, civility, professionalism, and competence of the Bar.**

MISSION FOCUS AREAS	PROGRAM CRITERIA
Ensuring Competent and Qualified Legal Professionals • Cradle to Grave • Regulation and Assistance **Promoting the Role of Legal Professionals in Society** • Service • Professionalism	• Does the Program further either or both of WSBA's mission-focus areas? • Does WSBA have the competency to operate the Program? • As the mandatory bar, how is WSBA uniquely positioned to successfully operate the Program? • Is statewide leadership required in order to achieve the mission of the Program? • Does the Program's design optimize the expenditure of WSBA resources devoted to the Program, including the balance between volunteer and staff involvement, the number of people served, the cost per person, etc?

2016 – 2018 STRATEGIC GOALS

- **Equip members with skills for the changing profession**
- **Promote equitable conditions for members from historically marginalized or underrepresented backgrounds to enter, stay and thrive in the profession**
- **Explore and pursue regulatory innovation and advocate to enhance the public's access to legal services**

GR 12
REGULATION OF THE PRACTICE OF LAW

The Washington Supreme Court has inherent and plenary authority to regulate the practice of law in Washington. The legal profession serves clients, courts, and the public, and has special responsibilities for the quality of justice administered in our legal system. The Court ensures the integrity of the legal profession and protects the public by adopting rules for the regulation of the practice of law and actively supervising persons and entities acting under the Supreme Court's authority.

[Adopted effective September 1, 2017.]

GR 12.1
REGULATORY OBJECTIVES

Legal services providers must be regulated in the public interest. In regulating the practice of law in Washington, the Washington Supreme Court's objectives include: protection of the public; advancement of the administration of justice and the rule of law; meaningful access to justice and information about the law, legal issues, and the civil and criminal justice systems;

(a) transparency regarding the nature and scope of legal services To be provided, the credentials of those who provide them, and the availability of regulatory protections;

(b) delivery of affordable and accessible legal services;

(c) efficient, competent, and ethical delivery of legal services;

(d) protection of privileged and confidential information;

(e) independence of professional judgment;

(f) Accessible civil remedies for negligence and breach of other duties owed, disciplinary sanctions for misconduct, and advancement of appropriate preventive or wellness programs;

(g) Diversity and inclusion among legal services providers and freedom from discrimination for those receiving legal services and in the justice system.

[Adopted effective September 1, 2017.]

GR 12.2
WASHINGTON STATE BAR ASSOCIATION: PURPOSES, AUTHORIZED ACTIVITIES, AND PROHIBITED ACTIVITIES

In the exercise of its inherent and plenary authority to regulate the practice of law in Washington, the Supreme Court authorizes and supervises the Washington State Bar Association's activities. The Washington State Bar Association carries out the administrative responsibilities and functions expressly delegated to it by this rule and other Supreme Court rules and orders enacted or adopted to regulate the practice of law, including the purposes and authorized activities set forth below.

(a) Purposes: In General. In general, the Washington State Bar Association strives to:

(1) Promote independence of the judiciary and the legal profession.

(2) Promote an effective legal system, accessible to all.

(3) Provide services to its members and the public.

(4) Foster and maintain high standards of competence, professionalism, and ethics among its members.

(5) Foster collegiality among its members and goodwill between the legal profession and the public.

(6) Promote diversity and equality in the courts and the legal profession.

(7) Administer admission, regulation, and discipline of its members in a manner that protects the public and respects the rights of the applicant or member.

(8) Administer programs of legal education.

(9) Promote understanding of and respect for our legal system and the law.

(10) Operate a well-managed and financially sound association, with a positive work environment for its employees.

(11) Serve as a statewide voice to the public and to the branches of government on matters relating to these purposes and the activities of the association and the legal profession.

(b) Specific Activities Authorized. In pursuit of these purposes, the Washington State Bar Association may:

(1) Sponsor and maintain committees and sections, whose activities further these purposes;

(2) Support the judiciary in maintaining the integrity and fiscal stability of an independent and effective judicial system;

(3) Provide periodic reviews and recommendations concerning court rules and procedures;

(4) Administer examinations and review applicants' character and fitness to practice law;

(5) Inform and advise its members regarding their ethical obligations;

(6) Administer an effective system of discipline of its members, including receiving and investigating complaints of misconduct by legal professionals, taking and recommending appropriate punitive and remedial measures, and diverting less serious misconduct to alternatives outside the formal discipline system;

(7) Maintain a program, pursuant to court rule, requiring members to submit fee disputes to arbitration;

(8) Maintain a program for mediation of disputes between members and others;

(9) Maintain a program for legal professional practice assistance;

(10) Sponsor, conduct, and assist in producing programs and products of continuing legal education;

(11) Maintain a system for accrediting programs of continuing legal education;

(12) Conduct examinations of legal professionals' trust accounts;

(13) Maintain a fund for client protection in accordance with the Admission and Practice Rules;

(14) Maintain a program for the aid and rehabilitation of impaired members;

(15) Disseminate information about the organization's activities, interests, and positions;

(16) Monitor, report on, and advise public officials about matters of interest to the organization and the legal profession;

(17) Maintain a legislative presence to inform members of new and proposed laws and to inform public officials about the organization's positions and concerns;

(18) Encourage public service by members and support programs providing legal services to those in need;

(19) Maintain and foster programs of public information and education about the law and the legal system;

(20) Provide, sponsor, and participate in services to its members;

(21) Hire and retain employees to facilitate and support its mission, purposes, and activities, including in the organization's discretion, authorizing collective bargaining;

(22) Establish the amount of all license, application, investigation, and other related fees, as well as charges for services provided by the Washington State Bar Association, and collect, allocate, invest, and disburse funds so that its mission, purposes, and activities may be effectively and efficiently discharged. The amount of any license fee is subject to review by the Supreme Court for reasonableness and may be modified by order of the Court if the Court determines that it is not reasonable;

(23) Administer Supreme-Court-created boards in accordance with General Rule 12.3.

(c) Activities Not Authorized. The Washington State Bar Association will not:

(1)) Take positions on issues concerning the politics or social positions of foreign nations;

(2)) Take positions on political or social issues which do not relate to or affect the practice of law or the administration of justice; or

(3) Support or oppose, in an election, candidates for public office.

[Adopted effective July 17, 1987; amended effective December 10, 1993; September 1, 1997; September 1, 2007; September 1, 2013; September 1, 2017.]

GR 12.3
WASHINGTON STATE BAR ASSOCIATION ADMINISTRATION OF SUPREME COURT-CREATED BOARDS AND COMMITTEES

The Supreme Court has delegated to the Washington State Bar Association the authority and responsibility to administer certain boards and committees established by court rule or order. This delegation of authority includes providing and managing staff, overseeing the boards and committees to monitor their compliance with the rules and orders that authorize and regulate them, paying expenses reasonably and necessarily incurred pursuant to a budget approved by the Board of Governors, performing other functions and taking other actions as provided in court rule or order or delegated by the Supreme Court, or taking other actions as are necessary and proper to enable the board or committee to carry out its duties or functions.

[Adopted effective September 1, 2007; amended effective September 1, 2017.]

GR 12.4
WASHINGTON STATE BAR ASSOCIATION ACCESS TO RECORDS

(a) Policy and Purpose. It is the policy of the Washington State Bar Association to facilitate access to Bar records. A presumption of public access exists for Bar records, but public access to Bar records is not absolute and shall be consistent with reasonable expectations of personal privacy, restrictions in statutes, restrictions in court rules, or as provided in court orders or protective orders issued under court rules. Access shall not unduly burden the business of the Bar.

(b) Scope. This rule governs the right of public access to Bar records. This rule applies to the Washington State Bar Association and its subgroups operated by the Bar including the Board of Governors, committees, task forces, commissions, boards, offices, councils, divisions, sections, and departments. This rule also applies to boards and committees under GR 12.3 administered by the Bar. A person or entity entrusted by the
Bar with the storage and maintenance of Bar records is not subject to this rule and may not respond to a request for access to Bar records, absent express written authority from the Bar or separate authority in rule or statute to grant access to the documents.

(c) Definitions.

(1)) "Access" means the ability to view or obtain a copy of a Bar record.

(2)) "Bar record" means any writing containing information relating to the conduct of any Bar function prepared, owned, used, or retained by the Bar regardless of physical form or characteristics. Bar records include only those records in the possession of the Bar and its staff or stored under Bar ownership and control in facilities or servers. Records solely in the possession of hearing officers, non-Bar staff members of boards, committees, task forces, commissions, sections, councils, or divisions that were prepared by the hearing officers or the members and in their sole possession, including private notes and working papers, are not Bar records and are not subject to public access under this rule. Nothing in this rule requires the Bar to create a record that is not currently in possession of the Bar at the time of the request.

(3) "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation in paper, digital, or other format.

(d) Bar Records--Right of Access.

(1) The Bar shall make available for inspection and copying all Bar records, unless the record falls within the specific exemptions of this rule, or any other state statute (including the Public Records Act, chapter 42.56 RCW) or federal statute or rule as they would be applied to a public agency, or is made confidential by the Rules of Professional Conduct, the Rules for Enforcement of Lawyer Conduct, the Admission to Practice Rules and associated regulations, the Rules for Enforcement of Limited Practice Officer Conduct, General Rule 25, court orders or protective orders issued under those rules, or any other state or federal statute or rule. To the extent required to prevent an unreasonable invasion of personal privacy interests or threat to safety or by the above-referenced rules, statutes, or orders, the Bar shall delete identifying details in a manner consistent with those rules, statutes, or orders when it makes available or publishes any Bar record; however, in each case, the justification for the deletion shall be explained in writing.

(2) In addition to exemptions referenced above, the following categories of Bar records are exempt from public access except as may expressly be made public by court rule:

(A) Records of the personnel committee, and personal information in Bar records for employees, appointees, members, or volunteers of the Bar to the extent that disclosure would violate their right to privacy, including home contact information (unless such information is their address of record), Social Security numbers, driver's license numbers, identification or security photographs held in Bar records, and personal data including ethnicity, race, disability status, gender, and sexual orientation. Membership class and status, bar number, dates of admission or licensing, addresses of record, and business telephone
numbers, facsimile numbers, and electronic mail addresses (unless there has been a request that electronic mail addresses not be made public) shall not be exempt, provided that any such information shall be exempt if the Executive Director approves the confidentiality of that information for reasons of personal security or other compelling reason, which approval must be reviewed annually.

(B) Specific information and records regarding

(i) internal policies, guidelines, procedures, or techniques, the disclosure of which would reasonably be expected to compromise the conduct of disciplinary or regulatory functions, investigations, or examinations;

(ii) application, investigation, and hearing or proceeding records relating to lawyer, Limited Practice Officer, or Limited License Legal Technician admissions, licensing, or discipline, or that relate to the work of ELC 2.5 hearing officers, the Board of Bar Examiners, the Character and Fitness Board, the Law Clerk
Board, the Limited Practice Board, the MCLE Board, the Limited License Legal Technician Board, the Practice of Law Board, or the Disciplinary Board in conducting investigations, hearings or proceedings; and

(iii) the work of the Judicial Recommendation Committee and the Hearing Officer selection panel, unless such records are expressly categorized as public information by court rule.

(C) Valuable formulae, designs, drawings, computer source code or object code, and research data created or obtained by the Bar.

(D) Information regarding the infrastructure, integrity, and security of computer and telecommunication networks, databases, and systems.

(E) Applications for licensure by the Bar and annual licensing forms and related records, including applications for license fee hardship waivers and any decision or determinations on the hardship waiver applications.

(F) Requests by members for ethics opinions to the extent that they contain information identifying the member or a party to the inquiry.

Information covered by exemptions will be redacted from the specific records sought. Statistical information not descriptive of any readily identifiable person or persons may be disclosed.

(3) Persons Who Are Subjects of Records.

(A) Unless otherwise required or prohibited by law, the Bar has the option to give notice of any records request to any member or third party whose records would be included in the Bar's response.

(B) Any person who is named in a record, or to whom a record specifically pertains, may present information opposing the disclosure to the applicable decision maker.

(C) If the Bar decides to allow access to a requested record, a person who is named in that record, or to whom the records specifically pertains, has a right to initiate review or to participate as a party to any review initiated by a requester. The deadlines that apply to a requester apply as well to a person who is a subject of a record.

(e) Bar Records--Procedures for Access.

(1) General Procedures. The Bar Executive Director shall appoint a Bar staff member to serve as the public records officer to whom all records requests shall be submitted. Records requests must be in writing and delivered to the Bar public records officer, who shall respond to such requests within 30 days of receipt. The Washington State Bar Association must implement this rule and adopt and publish on its website the public records officer's work mailing address, telephone number, fax number, and e-mail address, and the procedures and fee schedules for accepting and responding to records requests by the effective date of this rule. The Bar shall acknowledge receipt of the request within 14 days of receipt, and shall communicate with the requester as necessary to clarify any ambiguities as to the records being requested. Records requests shall not be directed to other Bar staff or to volunteers serving on boards, committees, task forces, commissions, sections, councils, or divisions.

(2) Charging of Fees.

(A) A fee may not be charged to view Bar records.

(B) A fee may be charged for the photocopying or scanning of Bar records according to the fee schedule established by the Bar and published on its web site.

(C) A fee not to exceed $30 per hour may be charged for research services required to fulfill a request taking longer than one hour. The fee shall be assessed from the second hour onward.

(f) Extraordinary Requests Limited by Resource Constraints. If a particular request is of a magnitude or burden on resources that the Bar cannot fully comply within 30 days due to constraints on time, resources, and personnel, the Bar shall communicate this information to the requester along with a good faith estimate of the time needed to complete the Bar's response. The Bar must attempt to reach

agreement with the requester as to narrowing the request to a more manageable scope and as to a timeframe for the Bar's response, which may include a schedule of installment responses. If the Bar and requester are unable to reach agreement, the Bar shall respond to the extent practicable, clarify how and why the response differs from the request, and inform the requester that it has completed its response.

(g) Denials. Denials must be in writing and shall identify the applicable exemptions or other bases for denial as well as a written summary of the procedures under which the requesting party may seek further review.

(h) Review of Records Decisions.

(1) Internal Review. A person who objects to a record decision or other action by the Bar's public records officer may request review by the Bar's Executive Director.

(A) A record requester's petition for internal review must be submitted within 90 days of the Bar's public records officer's decision, on such form as the Bar shall designate and make available.

(B) The review proceeding is informal, summary, and on the record.

(C) The review proceeding shall be held within five working days. If that is not reasonably possible, then within five working days the review shall be scheduled for the earliest practical date.

(2) External Review. A person who objects to a records review decision by the Bar's Executive Director may request review by the Records Request Appeals Officer (RRAO) for the Bar.

(A) The requesting party's request for review of the Executive Director's decision must be deposited in the mail and postmarked or delivered to the Bar not later than 30 days after the issuance of the decision, and must be on such form as the Bar shall designate and make available.

(B)) The review will be informal and summary, but in the sole discretion of the RRAO may include the submission of briefs no more than 20 pages long and of oral arguments no more than 15 minutes long.

(C) Decisions of the RRAO are final unless, within 30 days of the issuance of the decision, a request for discretionary review of the decision is filed with the Supreme Court. If review is granted, review is conducted by the Chief Justice of the Washington Supreme Court or his or her designee in accordance with procedures established by the Supreme Court. A designee of the Chief Justice shall be a current or former elected judge. The review proceeding shall be on the record, without additional briefing or argument unless such is ordered by the Chief Justice or his or her designee.

(D) The RRAO shall be appointed by the Board of Governors. The Bar may reimburse the RRAO for all necessary and reasonable expenses incurred in the completion of these duties, and may provide compensation for the time necessary for these reviews at a level established by the Board of Governors.

(i) Monetary Awards Not Allowed. Attorney fees, costs, civil penalties, or fines may not be awarded under this rule.

(j) Effective Date of Rule.

(1) This rule goes into effect on July 1, 2014, and applies to records that are created on or after that date.

(2) Public access to records that are created before that date are to be analyzed according to other court rules, applicable statutes, and the common law balancing test; the Public Records Act, chapter 42.56 RCW, does not apply to such Bar records, but it may be used for nonbinding guidance.

[Adopted effective July 1, 2014; amended effective September 1, 2017.]

GR 12.5
IMMUNITY

All boards, committees, or other entities, and their members and personnel, and all personnel and employees of the Washington State Bar Association, acting on behalf of the Supreme Court under the Admission and Practice Rules, the Rules for Enforcement of Lawyer Conduct, or the disciplinary rules for limited practice officers and limited license legal technicians, shall enjoy quasi-judicial immunity if the Supreme Court would have immunity in performing the same functions.

[Adopted effective January 2, 2008; amended effective September 1, 2017.]

WASHINGTON STATE BAR ASSOCIATION

2024-2025 WSBA BOARD OF GOVERNORS MEETING SCHEDULE

MEETING DATE	LOCATION	DESCRIPTION	EXECUTIVE COMMITTEE MEETING	MATERIALS DEADLINE
October 18-19, 2024	Semiahmoo Resort Blaine, WA	Team Building Retreat		n/a
November 7-8, 2024	WSBA Conference Center Seattle, WA	BOG Meeting	October 16, 2024	October 8, 2024
January 17-18, 2025	WSBA Conference Center Seattle, WA	BOG Meeting KCBA MLK Luncheon Jan. 17	December 18, 2024	December 10, 2024
March 21-22, 2025	Great Wolf Lodge Conference Center Grand Mound, WA	BOG Meeting	February 26, 2025	February 18, 2025
May 2-3, 2025	Red Lion Hotel Port Angeles Harbor Port Angeles, WA	BOG Meeting	April 16, 2025	April 8, 2025
July 17 - 18, 2025 July 19, 2025	The Marcus Whitman Hotel and Conference Center Walla Walla, WA	BOG Meeting BOG Planning Retreat	June 25, 2025	June 17, 2025
September 26-27, 2025	WSBA Offices Seattle, WA	BOG Meeting	September 3, 2025	August 26, 2025

All proposed agenda items and materials must be submitted by the deadline stated above. Materials can be submitted through 1) a staff liaison, 2) staff supervisor or department director, 3) staff member identified by the Office of the Executive Director or, if none of those are applicable, 4) directly to the Executive Director (terran@wsba.org). Submitters will be notified of the status of their request after the materials deadline. All meeting materials will be published appx. two weeks prior to the meeting.

Materials should include: 1) a cover memo, 2) additional/supplemental materials, 3) be inclusive of all WSBA analyses, if relevant and, 4) be in final form suitable for publication. Click here for more information.

BASIC CHARACTERISTICS OF MOTIONS

From: ***The Complete Idiot's Guide to Robert's Rules***
The Guerilla Guide to Robert's Rules

MOTION	PURPOSE	INTERRUPT SPEAKER?	SECOND NEEDED?	DEBATABLE?	AMENDABLE?	VOTE NEEDED
1. Fix the time to which to adjourn	Sets the time for a continued meeting	No	Yes	No[1]	Yes	Majority
2. Adjourn	Closes the meeting	No	Yes	No	No	Majority
3. Recess	Establishes a brief break	No	Yes	No[2]	Yes	Majority
4. Raise a Question of Privilege	Asks urgent question regarding to rights	Yes	No	No	No	Rules by Chair
5. Call for orders of the day	Requires that the meeting follow the agenda	Yes	No	No	No	One member
6. Lay on the table	Puts the motion aside for later consideration	No	Yes	No	No	Majority
7. Previous question	Ends debate and moves directly to the vote	No	Yes	No	No	Two-thirds
8. Limit or extend limits of debate	Changes the debate limits	No	Yes	No	Yes	Two-thirds
9. Postpone to a certain time	Puts off the motion to a specific time	No	Yes	Yes	Yes	Majority[3]
10. Commit or refer	Refers the motion to a committee	No	Yes	Yes	Yes	Majority
11. Amend an amendment (secondary amendment)	Proposes a change to an amendments	No	Yes	Yes[4]	No	Majority
12. Amend a motion or resolution (primary amendment)	Proposes a change to a main motion	No	Yes	Yes[4]	Yes	Majority
13. Postpone indefinitely	Kills the motion	No	Yes	Yes	No	Majority
14. Main motion	Brings business before the assembly	No	Yes	Yes	Yes	Majority

1 Is debatable when another meeting is scheduled for the same or next day, or if the motion is made while no question Is pending

2 Unless no question is pending

3 Majority, unless it makes question a special order

4 If the motion it is being applied to is debatable

Discussion Protocols
Board of Governors Meetings

Philosophical Statement:

"We take serious our representational responsibilities and will try to inform ourselves on the subject matter before us by contact with constituents, stakeholders, WSBA staff and committees when possible and appropriate. In all deliberations and actions we will be courageous and keep in mind the need to represent and lead our membership and safeguard the public. In our actions, we will be mindful of both the call to action and the constraints placed upon the WSBA by GR 12 and other standards."

Governor's Commitments:

1. Tackle the problems presented; don't make up new ones.
2. Keep perspective on long-term goals.
3. Actively listen to understand the issues and perspective of others before making the final decision or lobbying for an absolute.
4. Respect the speaker, the input and the Board's decision.
5. Collect your thoughts and speak to the point – sparingly!
6. Foster interpersonal relationships between Board members outside Board events.
7. Listen and be courteous to speakers.
8. Speak only if you can shed light on the subject, don't be repetitive.
9. Consider, respect and trust committee work but exercise the Board's obligation to establish policy and insure that the committee work is consistent with that policy and the Board's responsibility to the WSBA's mission.
10. Seek the best decision through quality discussion and ample time (listen, don't make assumptions, avoid sidebars, speak frankly, allow time before and during meetings to discuss important matters).
11. Don't repeat points already made.
12. Everyone should have a chance to weigh in on discussion topics before persons are given a second opportunity.
13. No governor should commit the board to actions, opinions, or projects without consultation with the whole Board.
14. Use caution with e-mail: it can be a useful tool for debating, but e-mail is not confidential and does not easily involve all interests.
15. Maintain the strict confidentiality of executive session discussions and matters.

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Board of Governors Meetings

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BOARD OF GOVERNORS

WSBA VALUES

Through a collaborative process, the WSBA Board of Governors and Staff have identified these core values that shall be considered by the Board, Staff, and WSBA volunteers (collectively, the "WSBA Community") in all that we do.

To serve the public and our members and to promote justice, the WSBA Community values the following:

- Trust and respect between and among Board, Staff, Volunteers, Members, and the public
- Open and effective communication
- Individual responsibility, initiative, and creativity
- Teamwork and cooperation
- Ethical and moral principles
- Quality customer-service, with member and public focus
- Confidentiality, where required
- Diversity and inclusion
- Organizational history, knowledge, and context
- Open exchanges of information

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BOARD OF GOVERNORS

GUIDING COMMUNICATION PRINCIPLES

In each communication, I will assume the good intent of my fellow colleagues; earnestly and actively listen; encourage the expression of and seek to affirm the value of their differing perspectives, even where I may disagree; share my ideas and thoughts with compassion, clarity, and where appropriate confidentiality; and commit myself to the unwavering recognition, appreciation, and celebration of the humanity, skills, and talents that each of my fellow colleagues bring in the spirt and effort to work for the mission of the WSBA. Therefore, I commit myself to operating with the following norms:

- I will treat each person with courtesy and respect, valuing each individual.
- I will strive to be nonjudgmental, open-minded, and receptive to the ideas of others.
- I will assume the good intent of others.
- I will speak in ways that encourage others to speak.
- I will respect others' time, workload, and priorities.
- I will aspire to be honest and open in all communications.
- I will aim for clarity; be complete, yet concise.
- I will practice "active" listening and ask questions if I don't understand.
- I will use the appropriate communication method (face-to-face, email, phone, voicemail) for the message and situation.
- When dealing with material of a sensitive or confidential nature, I will seek and confirm that there is mutual agreement to the ground rules of confidentiality at the outset of the communication.
- I will avoid triangulation and go directly to the person with whom I need to communicate. (If there is a problem, I will go to the source for resolution rather than discussing it with or complaining to others.)
- I will focus on reaching understanding and finding solutions to problems.
- I will be mindful of information that affects, or might be of interest or value to, others, and pass it along; err on the side of over-communication.
- I will maintain a sense of perspective and respectful humor.

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BOARD OF GOVERNORS

Anthony David Gipe
President

phone: 206.386.4721
e-mail: adgipeWSBA@gmail.com

November 2014

BEST PRACTICES AND EXPECTATIONS

- **Attributes of the Board**
  - Competence
  - Respect
  - Trust
  - Commitment
  - Humor

- **Accountability by Individual Governors**
  - Assume Good Intent
  - Participation/Preparation
  - Communication
  - Relevancy and Reporting

- **Team of Professionals**
  - Foster an atmosphere of teamwork
    - Between Board Members
    - The Board with the Officers
    - The Board and Officers with the Staff
    - The Board, Officers, and Staff with the Volunteers
  - We all have common loyalty to the success of WSBA

- **Work Hard and Have Fun Doing It**

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- **Work Hard and Have Fun Doing It**

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Douglas Ende, Chief Disciplinary Counsel

DATE: July 8, 2025

RE: Creation of Oath Review and Drafting Task Force

ACTION: Approve proposed Charter authorizing formation of an Oath Review and Drafting Task Force

The purpose of this Task Force would be to consider the preadmission oaths taken by licensed legal professional in Washington State and, as appropriate, to make recommendations to update and reinvigorate the content of those oaths.

Background

On May 1, 2025, at local Law Day ceremonies around the state coordinated by the WSBA, hundreds of lawyers gathered to retake their professional oath, emphasizing their duty to uphold the Constitution and the rule of law. In the wake of that event, a number of WSBA Governors noticed the pronounced length of the oath, as well as the dissonance of its archaic phraseology. At the May 2025 Board of Governors meeting, President Sunitha Anjilvel recommended that the WSBA initiate a project to update and reinvigorate the oath.

I have prepared a draft Charter authorizing the creation of a Task Force to carry forward this proposal. Key elements of the Charter are as follows:

- The Task Force will consider historical materials about the development of Washington State's oaths and undertake a comparative analysis of oaths used by other U.S. jurisdictions.
- The Task Force will consider whether to recommend consolidation of the three existing oaths into one oath.
- The Task Force will communicate about its process with members, the public, and advisory stakeholder groups.
- The Task Force will complete work and submit a final report within one year of its initial meeting
- The Task Force will consist of nine members, including the Task Force chair.

WSBA RISK ANALYSIS: *This section is to be completed by the Office of General Counsel, with input from the proposing entity or individual.*

Please see updated Risk Analysis in BOG Box confidential materials.

WSBA FISCAL ANALYSIS: *This section is to be completed by the Finance Department, with input from the proposing entity or individual.*

As specified under "Information for Fiscal Analysis," the proposal to establish a task force may necessitate funds to support its activities. These funds could cover expenses such as meeting costs, travel reimbursements for task force members, consulting services, and WSBA staff time dedicated to supporting the task force and integrating any approved changes into relevant records. The allocated staff time is encompassed within the overall responsibilities of current WSBA staff and would not require additional personnel or reallocation of resources from other internal sources. Expenses will vary based on the direction of the work undertaken. According to WSBA's expense policies, travel expenses—such as transportation (mileage, airfare, parking, etc.), accommodations, and meals—are eligible for reimbursement at established rates outlined in WSBA's expense report.

WSBA EQUITY ANALYSIS: *This section is to be completed by the Equity and Justice Team, with input from the proposing entity or individual.*

The purpose of the equity analyses is to understand how entities incorporated an equity lens into proposed action items presented to the Board of Governors. Applying an equity lens includes 1) identifying and centering people and communities most impacted decisions and/or 2) meeting people and communities according to their specific needs to produce fair and equal outcomes for all. Based on our review, there do not appear to be any concerns about inequitable outcomes. The Charter outlines how it will consider the perspectives of people impacted by potential proposed changes, including the public. To ensure the public's perspectives are included, we suggest engaging with community advisors who work with access to justice community organizations and government agencies.

Attachments

- Draft Charter – Oath Review and Drafting Task Force
- Appendix – Contents of Oath of Attorney, Oath for Limited Practice Officers, and Oath of Limited License Legal Technician

WASHINGTON STATE
BAR ASSOCIATION

CHARTER

Oath Review and Drafting Task Force

Adopted: Month D, YYYY.

Background

Oaths of legal practitioners in the state of Washington are found in Admission and Practice Rule (APR) 5. There is an Oath of Attorney, as well as corresponding Oaths for Limited Practice Officers (LPO) and Limited License Legal Technicians (LLLT).[1] Taking the oath is a preadmission requirement for each license type, and the oath, in most cases, must be taken in person, by telephone, or by videoconference before an elected or appointed judge sitting in the state of Washington.[2] The Oath of Attorney has been a component of the Admission and Practice Rules (formerly known as the Rules for Admission to Practice) since 1938. The oath adopted by the Supreme Court was based on the statutorily prescribed oath first adopted by the Washington Legislature in 1917, though language used in the oath appears to date back to Territorial laws enacted in 1863. The Oath of Attorney has been amended from time to time,[3] but much of the language that remains is derived from the statute. The Oath for LPOs was added to the APR in 2017, formerly appearing in the Regulations of the APR 12 Limited Practice Board; it was initially adopted in 1987 as part of the former Rules for Admission and Certification to Limited Practice. The Oath for LLLTs was adopted in 2012.

Task Force Purpose and Responsibilities

The Oath Review and Drafting Task Force is established to evaluate whether WSBA should suggest the Supreme Court amend Washington State's APR 5 oaths in ways that would update and reinvigorate them. Should the Task Force recommend amendment of the oath, it shall prepare draft amendments for the Board of Governors' consideration. In performing these responsibilities, the Task Force shall proceed according to the following objectives and guidelines.

- The Task Force shall communicate about its process with members and the public and seek input. The Task Force shall, in particular, obtain advisory perspectives from stakeholder groups with an interest in the content of the oath, including new and young lawyers; senior lawyers; the access-to-justice community; the judiciary; law schools and law students; Inns of Court; WSBA Sections; and county, affinity, and specialty bar associations.
- The Task Force shall gather and review historical materials about the development of Washington State's oaths, as well as perform a comparative analysis of the oaths in use by other jurisdictions.
- The Task Force shall consider whether it is advisable to consolidate the three existing oaths into one oath.
- The Task Force shall, in considering the content of the oath, recognize that violation of the oath can be a basis for discipline in Washington. See RPC 8.4(k); LPORPC 1.10(e); LLLT RPC 8.4(k).

[1] *See* APR 5(g), (h), (j).

[2] APR 5(f). Note that in June 2025, the Supreme Court adopted changes to the oath requirements in order to permit oaths to be taken by telephone or videoconference.

[3] For example, in the 1950s, the Oath included the following language: "I am not now and never have been a member of any organization or party having for its purpose and objective the overthrow of the United States government by force or violence." *See* Ralph S. Brown & John D. Fassett, *Loyalty Tests for Admission to the Bar*, 20 U. CHI. L. REV. 480, 485 (1952-1953).

DRAFT

- The Task Force shall provide periodic updates to the Board of Governors about its progress.
- The Task Force shall ensure that its recommendations are consistent with WSBA's organizational parameters as defined in General Rule 12.2.
- The Task Force shall submit a final report to the Board of Governors, including, as appropriate, draft amendments to the oaths and related rules.

Timeline

The work of the Task Force shall be accomplished according to the following schedule:

- Begin meeting no more than six weeks after member and chair appointments are completed;
- Complete work and submit a final report not later than one year after the first Task Force meeting, unless the timeline for completion is extended by the Board;
- If the Board of Governors approves a recommendation to submit suggested amendments to the Supreme Court, prepare a set of suggested rule amendments and GR 9 materials for submission to the Supreme Court before the first GR 9 deadline after the draft amendments are approved.

Task Force Membership

The Task Force shall consist of the following voting members:

- An active WSBA member, not currently serving on the Board of Governors, who shall serve as Chair;
- Two current or former members the Board of Governors or WSBA officers;
- Six members of the WSBA, including at least one Limited Practice Officer or Limited License Legal Technician and a judicial member.

In recruiting and appointing voting members, consideration shall be given to diversity in a range of areas, including gender, ethnicity, disability status, sexual orientation, geography, areas of practice, and practice experience.

In accordance with WSBA Bylaws Art. IX(B)(2), selection of the chair and persons to be appointed to the Task Force will be made by the President with confirmation by the Board of Governors.

The Executive Director shall designate a WSBA staff liaison.

Meetings

The presence of a majority of Task Force members at a meeting constitutes a quorum. A quorum must be present at the time any vote is taken. Decisions of the Task Force shall be made by majority vote of members present at the time of the vote.

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Appendix

APR 5(g) Contents of Oath of Attorney. The oath which all applicants shall take is as follows:

OATH OF ATTORNEY

State of Washington, County of _____ ss.

I, _____, do solemnly declare:

1. I am fully subject to the laws of the State of Washington and the laws of the United States and will abide by the same.

2. I will support the constitution of the State of Washington and the constitution of the United States.

3. I will abide by the Rules of Professional Conduct approved by the Supreme Court of the State of Washington.

4. I will maintain the respect due to the courts of justice and judicial officers.

5. I will not counsel, or maintain any suit, or proceeding, which shall appear to me to be unjust, or any defense except as I believe to be honestly debatable under the law, unless it is in defense of a person charged with a public offense. I will employ for the purpose of maintaining the causes confided to me only those means consistent with truth and honor. I will never seek to mislead the judge or jury by any artifice or false statement.

6. I will maintain the confidence and preserve inviolate the secrets of my client, and will accept no compensation in connection with the business of my client unless this compensation is from or with the knowledge and approval of the client or with the approval of the court.

7. I will abstain from all offensive personalities, and advance no fact prejudicial to the honor or reputation of a party or witness unless required by the justice of the cause with which I am charged.

8. I will never reject, from any consideration personal to myself, the cause of the defenseless or oppressed, or delay unjustly the cause of any person.

_____

(signature)

Subscribed and sworn to before me this _____ day of _____, _____.

_____

_____

Judge

APR 5(h) Oath for Limited Practice Officers—Contents of Oath.

OATH FOR LIMITED PRACTICE OFFICERS

STATE OF WASHINGTON

COUNTY OF _____

I, _____, do solemnly declare:

1. I am fully subject to the laws of the State of Washington and Rule 12 of the Admission and Practice Rules and APR 12 Regulations adopted by the Washington State Supreme Court and will abide by the same.

2. I will support the constitutions of the state of Washington and of the United States of America.

3. I will abide by the Limited Practice Officer Rules of Professional Conduct and Rules for Enforcement of Limited Practice Officer Conduct approved by the Supreme Court of the State of Washington.

4. I will confine my activities as a Limited Practice Officer to those activities allowed by law, rule, and regulation and will only utilize documents approved pursuant to APR 12.

5. I will faithfully disclose the limitations of my services, that I am not able to act as the advocate or representative of any party, that documents prepared will affect legal rights of the parties, that the parties' interests in the documents may differ, that the parties have a right to be represented by a lawyer of their own selection, and that I cannot give legal advice regarding the manner in which the documents affect the parties.

I understand that I may incur personal liability if I violate the applicable standard of care of a Limited Practice Officer. Also, I understand that I have authority to act as a Limited Practice Officer only during the times that my financial responsibility coverage is in effect. If I am covered under my employer's errors and omissions insurance policy or by my employer's certificate of financial responsibility, my coverage is limited to services performed in the course of my employment.

_____

Signature

Subscribed and sworn to before me this _____ day of _____, _____.

_____

JUDGE

APR 5(j) Contents of Oath of Limited License Legal Technician. The oath that all applicants shall take is as follows:

OATH OF LIMITED LICENSE LEGAL TECHNICIAN

STATE OF WASHINGTON
COUNTY OF _____

I, _____, do solemnly declare:

1. I am fully subject to the laws of the State of Washington, the laws of the United States, Rule 28 of the Admission and Practice Rules, and APR 28 Regulations adopted by the Washington State Supreme Court and will abide by the same;

2. I will support the constitutions of the State of Washington and of the United States of America;

3. I will abide by the Limited License Legal Technician Rules of Professional Conduct approved by the Supreme Court of the state of Washington;

4. I will confine my activities as a Limited License Legal Technician to those activities allowed by law, rule, and regulation and will only utilize documents approved pursuant to APR 28;

5. I will faithfully disclose the limitations of my services and that I am not a lawyer;

6. I will maintain the confidence and preserve inviolate the secrets of my client and will accept no compensation in connection with the business of my client unless this compensation is from or with the knowledge and approval of the client or with the approval of the court;

7. I will abstain from all offensive personalities and advance no fact prejudicial to the honor or reputation of a party or witness unless required by the justice of the cause with which I am charged;

8. I will never reject, from any consideration personal to myself, the cause of the defenseless or oppressed, or delay unjustly the cause of any person.

_____
Signature

Subscribed and sworn to before me this _____ day of _____, _____.

_____
Judge

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

FROM: Ling Zhuang, Chair, WSBA Judicial Recommendation Committee; Sanjay Walvekar, Staff Liaison to the Judicial Recommendation Committee

CC: Terra Nevitt, Executive Director

DATE: June 26, 2025

RE: WSBA Judicial Recommendation Committee June 2025 Interviews and Recommendations

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ACTION: Approve the recommendations of the WSBA Judicial Recommendation Committee.

The WSBA Judicial Recommendation Committee met via Zoom on June 26, 2025 to interview an individual interested in being considered for openings on the Washington State Court of Appeals and the Washington Supreme Court. Per committee guidelines approved by the Board of Governors, the proceedings and records of the committee, including applicant names, committee discussions, and committee votes, are kept strictly confidential. The committee's recommendations are available in the Governor's materials via the WSBA cloud-sharing service.

WASHINGTON STATE
BAR ASSOCIATION

TO: WSBA Board of Governors

CC: Terra Nevitt, Executive Director

FROM: Kevin J. Fay, BOG Legislative Committee Chair; Sanjay Walvekar, WSBA Legislative Affairs Manager

DATE: June 24July 9, 2025

RE: Revised Legislation and Rulemaking Comment Policy

In response to the changing risk assessment of the Bar's legislative activity, WSBA staff provided the BOG's Legislative Committee with a revised legislation and rulemaking comment policy ("Policy"). The BOG's Legislative Committee met on June 23, 2025 to review the Policy, and voted unanimously to approve the Policy, subject to two editorial amendments dealing with the authorization of comments by Bar entities.

The Policy places the responsibility of legal risk analysis with the BOG's Legislative Committee, rather than with individual section executive committees; clarifies the concept of technical advice and provides examples of permissible technical comments; and consolidates four existing WSBA policies (1501-1504) into one policy applying to comments on legislation and court rules.

The revised Policy reflects the Legislative Committee's risk assessment around WSBA legislative activities. The Legislative Committee endorses the revised Policy for further consideration and approval by the Board of Governors.

Attachments
1501 Legislation and Rulemaking Comment Policy (2025 edits)

WASHINGTON STATE
BAR ASSOCIATION

1501 Legislation and Rulemaking Comment Policy

Adopted: Month D, YYYY.

Purpose

The purpose of this policy is (1) to ensure WSBA adheres to germaneness principles as articulated in *Keller v. State Bar of California*, 496 U.S. 1 (1990), and subsequent caselaw, and Washington Court General Rule 12.2 when commenting on legislation and other rulemaking matters; and (2) to provide a process for granting authority for Bar entities to provide comments on legislative and rulemaking matters.

Bar entities are components of WSBA and, therefore, when members of Bar entities speak in their capacity as members of a Bar entity, they are bound by the same legal requirements as WSBA as a whole. In addition, WSBA typically strives to communicate about legislation or rulemaking with a unified voice. Consequently, WSBA's Bylaws provide that no Bar entity or member of a Bar entity may speak for or represent the Bar or any Bar entity before any legislative body, court, or other tribunal without prior authorization from the WSBA Board of Governors.[1] This policy sets forth the conditions and process under which the Board may grant authorization for Bar entities to comment on legislation or rulemaking.

Policy

The Board of Governors may authorize Bar entities to comment on legislation or rulemaking if,

1. The subject of the legislation or rulemaking is within the scope of permissible Bar activities under GR 12.2 and other legal requirements applicable to Bar activities; and
2. A three-quarters supermajority of the total membership of the entity's governing body has voted to support the entity's proposed position on the legislation or rulemaking.

Authority to comment on legislation or rulemaking will not be granted to Bar entities seeking to communicate comments on legislation or rulemaking that are in conflict with prior decisions of the Board of Governors or Board Legislative Committee.

The Board of Governors delegates authority to the Board's Legislative Committee to consider Bar entity requests to comment on legislation and rulemaking.

When granting authority to comment, the Board or Legislative Committee may limit the content or manner of the comment.

Entities may not join or affiliate with or endorse positions of groups or associations whose legislative advocacy reaches beyond the areas allowable under GR 12 or other legal requirements applicable to Bar activities.

Entities Covered

This policy applies to all Bar entities working under the authority of the Bar, no matter how named. Bar entities include, but are not necessarily limited to, WSBA sections, committees, councils, task forces,

[1] *See* WSBA Bylaws, Art. IV.E

workgroups, and panels. Subcommittees or other subsets of Bar entities may not communicate comments on proposed legislation or court rules.

This policy does not apply to entities created by court rule.

As used in this policy, a Bar entity's governing body refers to section executive committees or, for entities without a membership separate from their decision-making body, to the members appointed to that decision-making body.

Activities Covered

This policy applies when Bar entities seek to comment on pending legislation or rulemaking in the Bar entities' own name. Legislation and rulemaking, as used in this policy, refers to Washington and federal legislation, court rule proposals, executive orders, and administrative rulemaking. Entities are not permitted to comment on local or municipal policies, legislation, or rulemaking.

Commenting refers to communicating a position, such as by supporting, opposing, or raising concerns, on existing legislation or rulemaking pending before a policymaking body. Commenting does not refer to the development of new legislative or rule proposals by Bar entities, sometimes referred to as "WSBA-request legislation."

This policy does not apply to:

1. Bar entity requests for the WSBA Board of Governors to adopt, sponsor, or communicate a position on legislation or rulemaking in WSBA's name.
2. Responses by members of a Bar entity to questions posed by lawmakers directly to the Bar entity in which the lawmaker seeks the advice of entity members as subject matter experts. When responding to such questions, Bar entity members must indicate that they are communicating in their individual capacities and are not speaking on behalf of WSBA.

Annual Training

Training on how to implement this policy will be provided annually by the WSBA staff to Bar entities. Any Section intending to participate in the legislative process must have a designee of the Section's Executive Committee attend the annual training. Other section executive committee members and members of other Bar entities are welcome and encouraged to attend. Such training should include how to accomplish Section goals and how to act responsibly in the legislative setting.

The Legislative Affairs Manager shall be made available to Section Executive Committees as a resource for any questions as a Section works on a matter in accordance with this Policy. Each Section and the Legislative Affairs Manager will work cooperatively to establish a process to assist each Section's Executive Committee in the development of and consideration of any comment. Similarly, Sections should be a resource to the WSBA on legislative matters within a Section's subject area.

Procedure

Entities are encouraged to identify legislative and rulemaking issues within their areas of expertise. The Legislative Affairs Manager will also identify legislation and rulemaking that may be within an entity's expertise and will keep the entity apprised of the progress of the proposed policies.

Entities must seek authorization from the Board of Governors' Legislative Committee prior to communicating comments on a legislative matter. An entity contemplating commenting on legislation or rulemaking should inform the Legislative Affairs Manager of their intention as soon as possible. However, entities must inform the Legislative Affairs Manager and the chair of the Board's Legislative Committee within three days of any vote taken in which three-quarters of the entity's governing body votes to approve comments on legislation or rulemaking.

The Legislative Affairs Manager will coordinate with the entity to present the entity proposal to the Board's Legislative Committee. The Legislative Committee will consider whether the subject of the legislation or rulemaking is within the scope of permissible Bar activities under GR 12.2 and other legal requirements applicable to Bar activities. If the subject matter of the legislation or rulemaking is not within the scope of permissible Bar activities, the Committee may nonetheless consider whether the comments the entity seeks to offer are nonetheless within the scope of Bar activities because the comments are limited solely to the technical nature of the legislation. Such technical advice may be permissible if the effect of the comments is to improve the quality of legal services by providing insight regarding how a law or rule will be used by legal practitioners in practice; identifying drafting issues, such as typographical errors, mis-citations of statutes or other rules, or ambiguities; or identifying possible conflicts with other laws or rules. If the Committee grants authority to offer technical comments on legislation or rulemaking, the entity may not take a position to either support or oppose the policy.

If an entity wishes to testify regarding legislation or rulemaking, the entity must notify the Legislative Affairs Manager at least 24 hours in advance of the public hearing on the proposed legislation or rule. The entity may do nothing more until the Legislative Affairs Manager gives permission to testify or to move forward with the position being taken by the entity; permission may be given either verbally or in writing. The Legislative Affairs Manager will bring the matter to the Board's Legislative Committee for direction on how to proceed if there is time. However, if there is not time to obtain such approval, the Legislative Affairs Manager will make the decision, erring on the side of approving the request to testify or to move forward with the entity's position, unless there is a good and articulable reason to deny the request, which shall be explained to the entity. The Legislative Affairs Manager will notify the Board's Legislative Committee of the decision as soon as possible thereafter.

Each entity is responsible for advising the Legislative Affairs Manager, on an ongoing basis, regarding decisions, comments, and actions of the entity regarding legislative matters. The entity shall advise the Legislative Affairs Manager of any proposed action intended to communicate its comments on legislation in advance of taking such action. Unless otherwise authorized by the Board of Governors or the Board of Governors Legislative Committee, the entity shall follow the advice, guidance, and recommendations of the Legislative Affairs Manager in taking any action.

In all cases, the entity representatives shall cease to publicly communicate the comments of the entity if requested to do so by the Executive Director, the Board of Governors, Board of Governors Legislative Committee, WSBA President, or Legislative Affairs Manager.