

WASHINGTON STATE BAR ASSOCIATION

To: Section Chairs, Chair-Elects, and Treasurers
From: Kevin Plachy, Interim Director of Advancement
cc: Sections Leaders Team
Re: FY 2020 Section Per-Member Charge
Date: June 30, 2019

The Section Per-Member Charge is calculated as part of the WSBA annual budget process. It is based on the first draft of the budget for costs of the administrative support to WSBA Section leaders and executive committees for the upcoming fiscal year as reflected in the Sections Administration cost center. These costs include: (1) salaries and benefits, (2) overhead, and (3) direct expenses.

The Budget and Audit Committee of the Board of Governors reviewed the first draft FY 2020 Budget on June 27, 2019. The Committee unanimously agreed not to increase the Per-Member Charge. The FY 2020 Per-Member Charge will remain at its current rate of \$18.75.

FY2020 PER-MEMBER CHARGE CALCULATION

1. SALARIES AND BENEFITS

The Per-Member charge includes the salaries and benefits of employees that directly support Sections; three full-time sections team staff and a portion of an FTE in Finance for processing section financial transactions such as expense reports, invoice payments and donations. *It does not include any staffing costs for mini-CLEs, Section membership dues processing, or any other work performed by WSBA employees in support of Sections.* Benefits are calculated as a percentage of total salaries. The percentage is derived from the WSBA's total salaries and benefits budget for the fiscal year. Items included in employee benefits are employer federal taxes and insurance, medical coverage, retirement plan contributions, employee bus passes, and employee service awards and assistance plan.

Direct Employee Support	Full Time Equivalent (FTE)
• Sections Administration Employees	3.0
• Administrative Employee Time ¹	0.08
Total FTE	3.08
• Salaries for 3.08 FTEs	\$212,158
• Benefits (35.4% of estimated salaries)	\$75,104

Total FY20 Salaries and Benefits Budgeted for Sections	\$287,262
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¹ Includes cost of employee time for processing accounts payable arising from section activities.

2. OVERHEAD

This charge includes expenses related to general operations attributable to all WSBA employees. Overhead cost is calculated based on a per-FTE dollar amount, which is derived by taking the total cost of overhead divided by the total number of WSBA FTEs. This generates a per-FTE cost, which is multiplied by the total number of FTEs allocated to Sections. Overhead costs in the first draft FY20 budget consist of:

Overhead Category	Cost
• Rent	1,951,000
• Furniture, Maintenance & Leasehold Improvements	35,000
• Office Supplies & Equipment	46,000
• Computer Software Depreciation	165,000
• Telephone & Internet	47,000
• Production Services	12,000
• Workplace Benefits	44,500
• HR Expenses	167,120
• Personal Property Taxes	12,000
• Furniture & Equipment Depreciation	53,000
• Computer Hardware Depreciation	50,000
• Insurance	243,000
• Professional Fees-Audit	85,000
• Bank Fees	34,000
• Information Technology Department Expenses	667,610
Total Overhead Budgeted for FY20	\$3,612,230
• Estimated total WSBA FTEs for FY 2020 = 140.75	
• Overhead per FTE = \$3,612,230/140.75 = \$25,664	

Total Estimated FY20 overhead² to be charged to Sections (\$25,664 x 3.08 FTEs) = \$79,045.12

3. DIRECT EXPENSES

These are out-of-pocket costs of administering Sections, and include:

- Dues Statements (paper, postage, and printing of annual Section membership dues statements)
- Section Meetings Expenses (Fall & Spring Section Leaders meeting costs for food, supplies, and conference calls)
- Employee Travel (costs for Sections staff to attend Executive Committee meetings and other Section events)

Direct expenses budgeted for all Sections = \$9,297

² Historically, there are small overhead differences between the first and final draft WSBA budgets.

FY 2020 PER-MEMBER CHARGE CALCULATION BASED ON FIRST DRAFT FY 2019 BUDGET

1. Total Salaries and Benefits	+ \$287,262
2. Total Overhead	+79,045
3. Direct Expenses	+9,297
Total expenses for Sections Administration cost center	= \$ 375,604

Estimated total # of section memberships for FY 2020 = 16,000 members

Total 2020 Cost Per-Member: \$23.48/member

The FY 2020 Per-Member Charge will remain at its current rate of \$18.75.

FY 2020 SECTION BUDGETS

As a reminder, Section Budget Requests and Request to Change Dues are due on July 12th. You may make additional changes after the budget has been submitted until August 16th. Please email all budget documents to your Sections Program Specialist or mail to them at 1325 4th Avenue, Suite 600, Seattle WA 98101.

If you have any questions about any of the information contained in this memo or need additional information, please feel free to contact Finance or your Section Leaders Team for assistance.

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