

BOG Policies

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Revised 8.2020

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WSBA

WASHINGTON STATE BAR ASSOCIATION

WSBA ACCESSIBILITY POLICY

(As Approved by the WSBA Board of Governors on September 15, 2006)

Preamble

In 2006, the WSBA established a policy on accessibility to all WSBA services, programs, events, and facilities including section and committee meetings for persons with disabilities.

Policy

WSBA policy is to fully comply with the Americans with Disabilities Act ("ADA") and the Washington State law against discrimination, to provide WSBA services, programs and events, and to use facilities that are accessible to persons with disabilities. The WSBA commits to making reasonable accommodation to encourage full participation in WSBA governance, services, programs and events. Such reasonable accommodation may include sign language interpretation, sound enhancement, or other accommodations requested by persons with disabilities.

1. The WSBA designates the Director of Human Resources, or his/her designee, in accordance with ADA 28 C.F.R. section 35.107, with the responsibility for coordinating WSBA's compliance with the ADA and assuring accommodation for those participating in WSBA services, programs and events. This staff member, ensuring ADA compliance, will have the necessary training and access to outside expertise, when needed, to assure full implementation of this policy. WSBA compliance contact information shall be made available on the WSBA web site and on all WSBA materials, publications and brochures.
2. WSBA shall adopt and publish procedures providing for prompt and equitable resolution of complaints alleging any action that would be prohibited by the ADA.
3. The WSBA will maintain a list of facilities with suitable accommodations for persons with disabilities, as well as accommodation services. In addition, the WSBA will maintain an ongoing procedure for staff to evaluate accommodation services by each facility used by the WSBA.

4. All WSBA programs, services, and event announcements/brochures will contain the phrase “The WSBA is committed to full access by persons with disabilities to this event [or program or service]. If you require accommodation for this event [or program or service], please contact XXX.”
5. Technology is included within the scope of this policy. The WSBA is committed to having the maximally feasible accessibility to its website for persons with disabilities.
6. An Accommodation Fund and Procedures policy has been created to respond and fund reasonable accommodation requests.

ADMISSIONS POLICIES OF THE WASHINGTON STATE BAR ASSOCIATION
Bar Exam, Admission by Motion and UBE Transfer Applicants

Under the authority of, and consistent with, the Admission and Practice Rules, the Board of Governors of the Washington State Bar Association (WSBA) has adopted the following Admissions Policies in administering those rules. Adopted July 1, 2012. Amended effective December 1, 2015.

I. GENERAL PROVISIONS AND DEFINITIONS

A. Applications

Applications to take the Bar examination and for admission to practice law in Washington must be completed online and submitted electronically, except that permission to submit an application in a paper format may be requested and granted for good cause shown.

B. Definitions

“Approved Law School” means a law school approved by the Board of Governors. Only those law schools approved by the American Bar Association are approved by the Board of Governors. A list of ABA approved law schools is available on the ABA website.

“Attorney Applicant” means a person who, at the time of filing the application, has ever been admitted to practice law in any jurisdiction other than Washington.

“General Applicant” means a person who, at the time of filing the application, has never been admitted to practice law in any jurisdiction except for Washington.

“Foreign Applicant” means a person who has ever been admitted to the practice of law in any foreign jurisdiction or has a first degree in law that was not earned in the U.S.

“UBE Transfer Applicant” means a person who has obtained a passing UBE score (≥ 270) from another UBE jurisdiction no more than 40 months prior to the time of filing the application and has arranged, through NCBE score services, to have their scores forwarded to WSBA admissions.

II. APPLICATION REQUIREMENTS

A. Application Submission Policy

All Applicants must complete and file with the WSBA, within the filing deadlines specified below, the following:

- a completed application form in the form required by the Board of Governors;
- Certificates of Good Moral Character, dated within 5 months of the application date and completed by two attorneys admitted to practice law in any U.S. jurisdiction or the foreign jurisdiction in which the applicant is admitted to practice law; and

- an Authorization and Release form. The form must be signed and dated within 5 months of the application date.

In addition, Attorney Applicants must file:

- a Certificate of Good Standing from each jurisdiction in which the applicant is admitted (Federal Courts exempt). Certificates of Good Standing for Attorney Applicants and Foreign Applicants admitted to practice law must be issued by the admitting authority (i.e., State Bar or highest state court) in each jurisdiction where the applicant has been admitted. The certificate must be signed and dated within 5 months of the application date.

The responsibility for full disclosure rests entirely upon the applicant. Applicants should review the Admission and Practice Rules relating to character and fitness (APR 7 and 20-24) for complete details with regard to investigations and duties of the applicant.

B. Filing Deadlines

Applications for General and Attorney Applicants are accepted beginning February 1 for the summer exam and September 1 for the winter exam. Applications for Foreign Applicants are accepted beginning September 1 for the summer exam and February 1 for the winter exam. Filing deadlines for applications to take the Washington Bar examination are as follows:

General and U.S. Attorney Applicants:

Examination	Applications Accepted	First Deadline	Late Filing Deadline	Failed Previous WA Exam Deadline With No Late Fee
Summer Exam	February 1	March 5	April 5	May 5
Winter Exam	September 1	October 5	November 5	October 5

Foreign Applicants:

Examination	Applications Accepted	First Deadline	Late Filing Deadline	Failed Previous WA Exam Deadline With No Late Fee
Summer Exam	September 1 (year prior)	October 5	November 5	October 5
Winter Exam	February 1 (year prior)	March 5	April 5	May 5

The deadline will be the next business day when a deadline falls on a Saturday, Sunday or holiday. Late filing requires payment of a \$300 late filing fee. No applications will be accepted after the late filing deadline except for applicants who failed the most recent past winter Washington exam and are applying for the following summer Washington exam; those applicants are not required to pay the late filing fee and the deadline will be May 5.

Applications, including payment, Authorization and Release form and Certificate of Good Moral Character, must be filed online by 11:59 P.M. (PST/PDT) the day of the application deadline. Payments by check must be received or postmarked by the application deadline.

Payments received or postmarked after the first deadline will incur a late filing fee. Applications will not be accepted if payment is received or postmarked after the final deadline.

C. Other Deadlines

File all requested and/or additional items18 days prior to first day of exam.
ExamSoft (laptop) Registration.....18 days prior to first day of exam.
Change of exam method.....18 days prior to first day of exam.
Change of exam location18 days prior to first day of exam.
Request special needs for exam room18 days prior to first day of exam.
Withdraw from exam with refund.....60 days prior to first day of exam.
Request ADA accommodations80 days prior to first day of exam.
UBE Transfer Applicants.....No deadline, may apply at any time.
Admission by MotionNo deadline, may apply at any time.

III. FEES

A. Fee Schedule

(1) General Applicants:

Applicants not previously admitted to the practice of law in any jurisdiction..... \$585

(2) Attorney Applicants:

Applicants previously admitted to the practice of law in any jurisdiction..... \$620

All bank card transactions are subject to a separate non-refundable transaction fee of 2.5%. There is no transaction for payments by check. Payments by check must be received or postmarked by the application deadline. Payments received or postmarked after the first deadline will incur a late filing fee as outlined in section II (B).

(3) NCBE Investigation Fee: Applications for all Attorney Applicants and Foreign Applicants are referred to the National Conference of Bar Examiners for verification and investigation of the information in the application. NCBE fees are set by the NCBE and are nonrefundable.

<http://www.ncbex.org/character-and-fitness/jurisdiction/wa>. Attorney Applicants and Foreign Applicants must make a separate payment and submit two (2) **original** Authorization and Release forms to the NCBE.

B. Withdrawals and Refunds

For all applicants there is a \$300 non-refundable administrative processing fee. An applicant must request to withdraw an application at least 60 days prior to the date of the examination for a partial refund. The WSBA will issue a refund of the fee less the administrative fee. Any late filing fees paid, and any investigation costs are nonrefundable. No refunds will be issued for withdrawals requested less than 60 days prior to the date of the exam. Applicants forfeit all fees if they do not show up for the exam.

If there are extraordinary circumstances that prevent an applicant from taking the examination (e.g., a serious medical emergency, death in the immediate family, significant health problems, house fire), a written request must be delivered to the WSBA within 18 days after the exam in order to receive a partial refund as set forth above.

IV. CHARACTER & FITNESS REVIEW

All applicants are subject to a character and fitness review prior to being admitted to practice law in Washington State. Admission may be withheld pending a hearing before the Character and Fitness Board and final determination regarding whether the applicants have met their burden of proving that they are of good moral character and fit to practice law and have met the Essential Eligibility Requirements. See APR 20-24.3. Factors considered by Admissions staff and Bar Counsel when determining whether an applicant should be referred to the Character and Fitness Board are set forth in APR 21(a).

Washington requires resolution of all character and fitness issues at least 60 days prior to sitting for the bar exam. Applicants with unresolved character and fitness issues will not be permitted to sit for the exam. Therefore, applicants who disclose any information that may raise an issue of character or fitness are advised to file their applications early in the registration period. Early filing does not guarantee all issues will be resolved 60 days prior to the exam.

The WSBA Character and Fitness Board will not consider applications from attorney applicants including foreign attorney applicants who are currently under disciplinary suspension from another jurisdiction in which they are admitted to practice law.

V. NCBE REPORT REQUIREMENT

Attorney applicants and applicants who graduated from a foreign law school are required to pay an investigation fee to the National Conference of Bar Examiners. All attorney and foreign applicants will have their applications investigated and verified by the National Conference of Bar Examiners (NCBE). Attorney applicants will not be allowed to sit for the exam if the WSBA does not receive a report back from the NCBE at least 18 days prior to the first day of the exam. Attorney applicants are advised that they may not be able to sit for the exam for which they applied. Foreign attorneys and applicants with a foreign law degree must apply during the application period for the exam prior to the one they want to take (see Application Filing Deadline).

All applicants will be given the option to transfer their registration fees and application to the next exam, if the character and fitness review is not complete or the NCBE report is not received by the appropriate deadline. Applicants may also choose to withdraw from the exam and receive a partial refund if the request is made at least 60 days prior to the first day of the exam. Applications with a completed NCBE report may be used for two consecutive exam cycles after which a new investigation will be required.

VI. APPLICANTS REQUESTING ACCOMMODATIONS UNDER THE ADA

Any applicant with a disability for which he or she needs reasonable accommodations must request such accommodation in writing at least 80 days prior to the examination date. However, such reasonable accommodation may not compromise the integrity or security of the Bar examination or affect the standards set for the examination. An applicant granted accommodations must agree to and accept the terms and conditions of the accommodations no less than 60 days prior to the first day of the examination.

VII. SPECIAL REQUESTS FOR THE EXAM ROOM

For good cause shown, applicants may be permitted to bring otherwise prohibited items into the exam room. Examples of items are: pillows/lumbar supports, ergonomic chairs, book stand, wrist rest, medication, external keyboard or mouse, and religious headgear. In addition, applicants may request a specific seating location in the exam room due to a medical condition.

All requests must be made on the online admissions site using the special request tool at least 18 days prior to the first day of the exam. All requests must be supported (if applicable) by a doctor's note.

VIII. LAPTOP USE AND EXAMSOFT

Applicants requesting to use a laptop computer for the MEE and MPT must register, pay for, and download software from ExamSoft. Applicants using a laptop are required to purchase and download the Examsoft software for each administration of the bar exam, even if they have used it in the past. Fees paid to ExamSoft are nonrefundable and nontransferable. Applicants who will be using a laptop to take the exam must sign a waiver of liability on exam day. Applicants that do not purchase and download the software by 18 days prior will handwrite the exam.

IX. EXAMINATION PROVISIONS

A. Examination – How Conducted

1) The Bar examination is conducted by and under the direction of the WSBA Board of Governors who appoint a Board of active members of the State Bar known as the Board of Bar Examiners (BOBE). The same examination is given to all applicants.

(2) All applicants must pass the Uniform Bar Exam prepared and coordinated by the National Conference of Bar Examiners. The Uniform Bar Exam (UBE) consists of the Multistate Bar Exam (MBE),

Multistate Essay Exam (MEE) and Multistate Performance Test (MPT) questions. The UBE is administered over two days in accordance with the procedures established by the National Conference of Bar Examiners (NCBE). Washington's UBE minimum pass score is 270.

B. Additional Requirements

(1) All applicants seeking admission on the basis of a UBE score (exam or transfer) must pass the Multistate Professional Responsibility Exam (MPRE). The MPRE is administered by the Law School Admission Council on behalf of the NCBE. A passing score on the MPRE must be acquired no earlier than three years prior to and no later than 40 months after the date of the administration of the UBE in which the applicant achieves a passing score. . Washington's MPRE minimum pass score is 85.

(2) All applicants must pass the Washington Law Component (WLC). The WLC is comprised of online materials and an online multiple choice test based on areas or subjects of law that are specific to Washington State. The Board of Bar Examiners is responsible for the content of the WLC and shall publish the Washington state specific materials for applicants. The WLC is self-administered by applicants and is available to applicants after filing the application for the bar exam. Applicants must pass the WLC no later than 40 months from the date of the administration of the UBE in which the applicant achieves a passing score. The WLC minimum pass score is 80% correct. If an applicant fails the UBE or withdraws from the UBE after taking the WLC, that applicant must retake the WLC after applying for the next UBE administration.

C. Administration and Grading

(1) Administration

The Board of Governors shall provide the Board of Bar Examiners with administrative or other assistance, as the Board of Governors in its discretion deems necessary. The Board of Bar Examiners is responsible for the grading of the MEE and MPT questions on the UBE. The Board of Bar Examiners shall, as soon as practicable and within any guidelines prepared by the NCBE, certify the scores on the MEE and MPT portions for all applicants who have taken the examination.

(2) Non-identity Grading

Grading examinations shall be strictly anonymous. All information matching names and numbers of the applicants shall be kept in the custody of the Board of Governors, or the designee, until all examinations have been graded and each examination has been given either a pass or fail grade by applicant number only.

(3) Uniformity of Grading

In order to assure fairness and uniformity in grading, the Board of Bar Examiners shall follow NCBE-prescribed standards for grading to be used by all graders.

D. Examination Results – Notification

(1) Upon completion of grading and certification, the Board of Governors shall cause each applicant to be notified of the result of the examination. In addition, the names of successful

applicants shall be posted at the headquarters of the Washington State Bar Association and on the WSBA website. All results shall be reported to the NCBE in accordance with procedures established by the NCBE. Scaled scores will also be reported to an applicant's law school.

(2) All applicants will be provided with the scaled written (MEE+MPT) score, scaled MBE score, and total scaled UBE score. Unsuccessful applicants will receive copies of their written essay and performance exam questions and answers and written raw scores. No other raw scores, results information or examination materials will be provided to the applicants.

E. Review and Appeal

There is no review or appeal of final examination results.

F. Repeating the Examination

Unsuccessful applicants may reapply and retake the exam in the same manner as any other applicant.

X. UBE TRANSFER APPLICANT PROVISIONS

Unless specifically stated in this section, the same policies above apply to applicants transferring a UBE score from another jurisdiction.

A. Application Deadline

UBE transfer applications may be filed with the WSBA at any time and must have an acceptable UBE transfer score at the time of application.

B. UBE Transfer Score

The UBE score must be at least 270 to transfer to Washington. The score is transferable into Washington for up to 40 months after the date of the administration of the UBE in which the score was earned.

C. Exam Provisions (MPRE & WLC)

UBE transfer applicants must comply with subsection B of section IX; except that the Washington Law Component (WLC) must be passed within one year of filing the application.

D. Application Expiration

UBE transfer applicants must complete all requirements for admission within one year of the date of filing the application with the WSBA.

XI. ADMISSION BY MOTION APPLICANT PROVISIONS

Unless specifically stated below, the same policies above apply to applicants for admission by motion.

A. Application Deadline

Applications for admission by motion, may be filed with the WSBA at any time.

B. Application Expiration

An applicant seeking admission by motion must complete all requirements for admission, including passing the Washington Law Component within one year of the date of filing the application with the WSBA.



WSBA Policy on Complaints about Governors, the President, or the President-Elect

If an allegation bearing on the fitness to serve of a Governor, the President, or the President-elect is brought to the attention of the Board of Governors, any member thereof, the President, President-Elect, or Executive Director, and the allegation is not, on its face, without merit or substance, the Board shall in executive session appoint a committee consisting of two previous Governors who have neither sat on the same Board nor from the same District as the subject Governor, President, or President-Elect to investigate the allegation and report back to the Board in executive session, wherein the Board may recommend appropriate action.

If the allegation refers to a matter that would, if sustained, be a violation of the Rules of Professional Conduct, the Board shall refer the matter to the Office of Disciplinary Counsel for further handling as is deemed appropriate.

Adopted by the Board of Governors on November 22, 1996



WSBA

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BOARD OF GOVERNORS CONFLICT OF INTEREST POLICY Approved by the Board of Governors July 27, 2007

Purpose and Statement of Policy:

The Board of Governors Conflict of Interest Policy is intended to protect the interests of the Washington State Bar Association when it is contemplating entering into a transaction, arrangement, or other action that might benefit the private interest of an Officer or Governor of the WSBA. The proper leadership of the WSBA depends upon members of the Board of Governors (including the Officers) who give of their time and knowledge for the benefit of the WSBA and its goals. Governors have a duty of loyalty to the WSBA, which requires them to exercise their powers in the interest of the WSBA, and not in their own interests or those of another person or entity.

Governors bring varied backgrounds and interests to the work of the WSBA and may have interests that are in conflict with those of the WSBA. The existence of an actual or potential conflict of interest should be addressed by full disclosure of the conflict to the Board of Governors. The Governor having the conflict should withdraw from any discussion or vote on any matter in which the conflict is involved.

The Board of Governors of the WSBA accordingly resolves as follows:

Procedures:

1. **Duty to Disclose:** It is the duty of each Officer and Governor to be conscious of any actual or potential conflict of interest between that Officer or Governor and the Association, and to act with candor and care in such a situation. An Officer or Governor must disclose to the Board of Governors, before the Board takes any action on the matter, the nature and extent of any direct, indirect or potential conflict of interest that the Officer or Governor, or any member of his or her immediate family may have, whether individually, through business relationships or transactions, or through investment relationships or transactions. For purposes of this policy, the term "immediate family" includes the following: (1) an Officer's or Governor's spouse or domestic partner; (2) a child of an Officer or Governor or of an Officer's or Governor's spouse or domestic partner; and (3) other dependent relatives of an Officer or Governor or of an Officer's or Governor's spouse or domestic partner if living in his or her household. Conflicts of interest that require disclosure include, but are not limited to, (a) any ownership or financial interest in any entity with which the WSBA has a transaction, arrangement or other action, (2) any compensation arrangement with the WSBA or with any entity or individual with which the WSBA

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has a transaction, arrangement or other action, and (3) any potential ownership or financial interest in, or compensation arrangement with, any entity or individual with which the WSBA is negotiating a transaction, arrangement or other action. An Officer's or Governors' disclosure shall be noted in the minutes of the Board meeting and made a part of the records of the WSBA.

2. Meeting Procedure: The Board of Governors shall provide a disinterested review of the matter that is the subject of a conflict of interest. An Officer or Governor having a conflict of interest should absent himself or herself from any discussion of the matter, should not use his or her personal influence with respect to the matter, and should abstain from casting any vote. To the extent that the remaining members of the Board determine that the Officer or Governor can provide information that may be useful, the Officer or Governor having a conflict may provide that information to the Board and answer pertinent questions from the other members of the Board before the Board casts its vote. An Officer or Governor having a conflict of interest shall not be counted as present for the purpose of determining whether a quorum is established, even if permitted by law. The Officer's or Governor's absence from the discussion and vote of the Board, and the establishment of the quorum without counting that Officer or Governor, shall be noted in the minutes of the Board meeting and made a part of the records of the WSBA.

3. Due Diligence: This policy is not intended to prohibit or restrain the WSBA from entering into transactions with an Officer or Governor or person or entity in which an Officer or Governor has an interest. Those transactions should be approved, however, only in circumstances where the approval process is scrupulously disinterested and fair, and where the best interest of the WSBA is the clear and overriding consideration leading to the approval. If any Officer or Governor discovers that the Board has acted on a proposal in ignorance of an undisclosed conflict of interest, the Officer or Governor should promptly disclose the matter to the entire Board, and the Board should promptly re-examine the matter using the procedures outlined in this policy.

4. Corporate Opportunity: Before an Officer or Governor enters into a transaction which he or she reasonably should know may be of interest to the WSBA, the Officer or Governor should disclose the transaction to the Board in sufficient detail, and with adequate advance notice, that the Board has adequate information and time to allow it to act or decline to act with respect to the transaction.

5. Annual Statements: Each year each Officer and Governor shall complete and deliver to the President a disclosure statement in the form approved from time to time. By executing the statement each Officer and Governor shall acknowledge his or her knowledge of this policy, and disclose any conflicts of interest that the Officer or Governor may have, or be likely to have, with the WSBA. All Officers' and Governors' disclosures shall be made a part of the records of the WSBA.

6. Review of this Policy: The Board of Governors shall review this policy at least annually for the information and guidance of members of the Board. Each new Officer and Governor shall be advised of the policy and asked to complete the disclosure statement.



WSBA

WASHINGTON STATE BAR ASSOCIATION

**BOARD OF GOVERNORS
CONFLICT OF INTEREST DISCLOSURE**
Approved by the Board of Governors July 27, 2007

Name: _____

1. I certify that I have read the WSBA Board of Governors Conflict of Interest Policy and agree to abide by it.

2. During the past 12 months, have you or any member or your immediate family as defined in the Board of Governors Conflict of Interest Policy had any ownership or financial interest in any entity with which the WSBA has a transaction, arrangement or other action? If yes, please explain:

3. During the past 12 months, have you or any member or your immediate family as defined in the Board of Governors Conflict of Interest Policy had any compensation arrangement with the WSBA or with any entity or individual with which the WSBA has a transaction, arrangement or other action? If yes, please explain:

4. During the past 12 months, have you or any member or your immediate family as defined in the Board of Governors Conflict of Interest Policy had any potential ownership or financial interest in, or compensation arrangement with, any entity or individual with which the WSBA is negotiating a transaction, arrangement or other action? If yes, please explain:

DATED _____

signature

print name



WSBA

BOARD OF GOVERNORS

CONFLICT RESOLUTION – PRACTICES & POLICY

(adopted January 28, 2016)

Guided by the goal to preserve, protect, and foster positive and effective working relationships between the Board of Governors and the WSBA Executive Team and Staff, the following principles and guidelines shall be used to guide the resolution of conflict between board members or between board and staff members:

1) A Board Member shall always be mindful that their position carries with it certain powers, influence, and authority that must be exercised fairly, wisely, respectfully, and with restraint. Accordingly, a Board Member when interacting with all members of WSBA staff, shall not misuse or abuse their authority or position by placing unreasonable or inappropriate demands upon staff members.

2) A Board Member shall strive to maintain an atmosphere of mutual respect and trust in all communications and dialogue with staff, using appropriate channels regarding requests for special assistance regarding Board agenda matters, or inquiries from WSBA members in a Board Member's district.

3) In the event a problem or conflict arises between Board Members or between a Board Member and Staff Member, the involved parties shall strive to resolve the matter by first attempting to discuss the matter with one another in person, or by phone. If a Board or Staff Member feels uncomfortable attempting to resolve the conflict directly he/she may seek support or assistance from the Executive Director, Human Resources Director, or President. The involved parties shall pursue a one-on-one resolution, always taking the high road, and in a climate of mutual respect, trust, candor and humility while recognizing potential power dynamics that might impact the communication and ability to enter into a discussion directly.

4) Should the problem, conflict, or misunderstanding not prove resolvable, the Board Member and/or Staff Member shall apprise the Executive Director and President, with the full knowledge of both parties, and seek to have the matter further addressed and resolved by the ED, President, and any other appropriate participants. The Staff member and Board Member should both be afforded full and equal opportunity to participate and express their views in order to reach agreement and reconciliation.

5) All parties involved in seeking and bringing about a resolution should strive to be understanding, respectful, forgiving, and working to improve one's communications in the interest of doing what is in the best interests of the Board, Staff, and the WSBA as a whole.

Note: This policy is intended to supplement not replace the current Problem Resolution Policy in the WSBA Employee Handbook (D-5).



WSBA

BOARD OF GOVERNORS

BOG GOVERNOR-CHAIR CONFLICT POLICY

The Board of Governors recognizes that there are times when a sitting Governor may be called upon to Chair a meeting in lieu of the President of the WSBA. A particular example is that the President-elect (who may be a Governor) and the Treasurer (who is always a Governor), are both in the line of Chair succession if the President is removed, unavailable, conflicted, or otherwise incapable of doing so. *Bylaws IV.B. (2 & 4).*

The Board of Governors has identified some potential conflicts, and adopted the following policies to deal with such conflicts:

Quorum.

Potential Conflict: The Bylaws define the roles of President and the Treasurer as members of the Board, but the roles of President-elect and Immediate Past President are not considered voting members of the Board. *Bylaws IV.B. (1-4).* This may have been done, in part, to keep the number of board members to 15—the maximum number allowed under the State Bar Act. *RCW 2.48.030.* The President is not treated as a voting member for purposes of quorum; this is not specified in the Bylaws, but appears to be a long standing WSBA practice, based on the President's limited voting role. *Notes of General Counsel Shankland.* This is a debated issue under Robert's Rules of Order.ⁱ The potential issue under the WSBA Bylaws is, whether the Treasurer or a governor who is also serving as President-elect would count for quorum when he or she is acting as President.

Adopted Policy: A governor acting as President will count for quorum.

Voting.

Potential Conflict: Governors, unless recused, may vote on all issues before the Board. The President only votes to break a tie. The potential issue under the WSBA Bylaws is whether a governor retains the right to vote when he or she is acting as President.

Adopted Policy: A governor acting as President may not vote on an issue before the Board while acting as President except to break a tie.

Voting Twice/Tie Breaking.

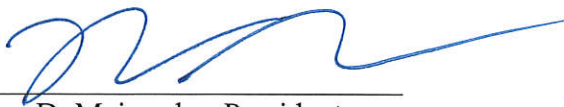
Potential Conflict: A governor could be put in a position where they vote on a matter and *then* is required to temporarily act as President.ⁱⁱ Under Robert's Rules of Order, this would not be permitted.ⁱⁱⁱ The potential issue under the WSBA Bylaws is how to handle a tie vote of the Board when a governor that has already voted is acting as President.

Adopted Policy: A governor acting as President after he or she has voted and then faced with a tie, will not be allowed to break the tie vote. Instead the matter will be tabled and set over to the earliest of the next day, or the next meeting. Should the matter be tabled in a tie for three meetings,

Working Together to Champion Justice

the matter will be considered to have failed.

Herein adopted by the WSBA Board of Governors on November 23, 2019.



Rajeev D. Majumdar, President

ⁱ <https://robertsrules.forumflash.com/topic/21953-quorum-president-votes-only-on-tie-vote-do-they-count-as-quorum-member/>.

ⁱⁱ *In arguendo*: medical emergency, late recusal, late identified conflict, or refusal of the President.

ⁱⁱⁱ RONR(11th ed.) p.406, ll. 14-15.

ADDENDUM to GOVERNOR RESPONSIBILITIES

Excerpt of the WSBA President and Governor Selection Task Force Report (Adopted by the Board of Governors in April 2006)

- Assign to each Governor whose term is expiring and whose position will be filled by the election of a successor, the responsibility to chair a committee of not more than 5 persons to recruit 2 or more candidates to file for the position.
 - Diversity among committee members is desired, and might include, *inter alia*, former Governors from that district, local bar presidents or officers, and representatives of minority and specialty bars.
 - The outgoing Governor should be reminded by the Executive Director, or her delegate, of this responsibility not later than November 1 of the Governor's third year.
 - The outgoing Governor should report on the work of his or her recruiting committee at the January BOG meeting.
- Immediately upon receipt of the application, post on the WSBA website the name and district of each individual who files for election to the BOG.
- Make available to each candidate for the BOG, without charge and for a one-time use only, the ability to contact all members residing in the candidate's district by e-mail and by direct mail. For example, direct mail contact could be accomplished through providing address labels, or by including candidate flyers in the balloting material, while e-mail contact could be accomplished by WSBA forwarding candidate messages to all district members.
- Develop a description of the duties and responsibilities of a member of the BOG, the time commitment, representative issues that come before the Board for decision, and the rewards and satisfaction of service on the Board of Governors, and publicize the information to the WSBA membership prior to the deadline for each BOG election.
- Set up a direct outreach system to local and specialty bars to assist in recruiting candidates for the BOG.

WASHINGTON STATE BAR ASSOCIATION

WSBA Board of Governors Anti-Harassment Policy and Procedure

(Adopted by the Board of Governors January 2018; modified December 2019)

Purpose

The Washington State Bar Association (“WSBA”) is firmly committed to maintaining a safe environment that encourages its employees and members of the Board of Governors (“BOG”) and other volunteers to speak up about discrimination or other harassment without fear of retaliation. To that end, the WSBA Board of Governors adopts this Anti-Harassment Policy and Procedure.

Scope

This Policy and Procedure applies to WSBA Officers and the Board of Governors. The Board adopts language identical to the WSBA Employee Manual’s Sexual and Other Harassment Policy to clearly demonstrate the Board’s commitment to take all reasonable actions to prevent sexual and other harassment and discrimination. Because the Officers and Board members are not WSBA employees, a new procedure is adopted in the event a complaint is made by a WSBA employee against an Officer or Governor.

Policy

Harassment includes remarks, gestures, or physical contact; display or circulation of written materials or pictures derogatory to either gender or to racial, ethnic, sexual orientation, or religious groups; and basing personnel decisions on an employee’s response to sexually oriented requests. Harassment also includes unwelcome conduct or comments that creates an intimidating, hostile, or offensive working environment or that is directed at a person because of that person’s gender, age, religion, race, sexual orientation, ethnic background, disability, or any other unlawful reason. Harassment may occur as one incident, or a series of incidents.

Harassing behavior does not need to be illegal harassment in order for corrective action to be considered. WSBA and the Board of Governors strive to create an environment free from disrespect, divisiveness, incivility, and inappropriate behavior. Therefore, behavior that could create a harassing environment should the behavior continue or escalate, will not be tolerated.

Engaging in any act that discriminates against an employee because of sex, age, race, color, marital status, national origin, religion, sexual orientation, gender identity, veteran status, genetic information, or the presence of a disability or any other basis prohibited by local, state, or federal laws will not be tolerated.

No one will suffer retaliation for reporting work place concerns, including, but not limited to that an employee who believes that the work environment has become a hostile or offensive place to work, notice of intent to file a lawsuit or charge, even if the filing is not ultimately made; participation in a pending investigation of misconduct or violations; and resisting sexual advances or intervening to protect others. This policy applies during normal working hours, at work related or sponsored functions, and while travelling on work related business.

Retaliation can include disparaging the person to others or in the media, taking actions not directly related to employment or volunteer role/status or by causing the individual harm, termination or illegal retraction of compensation and benefits, exclusion from events or meetings, any other action that might deter reasonable individuals from engaging in protected activity.

Board Procedure for Complaints Filed Against Officers or Governors

Receipt of Complaints

Any person who experiences or becomes aware of conduct described in this policy should immediately bring the matter to that attention of the Human Resources Director. However, the failure to report conduct immediately should not be construed against the complainant.

The WSBA will maintain confidentiality to the extent possible. However, the WSBA cannot promise complete confidentiality. Our duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know. The WSBA will not allow the goal of confidentiality to be a deterrent to an effective investigation.

Initial Notification

The WSBA Director of Human Resources notifies the WSBA President and Executive Director that the complaint has been received. Notification should be made within 48 hours of receiving the complaint. If the President is not available, then notice should be provided to the President-Elect; however, efforts should continue to notify the President. If the complaint is against the President, then notice should be provided to the President-Elect. If the Executive Director is not available, then notice should be given to the person the Executive Director has temporarily placed in charge.

Threshold Determination

A threshold determination shall be made whether the facts as stated in the complaint, if taken as true, constitute harassment or discrimination. This decision shall be made by majority vote of the WSBA President, Director of HR, and the Ombudsperson.

If the complaint states facts that, even if true, do not support the complaint of harassment or discrimination, the complaint shall be closed and no further action taken.

For complaints that are not closed, the HR Director should conduct an initial investigation to determine whether the involved employee and governor or officer agree on the main facts and a resolution of the complaint. If the matter can be resolved by agreement, no further investigation is necessary.

For complaints that will be sent to an outside investigator, the officer or governor involved is automatically recused from discussing or voting on any matter related to the allegations.

Notice of these threshold determinations shall be provided to the complainant and to the involved governor or officer.

Ombudsperson

The Ombudsperson shall be appointed by the Chief Justice of the Washington Supreme Court to serve a three year term. The Ombudsperson is intended to serve in a neutral capacity with no actual or perceived prior connection to WSBA, including as an officer, Governor, or employee and should have experience with the laws pertaining to harassment and investigations. The Ombudsperson does not receive compensation but can be reimbursed for reasonable expenses according to the WSBA reimbursement policy.

Investigation

When an investigation is necessary, the Ombudsperson will choose an investigator from a list of vetted investigators maintained by the WSBA BOG Personnel Committee. The Committee should strive to maintain a list of at least five and less than ten vetted investigators. WSBA shall contract with the investigator to perform the required investigation.

The investigator shall provide an oral report to the HR Director, WSBA President and the Ombudsperson. The report shall include a summary of the facts determined, including any harm caused by the conduct.

If the report does not substantiate any discriminatory or harassing conduct, the complaint shall be closed and no further action taken. All records related to these matters shall be maintained by the Director of HR.

If the report does substantiate discriminatory or harassing conduct, the HR Director, WSBA President, and the Ombudsperson decide, by majority vote, on any recommended correction actions against the involved governor or officer and on the continued recusal of the involved governor or officer. Prior to recommending corrective action, the complaining employee is contacted by the HR Director to determine what corrective action they are seeking. After making a recommendation, the involved governor or officer is contacted by the HR Director and offered an opportunity to agree to the recommended corrective action. If the governor or officer agrees to the recommended corrective action, the matter is considered closed.

If the governor or officer does not agree to the recommended outcome, the Personnel Committee reviews the recommendation and submits the matter to the Board of Governors. The board's

decision must be approved by the Chief Justice, except where the Board of Governors has voted to remove the governor or officer and made the issue moot.

Corrective Action Considerations-Factors

In determining whether corrective action against the involved governor or officer is necessary and appropriate, and which corrective action should be applied, the following factors should be considered:

Whether harassment or discrimination was found by the investigation;

What kind of corrective action the complaining employee is seeking;

The seriousness of the conduct determined by the investigation;

Whether a pattern of conduct was found by the investigation;

Whether additional education would sufficiently address the conduct;

The degree of harm caused by the conduct, as determined by the investigation;

Level of cooperation with the investigation by the officer or governor;

Remorse or acceptance of responsibility as determined by the investigation; and

Whether the conduct knowingly violated a rule, law or advice given.

Corrective Action Options

The following corrective actions may be recommended to the Board of Governors, but do not represent the exclusive list of appropriate actions:

None, if no corrective or disciplinary actions are necessary and appropriate;

Written or oral apology, if agreed to by the complaining employee and the governor or officer involved;

Mediated conversation between the complaining employee and the governor or officer involved, if agreed;

Required course of education by date certain;

Written censure by President or Full Board;

Exclusion from a specific number of meetings, or until the required course of education is completed; or

Removal of the governor or officer from office. This option requires the appropriate vote of the full Board of Governors as required by the WSBA Bylaws.

Policy Distribution

This Policy shall be distributed to all new Governors during orientation and annually to all Governors and Officers during anti-harassment training.

WASHINGTON STATE BAR ASSOCIATION

WSBA Board of Governors No Retaliation Policy

(Adopted by the Board of Governors January 18, 2019)

Purpose

The Washington State Bar Association (“WSBA”) is firmly committed to maintaining a safe environment that encourages its employees and members of the Board of Governors (“BOG”) and other volunteers to speak up about sexual discrimination or other harassment without fear of retaliation. To that end, and to prevent victimization and other retaliatory behavior towards those who report such conduct to appropriate individuals, the WSBA adopts a No Retaliation Policy. This Policy is important for many reasons, including:

1. When reports of concerns of discriminatory or harassing conduct, or retaliatory action are made, the WSBA must consider them and take appropriate action. Retaliating against a BOG member or other WSBA volunteer, or WSBA employee who brought attention to inappropriate behavior harms the WSBA’s trustworthiness and reliability. Retaliation harms the public interest by deterring others from reporting complaints.
2. Any kind of retaliatory action, whether intentional or unintentional, may expose the WSBA to a serious legal risk.

Scope

This Policy applies to all WSBA employees and prospective, current, or former BOG members and other WSBA volunteers (BOG members and other WSBA volunteers hereinafter collectively referred to as “volunteers”). WSBA Employees are subject to provisions under the employee handbook policy on “Standards of Conduct and Discipline” and “Sexual and Other Harassment Policy” as determined by the Executive Director.

Policy

The WSBA prohibits any form of retaliation against or intimidation of WSBA employees or volunteers who report good-faith concerns of discriminatory, harassing, illegal or dishonest conduct or who participate in investigations or other proceedings related to such a report, even if the WSBA ultimately concludes that the report cannot be substantiated or that no violation of law, regulation or WSBA policy has occurred.

Retaliation Definition

Retaliation includes any kind of negative action against a current or former volunteer or employee who has reported actual or potential violations of equal opportunity laws or regulations (protected activity). These adverse actions create a hostile, threatening or uncomfortable environment for a person who reported alleged inappropriate conduct or participated in an investigation. Examples of retaliatory actions can occur outside of an employment relationship and may include, but are not limited to:

- Disparaging the person to others or in the media.
- Taking actions not directly related to employment or volunteer role/status or by causing the individual harm.
- Termination or illegal retraction of compensation and benefits.
- Exclusion from events or meetings.
- Any other action that might deter reasonable individuals from engaging in protected activity.

Activity protected by this Policy includes but is not limited to:

- Complaints about workplace harassment or discrimination;
- Notice of intent to file a lawsuit or charge, even if the filing is not ultimately made;
- Participation in a pending investigation of misconduct or violations; and
- Resisting sexual advances or intervening to protect others.

The WSBA will not interfere with the rights of employees or volunteers to speak out about or disclose conduct violating this policy. When possible, the WSBA encourages open communication in accordance with our “Guiding Communication Principles” and “Conflict Resolution Practices Policy.”

Reporting Complaints

Volunteers may file complaints with the President of the WSBA, the Chair of the BOG Personnel Committee or the Executive Director. WSBA employees may file complaints internally to their immediate supervisor, the Director of Human Resources or the Executive Director. Reports from volunteers or employees of misconduct or suspected violations will be investigated thoroughly and those who report or participate in the investigation must be protected from retaliation.

Appropriate action will be taken against a volunteer who is found to have engaged in prohibited harassing or retaliatory conduct, up to and including removal from the volunteer position as determined in accordance with the WSBA Bylaws and/or Washington Supreme Court rules.

Filing False Reports

False and malicious complaints of harassment, discrimination or retaliation (as opposed to complaints that, even if erroneous, are made in good faith) may be the subject of appropriate action.

All WSBA employees and volunteers are required to cooperate with investigations undertaken in response to a complaint under this policy. In particular, among other things, WSBA employees and volunteers are required to make themselves available to investigators immediately upon request, be forthcoming and truthful with investigators, and provide complete and accurate information. Failing to cooperate with an investigation may also be grounds for removal from a volunteer position. WSBA Employees are subject to the policies and procedures in the employee handbook.



WSBA

BOG DIVERSITY COMMITTEE

CLE Diversity Policy

To further the guiding principle to advance and promote diversity, equality, and cultural understanding throughout the legal profession and to reflect the changing face of our profession, and to provide the highest quality continuing legal education, the WSBA CLE leadership commits to make diversity of faculty a priority.

CLE Director and the Diversity Program Manager shall track diversity of faculty for each CLE. Faculty will be asked to voluntarily provide their demographic information for the purposes of increasing the diversity of faculty along with the assurance of anonymity. The information gathered for purposes of internal tracking will be kept confidential. This information will be utilized to assess diversity goals in the various types of CLE Programs.

CLE Director and the Diversity Program Manager shall prepare an annual report to be submitted to the Board of Governors regarding panel composition as it pertains to diversity goals. In preparing the report, the data will be used in the aggregate and will originate from the voluntary, anonymous demographic information provided by the faculty.

CLE, with the help of the Diversity Program Manager, shall develop a database of diverse CLE faculty. When assistance is needed to identify diverse faculty, CLE shall coordinate with the Diversity Program Manager, the BOG Diversity Committee and the WSBA Committee for Diversity to identify appropriate faculty.

CLE shall conduct an annual training each spring for CLE faculty and encourage diverse lawyer members to participate.

Consistent with providing the highest quality continuing legal education, CLE shall establish a goal of having at least 30% of CLE faculty on each CLE as being from diverse backgrounds.

CLE Committee Chair and CLE Department Director shall meet annually with the BOG Diversity Committee and Diversity Program Manager to discuss strategies to increase the diversity of program faculty.

CLE shall establish a policy to address complaints about offensive remarks by faculty to ensure the conduct is corrected immediately. CLE shall coordinate complaints addressed in the CLE evaluation forms, or otherwise, regarding violations of this policy or the WSBA diversity definition, policies and/or Guiding Principles with the Diversity Program Manager.

This policy shall be interpreted in conformance with the WSBA Diversity definition, policies and guiding principles.

Approved at April 23-24, 2010 Board of Governors Meeting



TO: Board of Governors

FROM: Ken Masters, Treasurer
Megan McNally, Director of Advancement and Chief Development Officer
Debra Carnes, Chief Communications Officer

DATE: July 7, 2015

RE: **Fiscal Year 2017 and Beyond** – WSBA-CLE Policy Questions and Information OVERVIEW

Review of CLE Analyses and Discussions - Fiscal Year 2015 to Date

WSBA maintains a CLE fund separate from the general fund. The CLE fund (WSBA-CLE) supports CLE-Publications and Products (desk books, audio visual recordings, MP3s and course books for sale) and Seminars (live seminars and conferences). In fall 2013, WSBA began an analysis of WSBA-CLE, examining portfolio content and overall fiscal impact of content in light of WSBA's mission-focus areas and program criteria. The content analysis led the Executive Management Team and Board of Governors to a strategic refocus on substantive law in partnership with WSBA sections, skills for 21st Century practice, and ethics and professionalism. The fiscal analysis underscored the need for a new business model, which the Committee and the Board have discussed throughout the year.

- At the November 2014 Board meeting, we presented an overview of CLE trends and issues as part of a generative discussion about the future of WSBA-CLE. At that meeting, the Board generally affirmed that providing CLE programming remains core to WSBA's mission, that it is appropriate to use license fees to support CLE programming, and that the amount of that subsidy would need to be determined. The Board directed the Committee to examine these fiscal issues closely.
- At the January Budget and Audit Committee meeting, we presented a timeline and general concepts for future CLE business models. With Committee direction, we developed alternate business models.
- At the April 1 Committee meeting, we presented five business models. Two refined our Current Path FY15 portfolio of free and low cost programs, market priced programs, and programs co-sponsored with WSBA sections. Three models represented a New Direction in which WSBA would continue to offer free and low cost programs, and co-sponsor programs with WSBA sections, but would not offer market priced programs. Noting the strong relationship between WSBA Sections and CLE, and the potential impact to Sections of revised CLE models and policies,

outsources conferences to a conference services vendor and redirects staff time to developing half to full day programs on-site at WSBA, webcast and recorded for product sale. We present an overview of these two models, the net impact to WSBA of each model, as well as a summary of the pros and cons of outsourcing conferences.

- Memo and Action Item 3 of 3 addresses whether to continue with the current cost-sharing policies regarding WSBA Section-CLE through which WSBA does not recover its actual costs. We present a cost analysis of each section seminar and conference under the current model and under a changed model, as well as a break-down and explanation of indirect costs.

the Committee directed that there be a full discussion with the Board before any models be presented for consideration.

- At its April 25 Board mini-retreat, the Board reviewed and we discussed the five models and their potential fiscal impacts on WSBA and the Sections. With feedback from that meeting, the Committee examined the fiscal impact of the models at its May 28, 2015 meeting. After considering the high cost to WSBA of the New Direction models, the Committee directed us to focus efforts to present the two Current Path models (C-1 and C-2) for the Board's consideration in June.
- At the Board's June 2015 meeting, we presented and the Board discussed on First Reading the Current Path 1 (C1) and Current Path 2 (C2) models, which would be effective for FY17 (programming supported by the First Draft FY16 budget that the Board will review on First Reading in July further refines the FY15 CLE programming portfolio).

As discussed, the principal difference between the models relates to how WSBA supports Section conferences (as distinguished from full and half day seminars and mini CLEs). Under the C1 model, WSBA would continue to produce offsite conferences for our sections; under C2, WSBA would engage a vendor to take over this work. Because planning for FY16 offsite conferences is already underway, any change would not be effective until FY17.

The Board again directed the Committee to examine the fiscal impacts of each model on WSBA and the Sections, and to provide the Board with additional detail to enable it to make a decision on this and the other policy issues under consideration throughout the year.

- At its June 25, 2015 meeting, the Committee reviewed the Board's deliberations and directed us to present information in July to facilitate the Board's decisions of the following policy questions:
 1. whether to keep, reduce, or expand current overall free and low-cost programming;
 2. whether to continue to produce or to outsource WSBA-Section off-site conferences; and
 3. whether to continue to subsidize WSBA-Section CLE programming or to recover the full costs of programming.

Actions for July 2015

We now bring forward the three policy questions regarding WSBA-CLE, for Fiscal Year 2017 and beyond, as separate action items with additional information and clarification.

- Memo and Action Item 1 of 3 addresses the footprint of WSBA's free and low cost Continuing Legal Education offerings. We present an overview of the program areas and the net impact of these programs on the General Fund, the CLE fund, and WSBA reserves.
- Memo and Action Item 2 of 3 addresses whether to continue to produce or outsource conferences through consideration of two models: C1, which is a continuation of our current mix of seminars *and conferences* and continued honing of content on substantive law in partnership with sections, and skills and ethics for 21st Century practice; and C2, which

NOMINATE MEMBERS TO THE DISCIPLINARY BOARD

Governor Rhoads-Weaver moved to nominate Stephania Denton, Roger Leishman, and Marc Silverman for appointment to the Disciplinary Board. She spoke to her motion by explaining that the Disciplinary Board, as well as the nominations to the Disciplinary Board, lacked diversity from the LGBTQ community and that Mr. Leishman was an extremely well-qualified candidate who would provide diversity to the Disciplinary Board. Governor Masters explained the difficult and complex process, as well as the heavy vetting, that went into making the nomination recommendations and opined that the Board would have neither the background nor the information needed in order to change the proposed nominations. Governor Bastine moved to amend the motion so that Todd Startzel be nominated in lieu of Roger Leishman, and therefore, approve the recommendations contained in the meeting materials. Motion to amend passed 9-5. Underlying motion passed 11-3.

NOMINATE MEMBERS TO HEARING OFFICER PANEL

The slate contained in the meeting materials was approved by consensus.

PROPOSED CONTINUING LEGAL EDUCATION (CLE) BUSINESS MODELS – Governor Ken Masters, Treasurer, and Megan McNally, Director of Advancement/Chief Development Officer

Treasurer Masters noted that a concern was raised at the June 12, 2015, Board meeting that this Board is binding future Boards. He explained that future Boards are not being bound; the Board sets the policy and future Boards can continue the policy or not. He emphasized that it is important for the Board to set policy for staff so staff can move forward on programming. Director McNally explained that the materials for this meeting had been separated into three policy issues and suggested that the Board could take action on each policy issue, one at a time. She advised that the first policy issue relates to free and low-cost CLEs, and the recommendations for FY2017, which are consistent with Budget and Audit Committee recommendations for FY2016, are to continue to support New Lawyer Education, Public Service Programs Education, Section mini-seminars, and the Achieving Inclusion series with General Fund/license fee revenue, and to continue to produce the Legal Lunchbox series with CLE Fund

revenues. Governor Moberg moved to approve the recommendation as stated in the meeting materials. Motion passed 13-1.

Director McNally then advised that the second policy issue relates to offsite conferences. She explained that the Board is being asked to choose between two business models, and that the recommendation is to adopt Model C1, which is the model most consistent with FY2016 programming, and to direct staff to continue to seek a vendor relationship to support high quality offsite conferences in future years. Governor Brady moved to approve the C1 Model as set forth in the meeting materials. Discussion ensued regarding the Sections being able to choose between the C1 Model, opting out of the C1 Model and going with another partner, or doing CLEs independently; and supporting Section conferences as a member benefit in the interim while further study takes place. Treasurer Masters noted that the request to run at a loss, using Section funds, is allowed under the recommended proposal. Motion passed 13-1.

Director McNally then advised that the third policy issue is related to cost sharing with Sections on CLE events. She explained that the current fiscal policy regarding cost sharing for Section sponsored CLEs is not adequate to fully recover WSBA's costs; however, based on input from the Board and further conversations, the current policy and models will remain in place for FY2016. She requested that a joint Board/staff Work Group be formed at the September 17-18, 2015, Board meeting in order to draft revised Section policies, including a revised policy addressing cost-sharing of section-CLE programming, on the following timeline: draft policies and circulate for comment by December 31, 2015; present final draft policies to Board for first reading at its March 10, 2016, meeting; and present final draft policies for Board action at its April 15-16, 2016, meeting. Governor Cava moved to approve the recommendation. It was suggested that a representative from one large section and one small section be included in the Work Group; however, it was explained that, since the policy will be addressed by the Board, it should be written at the Board and staff level, but that sections will continue to be included in the discussions. Motion passed unanimously. Governor Rhoads-Weaver moved to direct staff to track the indirect expenses for half- and full-day seminars, as well as one off-site conference, so

the Board will have the data to determine whether the average per-credit proxy is accurate in reflecting the cost of the program. Motion died for lack of a second.

UPDATE ON MENTORSHIP PROGRAM – Megan McNally, Director of Advancement/Chief Development Officer; Stacy Holmes, Mentoring and Peer Networks Program Manager; and Ana Selvidge, Public Service Programs Manager

Manager Holmes referred the Board to the information contained in the meeting materials. She explained the current structure and the development of the future structure. She noted that mentorship is defined broadly and that the Program's goal is to reach as many members with as many benefits as possible. She concluded by iterating the four core elements of the Program. Manager Selvidge described what mentorship looks like in the Moderate Means Program and stated that this is an exciting opportunity to help build out the Program and to help it become part of the culture in the programs that currently exist, with a goal of building it across Washington state. Discussion ensued regarding minimum requirements for mentors; process for becoming a mentor; not requiring malpractice insurance; making contact with local Bar presenters; and waiting for regulations to be approved so the Program can be developed further and toolkits built. Director McNally explained that the majority of funding that has been approved was for staffing, but that she has requested an increase in funding for this program in the FY2016 budget, since building it will take more than one person. Manager Holmes noted that minority bar associations and specialty bars are currently matching mentors with mentees, and any program that will be designed at the State Bar level can be designed around the matches being done at the local level. The program would be more of an infrastructure piece that would allow individual attorneys to find each other, and would be especially helpful to rural attorneys. The minority bar associations and specialty bars would also be able to use this tool to help them with their mentorship programs. She explained that in some ways, the program has already started, but after it is known what programs can be accreditable, then further design of the programs can be done. Governor Cava moved that another update on the Mentorship Program be made at the Board's March 10, 2016, meeting.



WSBA

BOARD OF GOVERNORS

GUIDING COMMUNICATION PRINCIPLES

(adopted January 28, 2016)

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 spirit 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.

Social Media Guidelines for the Washington State Bar Association and Its Entities

Last revised: 10/19/2009

Social Media is an important way for an association to interact with its members and the public as well as to facilitate member-to-member dialog. Social networks (such as, but not limited to, blogging, microblogging, networking sites, and social media) offer opportunities for outreach, information sharing, and interaction.

The Washington State Bar Association (WSBA) supports the use of these Internet technologies to increase member engagement, build community, and improve access to information, resulting in greater value to our members and the public. These tools are another method to communicate with a variety of audiences but may not be appropriate in all instances nor for all kinds of outreach.

The following guidelines apply to WSBA volunteers, sections, committees, boards, divisions, panels, and related programs or groups ("Entities") wishing to use WSBA's name and/or graphic identity (e.g., logo) in conjunction with the creation or maintenance of a social media presence that identifies the Entity as being sponsored by, administered by, or affiliated with WSBA.

Administering the social media site

Each WSBA Entity desiring a social media presence will work with the Entity's staff liaison/contact to determine the Entity's objectives and the proper social media venues for the Entity. The Entity will create a plan for its social media presence, to include the social media tools they desire to use, the objective of the use, and plans for generating regular and relevant content. The WSBA staff liaison will establish the page/account for the Entity. The Entity shall work with the staff liaison to generate content updates to the page/account. The WSBA reserves the right to remove any content deemed inappropriate or not in keeping with these guidelines. Entities are responsible, in collaboration with their WSBA liaison/contact and all those individuals participating in the social network, for complying with these guidelines.

Guidelines for social networking

Be professional, respectful, and discreet in your online dialog. Represent WSBA and our profession well. Exercise good judgment. Entities and individuals who fail to do so, or who fail to comply with these guidelines, may forfeit the right to participate in social networking activities sponsored by WSBA. In some circumstances, inappropriate use of social media may subject you to discipline for failing to adhere to applicable Rules of Professional Conduct (RPC), as well as civil or criminal liability and penalties, as warranted.

1. **Be responsible.** You are personally responsible for the material you post. Carefully consider content; what you publish will be widely accessible for some time and, in some cases, indefinitely. All statements must be true and not misleading. Do not post private information about yourself or others – keep the posts relevant. Adhere to all statutory prescriptions and Rules of Professional Conduct governing the privacy of individuals and confidential information of your clients.

2. **Be upfront; identify yourself.** Your honesty – or dishonesty – will be quickly noticed in the social networking environment. Use your real name, and, if relevant, your role or interest in the topic discussed. When appropriate, make it clear you are speaking for yourself and not on WSBA’s behalf.
3. **Be civil and respectful.** It’s alright to disagree with others, but do not use defamatory, libelous, or damaging innuendo; abusive, threatening, offensive, obscene, explicit, or racist language; or post illegal material.
4. **Be quick to correct an error.** If you make a mistake, admit it. Quickly provide the correct information. If appropriate, modify an earlier post to make it clear that you have corrected an error.
5. **Keep it relevant/add value.** Write about what you know. Information can add value if it contributes to the legal community’s knowledge or skills, improves the legal system or public understanding of the legal system, or builds a sense of community.
6. **Follow copyright and fair use laws.** Always give people proper credit for their work. Make sure you have the right to use material with attribution before publishing. It is a good practice to link to others’ work rather than reproducing it on your site. When in doubt as to the proprietary nature of material, don’t use it. Recognize the potential professional and legal consequences of any failure to follow applicable laws governing the use of others’ material.
7. **Protect proprietary and client information.** Do not discuss or misuse proprietary or confidential information, and follow all professional and ethical rules governing the disclosure of information shared with you by clients. When in doubt, leave it out.
8. **Endorsements of certain political positions are contrary to GR 12.1.** The activities of WSBA are defined by Washington Supreme Court rules (GR 12.1), and those rules apply to social networking activity, as well as a variety of other activities. As a membership organization, WSBA needs to avoid even the appearance that it directly or indirectly:
 - a. Takes positions on issues concerning the politics or social positions of foreign nations;
 - b. Takes positions on political or social issues which do not relate to or affect the practice of law or the administration of justice; or
 - c. Supports or opposes, in an election, candidates for public office.
9. **Comply with Washington rules governing lawyer conduct.** Comply with all legal restrictions and obligations governing professional conduct, particularly those regulating communication and advertising (RPC Title 7), when posting content to any social network, including postings by an Entity.
10. **Do not violate antitrust laws.** Antitrust laws prohibit postings that encourage or facilitate agreements between WSBA members of the same firm concerning the following, as they pertain to legal services: prices, discounts, or terms or conditions of sale; salaries; profits, profit margins, or cost data; market shares, sales territories, or markets; allocation of customers or suppliers; or any other term or condition related to competition.
11. **Abide by the social network’s rules.** By joining a particular social network, you agree to abide by that community’s terms of use, so review those terms carefully.

Using the WSBA's name and/or logo

WSBA Entities may incorporate the WSBA's name and/or logo into their social media identity with prior approval from WSBA's Deputy Director for External Relations or his/her designee. To create consistency and community on the Web, the WSBA has established standard logo templates, disclaimers, and naming conventions. The Entity must work with their assigned staff liaison from WSBA to coordinate the development of the social network graphic and other site requirements.

All Entities must provide direct links on any social media page back to the "main" WSBA social media page.

Enforcing these guidelines

WSBA does not actively monitor these sites for inappropriate postings. If an inappropriate posting is brought to the attention of WSBA, however, WSBA will take appropriate action to enforce these guidelines.

Approved by WSBA Board of Governors, _____

Washington State Bar Association
Member Data and Contact Information Policy

As last revised on July 23, 2010

This policy lays out WSBA policy for the collection, use, and sale of member information. It has been reconciled to the provisions of the privacy act passed by the Legislature in 2000.

Collection of Identifying Information

As the licensing agent for Washington lawyers, and as required by Admission to Practice Rule 13 (b) and (c), the WSBA must have a mailing address and telephone number for each member, and members should advise the WSBA of a business e-mail address if one exists. If a member chooses to provide his/her home address and telephone number as his/her mailing address and telephone number, this information will be a matter of public record. The WSBA collects fax numbers and e-mail addresses that are considered part of the member's contact information, and, as such, are public, except that a member may request that his/her e-mail address not be made public. The WSBA also collects non-public information that is confidential and unaffected by this policy.

Notice of how the information will be treated and disseminated is included on licensing forms used to collect the information.

Public Disclosure of Membership Information

The WSBA will provide the data to the Court, as required by Admission to Practice Rule 13 (b) and (c).

The following member data is public record: name, WSBA number, mailing address, telephone, e-mail address (unless the member has requested it not be made public), fax number, membership status (both current and historical), date(s) of admission, and WSBA committee membership. If provided by the member, practice area and languages spoken are also public. This information, except date(s) of admission and historical information about status is published in the *Resources* directory and is on the WSBA website. In addition, this information can be obtained by calling the WSBA office. All other member demographic information maintained by the WSBA is confidential.

Exemptions

A member may request an exemption to this public record requirement, as per WSBA Bylaws, Article XV, Section B.6.a.(12). Such an exemption will be granted only for compelling circumstances, such as threats or harassment. To request an exemption, a member must send a written request to the Executive Director specifically stating the compelling reasons for the request. The Executive Director may grant or deny the request at his/her discretion. When a request for exemption has been approved, the member's contact information is confidential. Once each year, members with this exemption must reapply for the exemption in order for their contact information to remain confidential. The WSBA will notify each member who has an approved exemption of the procedures and deadline to reapply; if no response is received, the member's exemption will expire.

The member name, WSBA number, and current status for members with approved exemptions will appear in the *Resources* directory and on the WSBA website. On the website and in *Resources*, the message "confidential per WSBA Bylaw Article XV, Section B.6.a (12)" will appear in the address field. In addition, name, WSBA number, current status, and the date(s) of admission for members with approved exemptions will be available by calling the WSBA office. Someone needing to contact a member with an exemption may send materials to the WSBA office, and the materials will be forwarded to the member.

The WSBA will report to the Court those members who have approved exemptions.

The Use of Age as a Membership Criterion

Age may be used as a criterion for determining membership status in groups within the WSBA only when used in conjunction with a "years in practice" criterion (as of June 2010, these groups are the Washington Young Lawyers Division [WYLD] and the Senior Lawyers Section).

Dissemination of Member Contact Information

It is the general policy of the WSBA to be restrictive in the distribution or sale of contact information of its members. This policy is intended to balance the member-service aspect of receiving information with the inconvenience of receiving too much information.

Mailing labels or lists of members' names and addresses (whether in electronic or hard-copy format) are covered by this policy. Lists of members' fax numbers, phone numbers, and/or e-mail addresses will not be provided, with three exceptions: (1) public e-mail addresses may be provided to CLE vendors (e-mail addresses of members who have indicated they do not want their e-mail addresses sold will not be provided); (2) public e-mail addresses may be provided to candidates for the Board of Governors or WYLD Board of Trustees; and (3) fax numbers, phone numbers, and/or public e-mail addresses may be provided to WSBA sections. The following demographic information that is supplied voluntarily by members: gender, ethnicity, disability, and sexual orientation is kept strictly confidential and is used only in the aggregate for demographic analysis — labels or lists will not be provided sorted by these categories. Labels and lists based on practice area or language spoken will be provided, and the WSBA will include a disclaimer that information has been provided voluntarily by members and is not necessarily up-to-date or complete.

1. The WSBA reserves the right to inspect the actual contents of any proposed mailing prior to providing mailing labels or lists for the purpose of determining the category of user and to apply the terms and prohibitions of this policy.
2. All sales are on a one-time only basis for the requested purpose. Purchasers are not authorized to duplicate, reuse, or re-market WSBA labels or lists, whether in hard-copy or electronic format. If provided in electronic format, data must be destroyed or returned to the WSBA after the one-time use.
3. The request to purchase mailing labels or lists must be in writing, along with a copy of the material to be mailed. A sales agreement must be executed by each purchaser, and by the mailing house, if one is used by the purchaser, prior to delivery of the requested labels or lists.
4. Payment shall be required prior to delivery of requested labels or lists.
5. The WSBA reserves the right to review e-mail address protections of CLE providers to assure adequate safeguards against unauthorized e-mail address "harvesting."

Categorization of Types of Users

- Official WSBA business: Official mailings generated by the WSBA office or with the approval of the Board of Governors shall be provided mailing labels or lists at no charge, based on the premise that a portion of attorney license fees is attributable to maintaining membership records and mailing costs. This category includes mailings from the Washington State Supreme Court.
- County bar associations within Washington: Mailing labels or lists will be provided to county bar associations of WSBA members in their respective counties at no charge, to further the WSBA's goal of providing support to county bar associations.
- Minority and specialty bar associations within Washington: Mailing labels or lists of WSBA members will be provided to minority and specialty bar associations at no charge, to further the WSBA's goal of providing support to minority and specialty bar associations.

- Candidates for the Board of Governors or WYLD Board of Trustees: One set of mailing labels or lists for WSBA members in a governor-candidate's congressional district or a WYLD trustee-candidate's district will be provided to each governor or trustee candidate at no charge upon request (additional sets may be purchased).

- WSBA members: Mailing labels or lists for WSBA members may be provided at no charge upon request if for a purpose related to the practice of law. *Example #1:* If a WSBA member wants to send a letter to all other lawyers in his/her city for the purposes of forming a legal-issues discussion group, the WSBA would provide mailing labels or a list. *Example #2:* If a member is changing firms, mailing labels or a list would not be provided (although the member may purchase labels or a list). If mailing labels are ordered, the WSBA may ask the member to pay for the actual cost of the labels.

- Noncommercial mailings by WSBA committees, WSBA sections, and the Washington Young Lawyers Division: Mailing labels or lists will be provided to WSBA committees, WSBA sections, and the Washington Young Lawyers Division at no charge.

- Endorsed or sponsored vendors, approved CLE providers, commercial users: Mailing labels or lists will be provided at commercial prices to vendors of products or services endorsed or sponsored by the WSBA, to providers of CLE offerings accredited by the Washington Board of Continuing Legal Education (MCLE Board), and other vendors of law-related products and services approved by the Executive Director. The purpose of selling or providing mailing labels and lists to entities in this category is to inform the membership of products and services related to the practice of law.

The sale of mailing labels and lists for commercial purposes is a discretionary act. All sales of mailing labels or lists in this category must be approved by the Executive Director or his or her designee. The Executive Director is authorized to reject requests for mailing labels or lists related to the sale of products and services that are not directly related to the practice of law or that conflict with the goals and purposes of the WSBA. The Executive Director is also authorized to provide mailing labels or lists to others not specified above.

Mailing labels or lists shall not be provided for:

- Partisan or nonpartisan political mailings at any level except for candidates for judicial office or for the WSBA Board of Governors or for the WYLD Board of Trustees.

- Solicitations for contributions by any organization not specifically approved by the Executive Director or the Board of Governors.

The Executive Director shall publish a fee schedule from time to time. The price for contact information for newly admitted members, which is priced higher than that of all members in general, may be waived or reduced for bona fide employers looking for prospective employees or for certain law-related organizations. New admittees are generally members admitted to the WSBA within the last two years.

Member Requests to Limit Mailings or Contact

Unless otherwise arranged, members receive all WSBA mailings, and their contact information is sold or provided in accordance with the policy above.

If a member requests and obtains an exemption to the public records disclosure, the member's contact information is confidential. These members will receive only official WSBA mailings: annual license fee forms, annual sections dues invoices, ballots for elections of the Board of Governors, Bar News, and referendum mailings.

Mail Restrictions: Members whose contact information is not confidential but want to limit the information they receive by mail may select all options that apply:

1. I do not want any CLE information, including CLEs that are section-sponsored.
2. I do not want any CLE information, except for CLEs that are section-sponsored.
3. I do not want my mailing address sold or provided to non-WSBA-sponsored entities.

E-mail Restrictions: Members whose contact information is not confidential but want to limit the information they receive by e-mail may select all options that apply:

1. I do not want my e-mail address sold.

Note: The WSBA sells e-mail addresses to CLE providers only.

Note: If you select option #1, you will not receive information about any CLEs, including WSBA and section-sponsored CLEs.

2. I do not want any CLE information except for CLEs that are sponsored by sections to which I belong.
3. I do not want any non-official WSBA or legal-community notices.
4. I do not want my e-mail address published in *Resources* or the online Lawyer Directory.

Exceptions to this policy may be authorized by the Executive Director.

Member Contact Information Form: <http://www.wsba.org/lawyers/contactinformationrestrictionsform.pdf>

Adopted by the Board of Governors on August 4, 2000; revised and approved December 6, 2002; April 11, 2003; December 5, 2003; February 27, 2004; July 21, 2006; June 4, 2010; July 23, 2010.



WSBA

**Hearing Officer Extraordinary Compensation Policy
Adopted by the Board of Governors
Effective October 1, 2010**

The Rule for Enforcement of Lawyer Conduct 2.11 allows for compensation of hearing officers with approval of the Board of Governors.

Based on concerns about the detrimental financial impact of lengthy hearings on hearing officers assigned to those cases, the WSBA Board of Governors adopted the following criteria:

- Compensation is available only in cases where the hearing officer spends in excess of 40 hours in the actual hearing within a 30-day period.
- Once the 40 hour base is exceeded, compensation is provided for additional hearing time, to be calculated as follows:
 - Half days (4 hours or less) would be compensated at \$250
 - Full days (more than 4 hours) would be compensated at \$500
 - Compensation would be capped at \$5,000 per case
- Compensation is only be available for time spent in the hearing itself. Compensation is not be available for time spent prior to the hearing (including prep time), or for time spent post hearing (including post-hearing motions, reading the transcript, drafting the hearing officer's findings and recommendations, etc.).
- Hearing officers requesting extraordinary compensation are required to submit their request to the Assistant General Counsel who staffs the hearing officers, who will then take the necessary steps to validate and process the compensation request.

ELC 13.9 provides that costs and expenses may be assessed against a lawyer who receives discipline sanctions or an admonition, and specifically includes compensation to hearing officers within the definition of costs. ***Therefore, all costs paid to hearing officers should be coded to the proper discipline file number and bar number when paid.***



WSBA

BOG DIVERSITY COMMITTEE

Committee Membership Selection Advisory Policy

The WSBA has established diversity as one of its Guiding Principles embracing the philosophy to promote diversity, equality, and cultural understanding throughout the legal profession. Recognizing this, the Board of Governors commits to diversity in selection of appointments to WSBA Committees. The goal of the Governors shall be to select members for committee appointments whose appointment will further the WSBA policy of diversity, equality and cultural understanding.

Therefore, the Governors shall take into consideration the makeup of a committee in terms of diversity when considering appointments to a particular committee. The Governors shall take into consideration the potential impact any appointment shall make on the committee in terms of diversity. The Governors shall consider the background, pursuant to the WSBA's definition of diversity, of any potential appointee when making committee appointments.

In order to further the WSBA's diversity efforts, the Governors shall seek the input of the Governor-liaison to a particular committee, the current Chair of the committee as well as the staff liaison, Diversity Program Manager and Bar Leaders Program Manager in making committee appointments. Committee members and potential appointees shall be encouraged to complete questionnaires regarding their background. The makeup of each committee shall be tracked by the Diversity Program Manager so that the WSBA has a record regarding the historical diversity of committees. In this manner the Board of Governors will have a record of progress toward the WSBA's diversity goals.

This policy shall be interpreted in conformance with the WSBA diversity definition, policies, and guiding principles.

3/24/2010



WSBA

BOG DIVERSITY COMMITTEE

Committee/Task Force Leadership Selection Advisory Policy

The WSBA has established diversity as one of its Guiding Principles embracing the philosophy to promote diversity, equality and cultural understanding throughout the legal profession. Recognizing this goal, the WSBA President and President-elect commit to diversity in selecting Chairs of WSBA committees/task forces. The goal of the President/President-elect shall be to select committee/task force members for leadership positions whose appointment will further the WSBA policy of diversity, equality, and cultural understanding.

Therefore, the President/President-elect shall take into consideration the makeup of a committee/task force in terms of diversity when considering appointing a Chair of a particular committee/task force. The President/President-elect shall take into consideration the potential impact of appointing a particular individual as Chair of any given committee/task force in terms of diversity. The President/President-elect shall consider the background, pursuant to the WSBA's definition of diversity, of any potential Chair when making committee/task force appointments.

This policy shall be interpreted in conformance with the WSBA diversity definition, policies, and guiding principles.

3/24/2010

How WSBA Defines Diversity

Diversity refers to meaningful representation of and equal opportunities for individuals who self-identify with those groups that are under-represented in the legal profession based upon, but not limited to, disability, gender, age, familial status, race, ethnicity, religion, economic class, sexual orientation, gender identity and gender expression. Statewide geographic diversity and area of practice shall also be given consideration.

Adopted by the WSBA Board of Governors in March 2010.

The Board is requested to amend the Arizona Travel Moratorium to provide that the Executive Director may limit staff and volunteer travel to any state requiring proof of immigration status if the Executive Director deems it necessary in order to prevent discrimination against the staff and volunteers. Motion passed 12-1-1. Underlying motion passed unanimously.

MINUTES Public Session Washington State Bar Association BOARD OF GOVERNORS Seattle, WA September 26-27, 2013

WSBA Policy Prohibiting Meetings in Locations Which Discriminate

At its regular meeting on June 19, 1993, the Board of Governors of the Washington State Bar Association adopted the following policy:

*Consistent with the Washington State Bar Association's commitment to diversity and non-discrimination, it is the WSBA's policy that **no functions, official actions, or official meetings of Sections, committees, governing board, or staff shall be held in a facility -- public or private -- or political subdivision that has a policy, practice, or law that discriminates on the basis of race, color, national origin, religion, creed, sex, age, disability, sexual orientation, or marital status.** Nothing in this policy shall be construed to infringe upon the rights of individuals to associate freely in their private lives.*

Dated this 22nd day of June, 1993.

Attest:

Dennis P. Harwick, Executive Director
and Secretary to the Board of Governors



WSBA

Washington State Bar Association Diversity & Inclusion Plan

Mission Statement

The Washington State Bar Association's mission is to serve the public and the members of the Bar, ensure the integrity of the legal profession, and to champion justice.

Commitment to Diversity

The Washington State Bar Association is committed to advancing diversity and inclusion within the legal profession. Toward that end, WSBA is committed to understanding and responding to the professional environment which exists for all lawyers in Washington. Inclusion is best understood as an environment which encourages and incorporates different perspectives, ideas and experiences. The profession is changing. The business interests of attorneys, employers and clients call for more diverse legal representation across the state. WSBA recognizes the need to enhance opportunity in the legal profession and the public's experience with lawyers by demonstrating to its members and the public at large a genuine commitment to supporting and advancing diversity and inclusion.

This plan reflects the unique roles for which WSBA is positioned, as a unified bar, to create and help nurture the conditions that will encourage diverse lawyers to enter, remain, thrive and ultimately lead the profession and inspire others to follow in their footsteps. The plan rests on a fundamental assumption that WSBA's commitment to its own culture of inclusion and cultural competence provides the best foundation for meaningful progress. We refer to this as "Inside – Out" diversity. It is our hope that stakeholders and partners will answer the call to involvement as we work from the inside out to distinguish the Washington State legal profession as an inclusive community.

Background

In 2003 the Washington State Bar Association formally established diversity as one of its nine strategic goals. In 2006 the Board of Governors formed its own Diversity Committee to help improve diversity within the elected leadership. In 2007 WSBA adopted five guiding principles, one of which is advancing and promoting "Diversity, equality, and cultural understanding throughout the legal community." Consistent with this guiding principle, WSBA next adopted two focus areas: working to understand the lay of the land of the legal community and providing tools to members and employers in order to enhance the retention of minority lawyers in the community.

The guiding principle of promoting **diversity, equality, and cultural understanding throughout the legal community** was supported by the 2011- 2013 Strategic Goal: **Conduct a detailed study of the composition of the legal profession and retention rates within the profession in the state of Washington.** In 2011 WSBA launched this groundbreaking study. The purpose was to

create a statistically reliable study of the membership's demographics and trends. Study results were released in March 2012 and presented at the April 2012 Board of Governors meeting.

Purpose of the Plan

With the baseline study completed, the Diversity & Inclusion Plan is intended to outline WSBA's next steps and long term priorities.

Staff, member and leadership participation are particularly important to the effective coordination and delivery of systems, services and programs. The Plan's objectives all work towards the goals of retaining diverse attorneys, increasing their participation within the profession and creating opportunities for leadership within the Association.

Plan Objectives

1. MEMBERSHIP DEMOGRAPHICS

- a. Improve diverse representation across WSBA entities, especially with respect to faculty and leadership**
 - i. Provide tools, systems, and evaluation for intentional recruitment of diverse faculty and leadership in collaboration with Minority Bar Associations (MBAs)
- b. Measure demographics/ diversity indicators longitudinally**
 - i. Conduct bi-annual follow-up surveys and full study every 10 years
 - ii. Administer more frequent surveys and evaluations to gather timely information on trends and opportunities
- c. Be the resource for others who care about the demographic trends of Washington's legal community**
 - i. Publish, present and share demographic news, trends and information
 - ii. Host events, discussions and online chats about the data and its implications
 - iii. Help develop a more complete picture of the future of the profession by partnering with the Initiative for Diversity, the ABA, and law schools to measure complementary data and methods to address inequities

2. EDUCATION AND TRAINING

- a. Ensure everyone who represents WSBA is knowledgeable about membership demographics and trends**
 - i. Present updated information and resources to leadership, staff and entities regularly
 - ii. Conduct annual review and analysis of board, staff and leadership demographics
 - iii. Articulate case to members about the business case for diversity and improve overall understanding of why this effort matters
 - iv. Develop tools and shared language for WSBA representatives to educate members why diversity matters to everyone

- v. Deliver consistent, ongoing training on cultural competence and inclusion
- vi. Develop and adopt a shared dictionary of terms and meanings
- b. Leverage and target WSBA programming to remove barriers/ improve conditions identified in the study**
 - i. Target outreach, educational tracks and special offerings within existing WSBA programs (including Continuing Legal Education, New Lawyer Education, Law Office Management Assistance Program, Lawyer Assistance, Public Service, and the Law Clerk Program) to members *in all diversity groups* focusing on:
 - a. Strengthening mentorship opportunities
 - b. Accelerating outreach to members statewide
 - c. Expanding support for new and solo practitioners

3. COLLABORATION AND PARTNERSHIP

- a. Provide the forum for dialogue, focusing on the conditions for lawyers to enter, stay, thrive and lead the profession**
 - i. Accelerate communications and education to address inequities relating to diverse populations, specifically via:
 - a. Town Hall Series with law schools and employers
 - b. Online chats to stimulate dialogue
 - c. Guest posts and articles that raise new voices
- b. Provide WSBA representation and information in support of community projects, task forces and initiatives that intersect with WSBA's commitment to diversity**
 - i. Awards and spotlights on innovation and success – using WSBA's reach for maximum exposure for good ideas
 - ii. Increase outreach and facilitation, specifically via:
 - a. Networking events to open access to bar leaders
 - b. Receptions and events to connect with stakeholders
 - c. Clarified support for MBAs
 - d. Facilitating and hosting a peer network of mentor programs

Accountability & Reporting

A report describing the progress of advancing WSBA's diversity and inclusion efforts will be presented at each Board of Governors meeting. The Diversity Chair and staff will present highlights of activities and ongoing advancement toward these objectives. WSBA will host an annual diversity convocation whereby each section and entity will report on the status of its efforts towards objectives 1 – 3 and to talk about what's working and what support is needed. Finally, staff will present an annual report at each September BOG meeting on the overall status of the Diversity & Inclusion Plan. The annual report will be published and distributed widely.

WSBA Policy on Endorsing Products or Services

Excerpt from December 1990 BOG Minutes:

AIRBORNE EXPRESS PROPOSAL: The Board of Governors was provided with a proposal from Airborne Express seeking endorsement of a discounted overnight package delivery service for members of the Washington State Bar. It was moved, seconded, and passed that the Board of Governors decline to entertain this proposal.

Excerpt from May 1991 BOG Minutes:

WSBA INSURANCE TRUST FUND: Joe Nappi, Jr. appeared as "Chair" of the WSBA Insurance Trust Fund. He submitted a report to the Board seeking (1) permission to terminate the insurance trust fund, and (2) guidance on what future role the WSBA may care to play with insurance products.

Mr. Nappi gave a history of the creation of the fund and its performance. He noted that no policies had been written by the fund since the early 1980's. There are still approximately 300 people insured through the fund and there is a residue balance of \$6,321. He informed the Board that he had hired the firm of Davis Wright Tremaine to counsel the fund on termination.

Following discussion it was moved, seconded, and passed unanimously to accept the recommendation that the WSBA Insurance Trust Fund be terminated, that the legal expenses of Davis Wright Tremaine be paid out of the remaining funds, and that existing insurance contracts be transferred to the Washington State Bar Association as the policy holder. It was the specific understanding of the Board that such a transfer would impose no administrative or legal obligations on the WSBA.

The Board then took up the issue of the role of the WSBA in providing health and disability insurance benefits to its members. Mr. Nappi reported that the WSBA Insurance Trust Fund had studied the issue and had no specific recommendation. It had determined that there were sufficient market opportunities to provide the needed insurance products, so that there was no clearly defined role for the WSBA. It was moved, seconded, and passed 5 to 1 (Howell dissenting) to abolish the WSBA Insurance Trust Fund Committee, insofar as it was in the

Board of Governors' authority to do so, and to eliminate the WSBA role in endorsing insurance products.

Excerpt from March 1993 BOG Minutes:

Policy on Endorsing Products and/or Services. The Executive Director provided the Board of Governors with a memo noting that he had received a number of proposals seeking WSBA endorsement and/or sponsorship, e.g., an Airborne Express discount package, an affinity credit card program, a phone service package, and a workers comp administrator package. The Executive Director asked the Board if it was interested in reviewing its long-standing policy of declining such endorsements because of the fiscal constraints of the WSBA. The pros and cons of such a change in policy were discussed. It was then moved, seconded, and passed unanimously to affirm the existing policy of declining to endorse products or services, with the exception of uniquely legal products such as professional malpractice insurance.

Excerpt from June 1995 Minutes:

WSBA POLICY ON ENDORSING PRODUCTS OR SERVICES: The Board was provided with a memo from Executive Director Harwick concerning the issue of the WSBA Policy on Endorsing Products and/or Services. The Board was provided with excerpts from 1990, 1991, and 1993 Board minutes where the Board had specifically declined to endorse products or services with the single exception of professional liability insurance. There was a discussion concerning whether the WSBA should reconsider this policy. Various pro and con arguments were discussed. The discussion ended when Governor Peterson's call for the question died for lack of a motion. Consequently, the Board's policy remains that it does not endorse products or services.



WSBA Sponsorship Policy

The Washington State Bar Association is committed to furthering the public's understanding of the rule of law and its confidence in the legal system. As such, the WSBA may join with other organizations in sponsoring events highlighting issues within the public's interest provided:

- The subject matter comports with the WSBA's mission and guiding principles;
- The subject matter is consistent with General Rule 12.1;
- The activity is consistent with existing WSBA operations, programming, and resource priorities;
- The activity complies with WSBA policies on accessibility and non-discrimination;
- The event places the WSBA in a positive light; and
- The WSBA, by mutual agreement, has the opportunity to play a substantive role in the planning and execution of the event (e.g. review material, location, venue, speakers, etc.).

Consistent with Section I(C) of WSBA Bylaws, the WSBA will not sponsor or join in co-sponsoring an event should it require the WSBA to:

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.

All requests for sponsorship or co-sponsorship, including sponsorship or co-sponsorship by WSBA committees, boards, panels, sections, and Washington Young Lawyers Division, shall be made to the Executive Director. All sponsorship or co-sponsorship agreements shall also comply with all other applicable WSBA policies.

WSBA-CLE Co-sponsorship guidelines:

1. Co-sponsorship agreements do not conflict with overall WSBA Sponsorship policy (see above).
2. Any co-sponsorship arrangement or agreement must be established in writing prior to the relevant CLE program.
3. The arrangement or agreement must include the terms, limitations, scope or similar with regards to duties, rights, benefits and obligations of the sponsoring parties.
4. WSBA-CLE must play a substantive role in the planning and execution of the event.

5. Co-sponsorship does not include rights of post seminar Intellectual Property distribution (e.g. materials, audio recordings, online distribution, etc.) or limit WSBA-CLE's right for post-seminar distribution. Any variation of this distribution understanding must be part of the written co-sponsorship agreement.
6. Any agreement established regarding co-sponsorship and post-seminar Intellectual Property distribution must exclude any component of direct competition (e.g. different pricing, marketing to WSBA members, etc.).
7. All Intellectual Property must be deemed of sufficient "quality" by WSBA-CLE prior to any distribution.
8. There is no transfer of any "rights" or "roles" to other entities that was not specifically detailed in the co-sponsorship agreement.

AMICUS CURIAE BRIEF POLICY

Approved by the Board of Governors 9/29/17

I. BACKGROUND

The Washington State Bar Association (Bar) amicus curiae program was established in 1998, when a ten-member Amicus Curiae Brief Committee was formed by the Bar's Board of Governors (BOG). In 2016, the BOG voted to sunset the Amicus Curiae Brief Committee at the end of the 2017 fiscal year, with the BOG's Executive Committee to assume the responsibility for reviewing and making recommendations on requests for the Bar to participate as amicus. This policy establishes the procedures and substantive criteria for the Bar's consideration of requests for amicus participation.

II. GENERAL PRINCIPLES

- A. Authority. The Executive Committee will review all requests for amicus participation and, except as otherwise provided in this policy, will provide a recommendation to the BOG on whether the Bar should file an amicus brief. Except as otherwise provided in this policy, the BOG will make the ultimate decision on whether the Bar will file an amicus brief.
- B. Independence. The Bar will remain independent of the parties, including the party litigant who requests amicus curiae participation by the Bar. Maintaining its independence will best serve the interest of the WSBA in furthering a credible and independent amicus curiae program that focuses on the values and principles of general application to the Bar.
- C. Preparation and Signing of Brief. The Executive Committee will oversee and assist with the preparation and filing of the brief as necessary. Any amicus brief submitted to a court will be signed by the author of the brief and by the President of the Bar or his or her designee.

III. CRITERIA FOR PARTICIPATION

- A. Area of Substantial Interest to the Bar. Before the Bar will participate as amicus curiae, the case must concern issues of substantial interest to the Bar. Cases are considered to be in an area of substantial interest to the Bar when issues in the case: (1) concern the independence or integrity of the judiciary or the Bar; (2) concern the

effectiveness or accessibility of the legal system; (3) concern the practice or business of law; (4) concern diversity or equality in the legal profession; or (5) are determined by 75% of the total membership of a section or other Bar entity to be of substantial interest to the Bar.

- B. Necessity of Amicus Brief. The Bar will consider whether briefs already before the court provide the court with a complete picture of how the particular issue and decision will impact the interests of the Bar as set forth in this policy. The Bar will generally decline to participate as amicus curiae where the issues of concern to the Bar are already fully developed.
- C. Brief Standards. The Bar intends that any amicus brief it files will be of high quality. The Bar may decline to file an amicus brief in cases where lack of time or other considerations may compromise the quality of the brief.
- D. Stage of the Proceedings. Unless there are exceptional circumstances, the Bar will not participate as amicus curiae at the trial court level.
- E. Request from Appellate Court. Unless there are exceptional circumstances, the Bar will honor a request from an appellate court for the Bar to file an amicus brief.
- F. Other. The Bar may also consider the anticipated costs, if any, to the Bar; whether the Bar will be allotted time for oral argument; and any other consideration the Bar deems relevant in deciding whether to file an amicus brief.

IV. PROCEDURE FOR REQUESTING AMICUS CURIAE PARTICIPATION

- A. Contents of Request. A party requesting amicus curiae participation by the Bar must include the following in its request:
 - 1. A statement that sets forth the specific legal issue(s) that the requesting party believes the Bar should address;
 - 2. A survey of significant cases that address the issue(s);
 - 3. A statement explaining how the legal issue(s) relate to the criteria for participation in Section III(A) of this policy;
 - 4. The deadline for filing an amicus brief and any other relevant court dates;
 - 5. Whether time will be allowed for oral argument by the Bar.
 - 6. Copies of all appellate briefs filed in the case.

The requesting party should also be prepared to provide a copy of the record on review if requested by the Executive Committee.

- B. Timing of Request. Requesters are strongly encouraged to make their requests sufficiently far in advance so that the Executive Committee has a reasonable timeframe to consider the request and make a recommendation to the BOG, the BOG has an opportunity to receive and act on the recommendation, and the Bar has sufficient time to obtain a quality brief prior to the due date for the filing of amicus briefs in the case. For reference, the schedule of BOG meetings can be found on the Bar's website. The Executive Committee generally will not make any recommendation to the BOG until after the requesting party has filed its initial appellate brief.
- C. How to Submit a Request. Requests must be in writing and may be made by mail or email. The mailing address for requests is Executive Director, Washington State Bar Association, Attn: Amicus Request, 1325 Fourth Avenue, Suite 600, Seattle, Washington 98101-2539. Email requests should be sent to questions@wsba.org with "Amicus Request" in the subject line.
- D. Records Disclosure. Requesters should be aware that amicus requests and all subsequent correspondence with the Bar regarding the request are Bar records subject to disclosure under Washington General Rule (GR) 12.4, and that notice of the request may be posted on the Bar's website and otherwise publicized as described below.

V. **PROCEDURE FOR ACTING ON REQUESTS**

- A. Necessity of Complying with Procedures. An amicus request from a private party will not be considered if the requesting party fails substantially to comply with the procedures set forth in Section IV. The President and Executive Director of the Bar are authorized to make this determination and notify the requester that no action will be taken on the request. The President and Executive Director are further authorized to deny a request on the grounds that a quality brief cannot be obtained in the time available.
- B. Notice. The Executive Committee will attempt to notify all parties of the receipt of the request prior to Committee action, to the extent practicable. Notice will also be posted on the Bar's website and sent to appropriate Bar sections and committees, to the extent practicable. Such notice will invite comment on whether the request meets the criteria set out in this policy and any deadline for comment, provided that the Executive Committee may make its recommendation to the BOG prior to receipt of comment by parties or others.
- C. Executive Committee Action on Request. A properly presented request will be acted upon at the earliest feasible date by a quorum of the Executive Committee.

- D. Recommendation to the BOG. Upon obtaining a recommendation supported by a quorum of the Executive Committee, the President will cause a written recommendation to be prepared and presented to the BOG. The recommendation will include:
1. An affirmative or negative recommendation;
 2. A brief analysis of the issue(s) raised by the case, an explanation of why the Executive Committee believes that amicus curiae participation is warranted or should be declined and, if the recommendation is affirmative, a statement of the position the Executive Committee believes the Bar should take;
 3. If the recommendation is affirmative, a statement of costs associated with participation and suggestions regarding appropriate individuals to author the brief;
 4. If the recommendation is affirmative, a statement addressing whether the Executive Committee believes the Bar should present oral argument and whether the requesting party will surrender oral argument time in order to allow the Bar to argue.
- E. Emergency Procedure. Where the issues raised in a case have substantial impact on the members of the Bar and timing issues make consideration of a request in the normal course impracticable, the Executive Committee may recommend that the President and Executive Director act on an amicus request.



Washington State Bar Association
Board of Governors
Committees and Boards Policy

(Effective with 1993-94 Committee Appointments)

(Amended July 19, 1996; Amended March 28, 1997; Amended February 13, 1999, Amended May 19, 2000, Amended January 19, 2002, Amended October 2002, Amended April 2003, Amended February 2004, Amended March 11, 2005, Amended January 2012, Amended September 2012, Amended January 2013, Amended July 2013, Amended September 2015)

1. **Diversity:** To further the WSBA policy of advancing and promoting diversity, equality, and cultural understanding, the Board of Governors shall take into consideration the makeup of a committee or board in terms of diversity when considering appointments to it. (Committee Membership Selection Advisory Policy.) To assist the Board in fulfilling this policy, all applicants and appointees to committees and boards will be required to complete the Committee/Board/Panel Application Form. This form shall, on a voluntary basis, solicit information including, but not limited to, the person's ethnicity, gender, sexual orientation, disability status, area of practice, years of practice, employer, and number of lawyers in law firm.

2. **Size of Committees and Boards:**
 - a) Committees:
 - Amicus Curiae Brief Committee: 14
 - Committee on Professional Ethics: 9
 - Continuing Legal Education Committee: 18
 - Court Rules and Procedures Committee: 28
 - Editorial Advisory Committee: 14
 - Judicial Recommendation Committee: 22
 - Legislative Committee: 33
 - Pro Bono and Public Service Committee: 18
 - Professionalism Committee: 18
 - Washington Young Lawyers Committee: 18
 - WSBA Diversity Committee: 18

 - b) Boards:
 - Board of Bar Examiners: 50 maximum
 - Character and Fitness Board: 10 lawyers minimum (at least one from each district) and 3 non-lawyers (APR 20(a))
 - Law Clerk Board: 9 lawyers
 - Lawyers' Fund for Client Protection Board: 11 lawyers and 2 non-lawyers (APR 15(3)(a))

3. **Membership Requirements:** All members of WSBA committees and boards must be active members of the WSBA, with the following exceptions: (a) Up to two Emeritus/Pro Bono members are permitted to serve on the Pro Bono and Public Service Committee and may be appointed to serve as the Chair, Co-Chair or Vice-Chair. (WSBA Bylaws IX.B.1.a.) (b) Members of the Character and Fitness Board must have been members of the WSBA for seven years before their term begins. (APR20(b), ELC2.3(b)(2).) (c) Members of the Washington Young Lawyers Committee must meet the WSBA young lawyer criteria on the start date of their term (WSBA Bylaws XIIB). (d) Faculty of Washington state law schools who are not active members of the WSBA are permitted to serve on the Committee on Professional Ethics (WSBA Bylaws IX.B.1.a.) No WSBA staff member will be appointed to serve as a WSBA committee or board member. (e) The WSBA Diversity Committee includes both general WSBA members and members of the Board of Governors.
4. **Selection of Members:** Nominations for open positions on each standing committee and board will be made by a nomination team comprising the chair, vice-chair or chair-elect, staff liaison and BOG liaison, in consultation with WSBA diversity and inclusion staff. In addition, each district-based BOG member may nominate one applicant from his or her district to any committee or board that does not have a continuing member from that district. At large BOG members may, as a group, nominate one applicant to each committee or board. If this process results in more nominations than there are open positions on a committee or board, nominations from BOG members will take priority over nominations from the nomination teams. If nominations from BOG members alone exceed the number of open positions, the nomination teams will make recommendations to the BOG as a whole. Exceptions: The Judicial Recommendation Committee, Washington Young Lawyers Committee, Legislative Committee and Committee on Professional Ethics have unique member selection procedures which are described in separate policy documents. The nomination teams will make recommendations for non-lawyer appointments, as these nominations are made by the BOG as a whole and forwarded to the Supreme Court for appointment. (APR 20(a), ELC 2.3(b)(1).) The Board of Governors will make most committee and board appointments (and nominations of non-lawyers to the two boards cited above) at the July Board of Governors meeting. At the same time, the Board of Governors will approve a list of alternate appointees for each committee and board. The alternate lists will be effective for one year. If any committee or board member positions remain open after the July Board of Governors meeting, they will be filled as soon as possible.
5. **Definition of Membership:** Although WSBA committees operate under an "open meeting" policy that allows any member of the WSBA or public to attend a meeting (See (12) below), in order to be recognized as a member of a committee or board an individual must be appointed to the committee or board.
6. **Selection of Chair and Vice-Chair:** The President-elect shall nominate committee and board Chairs, Co-Chairs, and Vice-Chairs for appointment by the Board of Governors for the year in which the President-elect will serve as President. (WSBA Bylaws, IX.B.1.c.) Committee chairs are generally limited to a single year term, except in unusual circumstances, in which they may be appointed for an additional year. If an individual is appointed as committee Chair but is not a new or returning member of the committee, he or she will also be appointed as a member for one year, which may temporarily increase the size of the committee. Exception: The Washington Young Lawyers Committee has a member position set aside for leadership described in a separate policy document. Note: The WSBA Diversity Committee has two co-chairs, one drawn from the general membership and one drawn from the Board of Governors.

The President-elect shall commit to diversity in nominating Chairs, Co-Chairs and Vice-Chairs, taking into consideration the makeup of a committee or board and the potential impact of appointing a particular individual as Chair.

7. **Expenses:** Committee and board member expenses shall be reimbursed in accordance with the WSBA Expense Reimbursement Policy as adopted by the Board of Governors. Reimbursement of travel expenses for out-of-state committee or board members to attend committee or board meetings is limited to the approximate cost of in-state travel. Participation in meetings by telephone conference call or videoconferencing is encouraged when possible because it saves significant travel time and expense.
8. **Terms:** Except as indicated below, committee appointments shall be for 2-year terms. A member's service on any committee shall be limited to two consecutive terms, after which the member cannot be reappointed to that committee for three years, subject to individual exceptions as approved by the Board of Governors. Appointments to the WSBA Legislative Committee shall be made pursuant to the written Board of Governors policy for that committee. (WSBA Bylaws, IX.B.1.b.)

The following committees and boards shall have more than a 2-year term:

- Board of Bar Examiners: 4 years, no limit on number of terms (subject to Chair approval and completion of mandatory training)
 - Character and Fitness Board: 3 years (APR 20(i)) (one-term limit)
 - Committee on Professional Ethics: 3 years (two-term limit)
 - Continuing Legal Education Committee: 3 years
 - Judicial Recommendation Committee: 3 years (JRC Guidelines I(A)(1))
 - Law Clerk Board: 3 years (two-term limit)
 - Lawyers' Fund for Client Protection Board: 3 years, no limit on number of terms (APR 15)
 - Washington Young Lawyers Committee: 3 years
9. **Recommendations for Discipline-System Appointments:** Under ELC 2.2(c), a former WSBA officer, WSBA executive director, or Board of Governors member may not serve as a hearing officer, Disciplinary Board member, or Conflicts Review Officer until three years have expired after the former officer or member's departure from office. To ensure the proper implementation of the policy underlying ELC 2.2(c), the Board of Governors shall not recommend a former WSBA officer, WSBA Executive Director, or Board of Governors member for appointment as a hearing officer, Disciplinary Board member, or Conflicts Review Officer sooner than two years following such an individual's departure from office.

10. **Vacancies and Removal:** In the event of the resignation, death or removal of the Chair of a committee, the Board of Governors may appoint a successor to serve for the unexpired term. (WSBA Bylaws, IX.B.1.d.) In the event of the resignation, death or removal of a member of a committee or board, the nomination team may appoint a replacement from the alternate list that has been pre-approved by the Board of Governors. If there is no candidate on the alternate list that meets the committee's or board's needs, the nomination team may recruit a new applicant to be appointed by the Board of Governors.

Any member who fails to attend two consecutive regularly called meetings of the committee may be removed by the Board of Governors, in the absence of an excuse approved by the Chair of the committee or board. (WSBA Bylaws, IX.B.3.g.2.)

11. **Notice of Vacancies:** The annual Committee/Board/Panel application form will be available in myWSBA and on the WSBA website starting in early January, and publicized via *NWLawyer* and broadcast email. Notice of non-lawyer committee and board openings also will be sent to non-lawyer organizations each winter. Mid-year vacancies will be publicized only if suitable applicants cannot be identified from the existing applicant pool.

12. **Exceptions:** These policies as a whole do not apply to the following entities, although individual provisions may apply: (a) WSBA panels; (b) The Supreme Court-created boards administered by the WSBA; (c) The Council on Public Defense; (d) discipline-system appointments, except as addressed in item (9); (e) WSBA state bar delegates to the ABA House of Delegates who are eligible for reappointment to three consecutive two-year terms; (f) Boards or commissions or other outside organizations to which the WSBA nominates or appoints members or representatives.

13. **Open Meetings:** The WSBA is committed to conducting the regular and special meetings of the WSBA, its Board of Governors, and its divisions, committees, boards, task forces, and sections in an open and public manner. Through such openness, the WSBA intends to make information available to the people of Washington that will allow them to become informed about matters regarding the provision of legal services and other matters falling under the WSBA's authority. Exceptions to the "open meeting" policy are stated in court rules and regulations and the WSBA Bylaws. (WSBA Bylaws, VII.B.) Meetings and materials related to boards generally are governed by court rules and regulations that in many cases require confidentiality of all or parts of the meetings and all or parts of the board materials.

WASHINGTON STATE
BAR ASSOCIATION

Cover Sheet for Model Pro Bono Policies

August 2, 2019

The Model Pro Bono Policies were approved by the Board of Governors on July 26, 2019.

WSBA will make them available statewide.

Kevin Plachy 

Interim Director of Advancement



WASHINGTON STATE BAR ASSOCIATION

MEMO

To: Board of Governors

From: Paul Okner, Co-Chair, Pro Bono and Public Service Committee

Date: July 10, 2019

Re: *Model Pro Bono Policies for Corporate In-House Legal Departments, Law Firms, and Government Agencies*

ACTION: Adopt the Pro Bono and Public Service Committee’s *Model Pro Bono Policies for Corporate In-House Legal Departments, Law Firms, and Government Agencies*.

The Pro Bono and Public Service Committee’s request for adoption of the *Model Pro Bono Policies for Corporate In-House Legal Departments, Law Firms, and Government Agencies (Model Policies)* will be on the Board of Governor’s (“Board”) agenda and in the meeting materials for the July meeting.

Legal Need and Background

The results from the 2015 Civil Legal Needs Study¹ were a harsh reminder that justice remains inaccessible to many low-income Washingtonians. In 2014, over 70% of low-income households faced at least one civil legal issue. Of those households about 76% of low-income individuals with civil legal issues were unable to receive legal assistance. It is critical for the legal profession to help address this disparity.

The WSBA Pro Bono and Public Service Committee² (“Committee”) works to enhance a culture of legal service by promoting opportunities and best practices that encourage WSBA members to engage in pro bono and public service, with a particular focus on services to people with low or moderate income.

In part, this mission is guided by the principles outlined in the Preamble to the Rules of Professional Conduct (RPCs): “A lawyer should be mindful of deficiencies in the administration of justice and of the fact that the poor, and sometimes persons who are not poor, cannot afford adequate legal assistance. Therefore, *all lawyers* should devote professional time and resources and use civic influence to ensure equal access to our system of justice for all those who because of economic or social barriers cannot afford or secure adequate legal counsel.”³ Further, in accordance with RPC 6.1, attorneys in Washington have “a professional responsibility to assist in the provision of legal services to those unable to pay...and should aspire to render at least 30 hours of pro bono publico service per year.”⁴ Pursuant to these values, the Pro Bono and Public Service Committee convened a Policy Workgroup (“Workgroup”) to develop model pro bono policies as a template for entities to develop an internal culture of pro bono and public service.

¹ https://ocla.wa.gov/wp-content/uploads/2015/10/CivilLegalNeedsStudy_October2015_V21_Final10_14_15.pdf

² <https://www.wsba.org/Legal-Community/Committees-Boards-and-Other-Groups/Pro-Bono-and-Public-Service-Committee>

³ https://www.courts.wa.gov/court_rules/?fa=court_rules.display&group=ga&set=RPC&ruleid=garpcpreamble

⁴ https://www.courts.wa.gov/court_rules/?fa=court_rules.display&group=ga&set=RPC&ruleid=garpc6.1

The underlying intent behind this project was to promote widespread adoption of policies to enhance the legal profession. Policies serve as a reminder to attorneys of their professional responsibility to provide pro bono work, offer clarity on what is expected and permitted of employees within an organization, and can demonstrate an institutional commitment to pro bono service.

These Model Policies further the purposes of General Rule 12.2(a) to promote an effective legal system accessible to all and to provide services to [WSBA]'s members and the public.

In 2016, the Workgroup members convened to collect and evaluate pro bono policies from the ABA, as well as law firms, government agencies, and legal departments nationwide. After evaluating model policies across the country and existing policies in Washington, the Workgroup began the drafting process. These initial drafts were shared, vetted, and revised by Workgroup members from 2018 and into 2019. Based upon feedback from the WSBA membership, the Workgroup ultimately developed three separate policies in recognition of the nuances of various organizations: law firms, government agencies, and in-house legal departments.

These policies were also distributed to various stakeholders (both individuals and groups) for input. For example, the law firm model policies were shared with attorneys at small, medium, and large size firms. They were also distributed through various list serve channels, such as the WSBA Solo and Small Firm Section list serve. The government policy was vetted by the Government Lawyer's Bar Association and shared with individual attorneys from agencies such as the Attorney General's Office. The corporate policy was reviewed by colleagues at in-house legal departments and circulated to the WSBA Corporate Counsel Section's list serve.

The Workgroup received substantial and meaningful feedback in response to these outreach efforts. For example, members of the Government Lawyers' Bar Association made important comments regarding early drafts' unrealistic expectations about hourly commitments and use of public funds. These comments were considered and incorporated into subsequent versions of the government agency policy. Similarly, representatives from the Association of Corporate Counsel provided revisions to the in-house policy that resulted in a more realistic stance on malpractice insurance and company oversight of pro bono activity.

The Workgroup presented the final version of these *Model Policies* and the Committee approved these by a unanimous vote with the understanding that these policies would then be reviewed by WSBA's Office of General Counsel before final presentation before the Board at their July meeting.

If the Board does vote in favor of adopting these *Model Policies*, the Pro Bono and Public Service Committee is committed to promulgating these policies across Washington through direct contact, publishing the policies in WSBA news and media sources, and by posting the policy templates on the WSBA website, in furtherance of the Committee's mission.

These proposed *Model Policies* are the result of a multi-year process that included extensive research, drafting, re-drafting, and stakeholder input. The Committee looks forward to presenting these policies at the July 2019 Board meeting.

Law Firm Pro Bono Policy

The Pro Bono and Public Service Committee of the Washington State Bar Association, working under the belief that every law firm can benefit from a clear policy encouraging pro bono work by its employees, has created the following template policy for law firms in Washington state. This document is intended to be a starting point for the creation and adoption of such a policy, with the expectation that each law firm will customize the template to best reflect its strengths and goals. All law firms are welcome to reach out to the Pro Bono and Public Service Committee for assistance with finalizing and adopting a policy, or with identifying opportunities for pro bono work for the organization's attorneys.

[Law Firm]
Pro Bono Policy
Adopted _____, _____.

Over two million Washington households face significant legal challenges in a given year, and many of them are unable to access or afford an attorney's assistance in navigating these problems. This disconnect is amplified for low-income families, who, according to a recent Washington State Civil Legal Needs Study, receive beneficial legal assistance in just 24% of the instances in which they may require it. Foreclosure, residential eviction, job loss, bankruptcy, divorce, and health care issues are just a few of the challenges affecting low and moderate-income residents of Washington, and an inability to pay for qualified legal help contributes to a troubling deprivation of justice for this significant portion of our society. Although the Washington legal community has a long tradition of providing pro bono services, more must be done to address the unmet needs.

[Firm Name] (the "Firm") believes that pro bono service is an essential component of every attorney's professional career, and that the Firm has an opportunity and an obligation to assist those with the greatest need. The Firm acknowledges that individual lawyers meet their professional obligations to perform public interest legal service in a variety of ways, and does not explicitly require lawyers to participate in pro bono projects. Nonetheless, the Firm believes that participation in pro bono activities is beneficial for the public interest, for the Firm, and for individuals employed by the Firm.

Pro Bono Aspirations

According to Washington's Rule of Professional Conduct (RPC) 6.1, "Every lawyer has a professional responsibility to assist in the provision of legal services to those unable to pay... and should aspire to render at least 30 hours of pro bono publico service per year." Washington State, the American Bar Association Model Rules of Professional Conduct, and many other states have gone even further, adopting a 50-hour goal of pro bono work per year. Lawyers who report a minimum of 50 hours or more of pro bono work to the Washington State Bar Association (WSBA) will receive commendation for such service. The Firm encourages all lawyers to dedicate a minimum of **[30/50/___]** hours per year to pro bono work.

Definition of Pro Bono

The Firm adopts the description for pro bono work outlined in Washington's Rule of Professional Conduct 6.1, which states that all attorneys should:

- a) provide legal services without fee or expectation of fee to:
 - i) persons of limited means or
 - ii) charitable, religious, civil, community, governmental and educational organizations in matters which are designed primarily to address the needs of persons of limited means; and
- b) provide pro bono publico service through:
 - i) delivery of legal services at no fee or substantially reduced fee to individuals, groups or organizations seeking to secure or protect civil rights, or charitable, religious, civil, community, governmental and educational organizations in matters in furtherance of their organizational purposes, where the payment of

- standard legal fees would significantly deplete the organization's economic resources or would be otherwise inappropriate;
- ii) delivery of legal services at a substantially reduced fee to persons of limited means; or
 - iii) participation in activities for improving the law, the legal system or the legal profession.

Pro Bono Service Oversight

Pro Bono Activities at the Firm are overseen by the Pro Bono Coordinator. The Pro Bono Coordinator's responsibilities include:

- reviewing potential conflicts of interest;
- approving pro bono cases and projects to be undertaken by the Firm;
- reviewing and authorizing reduced-fee or sliding scale billing arrangements for moderate means clients;
- coordinating cooperation among Firm lawyers and the use of Firm resources for pro bono cases and projects; and
- reviewing lawyer and staff billing and timekeeping associated with pro bono cases and projects.

Pro Bono Client Representation Standard

The Firm is committed to providing the same high quality of representation to all clients regardless of their ability to pay. The Firm's conflict of interest policy applies to all pro bono cases and projects. Pro bono cases and projects should be given the same staffing, attention, and resources as any other project. Attorneys should possess the knowledge and expertise required for success on any project, including pro bono cases and projects. Attorneys working on pro bono cases and projects outside their area of expertise should seek guidance, training, or supervision from attorneys with the requisite expertise.

Pro Bono Opportunities

The Firm encourages attorneys to consider participating in pro bono work via a qualified legal services provider ("QLSP") recognized by the WSBA. QLSPs are established programs that often offer fully integrated volunteer opportunities, including training, staffing and resources, MCLE credits, and in some cases malpractice coverage. Other examples of pro bono opportunities include teaching a pro bono CLE, serving on bar association boards or committees mentoring pro bono attorneys, advocating changing laws that impede access to justice for those of low or moderate means, advising an organization that serves communities experiencing poverty and inequities, or taking a case on a reduced-fee, sliding scale basis of a client of moderate means in the areas of family, consumer and housing law through the WSBA Moderate Means Program.

Credit for Pro Bono Service

The Firm will count, as credited "billable hours," up to **[number]** hours per calendar year spent on pro bono legal services upon prior approval by the Pro Bono Coordinator. While non-participation in pro bono cases and projects will not adversely affect Firm lawyers, participation in pro bono work may be used as a factor in evaluations, advancement, or bonuses. The Firm also recognizes participation in pro bono activities **[at Firm meetings and awards ceremonies, in its annual reports and newsletters, and/or with gift cards and donations]**.

[Optional Paragraph]

Benefits of Pro Bono Service

There are many benefits of doing pro bono work which include:

- helping to meet critical legal needs and gaining satisfaction by giving back to the community;
- building the attorney's legal skills and knowledge;
- networking with other attorneys and leaders to enhance individual professional development and to amplify the Firm's commitment to pro bono; and
- if the attorney does pro bono work through a QLSP recognized by the WSBA, the attorney can receive additional benefits including:
 - one CLE credit hour for every hour of pro bono work (maximum 24 per reporting period);
 - access to free online CLEs focused on pro bono topics;
 - training specific to the pro bono case or project; and
 - malpractice insurance for the pro bono case.

Model Corporate/In-House Legal Department Pro Bono Policy

The Pro Bono and Public Service Committee of the Washington State Bar Association, working under the belief that every organization can benefit from a clear policy encouraging pro bono work by its employees, has created the following template policy for corporate and in-house legal departments in Washington state. This document is intended to be a starting point for the creation and adoption of such a policy, with the expectation that each organization will customize the template to best reflect its strengths and goals. All organizations are welcome to reach out to the Pro Bono and Public Service Committee for assistance with finalizing and adopting a policy, or with identifying opportunities for pro bono work for the organization's attorneys.

[Corporate/In-House Legal Department]

Pro Bono Policy

Adopted _____, _____.

Over two million Washington households face significant legal challenges in a given year, and many of them are unable to access or afford an attorney's assistance in navigating these problems. This disconnect is amplified for low-income families, who, according to a recent Washington State Civil Legal Needs Study, receive beneficial legal assistance in just 24% of the instances in which they may require it. Although the Washington legal community has a long tradition of providing pro bono services, more must be done to address the unmet needs.

[Company Name] ("Company") believes that pro bono service is an essential component of every attorney's professional career, and that Company's lawyers – like all attorneys – have an opportunity and an obligation to assist those with the greatest need for equal access to justice. The Company acknowledges that individual lawyers meet their professional obligations to perform pro bono and public interest legal services in a variety of ways, but does not explicitly require lawyers to participate in pro bono projects. Nonetheless, we believe that participation in pro bono activities is beneficial for the public interest, for the Company, and for individuals employed by the Company.

Pro Bono Aspirations

According to Washington's Rule of Professional Conduct (RPC) 6.1, "Every lawyer has a professional responsibility to assist in the provision of legal services to those unable to pay... and should aspire to render at least 30 hours of pro bono publico service per year." Washington State, the American Bar Association Model Rules of Professional Conduct, and many other states have gone even further, adopting a 50-hour goal of pro bono work per year. Lawyers who report a minimum of 50 hours or more of pro bono work to the Washington State Bar Association (WSBA) will receive commendation for such service. The Company encourages all lawyers to dedicate a minimum of **[30/50/___]** hours per year to pro bono work.

Definition of pro bono

The Company's legal department adopts the description for pro bono work outlined in Washington's Rule of Professional Conduct 6.1, which states that all attorneys should:

- a) provide legal services without fee or expectation of fee to:
 - i) persons of limited means or
 - ii) charitable, religious, civil, community, governmental and educational organizations in matters which are designed primarily to address the needs of persons of limited means; and
- b) provide pro bono publico service through:
 - i) delivery of legal services at no fee or substantially reduced fee to individuals, groups or organizations seeking to secure or protect civil rights, or charitable, religious, civil, community, governmental and educational organizations in matters in furtherance of their organizational purposes, where the payment of standard legal fees would significantly deplete the organization's economic resources or would be otherwise inappropriate;
 - ii) delivery of legal services at a substantially reduced fee to persons of limited means; or
 - iii) participation in activities for improving the law, the legal system or the legal profession.

Pro Bono Service Oversight

Pro Bono activities at the Company are overseen by a Pro Bono Coordinator and/or Pro Bono Committee. Company Pro Bono oversight responsibilities include:

- reviewing potential conflicts of interest;
- reviewing and approving potential pro bono work to be undertaken by Company attorneys, where appropriate; and
- approving Company expenses associated with pro bono activities (e.g. pro bono clinic expenses).

Pro Bono Client Representation Standard

The Company expects its lawyers to provide the same high quality of representation to all clients, including pro bono clients. Pro bono work may be undertaken during the work week, so long as it does not interfere with other assigned responsibilities and Company policies. Individuals doing pro bono work may utilize Company legal assistants, secretaries, and other support staff in a manner consistent with their job responsibilities. Attorneys should possess the knowledge and expertise required for success on any project, including pro bono cases and projects. Attorneys working on pro bono projects outside their area of expertise should seek guidance, training, or supervision from attorneys with the requisite expertise, or request additional resources from a Pro Bono Coordinator or Committee.

Malpractice Insurance Coverage

Because pro bono activities may not fall within the scope of the Company's legal work, attorneys should not assume that the Company's malpractice coverage will apply to pro bono work. Before agreeing to undertake pro bono legal services, Company attorneys should determine whether the pro bono program or organization has a malpractice insurance policy that covers volunteer attorneys. If coverage is not provided, the individual attorney assumes responsibility for any malpractice liability.

Pro Bono Opportunities

The Company encourages attorneys to consider participating in pro bono work via a qualified legal services provider ("QLSP") recognized by the WSBA. QLSPs are established programs that often offer fully integrated volunteer opportunities, including training, staffing and resources, MCLE credits, and in some cases malpractice coverage. Other examples of pro bono opportunities include teaching a pro bono CLE, serving on bar association boards or committees mentoring pro bono attorneys, advocating changing laws that impede access to justice for those of low or moderate means, or advising an organization that serves communities experiencing poverty and inequities.

Recognition for Pro Bono Service

While non-participation in pro bono cases and projects will not adversely affect Company lawyers, the Company may recognize participation in pro bono activities **[at company meetings and awards ceremonies, in its annual reports and newsletters, and/or with gift cards and donations]**.

[Optional Paragraph]

Benefits of Pro Bono Service

There are many benefits of doing pro bono work, which include:

- helping to meet critical legal needs and gaining satisfaction by giving back to the community;
- building the attorney's legal skills and knowledge;
- networking with other attorneys and leaders to enhance individual professional development; and
- if the attorney does pro bono work through a QLSP recognized by the WSBA, the attorney can receive additional benefits including:
 - one CLE credit hour for every hour of pro bono work (maximum 24 per reporting period);
 - access to free online CLEs focused on pro bono topics;
 - training specific to the pro bono case or project; and
 - malpractice insurance for the pro bono case.

Government Agency Pro Bono Policy

The Pro Bono and Public Service Committee of the Washington State Bar Association, working under the belief that every organization and government agency can benefit from a clear policy encouraging pro bono work by its employees, has created the following template policy for government agencies in Washington state. This document is intended to be a starting point for the creation and adoption of such a policy, with the expectation that each government agency will customize the template to best reflect its strengths and goals. All government agencies are welcome to reach out to the Pro Bono and Public Service Committee for assistance with finalizing and adopting a policy, or with identifying opportunities for pro bono work for the organization's attorneys.

[Government Agency]
Pro Bono Policy
Adopted _____, _____.

Over two million Washington households face significant legal challenges each year, and many of them are unable to access or afford an attorney's assistance in navigating these problems. This disconnect is amplified for low-income families, who, according to a recent Washington State Civil Legal Needs Study, receive beneficial legal assistance in just 24% of the instances in which they may require it.

Although the Washington legal community has a long tradition of providing pro bono services, more must be done to address the unmet needs. Government lawyers have a unique role to play in meeting this need. Government attorneys, as public servants, are committed to public service full-time. A majority of government attorneys work closely with or work on policies impacting the poor and marginalized. **[Government Agency]** (the "Agency") acknowledges that individual government lawyers meet their professional obligations to perform public interest legal service in a variety of ways and does not explicitly require government lawyers to participate in pro bono projects. Nonetheless, the Agency believes that participation in pro bono activities is beneficial for the public interest and that government attorneys bring unique expertise and experience from which the public will greatly benefit.

Pro Bono Aspirations

According to Washington's Rule of Professional Conduct (RPC) 6.1, "Every lawyer has a professional responsibility to assist in the provision of legal services to those unable to pay... and should aspire to render at least 30 hours of pro bono publico service per year." Washington State, the American Bar Association Model Rules of Professional Conduct, and many other states have gone even further, adopting a 50-hour goal of pro bono work per year. Lawyers who report a minimum of 50 hours or more of pro bono work to the Washington State Bar Association (WSBA) will receive commendation for such service. Given their unique circumstances, the Agency encourages all Agency lawyers to dedicate a minimum of [30/50/___] hours per year to pro bono work.

Definition of Pro Bono

The Agency adopts the description for pro bono work outlined in Washington's Rule of Professional Conduct 6.1, which states that all attorneys should:

- a) provide legal services without fee or expectation of fee to:
 - i) persons of limited means or
 - ii) charitable, religious, civil, community, governmental and educational organizations in matters which are designed primarily to address the needs of persons of limited means; and
- b) provide pro bono publico service through:
 - i) delivery of legal services at no fee or substantially reduced fee to individuals, groups or organizations seeking to secure or protect civil rights, or charitable, religious, civil, community, governmental and educational organizations in matters in furtherance of their organizational purposes, where the payment of standard legal fees would significantly deplete the organization's economic resources or would be otherwise inappropriate;
 - ii) delivery of legal services at a substantially reduced fee to persons of limited means; or

- iii) participation in activities for improving the law, the legal system or the legal profession.

Pro Bono Opportunities

The Agency encourages Agency lawyers to consider participating in pro bono work via a qualified legal services provider (“QLSP”) recognized by the WSBA. QLSPs are established programs that often offer fully integrated volunteer opportunities, including training, staffing and resources, MCLE credits, and in some cases malpractice coverage. Other examples of pro bono opportunities include teaching a pro bono CLE, serving on bar association boards or committees mentoring pro bono attorneys, advocating changing laws that impede access to justice for those of low or moderate means, or advising an organization that serves communities experiencing poverty and inequities.

Use of Official Position or Public Office

Because the Agency is supported by public funds for the sole purpose of providing governmental legal services, Agency attorneys providing direct pro bono services to individuals must do so in their private capacities, on their own time, and without conflicting with the Agency’s work. Agency lawyers who provide direct pro bono legal services to individual clients:

- may not represent in any way that they are acting on behalf of the Agency, or in their official capacity;
- are responsible to make clear to clients and opposing parties and counsel that they are acting in their individual capacities as volunteers;
- may not use office resources including [**office letterhead, Agency or office business cards, agency e-mail system for communicating with clients or the courts**], except as permitted by the Agency’s policy regarding de minimis use of office resources; and
- may not use Agency office space for meetings with clients or opposing counsel in a pro bono case unless the office space is a common area of a building not associated only with the Agency, or unless the use is permitted by the Agency’s policy regarding de minimis use of office space for pro bono activities.

Malpractice Insurance Coverage

Because pro bono activities are not within the scope of the public employment or duties of Agency attorneys, the Agency does not provide malpractice coverage for pro bono work. Before agreeing to undertake pro bono legal services, Agency attorneys should determine whether the pro bono program or organization has a malpractice insurance policy that covers volunteer attorneys. If coverage is not provided, the individual attorney assumes responsibility for any malpractice liability.

Pro Bono Service Oversight

Pro bono activities of Agency lawyers will be overseen by [**a designated pro bono coordinator, their applicable supervisor, or a selected Human Resources contact**]. In each pro bono project or engagement, Agency lawyers must:

- gain requisite approval from their applicable supervisor or contact prior to undertaking potential pro bono cases and projects;
- make a reasonable request for paid/excused leave or a flexible work schedule for pro bono activity that occurs during normal working hours;
- ensure that participation complies with the Agency’s conflict of interest policy; and

- agree to the Agency's policy regarding de minimis use of office resources for pro bono activities.

[Optional Paragraph]

Benefits of Pro Bono Service

There are many benefits of doing pro bono work which include:

- helping to meet critical legal needs and gaining satisfaction by giving back to the community;
- building the attorney's legal skills and knowledge;
- networking with other attorneys and leaders to enhance individual professional development; and
- if the attorney does pro bono work through a QLSP recognized by the WSBA, the attorney can receive additional benefits including:
 - one CLE credit hour for every hour of pro bono work (maximum 24 per reporting period);
 - access to free online CLEs focused on pro bono topics;
 - training specific to the pro bono case or project; and
 - malpractice insurance for the pro bono case.

WSR 20-01-175
NOTICE OF PUBLIC MEETINGS
WASHINGTON STATE
BAR ASSOCIATION

[Filed December 18, 2019, 12:00 p.m.]

**RESOLUTION ADOPTING SCHEDULE OF REGULAR MEETINGS OF THE
WASHINGTON STATE BAR ASSOCIATION (WSBA) BOARD OF GOVERNORS**

Whereas, RCW [2.48.050](#) authorizes the board of governors to adopt rules concerning annual and special meetings; and

Whereas, WSBA Bylaws Article VII.B.8 provides that each bar entity will set regular and special meetings as needed;

NOW, BE IT RESOLVED THAT on November 22, 2019, the Washington State Bar Association board of governors adopts this 2020 meeting schedule and directs the executive director to file this resolution with the code reviser.

Day(s)	Date(s)	Start Time	Location	Description
Tuesday	January 7	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Saturday	January 11	10:00 a.m.	WSBA Offices Seattle, Washington	Washington young lawyers committee
Monday	January 13	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	January 13	10:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Wednesday	January 15	12:00 p.m.	WSBA Offices Seattle, Washington	Diversity committee
Wednesday	January 15	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Thursday - Friday	January 16-17	9:00 a.m.	WSBA Offices Seattle, Washington	Board of governors meeting
Tuesday	January 21	12:00 p.m.	WSBA Offices Seattle, Washington	Editorial advisory committee
Friday	January 24	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Monday	January 27	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Monday	January 27	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	February 4	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Friday	February 7	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Friday	February 7	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Saturday	February 8	10:00 a.m.	WSBA Offices Seattle, Washington	Diversity committee
Monday	February 10	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	February 10	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Monday	February 24	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	February 24	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup

Monday	February 24	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	March 3	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Monday	March 9	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Saturday	March 14	10:00 a.m.	WSBA Offices Seattle, Washington or Pierce County	Washington young lawyers committee
Monday	March 16	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Wednesday	March 18	12:00 p.m.	WSBA Offices Seattle, Washington	Diversity committee
Thursday - Friday	March 19 – 20	9:00 a.m.	Hotel RL Olympia, Washington	Board of governors meeting
Friday	March 20	9:00 a.m.	Temple of Justice Olympia, Washington	Board of governors meeting with supreme court
Friday	March 27	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Monday	March 30	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	March 30	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Monday	March 30	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	April 7	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Monday	April 13	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	April 13	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Wednesday	April 15	12:00 p.m.	WSBA Offices Seattle, Washington	Diversity committee
Friday	April 17	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Friday - Saturday	April 17-18	9:00 a.m.	WSBA Offices Seattle, Washington	Board of governors meeting
Monday	April 20	9:00 a.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Monday	April 20	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	April 20	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Friday	April 24	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Tuesday	May 5	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Saturday	May 9	10:00 a.m.	Northwest Region	Washington young lawyers committee
Monday	May 11	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	May 11	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Thursday – Friday	May 14-15	9:00 a.m.	Hotel Bellwether Bellingham, Washington	Board of governors meeting
Saturday	May 16	1:00 p.m.	WSBA Offices	Budget and audit committee

			Seattle, Washington	
Thursday	May 21	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Friday	May 22	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Saturday	May 23	10:00 a.m.	WSBA Offices Seattle, Washington	Diversity committee
Tuesday	June 2	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Monday	June 8	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	June 15	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Wednesday	June 17	12:00 p.m.	WSBA Offices Seattle, Washington	Diversity committee
Friday	June 19	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Friday	June 19	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Monday	June 22	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	June 22	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Monday	June 22	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	July 7	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Friday	July 10	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Friday	July 10	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Monday	July 13	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Wednesday	July 15	12:00 p.m.	WSBA Offices Seattle, Washington	Diversity committee
Friday	July 17	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Monday	July 20	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee meeting
Thursday	July 23	9:00 a.m.	Skamania Lodge Stevenson, Washington	Board of governors retreat
Friday – Saturday	July 24-25	9:00 a.m.	Skamania Lodge Stevenson, Washington	Board of governors meeting
Saturday	July 25	10:00 a.m.	Skamania Lodge Stevenson, Washington	Washington young lawyers committee
Monday	August 3	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	August 3	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Monday	August 3	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	August 4	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Friday	August 7	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Monday	August 10	9:30 a.m.	WSBA Offices	Court rules and procedures

			Seattle, Washington	committee
Friday	August 21	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Monday	August 24	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Friday – Saturday	August 28-29	9:00 a.m.	Davenport Hotel Spokane, Washington	Board of governors meeting
Monday	August 31	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Monday	August 31	12:00 p.m.	WSBA Offices Seattle, Washington	Member engagement workgroup
Monday	August 31	1:00 p.m.	WSBA Offices Seattle, Washington	Budget and audit committee
Tuesday	September 1	1:00 p.m.	WSBA Offices Seattle, Washington	Pro bono and public service committee
Friday	September 11	12:00 p.m.	WSBA Offices Seattle, Washington	Council on public defense
Saturday	September 12	10:00 a.m.	Large Financial Center Room Seattle, Washington	Diversity committee
Saturday	September 12	10:00 a.m.	WSBA Offices Seattle, Washington	Washington young lawyers committee
Monday	September 14	9:30 a.m.	WSBA Offices Seattle, Washington	Court rules and procedures committee
Monday	September 14	11:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Thursday - Friday	September 17- 18	9:00 a.m.	WSBA Offices Seattle, Washington	Board of governors meeting
Friday	October 2	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Monday	October 19	10:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Monday	October 26	10:00 a.m.	WSBA Offices Seattle, Washington	BOG executive committee
Thursday – Friday	November 12- 13	9:00 a.m.	WSBA Offices Seattle, Washington	Board of governors meeting
Monday	November 16	10:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee
Friday	December 4	10:00 a.m.	WSBA Offices Seattle, Washington	Committee on professional ethics
Monday	December 14	10:00 a.m.	WSBA Offices Seattle, Washington	BOG personnel committee

Adopted by the board of governors on November 22, 2019.

Rajeev Majumdar, President
Washington State Bar Association



WASHINGTON STATE BAR ASSOCIATION

POLICY STATEMENT CONCERNING RPC 1.6 AND RCW 42.17

Approved and Adopted by the Board of Governors on March 17, 1990.

Rule 1.6 of the Rules of Professional Conduct prohibits lawyers, in the absence of client consent, from revealing confidences or secrets of their clients. This Rule may at times prohibit a lawyer from revealing the identity of a client or the fact that the client is receiving legal advice.

The Public Disclosure Act, Chapter 42.17 RCW, requires lawyers and others who seek or hold public office to disclose the identity of governmental, corporate, or other business clients from whom they receive \$5,000 or more during a reporting period. The purpose is to avoid undisclosed conflicts of interest.

The Board of Governors of the Washington State Bar Association suggests that a lawyer seeking or holding public office generally may:

- (1) Disclose the identity of those business, corporate, and government clients whose attorney/client relationship is a matter of public record as a result of court filings, listing in Martindale-Hubbell or other publication, or is otherwise a matter of public knowledge; and
- (2) Seek the consent of other business, corporate, and government clients whose identity is required to be disclosed under the Public Disclosure Act.

To the extent that the identity of such clients cannot be disclosed and consent cannot be secured, or to the extent the above procedures would cause an unreasonable hardship, an application should be presented to the Public Disclosure Commission or complete or partial waiver of the disclosure requirement, specifying the basis for the hardship.

In this manner, both the requirements of RPC 1.6 and Chapter 42.17 RCW will retain their vitality for the benefit of such clients and the public alike.

PUBLIC DISCLOSURE COMMISSION:

Beginning at its session on Friday, March 16, 1990 the Board

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gave renewed consideration to the inquiry received in February, 1990 from the Executive Director of the State Public Disclosure Commission relating to Commission reporting requirements that lawyers seeking to hold certain elected or appointed public offices must disclose the identity of their clients. In this connection, the Board heard an initial report from its special Sub-Committee, composed of Board members John T. Slater and William P. Bergsten. Following the report by Governors Bergsten and Slater, it was moved and seconded that as an approach to this situation the Board formally establish guidelines to assist attorneys in dealing with the Public Disclosure Commission and in complying with the Rules of Professional Conduct. Extensive discussion was had with regard to the potential content of these guidelines. In the course of this discussion, it was moved,



Washington State Bar Association Fiscal Policies and Procedures Manual

October 16, 2019

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Introduction

Purpose

The WSBA Fiscal Policies and Procedures Manual (Manual) contains all WSBA fiscal policies and procedures. The Manual is available to all WSBA employees to promote organization-wide adherence to documented policies and procedures. Except for fiscal policies that must be approved by the Board of Directors as expressly indicated in this Manual, all fiscal policies and procedures set forth herein may be updated by the Executive Director and/or Chief Financial Officer 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

For annual financial reports, the WSBA uses the **accrual basis** of accounting. 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

This Manual is part of the 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 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.
- Record keeping should be separated from custody. Segregation of duties requires that the person who has access or is responsible for an asset should not maintain the accounting record for that asset.
- 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

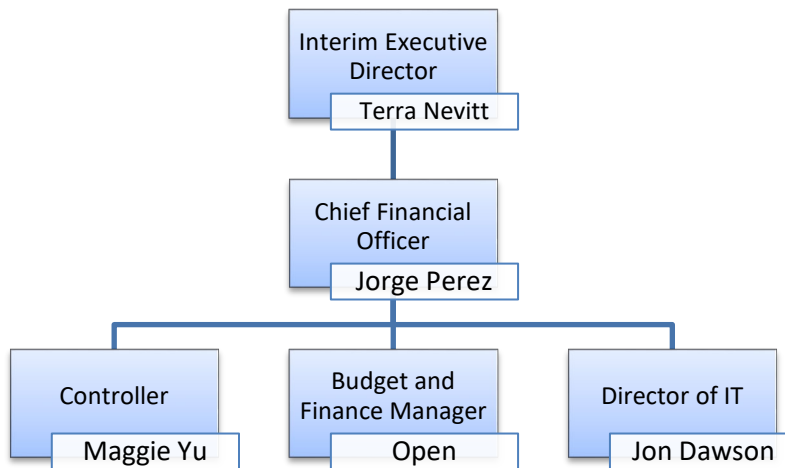
Responsibility for WSBA Finances

Fiscal Management

The Budget and Audit Committee of the Board of Governors oversees budgeting and financial matters of the Bar. The Chief Financial Officer 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 and Administration Department is delegated the responsibility to implement WSBA's fiscal policies by performing the accounting and bookkeeping 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 and Administration Department is set forth below (these persons 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)
- Fiscal Responsibilities Matrix (Chapter 1)
- Budget Policies and Process (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 dollar limits for meals and lodging (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)

Board of Governors Budget and Audit Committee Charter

Composition

The voting members of the Budget and Audit Committee shall consist of the following: at least one governor from each class, not to exceed seven governors, one of whom shall be the Treasurer; the President; and President-elect. Up to two additional non-Board of Governor voting members may be appointed by the President subject to the approval of the Board of Governors. The Executive Director and Chief Financial Officer 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.

Purpose

The purpose of the 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. Some of these duties are noted below:

Activities

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.

Approvals

1. Approval expenditures within limits and parameters set forth in the Fiscal Responsibilities Matrix.

Financial Reports

1. Review the interim management financial reports and report highlights, key information, major variances from budget, and any concerns to the Board of Governors. Recommend corrective action if 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/accountants 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 majority of the voting members.

Budget and Audit Facilities Advisory Committee Charter

Composition

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

- Treasurer (chair/1-year term);
- Executive Director (permanent member);
- Chief Financial Officer (employee liaison/permanent member);
- One member of the Budget and Audit Committee (1-year term);
- No fewer than three representatives from the real estate industry who have expertise in one or more of the following areas (2-year terms):
 - Real estate law (i.e., real estate attorney);
 - Commercial real estate brokerage, especially the downtown Seattle and regional real estate markets;
 - Commercial real estate appraisal;
 - Commercial construction management;
 - Architecture and/ or space planning; and
 - Commercial real estate lending.

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 Committee's activities. No former 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 specific transaction or proposed transaction that was considered by the Committee while that person was a voting member.

Appointment Process

The Treasurer, Executive Director, and Chief Financial Officer shall serve as *ex officio* members. The member from the Budget and Audit Committee shall be appointed 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).

Purpose

The purpose of the Facilities Advisory Committee 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 Facilities Advisory Committee is an advisory committee only and has no decision-making authority.

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 analyzes 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.

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 promote an efficient management structure, transparency, and appropriate oversight of the Bar’s finances. 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):

Executive Director

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 Chief Financial Officer. 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 Chief Financial Officer and appropriate accounting and finance employees following sound internal control practices.

Approves (Note: Executive Director may delegate approval authority to directors and 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 adopted compensation plan
- in-kind contributions of WSBA to the Washington State Bar Foundation, or as a condition of applying for grant funds
- grants to WSBA, including negotiations of administrative fees
- unbudgeted expenditures that are offset by unbudgeted revenue, or reallocations of budgeted expenditures where there is a change of intent (this includes approval of new programs and significant expansion of existing programs, but does not include long-term commitments or future obligations of the WSBA), up to \$10,000 per item, or up to \$50,000 collectively during the fiscal year, where the overall bottom line of the annual budget is not affected

- reallocations of budgeted expenditures up to \$20,000 so long as the intent of the budgeted expenditure is similar or varies slightly (these types of expenditures and decisions are operational in nature)
- 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 or Treasurer shall have the authority to approve expenditures that are necessary and prudent in order to implement the WSBA's Disaster Recovery Plan (e.g., natural disaster) or keep the WSBA operational (e.g., if the WSBA's computer network crashed). 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 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, and sign checks.

Reviews/Approves:

- appeals to Executive Director's decision to reject or modify an expense reimbursement request
- the Executive Director's credit card charges, reports of expenses, payroll reports, and fringe benefits (quarterly)
- the year-to-date vendor payment listing (*quarterly; added September 2016*)
- supplemental budget requests from sections that exceed 25% of the section's annual expense budget or \$1,000, whichever is greater

CLE Board (commonly referred to as the MCLE Board)

Establishes/Approves:

- MCLE fees and fines for failure to comply with accredited sponsor reporting requirements (APR 11 Reg. 106(d))

Recommends to the Board of Governors:

- MCLE accredited sponsor application fees (APR 11 Reg.106(b))
- MCLE Form 1 fees (APR 11 Reg. 105(d))
- MCLE fees and fines for failure to comply with rules and regulations regarding course accreditation and individual member compliance (APR11.4)

Personnel Committee

Recommends to the Budget and Audit Committee:

- adjustments to employee compensation plan

Recommends to the Board of Governors:

- compensation of the Executive Director

Client Protection Fund Committee

Approves:

- gifts up to \$25,000 per applicant

Recommends to Board of Governors:

- gifts over \$25,000 per applicant

CLE Committee

Recommends to the Board of Governors:

- adjustments to the standard CLE seminar registration fees
- expenditures from the CLE reserve fund

LPO Board

Recommends to Supreme Court

- examination and annual fees (APR 12 Reg. 2(B); APR 12 Reg. (9))

Budget & Audit Committee

Reviews the long range financial projections and the revenues, including member license fees, needed to meet long range needs.

Approves:

- unbudgeted expenditures that are offset by unbudgeted revenue, or reallocations of budgeted expenditures where there is a change of intent (this includes approval of new programs and significant expansion of existing programs, but does not include long-term commitments or future obligations of the WSBA), between \$10,001 and \$20,000 per item, or between \$50,001 and \$100,000 collectively during the fiscal year, where the overall bottom line of the annual budget is not affected
- reallocations of budgeted expenditures between \$20,001 and \$50,000 so long as the intent of the budgeted expenditure is similar or varies slightly (these types of expenditures and decisions are operational in nature)
- Business Recovery Plan
- fiscal policies, where indicated in the specific policy

Recommends to the Board of Governors:

- bar application and admission fees
- all attorney license fees
- Lawyers' Fund for Client Protection assessment
- the annual budget and subsequent adjustments over \$25,000 (unbudgeted) or \$50,000 (budgeted reallocations)
- adjustments to the compensation plan (based on recommendation from Personnel Committee)
- fiscal policies, where indicated in the specific policy
- an investment policy
- adjustments to the standard CLE seminar registration fees
- 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 that are offset by unbudgeted revenue, or reallocations of budgeted expenditures where there is a change of intent (this includes approval of new programs and significant expansion of existing programs, but does not include long-term commitments or future obligations of the WSBA), over \$20,000 per item, or over \$100,000 collectively during the fiscal year, where the overall bottom line of the annual budget is not affected
 - reallocations of budgeted expenditures over \$50,000 (where the intent of the budgeted expenditure is similar or varies slightly; these types of expenditures and decisions are operational in nature)
 - changes to the annual budget's bottom line
 - 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
- selection of independent audit firm
- compensation of the Executive Director
- standard CLE seminar registration fees
- MCLE accredited sponsor application fees (APR 11 Reg. 106(b))
- MCLE Form 1 fees (APR 11 Reg. 105(d))
- MCLE fees and fines for failure to comply with rules and regulations regarding course accreditation and individual member compliance (APR 11.4)

Recommends to the Supreme Court:

- all attorney license fees
- CPF assessment
- bar application and admission fees
- legal intern fees
- law clerk program fees

Reviews/Accepts:

- quarterly financial reports
- reports of the independent auditors

Supreme Court

Reviews for Reasonableness – all attorney license fees

Approves:

- CPF assessment
- bar application and admission fees
- legal intern fees
- law clerk program fees
- LPO examination and annual fees

WSBA FISCAL MATRIX	ED	TREASURER	B & A	BOG	S. Court
All attorney license fees	Recommends		Recommends	Sets	Reviews for reasonableness
LFC assessment	Recommends		Recommends	Recommends	Approves
Keller deduction to license fees	Recommends			Approves	
Bar application & admission fees	Recommends		Recommends	Recommends	Approves
Legal intern fees	Recommends		Recommends	Recommends	Approves
Law clerk program fees	Recommends		Recommends	Recommends	Approves
LPO examination & annual fees	Recommends		(LPO Board 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 reallocations of budgeted expenditures where there is change of intent, which do not affect the annual budgets bottom line	Up to \$10,000/item or up to \$50,000/FY		\$10,001 - \$20,000/item or \$50,000- \$100,000/FY	+\$20,000/item or +\$100,000/FY	
Reallocation of budgeted expenditures where intent is similar	Up to \$20,000		\$20,001 - \$50,000	+\$50,000	
Changes to annual budget's bottom line	Recommends		Recommends	Approves	
Supp. sec. budget requests(up to 25% exp. Budget of \$1,000)	Recommends	Approves			
Check Requests/Expense Reports	Approves within parameters of fiscal policies	Approves appeals of ED's decisions		Approves overall expense policies	
Staff compensation plan/salary adjustments	Approves salaries within adopted comp. plan			Approves overall WSBA comp. plan	
Executive Director compensation		Reviews/approves ED expenses/FBs	Personal Committee recommends	Approves	
MCLE set/assess fees/fines or revoke accredited sponsor status per APR 11 105(a)(5)	Recommends		(MCLE Board Approves)		
MCLE accred. sponsor app. fees APR 11 Reg. 105(c)(1)(A); MCLE form 1 fees – APR 11 Reg. 104 & 104(a)(1); MCLE fees/fines A PR 11.4(e)	Recommends		(MCLE Board recommends)	Approves	
Adjustments to standard CLE seminar fees	Recommends		(CLE Committee recommends)	Approves	
Service & program fees: ad rates, copies, member contact info., publications, merchandise, and misc.					
Gifts from LFCP			(LFCP Committee 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 or equipment	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

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.

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, 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 that 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. Where those are shared enterprise expenses, they shall be clearly identified as such.

The budget should be a tool to plan for the coming year and help guide decision making. It is both a policy-making tool for the Board of Governors and provides the Board of Governors the ability to provide direct oversight over WSBA Spending. Additionally, it gives employees direction on how and where to spend its resources. In order to be a useful tool, the budget should not be a rigid document that can never be amended – it can and should be amended if necessary. The budget can be amended by the Board of Governors, Budget and Audit Committee or Executive Director via decisions made under 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.

Long-range Forecasting and Planning

The Chief Financial Officer may 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 a growing 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

Annual Budgeting Time Line/Process

- The budgeting process begins in April for the coming fiscal year (October 1 – September 30). The Chief Financial Officer and Budget and Finance Manager request budgets from each Department Director,

Section Chair and liaison to the WSBA's various committees and boards. These individual budgets are compiled and reviewed by the Chief Financial Officer and the Executive Director.

- The Chief Financial Officer 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).

Capital Budget

A capital budget is prepared each year as part of the annual budget process. 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). The Board of Governors reviews a preliminary capital budget in July and approves the final capital budget with the entire WSBA budget at its last meeting of the fiscal year (September).

Cash Flow Budget

From time to time, when necessary, a cash flow budget may be prepared both to anticipate the timing and amount of cash and liquidity needs of the WSBA for the current year and the excess funds available for longer - term investments.

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 Chief Financial Officer, indicating the additional amount requested and the purpose of the additional funds. (Note: Sections are required to obtain approval from the WSBA Treasurer 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. If necessary, a request can be taken to the Budget and Audit Committee at its next meeting.

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.

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 and Administration employees. The format and level of detail provided in the financial statements are subject to modification as needed.

Monthly Financial Summary

Each month, the Accountant produces a summary of the year-to-date budgeted (original and amended) 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 Accountant 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 Accountant prepares year-to-date detailed financial reports for each cost center/section. These reports show the cost center/section's annual (amended) budget, 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 meetingschedules).

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 Accounting) and **comparison to budget** (report the reason for significant variations from budget or trends of interest to the Chief Financial Officer). 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 Accountant, Budget and Finance Manager, or Chief Financial Officer.

Key Financial Benchmarks

The Budget and Finance Manager 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 (added September 2016)

The Senior Accounting and Financial Systems Manager 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 Management Team after the tenth working day of the month, consistent with the completion of the monthly financial statements. Additionally, on a quarterly basis, the Budget and Finance Manager or Chief Financial Officer 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 separatelist
 - 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 unbudgeted revenues to unbudgeted expenses
 - Tracked on a separate list
 - Appropriate revenue line's budget is increased
 - Appropriate expense line's budget is increased
 - This information will prevent additional revenue from being allocated to additional expenses more than once (a current weakness in our system)
3. Reallocations of budgeted expenses to other line items
 - Track any reallocations approved by the BOG or Budget and Audit on a separate sheet
 - Track significant reallocations made by the Executive Director to the extent possible

Quarterly Financial Reporting

On a quarterly basis, the Budget and Finance Manager and Chief Financial Officer may prepare a summary of budget amendments, reallocations, important financial issues, and explanations of significant budget to actual differences for the 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 Accountant 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, [Name of ED], of the Washington State Bar Association, or any one thereof, are hereby authorized to establish both deposit relationships and credit relationships necessary to conduct WSBA business; and

That the Treasurer, Executive Director, [Name of ED], and _____ are authorized as signers on any deposit relationship in order to withdraw funds of the WSBA; and

That the Executive Director; [Name of ED], and Chief Financial Officer, and their designees are authorized to invest excess balances, in accordance with the Investment Policy; and

That the Executive Director, Chief Financial Officer, 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 (updated and approved by the Board of Governors on March 19, 2015)

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.

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 invest or 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

General Limits

- No more than five percent (5%) of the reserve portfolio and no more than fifteen percent (15%) of the short-term portfolio may be invested in any one company or issuer
- No more than twenty percent (20%) of the reserve portfolio shall be invested in any one industry
- No more than twenty percent (20%) of the total portfolio shall be invested in corporate bonds
- Investments in fixed income securities shall have a maximum maturity date of ten (10) years, and the weighted average portfolio maturity shall not exceed five (5) years.

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 Chief Financial Officer or Budget and Finance Manager 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 Chief Financial Officer has the authority to approve the investment manager's suggested strategic change. Prior to granting such authorization, the Chief Financial Officer 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. Only with the approval of the Board of Governors may a commissioned securities broker be engaged to manage all or any portion of the assets, but a securities broker may be utilized to execute trades authorized by the Budget and Audit Committee or its investment managers.

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 Chief Financial Officer for review, and provided at each quarter-end to the Board of Governors. Additionally, the Budget and Finance Manager 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 Chief Financial Officer, the Budget and Finance Manager, the Treasurer, and one or two 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 Lawyers Fund for Client Protection, 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 Chief Financial Officer.

Checking/Savings Accounts

The Bar currently maintains five 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;
- Key Bank Western States Bar Conference checking account (no WSBA funds); and
- Key Bank BOG Special Fund checking account (closed effective 10/29/2018).

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
- Morgan Stanley investment in managed funds
- UBS investment in municipal bond fund
- Morgan Stanley investment in municipal bond mutual funds
- 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. Accounting Division Petty Cash

The Accounting 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 Accounting'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 A/P Bookkeeper (or another Bookkeeper or the Senior Accounting and Financial Systems Manager if the A/P Bookkeeper is not available) during the designated hours for Petty Cash service; and
- Initials the form upon receipt of the cash.

The A/P Bookkeeper initials the form, pays the cash, and puts the initialed Petty Cash Form in the petty cash box. The Accounting 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 Bookkeepers and the Controller.

The Accountant, while being observed by the Accounting Division employees, audits the petty cash on a regular basis. Any discrepancies must be reported to the Controller or the Chief Financial Officer. Petty cash is replenished monthly or as needed by the A/P Bookkeeper by preparing a Check Request, which is approved by the Controller or Chief Financial Officer.

2. Front Desk Change Box

The front desk receptionist maintains a "change box with \$100 cash. The cash is used to make change, primarily for WSBA visitors who purchase products or register for events. When larger bills, \$10's or \$20's, accumulate, the receptionist is responsible to get smaller bills from the Accounting Division. The front desk receptionist locks the cash box in a secure location at the end of every day. The Accounting Division or Finance employees audit the cash box periodically. Expense reimbursements are **not** to be made out of the front desk change box, except for Conference Room Assistant expenses authorized by the Chief Financial Officer.

3. 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.

Accounting Division employees periodically audit the ODC petty cash box. Any discrepancies must be reported to the Controller or the Chief Financial Officer. Petty cash is replenished as needed by preparing a Check Request, which is approved by the appropriate person in ODC.

4. Temporary Change Boxes

A few times each year, other departments draw from the Accounting 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 Accounting at the end of the day/session, with copies of each sales transaction to account for receipts collected.

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, bookkeepers, Chief Financial Officer, and check signers). Generally, the Budget and Finance Manager and Accountant are good candidates. Currently, the Budget and Finance Manager 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 other bank accounts.

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 Chief Financial Officer. Any questionable activity, such as a check that has been altered or forged, is documented and the information is presented to the Chief Financial Officer **the same day** that the activity is located.

Outstanding Checks/Unclaimed Property Procedures

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 A/P Bookkeeper 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 A/P Bookkeeper 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 A/P Bookkeeper. A final check will be issued to the Washington State Department of Revenue along with the annual report before the October 31 deadline.

Accounts Receivable

Generally, the Bar requires that customers pre-pay for WSBA products and services. The exceptions where WSBA will invoice include:

- *NWLawyer* 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

Invoicing

The requesting department prepares an Invoice Request Form and forwards it to Accounting. Accounting prepares the invoices and either mails them or returns them to the appropriate employee, as requested. *Accounting is responsible for creating invoices for all WSBA departments, unless an exception is approved by the Chief Financial Officer (e.g., Office of General Counsel, Membership Records label orders). No invoices should be prepared and mailed by non-Accounting WSBA employees unless specifically authorized to do so.* Generally, payments received for Accounts Receivable balances will be applied to the oldest invoice first.

Collection Efforts

Accounting 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. Accounting 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 Chief Financial Officer. In certain circumstances, accounting employees will take responsibility for collecting receivables upon agreement between the Chief Financial Officer and the appropriate director. An example of this is the CLE Bookkeeper who collects receivables related to CLE seminars and the A/R Bookkeeper who collects advertising receivables for *Bar News* (see below).

NWLawyer Collections Procedures

NW Lawyer advertising revenue is administered by a professional agency with whom WSBA has contracted with to invoice, account for, and collect all advertising revenue on our behalf. Once funds are received, the agency retains 30% of all advertising revenue and the remaining 70% of advertising revenues are sent via check to WSBA within 60 days after publication date of the issue. If advertisers do not pay after 60 days, the agency initiates a billing and collections process to ensure revenue is collected promptly. WSBA and the agency discuss all delinquent accounts and mutually agree prior to sending an account to collections, and if nonpayment continues after 12 months, whether to write off any amounts owed.

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. For example, currently, diversion invoices are collectible at any time and will only be written off unless the respondent is terminated from the diversion program. Any other invoices that directors wish to keep on the books must be communicated to Accounting upon review of the monthly A/R listing; otherwise they will be written off once they reach 6 months past due. The Accounting 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 Accounting 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 Accounting. Accounting 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, Accounting 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, Accounting 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, Accounting 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

Deferred Costs

Deferred costs are primarily expenses associated with seminar planning and the production of materials. Recognition of these expenses is deferred until the related seminars are presented in the subsequent year.

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 several products designed to educate lawyers. These include coursebooks from prior seminars, some of which include an audio-CD or a video-DVD. CLE acknowledges that its customers have many sources from which to purchase publications and other CLE products such as coursebooks and audio and video tapes. Therefore, CLE wants every customer to have a positive outcome when purchasing their product. There is a need to periodically review existing publications to ensure that only publications with value are still being offered for sale.

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 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 CLE 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 CLE Publications and the Senior Accounting and Financial Systems Manager to determine which publications, if any, are obsolete; these will be written off. The CLE Director 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.

Property, Equipment, and Depreciation

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 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 Accounting. 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.

Computer Software Development

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 Chief Financial Officer 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 not generally have a balance in the Accounts Payable account. Expenses are paid on a weekly basis as they come in to Accounting. At the fiscal year-end, any expenses related to the fiscal year are accrued as Accounts Payable.

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 A/P Bookkeeper for payment.

Method of Payment for Check Requests and Expense Reports

The WSBA generally pays its expenses via check. 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 MasterCard 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 A/P Bookkeeper reviews the data for accuracy, reasonableness, general ledger coding, and back-up documentation. Once the information is complete, the A/P Bookkeeper 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 still reprocessed in Navision. For those, the A/P Bookkeeper 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 Chief Financial Officer.

For payments to employees for less than \$30, the amount is paid from petty cash (see Petty Cash procedures in Chapter 2: Assets). For all other requests, the following general procedures for check processing are followed:

- A/P Bookkeeper 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 A/P Bookkeeper notes errors, inconsistencies, or requests that do not comply with WSBA reimbursement policies. The A/P Bookkeeper is not authorized to make changes to amounts in PN3. The A/P bookkeeper will send invoice notes in PN3 to the requester for any changes. If there is disagreement about a correction, the Chief Financial Officer 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 Chief Financial Officer with sufficient time allowed for the Accounting 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 A/P Bookkeeper for processing. If the A/P Bookkeeper is not around when the request is dropped off at the A/P desk, the person requesting the rush check shall email both the A/P Bookkeeper and the Controller to let them know that a rush Check Request has been submitted. If the A/P Bookkeeper is out of the office or busy, one of the A/R bookkeeper or the Senior Accounting and Financial Systems Manager will process the rush check.

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 submits the invoice through PN3 and codes it to the appropriate general ledger account. The invoice is then routed to their manager for approval.

Invoices

Payments should be made based on original invoices, not duplicates or monthly statements. A/P Bookkeeper should always verify in the accounting system that payment has not been previously made to the vendor, volunteer, or employee for that invoice/expense.

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 Chief Financial Officer. If an invoice is being held, pending resolution of a problem, the A/P Bookkeeper must be notified in case he/she is contacted by the vendor. The A/P Bookkeeper 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 A/P Bookkeeper 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 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 Accountant provides the Budget and Finance Manager 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 *(updated and approved by the Board of Governors on September 29, 2016)*

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 April 2008, the Operation Reserve Fund shall be \$1.5 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. As of October 2016, the minimum balance of this fund shall be \$550,000. It is expected that the fund's value will increase as the WSBA gets closer to lease completion at the end of December 2026. 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. 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. 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 WSBA member. The difference between revenues and expenses of this fund each year results in the CPF restricted fundbalance.

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 approved by the State 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.

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

While license fees are non-refundable, if a member dies without having practiced law in that year, a refund for license fees and the CPF Assessment will be made if requested by the estate. The Executive Director approves license fee refunds.

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 Accounting Division. There are some payments that might be collected by someone other than Accounting 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 or collected by Accounting 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 Accounting Division the **first day the employee returns to the office** to ensure timely processing.

Employees should place checks or payment information in the Accounting lockbox (located outside the Senior Accounting and Financial Systems Manager's office) when Accounting employees are unavailable to receive them (e.g., after the daily deposit is made or after hours). Accounting 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 Accounting employees' in-boxes, or on Accounting 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 Accounting, (2) in the Service Center, and (3) in EOD/CLE. Accounting maintains keys to the lockboxes.

Accounting 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 Accounting until they are destroyed at fiscal year-end.

Specific Procedures for Handling Payments Received by Non-Accounting Employees

Note: In the procedures set forth below, the term "properly delivered to Accounting" means either (a) hand-delivered to an employee in Accounting (not via inter-office mail nor placed in an inbox or on someone's desk), or (b) placed into the Accounting lockbox (located outside the Controller's office). It is critical that all credit card information be immediately secured.

Walk-ins

Receptionist – When a payment is received at the front desk the information will be put into a secure locked location until an Accounting employee picks it up. During peak times such as licensing and bar exam applications, Accounting employees will pick up the documents every three hours and at the end of the day. Otherwise the pick-up schedule is once a day.

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 Accounting.

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 Accounting for processing.

Other – The form will immediately be properly delivered to Accounting.

Payment received via Mail

All forms received by Production that contain credit card information, will be properly delivered to Accounting.

If Production passes the forms onto another department besides Accounting, then that department must store the forms in a secure locked location until they are properly delivered to Accounting. If the forms are copied before being passed onto Accounting, then the copies must have only redacted credit card information.

Payment received via Phone

When the Service Center receives credit card payments over the phone, such information shall, if applicable, be transmitted via an internal electronic form that is automatically submitted to Accounting, or be placed in the Service Center lockbox.

Credit card information received by employees outside of the Service Center will be placed in a secure locked location until properly delivered to Accounting.

Payment received via Email

When the Service Center receives credit card payments by email, they shall print the email and put into the Service Center lockbox. An accounting 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 Accounting. The email will be permanently deleted immediately.

Payment received via Fax

Credit card information received by fax will be immediately delivered to the receiver of the fax and properly secured in a locked location, placed in one of WSBA's three lockboxes (Accounting, Service Center, and EOD/CLE) or properly delivered to Accounting.

Redacting credit card information

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 redacted credit card information.

Deposits

Accounting 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 persons in the Accounting 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 bookkeeper;
- 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 bookkeepers 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 – Accounting 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 bookkeepers 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-Accounting 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.

Processing of Source Documents

The bookkeepers make every attempt to process payments the same day they are received. However, during periods of high volume, it may take up to three to five working days to process incoming monies. The bookkeepers 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. Accounting scans the documents after they have processed them.

Returned Checks/Declined Credit Cards

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, Accounting credits the cash account and debits Accounts Receivable.

If an NSF check has been presented only once, Accounting 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, Accounting will take further action including phone calls and letters. Outstanding items are reviewed on a monthly basis to determine any further action. Accounting will notify the proper employees for further collection efforts.

If the payment was for license fees or status changes, and it is still uncollected, Accounting 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.

Declined Credit Cards

If a credit card charge is declined or the credit card number is invalid, the order is cancelled in Personify and Accounting 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, Accounting 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 Accounting division. As overpayments are received, the bookkeepers 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 Accounting for the amount owed. In some instances (e.g., CLE products and seminars), the customer is automatically invoiced by Accounting.

Procedures for Refund of Income

All refunds shall be approved by the department requesting the refund. Approved refund requests are submitted to Accounting 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, WSBA 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.

WSBA-Sponsored Professional Liability Insurance Program Rebates

From 1993 to 2005, the WSBA received rebates pursuant to an agreement with KVI/Marsh in exchange for sponsoring a professional liability insurance program. These rebates are restricted in that they are to be used at the WSBA's discretion to fund loss prevention projects, generally those which further educate lawyers in their ethical responsibilities. Historically, these rebates were used to offset losses to a CLE seminar on ethics, publish and distribute the Trust Account Guidelines booklet, and support traveling seminars put on by the Practice Management Assistance team geared to law office best practices. The rebates received were recorded in a liability account when received. Once funds are expended, the accounting for the use of the funds is done in either of twoways:

- When the WSBA uses those funds to offset losses to a CLE seminar: the CLE department prepares the preliminary seminar profit and loss statement for the seminar to determine the amount of the loss; then the Accountant prepares a journal entry and credits the agreed upon amount of Marsh funding to that CLE seminar income account in the general ledger, and reflects the amount as revenue on the final profit and loss statement. The Accountant debits the liability account.
- When the funds are used to support other Bar programs, such as PMA lawyer training or the publication of the trust account guidelines booklet, the appropriate expense account is charged. Periodically, the Accountant prepares a general ledger journal entry to credit revenue in the appropriate cost center (e.g., Audits or PMA) and debit the liability account.

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 Bar seeks costs and expenses at the conclusion of every formal case that results in discipline, or when an Admonition becomes final. In resolving cases by Stipulation [ELC 9.1(b)(4)] the WSBA generally "adjusts" (with Disciplinary Board approval) 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, letter of censure, 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)]. The judgment may be attached to the property of a respondent by filing the judgment with the Superior Court Clerk in the county where the property is located.

ELC 5.3(f)(2) Investigation of Grievance

Costs and expenses (generally \$500.00) are also allowed under ELC 5.3(f)(2), when a lawyer fails to cooperate in an investigation and a subpoena is issued to him, 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."

Chapter 6: Expenses *(updated by the Board of Governors on July 23, 2016)*

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 help save costs. **WSBA will reimburse: (1) reasonable, (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 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 may be the personal obligation of the individual responsible for incurring or authorizing the liability.

C. Policy Exceptions

- WSBA ABA Delegate expenses shall be reimbursed up to a fixed amount set each year during the budget process.
- 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 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.

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. However, WSBA will reimburse for double accommodation (as compared to a single).
3. 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, up to \$75 may be reimbursed for an expense by completing an Expense Affidavit Form.
4. 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 Chief Financial Officer.

E. Travel Expenses

1. Volunteers (updated and approved by the Board of Governors on March 8, 2018):

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 travel¹.

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. Any costs beyond Seattle-Metropolitan area mileage (King, Pierce, and Snohomish Counties) related to attending Board of Governors meetings shall be pre-approved by the employee's director. 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

Subject to Section I.E, WSBA will reimburse transportation costs based on the limits set forth below. WSBA will not reimburse for lodging *en route*, and will only reimburse for the lesser cost of coach-economy airfare. Reimbursement for out-of-state meeting travel is limited to the approximate cost of in-state travel (the cost of traveling from the nearest Washington border).

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.
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.

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

4. Airfare: WSBA will only reimburse coach/economy-class airfare, which should be booked well in advance of travel to obtain lowest possible fares. WSBA reserves the right not to fully reimburse for travel booked less than two weeks in advance of travel. WSBA will not reimburse for use of frequent flyer coupons or air miles. 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 it cancels a meeting. Airfare change fees will 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.

G. Lodging/Hotel Accommodations

WSBA will reimburse hotel/motel accommodations up to \$175 per night (\$200 in Seattle) plus taxes. With respect to out of state conferences, WSBA will reimburse hotel accommodations at the advertised conference hotel rate. 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. 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 meal expenses, including gratuity. WSBA will not pay or reimburse for alcohol purchases (see Section II. Purchase of Alcohol for Bar Functions). The WSBA will reimburse up to \$12 for breakfast, \$18 for lunch, and \$36 for dinner. If a person is traveling all day (for all three meals), he/she may combine the allowances set forth above into one per diem amount and reallocate the per-meal allowances as desired (e.g., spend more on lunch and less on dinner).
2. If a meal is provided as part of a meeting or conference, no reimbursement will be made for substitute meals.

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 WSBA². No reimbursement will be made for office services not detailed by this policy (for example, voice mail charges, telephone connections, etc.). No reimbursement will be made for personnel costs or professional services without specific advance authorization.

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.

2. Gifts/Awards: WSBA will reimburse costs (up to \$100) 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.

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.

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. 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; or other projects.

3. Taxi Rides: As part of the Metro Area FlexPass program, employees who have a FlexPass and use an eligible method of transportation to work may use a taxi to get home if they meet certain emergency criteria. See the Human Resources Department for details. Directors may authorize a WSBA-paid taxi ride home in extenuating circumstances.
4. "Advances" For Travel or Expenses: The Executive Director, upon a director's recommendation, may approve travel advances. Requestors should allow 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.
2. "Buddy" Meals: Employees assigned to be the "buddy" of a new employee may take the new employee to lunch. Moderately priced lunches (around \$20 per person) should be the norm.

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.

A. Personal Cellular Phone Reimbursement – Ongoing Basis

A person who qualifies for a WSBA issued cell phone (based on their job duties) but chooses to use his/her personal cellular phone for WSBA business may be authorized to seek reimbursement in lieu of being issued a WSBA cellular phone as long as:

- a. The director and user agree on a fair and equitable way to allocate the charges between WSBA and the user based on cost or time spent on WSBA calls vs. personal calls (Note: Permanent users can be reimbursed for charges based on unlimited minute plans); and
- b. The appropriate director approves such arrangements in writing.

The employee shall submit a Check Request or Expense Report, along with a copy of his/her cell phone bill showing the charges and specific WSBA-related calls. WSBA cellular phone bills shall be charged to the appropriate cost center (department telephone expense) on the Check Request.

B. Personal Cellular Phone Reimbursement – Occasional Basis

Employees who occasionally incur cell phone charges for WSBA-related business on a personal cell phone are authorized to submit an expense reimbursement if:

- a. The use of phone was *necessary* for the performance of job duties; and
- b. The personal cell phone plan is such that cell phone owner is actually charged for the WSBA calls and the cost of WSBA-related calls are easily determined as follows: (a) charges are based on per minute charge; or (b) a flat fee is charged for an allotted number of minutes; a per-minute charge applies to minutes beyond the allotment; and the WSBA call(s) resulted in the owner going over the allotted minutes.

No reimbursement for occasional WSBA-related calls where plan charges are based on unlimited usage (WSBA will not pay a percentage of the total monthly fee). The employee shall submit a Check Request or Expense Report, along with a copy of their cell phone bill showing the charges and specific WSBA - related calls. WSBA cellular phone bills shall be charged to the appropriate cost center (department telephone expense) on the Check Request.

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:
 - Activities Committee events (e.g., annual holiday party, monthly birthdays, R.A.P, etc.);
 - Lunch on records clean-up days;
 - 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 (Section C.1 updated and approved by the Board of Governors on January 18, 2019)

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 and President-elect are each budgeted to attend one National Conference of Bar Presidents meeting, the Bar Leaders Institute in Chicago, and the Western States Bar Conference.

2. Governor Conferences

Governors may attend one conference in their second year 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 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 Budget and Finance Manager 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 Chief Financial Officer to prepare a request for increased funding which will be considered by the Budget and Audit Committee at its next meeting. In time sensitive circumstances the Executive Director can preliminarily approve a request which exceeds the Accommodation Fund, so long as the funds are available within the current fiscal year budget, subject to the Fiscal Responsibility Matrix.

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 Accounting 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 A/P Bookkeeper 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 Chief Financial Officer for review and approval.

IX. FUNCTIONAL ACCOUNTING/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 Department). Many employees are allocated to only one cost center, although they 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 Director¹. 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.

¹ Note: The WSBA used to allocate salaries based on the actual time spent each payroll; however, this method was discontinued due to its unpredictability, volatility, and the cost of tracking such detail.

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 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.

Pre-approval of Form Content

The Senior Accounting and Financial Systems Manager 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 *NWLawyer*, 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. Accounting 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 or Budget and Audit Committee of the Board of Governors, or by the Board of Governors.

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 Chief Financial Officer.

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 Chief Financial Officer 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 Accounting 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 Accounting.
- If unused funds are to be returned to the Grantor at the end of the grant period, the grantee and Accountant 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 Accounting 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 Accountant 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 Accountant. 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 Accountant 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>.

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 Accounting employee who makes the daily deposit is someone other than the employee who processes the receipts.
- The A/P Bookkeeper 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 Chief Financial Officer 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 Accounting 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 Accounting 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 Accounting (see specific procedures in Chapter 5). Employees may lock such information in drawers or cabinets or use lockboxes provided in Accounting, 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 Accounting 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 Cyber source 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.
- A/P Bookkeeper does not have authority to approve or change expense requests.
- A/P Bookkeeper audits reimbursement forms (Check Requests, Expense Reports, and Petty Cash Slips) for accuracy and adherence to policy.
- A/P Bookkeeper 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 Finance & Administration Administrative Assistant, who will pick up the checks, stamp them, and mail them. Any checks that have not been approved will be given to the A/P Bookkeeper for further review.

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.

The only person with access to the signature stamp will be the Finance & Administration Administrative Assistant, who will keep it locked up at all times. At no time should the Controller or the A/P Bookkeeper have access to the stamp.

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.

Revenues

Each active WSBA member must pay an annual assessment to the Fund; this is the Fund's main source of revenue. Assessment amounts are set by the Supreme Court, based on recommendations by the WSBA Board of Governors. Assessments are invoiced with each active member'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.

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 Budget and Finance Manager and given to the Accountant for posting.

The Fund attempts to recover its payments from the lawyers 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.

Expenses

The Fund's major expense is gifts made to injured clients. Clients make application for a gift by completing and submitting an application form; the CPF Committee employee liaison makes recommendations and the CPF Committee and/or trustees approve applications. Once approved, the applicant must sign a subrogation agreement. The CPF Committee employee liaison prepares a Check Request and submits it to the A/P Bookkeeper, who prepares checks payable from the CPF checking account. The Accountant makes the appropriate journal entries on the CPF general ledger.

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.

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 CPF employee liaison who reviews them with the CPF Committee. Annually, these financial reports are included in the annual CPF report to the Board of Governors.

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

Executive Committees' Fiscal Responsibility

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

Section Budgets

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

Monthly Financial Reports

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

Section Revenue

Member Dues

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

Interest Earned on Section Fund Balances

Annually, each Section will receive interest income on its fund balance. The calculation and journal entry will be made at the close of 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.

WSBACLE 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, etc.).

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 or the Bylaws; and
- The expenditure does not violate the restricted acts of WSBA as defined by Supreme Court Rule, or WSBA or Section Bylaws.

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

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 on September 30, 2016)

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 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 – Chief Financial Officer Approval

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

Expenses Over Budget – WSBA Treasurer Approval

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

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).



WSBA

Appendix I to Disaster Recovery Plan:
Governance and Management Succession Plan

Executive Director Management Succession Plan

- A. **Purpose:** The *Management Succession Plan* is designed to formalize a process for administering WSBA in the event of the Executive Director's sudden death, departure, incapacitation, or extended absence. It also serves as an outline for operating WSBA when the Executive Director is out of the office on an interim basis (e.g., vacation). For any extended absence or emergency leave, the Board of Governors will decide on the need for an interim Executive Director.
- B. **Management Succession:** Specific duties of the Executive Director are delegated below. All administrative issues not specifically delegated below shall be handled by the Chief Operations Officer. The Chief Operations Officer shall have all the authority of the Executive Director except as delegated below. If the Chief Operations Officer is unavailable or unable to serve and the Executive Director is unable to designate an "Acting Executive Director," one shall be named by the majority of available Executive Management Team members, unless or until the Board of Governors otherwise indicates. General Counsel shall contact the President and President-Elect of the current Board of Governors and work with them to call an emergency meeting of the Board of Governors and the Executive Management Team.
- C. **Specific Delegations of Authority:**
1. **Departmental Functions:** Each Executive Management Team member shall have general supervision and control of the departmental functions previously delegated to his/her department. This authority includes hire/fire of departmental staff subject to the concurrence of the Chief Operations Officer or Acting Executive Director.
 2. **Personnel Administration:** The Chief Operations Officer shall have final authority in the area of human resource administration, including:
 - The final decision on all salary adjustments, including other Executive Management Team members, but not his/her own salary;
 - Hire/fire authority of department staff with the concurrence of the Executive Management Team member;
 - Hire/fire authority of Executive Management Team members for extreme misconduct or derogation of duty with the concurrence of the WSBA President; and
 - Determination of Human Resources policy, subject to concurrence of a majority of the Executive Management Team members.
 3. **Board of Governors' Support:** General Counsel/Chief Regulatory Counsel shall serve as the liaison to the Board of Governors (with the assistance of the staff of the Office of the Executive Director), including developing the Board of Governors' meeting agenda, preparation of meeting books, minutes, and correspondence, and implementation of Board of Governors policy decisions.
 4. **Financial Administration:** The Chief Operations Officer shall serve as the chief financial officer, including the preparation of budgets and financial reports, supervision of investments, cash flow, purchasing, and enforcement of expense policies. For purposes of internal controls, the Chief Operations Officer shall not have signature authority on bank accounts. Rather, the General Counsel/Chief Regulatory Counsel, the Chief Communications Officer and the WSBA Treasurer shall be designated and authorized to sign checks on behalf of the WSBA.
 5. **Contract Authority:** Except as otherwise specifically delegated, the Chief Operations Officer shall have the same contractual authority for WSBA that the Executive Director has.



WSBA

**Appendix I to Disaster Recovery Plan:
Governance and Management Succession Plan**

6. Spokesperson: The Chief Communications Officer, with the counsel and concurrence of the Chief Operations Officer, shall serve as spokesperson for the WSBA.
7. Legislative: The Chief Communications Officer shall have authority to implement the positions adopted by the Board of Governors. On all other legislative matters, the Chief Communications Officer shall act with the concurrence of the General Counsel.
8. Rules for Enforcement of Lawyer Conduct/Admission to Practice Rules: Insofar as the ELCs or APRs call for action by the Executive Director, the General Counsel/Chief Regulatory Counsel and Chief Disciplinary Counsel shall be authorized to sign as "Acting Executive Director."

A handwritten signature in black ink, appearing to read "Paula C. Littlewood".

Paula C. Littlewood, Executive Director

Date: 5/13/13



Washington State Bar Association

Executive Director/CEO Management Succession Plan

Approved by the WSBA Board of Governors on February 14, 1992.
Updated November, 1996.

Purpose: The *Management Succession Plan* (hereafter called "plan") is designed to formalize a process for administering the WSBA in the event of the Executive Director's sudden death, departure, incapacitation, or extended absence. It also serves as an outline for operating the WSBA when the Executive Director's is out of the office on an interim basis, e.g., vacation. The plan is specifically intended to alleviate the need for an "acting" or "interim" Executive Director/CEO.

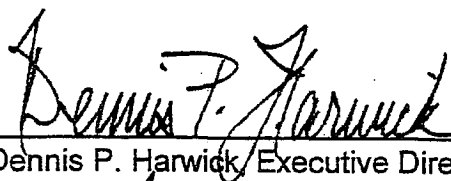
Management Team: The management team shall consist of the WSBA department directors and the Human Resources Manager. The delegation of specific duties of the Executive Director are detailed below. All policy or managerial issues not specifically delegated below shall be handled in a manner determined by majority vote of the management team. General Counsel shall serve as chair of the management team in the absence of the Executive Director, with full voting rights.

Office of the Executive Director: The administrative details of the Office of the Executive Director shall be managed by the HR Manager and the Administrative Assistant to the Executive Director, with the HR Manager authorized to make administrative decisions as necessary.

Specific Delegations of Authority:

1. **Departmental Functions:** Each department director shall have general supervision and control of the departmental functions previously delegated to his/her department. This includes hire/fire authority of departmental staff subject to the concurrence of the HR Manager.
2. **HR Administration:** The HR Manager shall have final authority in the area of human resource administration, including:
 - a. the final decision on all salary adjustments, including department directors, but not his/her own salary.
 - b. hire/fire authority of all departmental staff with the concurrence of the supervising department director.
 - c. hire/fire authority of department directors for extreme misconduct or derogation of duty with the concurrence of the WSBA President.

- d. determination of HR policy subject to the concurrence of a majority of department directors.
3. Board of Governors Support: General Counsel shall serve as the liaison to the Board of Governors (with the assistance of the staff of the Office of the Executive Director), including developing the Board of Governors' meeting agenda, preparation of meeting books, minutes, and correspondence, and implementation of Board of Governors policy decisions.
 4. Financial Administration: The Director of Finance and Administration shall serve as the chief financial officer, including the preparation of budgets and financial reports, supervision of investments, cash flow, and purchasing, and enforcement of expenses policies. For purposes of audit control, the Director of Finance and Administration shall not have signature authority on bank accounts. Rather, Chief Disciplinary Counsel shall be designated and authorized to sign and authorize checks on behalf of the WSBA.
 5. Contract Authority: Except as otherwise specifically delegated, the General Counsel shall have the same contractual authority for the WSBA that the Executive Director has.
 6. Spokesperson: The Director of Communications, with the counsel and concurrence of the General Counsel, shall serve as the spokesperson for the WSBA staff.
 7. Legislative: The Director of Legislative Programs shall have the authority to implement the positions adopted by the Board of Governors. On all other legislative matters, the Director of Legislative Programs shall act with the concurrence of the General Counsel.
 8. Rules for Lawyer Discipline/Admission to Practice Rules: Insofar as the RLDs or APRs call for action by the Executive Director, the General Counsel shall be authorized to sign as "Acting Executive Director."



Dennis P. Harwick, Executive Director & CEO

Date: Nov. 13, 1996

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 lawyers 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 lawyers 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

Ensuring Competent and Qualified Legal Professionals

- Cradle to Grave
- Regulation and Assistance

Promoting the Role of Lawyers in Society

- Service
- Professionalism

PROGRAM CRITERIA

- 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



WSBA

BOARD OF GOVERNORS

WSBA VALUES

(adopted January 28, 2016)

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



WSBA

BOARD OF GOVERNORS

BOARD OF GOVERNORS POLICY RE: REQUESTS 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.

The BOG adopts this policy to set forth the preferred process for submitting matters to the Board for action. The goal of this process is to ensure that the Board had sufficient information to make a decision, including compliance with relevant rules, fiscal impact, and the input of various stakeholders.

This policy does not limit the President's or any Governor's authority under the Bylaws to establish the agenda and order of business for each BOG meeting.

1. **Initial Request.** Requests for BOG action should be submitted to the President and the Executive Director. The President and Executive Director, in consultation with WSBA General Counsel will determine whether the request is appropriately taken up under General Rule 12.2, the WSBA Bylaws and any other applicable law or order.
2. **Review by BOG Committee.** If the request is from an individual or a non-WSBA entity, the President may refer it to the appropriate BOG Committee to determine whether the matter should be explored further. If there is not a BOG Committee appropriate to the subject matter, it may be referred to the Executive Committee.
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, CFO, 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.

Approved by the Board of Governors on January 17, 2020.

WSBA COMPENSATION PHILOSOPHY

Adopted by the Budget & Audit Committee on February 17, 2005

Adopted by the Personnel Committee on February 17, 2005

Presented to the Board of Governors on February 18, 2005

Revised by the Board of Governors on July 24, 2020

We are committed to a compensation philosophy that supports our mission to promote justice and to serve the WSBA members and the public. Our compensation philosophy supports the core value that WSBA staff is our most essential resource. Our aim has been to shape our compensation system in a way that meets the following criteria:

1. *Competitive with Seattle/Puget Sound compensation markets*

Our aim remains to pay competitively with other similar organizations. We strive to be as thorough in our review of market survey data as we practically can

2. *Observe principles of fairness and internal equity*

These are core values at WSBA. One of our most precious resources in our team-oriented spirit and our compensation system should reflect this. The gap between lowest paid and highest paid staff is less at WSBA than at many other similar-sized organizations.

3. *Affordable and sustainable*

The plan we develop obviously must fit within our available financial resources. Moreover, we need to ensure that our compensation program is sustainable over the long haul – through good and bad economic times alike.

4. *Promote recruitment and retention*

Our compensation system needs to be competitive both at the entry level and at the senior staff level. This means that the system needs to allow for movement through the salary range.

5. *Understandable and practical to administer*

There are inherent complexities in any compensation system, but to the extent possible, we seek to keep the methodology straightforward so that the system itself doesn't become a burden.

6. *Accountability and transparency*

To ensure accountability to the foregoing principles and criteria to employees, the WSBA members, and the public, information about salaries and benefits should be provided on the WSBA website. The goals of accountability and transparency shall be balanced against the privacy interests of WSBA employees.



Protocol for Notification To The Board of Governors About Significant Personnel Action

(Adopted by the WSBA BOG Personnel Committee January 17, 2013)

The Washington State Bar Association Personnel Committee is the touch-point for significant WSBA personnel actions. The purpose of the notification to the committee is to keep the Board of Governors informed as well as to afford committee members the opportunity to offer comments or input as may be requested or appropriate. This notification is not intended to inhibit or infringe on the Executive Director's authority as described in the bylaws to "employ and compensate" all WSBA staff.

Notification

Except in exceptional circumstances e-mail is not appropriate to use in personnel situations. Notification to the committee is not part of progressive discipline in individual personnel actions nor intended to circumvent the Problem Resolution provisions in the WSBA Employee Handbook Guidelines.

The Executive Director will alert the President about certain pending personnel actions and consideration will be given to whether the issue rises to the level of a "significant personnel action" warranting the notification of the Personnel Committee Chair. If the action warrants the notification of the Personnel Committee Chair, he/she will decide if the action warrants full notification of the rest of the Personnel Committee. If the Chair so determines, at that time the committee will be briefed on the planned actions. In no case shall this notification inhibit necessary or prudent personnel actions.

The notification described above is intended only to keep the Board of Governors informed of developing situations and allow them the opportunity for timely input as requested by the Executive Director.

"Significant Personnel Actions"

The Board of Governors has interest in the following types of personnel actions:

1. Director/Chief-level involving serious performance concerns, terminations, and hiring process.
2. Employee personnel actions which represent significant potential liability to the WSBA.
3. Personnel actions that may affect the WSBA budget beyond allocations.

In a case where an employee or former employee threatens litigation, the Executive Director, in consultation with the General Counsel, Human Resources Director, President and Chair of the BOG Personnel Committee, makes the determination about whether the issue should be discussed with the full BOG for the purpose of consultation on settlement strategy. Issues with the potential for a significant fiscal impact on the organization may warrant discussion with the BOG.

Procedures for Notification and Investigation of Reports of Illegal or Dishonest Activity Under WSBA's Whistleblower Policy

(Adopted by the BOG Personnel and Budget and Audit Committees effective June 15, 2005)

NOTICE

1. Upon receipt of a report of illegal or dishonest activity (“whistleblower report”) to a supervisor or the Human Resources Director from any WSBA staff member, the Executive Director shall be notified immediately unless the report involves the Executive Director.
2. If the report involves the Executive Director, the Chair of the Board of Governors’ (BOG) Personnel Committee shall be notified immediately by the supervisor or Human Resources Director if not previously reported directly by the whistleblower to the Chair of the BOG Personnel Committee.
3. Upon receipt of a report of illegal or dishonest activity to the BOG Personnel Committee from any WSBA staff member, the Committee shall determine whether and how to notify the Executive Director.

INVESTIGATION

1. Within 5 days of receiving a whistleblower report from any sources, The Executive Director is responsible to develop a plan for a full investigation. In the event the Executive Director is the subject of the whistleblower report the chair of the BOG Personnel Committee is responsible to develop a plan for a full investigation.

The plan for full investigation shall be approved by the BOG Personnel Committee and will include:

- a. A summary of the allegation(s)
- b. Information needed to respond to the report.
- c. A preliminary list of persons to be interviewed.
- d. Whether outside auditors or investigators appear to be needed.
- e. The role of the Executive Director and/or other staff.
- f. The role of the BOG Personnel Committee.
- g. The role of the Board of Governors.
- h. Timeline for the investigation.

2. The Executive Director (or the Chair of the BOG Personnel Committee) is responsible to insure compliance with the investigation plan and shall keep the BOG Personnel Committee apprised of all progress and any significant findings.
3. The BOG Personnel Committee may, depending on the nature of the report, recommend to the BOG that they assign a Governor to work with the Executive Director (or Chair of the BOG Personnel Committee) on the investigation.

CLOSURE

1. The investigators shall develop a report with recommendation that includes a written summary of the allegations and facts.
2. The investigation report shall be directed to the relevant persons as designated in the investigation plan.
3. The Executive Director shall develop a response and/or action plan to address any recommendations as well as remedial action and discipline as appropriate.
4. The original report, investigation report, and Executive Director's response shall be shared with the Board of Governors in Executive Session.
5. An appropriate response shall be shared with the person who filed the original report.
6. A formal record of the report and all follow-up action shall be maintained in a sealed envelope showing only the date and nature of the report for six years.

WSBA LEGISLATION AND COURT RULE COMMENT POLICY

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(Amended November 13, 2015 Board of Governors Meeting)

*Please see *Sections Legislative Comment Policy*, adopted June 2020, for policy as applicable to Sections.

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

Policy: The Board of Governors, the Executive Director, the WSBA Legislative Committee, the Board of Governors Legislative Committee, and the Legislative Affairs Manager, are authorized to refer legislative proposals (including bills, initiatives, referenda, and resolutions) or proposed court rule changes¹ to Entities of the WSBA for their consideration. Entities are authorized to appear before or otherwise publicly comment on legislation to the Legislature or Congress, or a committee of the Legislature or Congress, or to publicly comment on any proposed state rule change pursuant to Washington Supreme Court General Rule (GR) 9(f), or to publicly comment on any federal proposed rule change, only under the following conditions:

1. The Entity may not comment publicly on federal legislation or federal court rules without prior written authorization of the Board of Governors, and such authorization may be subject to limitations established by the Board of Governors.
2. The Entity may not publicly comment unless: (a) at least 75% of the total membership of the Entity's governing body has first determined that the matter under consideration meets GR 12; and (b) after determining that the matter meets GR 12, that the comments are the opinion of at least 75% of the total membership of the governing body of the Entity. A subcommittee or other subset of an Entity may not publicly communicate its comments on proposed legislation or court rules.

¹ The WSBA Court Rules and Procedures Committee routinely vets proposed Court Rules to various WSBA Entities, scrubs those proposals, and then either supports or opposes having the Board of Governors recommend those proposals to the Supreme Court Rules Committee. This process continues to be permitted under this Policy.

3. The Entity shall not publicly communicate comments on a legislative or rule proposal that are in conflict with or in opposition to decisions or policies of the Board of Governors or Board Legislative Committee, including GR12 analyses.
4. The Entity shall seek authorization from the Legislative Affairs Manager or the Board Legislative Committee Chair prior to publically communicating with anyone. If authorization is granted, Entities must clearly state that their comments are solely those of the Entity, and not the official comments of the WSBA. In order to officially comment on behalf of the WSBA, the Entity must have the prior written approval of the Board of Governors, and any comments will be subject to limitations established by the Board of Governors. Entities are not permitted to comment on local or municipal policies or legislation.
5. The Entity is responsible for advising the Executive Director, the Board of Governors, the Board of Governors Legislative Committee, and the Legislative Affairs Manager, on an ongoing basis, regarding decisions, comments, and actions of the Entity. The Entity shall advise the Legislative Affairs Manager of any proposed action intended to publicly communicate its comments on legislation in advance of taking such action. Unless otherwise authorized by the Executive Director, 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.
6. 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, the Board of Governor's Legislative Committee, or the President of the Bar; and, in the case of comments on legislative proposals, the Entity representatives shall also cease to publicly communicate the comments of the Entity if requested to do so by the Legislative Affairs Manager.
7. Entities are prohibited from joining or affiliating with groups or associations whose legislative advocacy reaches beyond the areas allowable under GR 12.



WSBA

WASHINGTON STATE BAR ASSOCIATION

Legislative Action Guidelines

(Adopted by the Board of Governors on February 18, 2003)

1. Respect Threshold/GR12(c): In accord with the WSBA's purposes and activities as established by GR12(a) and (b), the WSBA may take positions on legislative proposals that relate to or affect the practice of law and/or the administration of justice.

In such event, WSBA will be guided by, though not necessarily limited to, principles enunciated below.

2. Protect the Lawyer-Client Relationship: The WSBA will act to protect the lawyer-client relationship and, in particular, will resist any legislation which might impair the confidentiality of lawyer and client communications.

Lawyers are sworn to uphold the confidences and secrets of their clients; see, Admission to Practice Rules, Rule 5(d)--oath of attorney; Rules of Professional Conduct, Rule 1.6--confidentiality.

3. Hold Sacrosanct the Right to a Jury Trial: The WSBA will resist any legislation which might impair the right to a jury trial, whether criminal or civil. The right to jury trial is protected by the Seventh Amendment of the United States Constitution and Article I Section 21 of the Constitution of the State of Washington.

The Seventh Amendment provides, in pertinent part, that ". . . the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any court of the United States other than according to the rules of the common law".

4. Protect Individuals' Freedom to Contract: Subject to the Rules of Professional Conduct, the WSBA will resist legislation which purports to regulate or impair the right of a lawyer and client to contract between them as they may desire for legal representation. This right is afforded, in part, by Article I Section 23 of the Constitution of the State of Washington.

5. Preserve the Separation of Powers/Independent Judiciary: GR12(a)(1) provides that the WSBA shall strive to promote the independence of the judiciary and the bar. The WSBA will resist legislation that might impair the separation of powers as among the executive, legislative and judicial branches of government.

In particular, the WSBA will resist legislation that might interfere with the independence of the judiciary including its right to regulate itself and the practice of law.

6. Advocate for Due Process and Equal Protection: The WSBA will protect the people's right to due process and equal protection under law as guaranteed by the Fifth and Fourteenth Amendments of the United States Constitution.

7. Protect Individual Rights: The WSBA will resist any infringement of the individual rights embodied in the Constitution of the United States of America and Constitution of the State of Washington.

8. Promote Access to Justice/Courts: GR12(a)(2) provides that the WSBA shall promote an effective legal system accessible to all. The WSBA will protect and enhance the public's access to the judicial system and legal counsel and resist legislation which might impair such access.

07/S\BOG\2003\LC\LAG

Governor Etengoff moved that the Board approve a policy that user fees are an impediment to access to justice and the BOG will not support legislation that includes a new user fee. Motion passed 6-5-1.

WSBA Board of Governors Public Session January 27, 2011

SECTIONS LEGISLATIVE COMMENT POLICY
Adopted June 2020

*Please see *WSBA Legislation and Court Rule Comment Policy*, adopted November 2015, for policy as applicable to entities other than Sections.

Note: This is a revision to the May 21, 2020 draft of the Sections Legislation Comment Policy, with thanks to the RPPT and Family Law Sections for their comments, the Member Engagement Committee, and Greys Harbor Bar Association President Jean Cotton. It prohibits municipal and federal comment unless authorized by the Board of Governors. If adopted, this Legislative Policy would supersede and replace the WSBA Legislation and Court Rule Comment Policy amended November 13, 2015 by the Board of Governors.

Purpose: This Policy governs the authority of Sections of the Washington State Bar Association to comment publicly on state legislation, executive orders, and administrative rulemaking (hereinafter “Matter”). For purposes of this Policy, to “comment” means to take a position (for example, expressing support, concerns, or opposition) with or without accompanying statements explaining the position; it also means to provide input (for example, suggested amendments, recommendations, analysis, or comments to the media) without taking a position. The reason for this Policy is to provide a mechanism for divergent positions on legislation to be reconciled with the assistance of the Legislative Affairs Manager in order to provide the Legislature with the best possible information in developing new laws.

The work of the Sections in the legislative process is valuable and important to WSBA members and requires a contribution of significant time and energy by Section Executive Committee members. Sections are the experts in their fields, and attorneys and other members of the WSBA expect that their sections will monitor legislation, take

positions when appropriate, educate the legislators with regard to proposed legislation, recommend changes to previously passed legislation or technical corrections to existing legislation. The WSBA also needs to know about Section legislative activity so that the WSBA Outreach & Legislative Affairs Manager (“Legislative Affairs Manager”) can help avoid divergent positions and unnecessary expenditure of political capital by the WSBA and the Sections. Sections also benefit from learning of the positions of other Sections on the same bills or on companion bills.

Policy:

1. Sections are encouraged to identify legislative issues within their area of expertise. The Legislative Affairs Manager will also identify bills to a Section that are within a particular Section’s expertise and will keep the Sections updated on a bill’s progress and pivotal points in the legislative process.

2. Training should be provided annually by the WSBA staff and Section members with significant experience in the legislative setting to at least one designee of each Section’s Executive Committee, with other committee members welcome and encouraged to attend, on how to implement this Policy. Such training should include how to accomplish Section goals and how to act responsibly in the legislative setting.

3. The Legislative Affairs Manager shall be made available to Section Executive Committees as a resource for any questions as a Section works on a legislative 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.

4. Sections are authorized to appear before or otherwise comment on legislation to the Legislature, or a committee of the Legislature, only under the following conditions:

a. The Section may not comment unless: (a) at least 75% of the total membership of the Section's Executive Committee has first determined that the matter under consideration meets GR 12; and (b) after determining that the Matter meets GR 12, that the comments are the opinion of at least 75% of the total membership of the Executive Committee of the Section. A subcommittee or other subset of a Section may not communicate its comments on a Matter to the Legislature or a committee thereof.

b. The Section shall not communicate comments on a Matter if such comments are in conflict with or in opposition to decisions or policies of the Board of Governors or Board Legislative Committee, including GR12 analyses.

c. The Section shall seek authorization from the Legislative Affairs Manager or the Board Legislative Committee Chair prior to communicating its comments on a Matter. In order to officially comment on behalf of the WSBA, the Section must have the prior written approval of the Board Legislative Committee or the Board of Governors, and any comments will be subject to limitations established by the Board of Governors. If authorization is granted, Sections may represent that the comments are the official comments of the WSBA.

d. Each Section will apprise the Legislative Affairs Manager and the chair of Board's Legislative Committee, as soon as possible after a decision is made by the Section on pending or proposed legislation, that the Section intends to support it, oppose it (including the reasons for the opposition and whether an amendment might be appropriate), or is taking no position. Each Section will also notify the Legislative Affairs Manager at least 24 hours in advance of a hearing before a legislative committee on a given bill, if the Section wishes to testify regarding that bill. The Section may do nothing more until the Legislative Affairs Manager gives permission to testify or to move forward with the position being taken by the Section, which permission may be given either verbally or in writing. The Legislative Affairs Manager will bring it 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 Section's position, unless there is a good and articulable reason to deny the request, which shall be explained to the Section. The Legislative Affairs Manager will notify the Board's Legislative Committee of the decision as soon as possible thereafter.

e. Each Section is responsible for advising the Legislative Affairs Manager, on an ongoing basis, regarding decisions, comments, and actions of the Section regarding Matters. The Section 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 Section shall follow the advice, guidance, and recommendations of the Legislative Affairs Manager in taking any action. However, a Section representative may answer questions posed by legislators in a manner consistent with the Section position that has been authorized in accordance with this Policy.

f. Each Section may provide technical drafting comments such as pointing out issues (typographical errors, mis-citations of RCW sections, ambiguities, possible conflicts with other RCWs not covered in a bill, and suggested amendatory language) without a GR 12 analysis. The Legislative Affairs Manager shall be advised of and copied on such comments in a timely manner.

g. Sections may not comment on municipal (defined as a city or county) Matters or on Federal Matters, which are defined as federal court rules and legislation, executive orders, administrative rulemaking, and international treaties. If a Section believes that comment on a municipal or Federal Matter should be undertaken, the Section may bring the Matter to the Board of Governors to seek the Board's authorization. Such authorization is subject to such limitations as may be established by the Board of Governors.

h. This Policy supersedes and replaces any and all prior policies on the same subject, as they apply to Sections, including but not limited to the WSBA Legislation and Court Rule Comment Policy amended November 13, 2015 by the Board of Governors.



WSBA

WASHINGTON STATE BAR ASSOCIATION

Guidelines for Appeals Relating to Annual License and Reinstatement Fees *July 2010*

Annual License Fees

Requests to Waive, Reduce or Extend Payment of License Fees

License fees cannot be waived or reduced, nor can the time to pay be extended.

However, the Bylaws do provide for a one-time exemption from payment of the annual license fees and assessments by any Active member. The member must meet the conditions set forth in the WSBA Bylaws.

Requests to Waive, Reduce or Extend Payment of the Late Payment Fee

Staff has limited discretion in waiving late payment fees. Late payment fees are not waived in the following circumstances:

1. If a member claims he did not receive his license packet.
2. If a member pays by a check that is returned by the bank for non-sufficient funds (NSF) and the member does not pay by the deadline.
3. If a member claims financial hardship.

Staff will waive the late payment fee for the following reasons:

1. If WSBA error was the cause, such as failure to correctly process a member's change of address.
2. If the member is able to provide reasonable proof that he made his payment in time even though WSBA has no record of receiving it.
3. If the member has had extraordinary personal circumstances which prevented him from handling his mail and financial matters and the timing of these circumstances supported the inability of the member to make his payment by the due date. Extraordinary personal circumstances would include a serious medical emergency, a death in the immediate family, or a significant health problem.
4. If the member pays by credit card and the member can show that the bank declined the card in error after a second submission, which resulted in the member owing a late fee.
5. In rare instances, if a member claims he did not receive his license packet and can demonstrate compelling reasons for not being aware of the license fee deadline.

Working Together to Champion Justice

Appeals of License Fees

License fees must be paid in order to maintain WSBA membership. There are no provisions in the Bylaws for appeals. Staff is not authorized to waive, reduce or extend the time to pay the license fee. Only the Executive Director can grant the one time hardship exemption if the member meets the criteria. There is no appeal of denial of the hardship exemption.

Appeals of Late Payment Fees

If the member's request to waive late payment fees is denied by staff, the member's last resort is to appeal the decision to the Board of Governors. Written appeals should be submitted to Regulatory Services for inclusion in the Board of Governors meeting materials and must include full documentation and assertion of claims.

The Board of Governors will only accept documented appeals of staff decisions. The standard for granting the appeal is "documented, exigent circumstances." The Board of Governors will review the petition using the criteria listed below for consideration of waivers of late payment fees.

1. Is there a compelling circumstance for the member to not have been aware of the license payment deadline and/or not been able to meet the deadline;
2. Is there a reasonable connection between the compelling circumstance and the missed deadline; and,
3. Is the documentation adequate to the cause?

The decision of the Board of Governors is final.

Reinstatement Fees from Suspension for Non-payment of License Fees

Reinstatement Class and Calculation of Reinstatement Fees

A member can be reinstated from suspension to any membership class after meeting the requirements for that membership class.

The reinstatement fee assessed to a member depends on when the member is reinstated.

1. Reinstatement to the same class prior to suspension:
 - a. If the member requests to be reinstated in the same calendar year that he is suspended, the member will need to pay two times the sum of the annual fee and the late payment fee (*as well as the LFCP Assessment fee for Active members*).
 - b. If the member requests to be reinstated in a calendar year subsequent to the year in which he was suspended, the member will need to pay:
 - i. Two times the sum of the annual fee and the late payment fee for the year of the suspension (*Active members also need to pay the annual LFCP Assessment fee for the year of suspension.*); and
 - ii. The license fee for the current year (*as well as the LFCP Assessment fee for active members*).

2. Reinstatement to a class other than Active when the member was Active prior to suspension:
 - a. If the member requests to be reinstated in the same calendar year that he is suspended, the member will need to pay two times the sum of the license fee and the late payment fee.
 - b. If the member requests to be reinstated in a calendar year subsequent to the year in which he was suspended, the member will need to pay:
 - i. two times the sum of the Active license fee and late payment fee for the year of suspension;
 - ii. the LFCP Assessment fee for the year of suspension; and,
 - iii. the license fee for the current year.

Circumstances for Reducing Reinstatement Fees

Staff has limited discretion in waiving reinstatement fees. Reinstatement fees are not waived in the following circumstances:

1. If a member did not understand, at the time of suspension, that the fees would be high.
2. If a member was unaware that he had been suspended for non-payment.

Staff will reduce the reinstatement fee for the following reasons:

1. If WSBA error was the cause, such as failure to correctly process a member's change of address.
2. If the member has documented extraordinary personal circumstances which prevented him from handling his mail and financial matters and the timing of these circumstances supported the inability of the member to pay license fees and/or apply for reinstatement in a timely manner. Extraordinary personal circumstances would include a serious medical emergency, a death in the immediate family, or a significant health problem.

The amount of the reduction in the reinstatement fee will be considered on a case by case basis, based on the number of years in suspended status, the length of the emergency, and other pertinent factors.

Appeals of Reinstatement Fees

If the member's request is denied by staff, the member's last resort is to appeal the decision to the Board of Governors. Written appeals should be submitted to Regulatory Services for inclusion in the Board of Governors meeting materials and must include full documentation and assertion of claims.

The Board of Governors will only accept documented appeals of staff decisions. The standard for granting the appeal is "documented, exigent circumstances." The Board of Governors will review the petition using the criteria listed below for consideration of waivers of reinstatement fees.

1. Is there a compelling circumstance for the member to not have been aware of his impending suspension for non-payment of fees and/or not able to pay license fees within 60 days of the mailing of the Pre-suspension Notice;
2. Is there a reasonable connection between the compelling circumstance and the missed deadline; and
3. Is the documentation adequate to the cause?

The decision of the Board of Governors is final.

Approved by the Board of Governors on July 23, 2010

Washington State Bar Association Section Policies

This is a statement of general rules and policies for the operation of WSBA Sections. Sections are a part of the WSBA and, as such, are subject to the supervision of the Board of Governors. All funds collected on behalf of a section are subject to the budget as approved by the Board of Governors. Questions about responsibility and authority should be referred to the Sections Liaison, the Director of Finance and Administration, or the Executive Director of the WSBA.

- I. Sections. Sections are organized to provide members of the Bar, who have specialized interests, with a structured forum in which to pursue such specialized interests within the framework of and consistently with the interests and obligations of the Washington State Bar Association.
 - A. General Responsibility. A Section shall operate in areas of specialized interest to its members where continuity is necessary or desirable.
 - B. Specific Responsibilities. Sections in areas of substantive law shall:
 1. Cooperate in the continuing legal education of the members of the Association.
 2. Cooperate in the development of the legislative program of the Association.
 3. Systematically inform the Section members of the activities of the Section.
 4. Strive to obtain the involvement of the Section members in the activity of the Section.
- II. Organization and Meetings.
 - A. Each Section shall have bylaws which must be approved by the Board of Governors. **Changes to Section bylaws must likewise be approved by the Board of Governors.** Such bylaws and bylaw revisions, once approved by the Section, should be submitted to the Board of Governors, in care of the Executive Director, for approval.
 - B. The organization and meeting procedures of a Section or the Executive Committee or officers shall be in accordance with its bylaws as approved by the Board of Governors and in accordance with Board of Governors' policy and accounting limitations.

III. Minutes, Reports, Special Requests.

- A. Minutes. Minutes shall be kept of all meetings of the Executive Board of a Section and a copy of the minutes of each such meeting shall be promptly delivered to the Executive Director, the Sections Liaison, and to each member of the Executive Board.
- B. Annual Reports. Each Section shall, not less than thirty days before the annual meeting of the Association, file with the Executive Director a concise report summarizing the activities of the current year and anticipated activities of the ensuing year.
- C. Requests for Action of the Board of Governors. Whenever a Section requests action by the Board of Governors, the requested action shall be reflected in the minutes of the Section or its executive committee and shall be set forth in a letter accompanying the minutes and directed to the Board of Governors in care of the Executive Director. If there are dissenting votes on the requested action, the votes for and against shall be set forth in the minutes and those in the minority shall be afforded the opportunity to set forth, as an attachment to the minutes, their reasons for dissent.
- D. Requests or Reports Regarding Legislation. Whenever a Section reports on, or requests action, with respect to legislation, it shall, in addition to the requirements of C above, promptly furnish a copy of its minutes to the Legislative Committee and the Legislative Representative of the WSBA, together with draft copies in bill form of the requested legislation. Reports and requests with respect to legislation shall be submitted on or before such date as may be set by the Legislative Committee.

IV. Public Positions and Legislative Activity. No Section, nor any member of a Section in his or her capacity as a member of the Section, shall express a position to the public or engage in legislative activity without authorization by the Board of Governors as detailed by the Board of Governors' policy on Legislative and Court Rule Comment.

V. Receipts and Disbursements. Revenues from and expenditures for Sections shall be under the general supervision of the Board of Governors' Budget and Audit Committee acting through the Executive Director in accordance with the Bar's rules of accountability and responsibility.

- A. Budget Requests. On or before the deadline set by the Budget and Audit Committee of the Board of Governors, each Section shall submit to the Budget and Audit Committee its requested budget for the fiscal year commencing October 1. Such request shall be submitted in such form and with such detail as the Board of Governors shall prescribe. Supplemental budget requests shall be made and approval thereof obtained before incurring any expense not included in, or in excess of, the approved annual budget.

- B. Ownership. As noted above, all funds, including Section dues, collected by the WSBA on behalf of a Section are subject to the control of the Board of Governors and its Budget and Audit Committee. Each Section shall pay annually (beginning in fiscal year 1994) to the WSBA an amount designated by the Board of Governors to reimburse the WSBA for its direct and indirect administrative expenses incurred in administering the various Sections. The Sections carry forward the net result of their financial operating budgets from one fiscal year to the next (beginning with fiscal year 1994.)
- C. Personal Liability. Note that:
Article VI (F) 3 of the WSBA Bylaws states: "The financial obligation of the Bar to any division, committee or section shall be limited to the amount budgeted for it and shall cease upon payment of that amount unless the Board of Governors authorizes otherwise."
Article VI (F) 4 of the WSBA Bylaws states: "Any liability incurred by any division, committee or section, or by members thereof, in excess of the funds budgeted, shall be the personal liability of the person or persons responsible for incurring or authorizing the same."
Article VI (F) 5 of the WSBA Bylaws states: "Any liability incurred by any division, committee or section, or by members thereof, not in accordance with the policies of the Board of Governors or in conflict with any part of these Bylaws, shall be the personal liability of the person or persons responsible for incurring or authorizing the same."
- D. Reimbursements. Requests for reimbursements of expenses are subject to the reimbursement policies set by the Board of Governors and **must** be submitted within **60 days** of the date the expense is incurred (within **30 days** at the fiscal year end, September 30). Requests submitted after these deadlines may be refused. WSBA policy prohibits the use of WSBA license fee revenue to purchase alcoholic beverages. Section dues are not bound by this policy.

VI. Cooperation with Other Sections and Committees.

- A. General. Cooperation with, and respect for, other Sections and committees is expected. Should conflicts appear in areas of responsibility or in purposes or goals, such conflicts should be promptly called to the attention of the Board of Governors through their assigned Section liaison.
- B. Legislative Committee. Full cooperation should be extended by all Sections to the Legislative Committee which is charged by the Board of Governors with overall responsibility for legislative programs and activities.

- C. Continuing Legal Education. Continuing legal education programs by Sections of the Washington State Bar Association can be channeled through the CLE Committee and CLE Board to avoid duplication of effort, scheduling conflicts, and unreasonable fees or budgeting. The CLE Committee and CLE Board will report to the Board of Governors, whose approval is a prerequisite to Section-sponsored programs. Written materials to be used in Section-sponsored CLE programs will be reviewed by the WSBA CLE Director. All Section CLE programs must be open to all members of the WSBA and not be limited to members of the Section.
- VII. Assistance by Staff. The staff of the Association headed by the Executive Director is prepared to furnish you with assistance specifically including the following:
- A. Providing general information in amplification of policy.
 - B. Providing financial statements, paying appropriate reimbursements and Section expenses, and collecting Section dues.
 - C. Assisting in obtaining resource materials.
 - D. Clarifying and coordinating activities of other Sections and committees.
 - E. Providing a Sections Liaison to support Sections. His/her duties include providing support for various Section activities and organizational needs, coordinating and distributing Section newsletters, assisting in disseminating minutes and notices of meetings, coordinating meeting arrangements, and providing other assistance as requested by a Section.
 - F. Providing a Sections CLE Coordinator. His/her duties include providing “a la carte” services and coordination for Section events that are not co-sponsored by the WSBA CLE Department, but include a CLE offering. Among other offerings, CLE “a la carte” services include producing event announcements, registration, site logistics and arranging MCLE credits.

Meeting arrangements must be coordinated through the Sections Liaison or Sections CLE Coordinator if CLE-affiliated because all contracts with hotels, motels, restaurants, etc., must be signed by either the Director of Finance and Administration or the Executive Director. These individuals are the only people with the authority to bind the WSBA to meeting contracts.

Preparation of Section Budgets

Section budgets are approved yearly by the Board of Governors' Budget and Audit Committee of the Washington State Bar Association as part of the WSBA's annual budget. The fiscal year for the WSBA and Sections is October 1 through September 30. If all goes according to plan, you can expect the budget schedule to follow this timeframe: The Director of Finance and Administration will request each Section to submit a budget for the upcoming fiscal year; this budget is generally due in May. The Budget and Audit committee reviews all section budgets in June and the Board of Governors approves the entire WSBA budget, including Sections, at its July/August meeting.

Section expenditures during the year should be consistent with the approved budget and the attached WSBA Section Reimbursement Policy. If a Section wishes to spend funds otherwise, Section leadership should prepare a written request outlining the purpose and amount of the proposed expenditure and submit it to the Director of Finance and Administration who will place it on the agenda for the next Budget and Audit Committee meeting.

The Sections Liaison will send monthly financial statements to each Section chair and treasurer within 30 days of the close of each month. Financial statements will detail actual year-to-date income and expenses and budgeted amounts. When the budget amount is reached, no further expenses for the Section will be paid unless arrangements have been made as noted above. Section chairs and treasurers should review their Section's monthly financial statements and contact the Sections 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.

Washington State Bar Association
Budget and Audit Committee
Guidelines for Section Carryover Balances

Sections carry over their net revenues or net losses at the end of each year, thus accumulating a carryover balance for use in future years. Sections earn interest income on their carryover balances.

As a non-profit organization, dues paid by members should be used for the benefit of the member who has paid them. If a large carryover is accumulated, it means the dues of current members are being accumulated for the benefit of future members.

The purposes of a carryover 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
- Provide the ability to invest in products or services that will benefit the future

What is a reasonable carryover amount? There is no precise guideline that applies to all organizations, or even to all non-profits. However, an organization with a predictable and stable source of revenues, regular and predictable expenses, and good financial planning and projections, would need less than an organization with the opposite set of circumstances. Each organization should assess its business risks (the economic environment, the threat of competition, etc.) and financial risks (how the entity is financed) to determine what is appropriate.

A carryover amount is often expressed as a percentage of the entity's annual operating expenses. This represents that period of time the entity could function with no revenues. For example, a balance that is 25% of annual operating expenses roughly means that the organization could pay its bills for three months in the worst case event that it had no revenues during that period.

At the WSBA, these targets have been set, using the reasoning set forth above:

- The WSBA has a target goal of maintaining a general reserve that is at least 8% of general annual operating expenses, by the end of any license fee setting period (that is, if license fee amounts are set for a three year period, this target should be achieved by the end of the three year period.)
- WSBA CLE seminars and publications has a target goal of maintaining a reserve that is 25% of its annual operating expenses.

A carryover balance of 25% of annual operating expenses for sections is suggested, although a higher amount might be accumulated for a specific stated purpose.

If a section finds it has accumulated a larger carryover than needed, section leadership should devise a plan to use it to benefit members. Here are some suggestions:

- High visibility/national level speaker for a CLE program
- Sponsor a law school student's attendance at a CLE
- Scholarships or contributions to a law related program that is compatible with section goals or cause
- Hire assistance with their newsletter or web page
- Reduce member dues
- Reduce fees for CLE, or provide a free CLE
- Special educational projects
- Use money at the annual meeting for whatever will encourage attendance; refreshments, entertainment, speakers, etc.
- Produce more newsletters
- Produce a membership directory
- Produce a handbook of information related to the section's area of practice
- Produce law updates
- Enhance the web page
- Produce law related information for the public, (example, Citizens' Rights brochures)
- Pro bono activities
- Survey your members to determine what they would find most beneficial
- An activity to welcome new members, or provide something free or at reduced cost as a welcome and incentive for new members

Things to avoid

- Alcohol
- Political contributions
- Appearance of extravagance to members

The section leaders should continue to share with each other those programs that have worked well for their section; this could be a specific agenda item at one or more of the informal meetings of section chairs each year.

Adopted by the WSBA Budget and Audit Committee on November 17, 1999