

# Section Financial Guidelines & Expectations 2022-2023

To: Section Chairpersons

From: Daniel J. Horgan, President

Date: August 26, 2022

Re: Financial Guidelines & Expectations for 2022-2023

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This document restates and clarifies existing practices and guidelines and expectations regarding the administration of Section Funds.

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### **1. Section Fund**

Each Section of the CBA has a balance sheet account as part of the CBA's overall finances, designated for Section use ("Section Fund"). All transactions for the Section Fund are managed through the CBA's Controller. Revenue is assigned to a Section's Fund as a result of section membership dues and receipts from section activities and sponsorships. Expenses charged to the Section Fund include the Section Servicing Fee, expenses related to Section activities or other expenses approved by the Section Executive Committee, and, in some cases by the CBA Board of Governors. Each Section Treasurer receives a monthly statement of transactions in the Section Fund by the 10<sup>th</sup> of each month.

## **2. Authority to make Financial Commitments on behalf of the Section or CBA.**

The authority to make binding financial commitments for any entity of the CBA is vested in the President and, as appropriate, the Executive Director. The making of any financial commitments or signing any documents by others will not be binding on the CBA or the Section.

## **3. Use of Section Funds.**

Section Funds shall only be used for the direct benefit of the members of the Section and to further the mission of the Section and the CBA, and for no other purpose unless approved in advance by the Board of Governors (the “Board”). This broad guideline provides each Section with flexibility in meeting the needs of a maximum number of its members and conforms to the Section leadership’s duties as fiduciaries. The following general guidelines will assist Section leaders in complying with this policy:

To receive Board Approval a written request must be submitted at least one month in advance of a regularly scheduled Board Meeting (note that the Board does not meet every month). A Section representative should be prepared to attend the meeting to make the request and answer any questions the Board may have.

Presidential Approval is sought through the Executive Director, in writing in advance. In certain cases, the President may elect to seek the advice of the Executive Committee and/or submit the request for Board of Governors’ approval.

| <b>Common Situation</b>   | <b>Guideline</b>   |
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| To make a gift or donation, fund a scholarship or sponsor any event or activity from Section Funds.                       | Board approval is required.  |
| To make a gift or donation from the net proceeds of a Section event (after payment of all expenses).                      | Presidential approval is required.   |
| To schedule an out-of-state event or program.   | Presidential approval is required, and depending on the situation, Board approval may be required.   |
| To hire a professional speaker for a meeting or pay speaker expenses (other than meal costs).                             | Presidential approval is required.   |
| To hire any third-party service or purchase goods. (This includes, for example, production of copies, newsletters, etc.). | Presidential approval is required.   |
| To purchase a gift for a speaker or retiring Section Chair.   | Section Executive Committee may approve and submit the expense for reimbursement (up to \$150 each). Expenses more than \$150 require advance Presidential Approval. |

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|---|---|
| To use Section Funds to defray or reduce the price of admission for a category of members to an event (e.g., making a meeting free for a certain number of young lawyer members; reducing the price of attendance for all members). | Section Executive Committee.  |
| To make any expenditure or commitment which is reasonably likely to cause the Section Fund to be exhausted.   | Presidential approval is required.  |
| To use Section Funds to reimburse any professional service firm (including law firms) for work done on the Section's behalf (e.g., work on amicus briefs).  | Board approval is required. CBA policy is that it does not pay professional or legal fees to produce amicus briefs. |
| Any expenditure more than \$5,000.  | Presidential approval is required.  |

#### **4. Out of State Events.**

From time-to-time Sections may wish to conduct events out-of-state or in destination locales for its members. The general rule for these meetings is that they should be self-funding through participant fees and sponsorships. Sections should be sensitive to using Section Funds to fund out-of-state events because they are generally accessible to a limited number of members – and therefore may run afoul of the guiding principle of using funds for the benefit all of the members of the Section.

#### **5. Section Revenue.**

All Section financial activity must flow through the CBA. Receipts of all monies must be deposited intact to the CBA's bank account. Forwarding "net income" of receipts less expenses to the CBA is not permitted.

#### **6. Section Expenses and Reimbursements.**

All commitments of expenditures for Section funds must be approved in advance by the Section's Executive Committee.

Reimbursable administrative expenses for Section business must be authorized by the Section Treasurer and is limited to the following: (i) Photocopying at reasonable market rates. Volume copying should be sent to the CBA for processing whenever possible, (ii) Postage: actual cost of postage incurred on authorized Section or Committee business. Reimbursable expenses do not include: (i) telephone charges, (ii) secretarial or clerical time, or (iii) travel. Receipts or other appropriate documentation are required for all reimbursement requests. Expenses related to Section meetings organized outside of the process established by the CBA are not reimbursable.

Any purchase or rental of durable goods or equipment must be approved in writing by the Executive Director in advance. Durable items and equipment acquired become the property of the CBA and must be inventoried and maintained at the CBA offices.

## **7. Section Dues Increase.**

Annually, Section Officers should review the Section's finances and evaluate whether the dues of the Section are adequate to meet the Section's anticipated expenditures or whether an increase in dues is necessary. If an increase in Section dues is deemed necessary, the increase must be implemented through an amendment to the Section's bylaws as provided therein, subject to approval by the Board of Governors. Requests for revisions to the Section must be submitted to the CBA Board of Governors for action no later than February 1 in order to meet the dues invoice deadline of May 1.

## **8. Section Servicing Fee.**

In addition to direct costs incurred by the Section, the Section is charged a section servicing fee to help offset a portion of the cost of staff support to Sections. For this fiscal year, the section servicing fee is \$30 per Section member. Changes to the section servicing fee are reviewed periodically by the Board of Governors.

The fee is applied as follows based on a July 1 to June 30 fiscal year. July and August fee is assessed based on the prior year's census. In September a new census is conducted and used going forward. The charges for July and August are adjusted to match the new census. The census is refreshed in November and is the final census for the year. Adjusting entries are made for September and October as necessary based on the new census.

## **9. Budgeting.**

Suggested, but not required, for each Section Treasurer to provide a budget to assist CBA staff in forecasting the annual Section expenses.