NEW YORK STATE BAR ASSOCIATION
FINANCE COMMITTEE
FINANCIAL POLICY FOR SECTIONS OF THE ASSOCIATION
Effective July 1, 1977 – As Amended Effective June 27, 2023

A. PURPOSE

These guidelines are intended to assist the orderly administration of the financial affairs of sections by furnishing section chairs with a convenient reference concerning policies and procedures. It is the purpose of the Finance Committee to establish reasonable policies governing budgets and adjustments, control of funds, travel expenses, deficits and surpluses, and expenditures for publications. These are based on the premise that sections shall generally be self-governing and financially self-sustaining.

B. GENERAL

1. As warranted, sections may be financed entirely or partially by the Association, as when a section is newly-established, or Association funds are required to cover an unanticipated deficit. Under such circumstances, which are analogous to Association funding of committees, the Financial Policy for Committees of the Association shall be applicable.

2. The principle that established sections shall be self-sustaining means that the regular operation of such sections shall be financed entirely by the dues and revenue-producing activities anticipated in an annual budget. It is the responsibility of individual sections to fix dues at a level where, combined with other expected revenues, sufficient funds will be generated to finance section activities. However, under proper circumstances, Association funds may be made available to a section, such as to defray all or part of the expenses of a program or activity beneficial to the entire Association, or the Bar generally. The section chair or fiscal officer should contact the Executive Director for assistance in submitting a request for such funding.

C. BUDGET PROCEDURES

1. Although the Association year is structured on a June 1 – May 31 basis, the Association budget is based on the calendar year. The budget for any given calendar year is prepared by the Finance Committee and submitted for approval by the House of Delegates at the November meeting immediately preceding the calendar year for which the budget is to take effect. Section budgets, therefore, are required to be administered on a calendar year basis for inclusion in the annual Association budget.

2. For convenience in dealing with the Senior Director of Finance and Finance Committee on budgetary matters, each section should designate a fiscal officer, which post may be filled by the section chair.

3. Section chairs and fiscal officers shall be responsible for the preparation of proposed budgets for their respective sections. Necessary instructions and the timetable for submission of such proposed budgets shall be forwarded to each chair and fiscal officer by the Senior Director of Finance of the Association.

4. In the absence of a submitted budget, the Senior Director of Finance, under the supervision of the Executive Director, shall prepare a proposed budget for submission to the Finance Committee based upon such information as may be available.

5. The Finance Committee shall approve income and expense budgets for each section as part of the Association budget, and such shall become applicable for the next calendar year upon approval by the House of Delegates.

6. Should the Finance Committee materially alter the proposed budget of any section, the Executive Director shall promptly notify the section chair or fiscal officer of such change.

D. CONTROL AND EXPENDITURE OF SECTION FUNDS

1. No section shall have funds or bank accounts of its own, as all transactions connected with section activities shall be reflected in the appropriate Association accounts.

2. All funds received by a section shall be remitted to the Association, and all expenditures on behalf of a section shall be paid by check of the Association.

3. Payment is not authorized for expenditures incurred by any section except as provided for in the budget of such section. Prior to drawing an Association check for payment of any section expenditure, the Senior Director of Finance shall verify that such expense is a budgeted item and sufficient funds remain for such purpose.

4. Charitable contributions of Association funds by sections are unauthorized, and any individuals making such commitments shall be personally liable therefor, with the following exceptions:

   a. Sections may make a memorial contribution in an amount not to exceed $200 to The New York Bar Foundation or other suitable charity in connection with the death of a current or former section officer, member of the section's Executive Committee, or member who has served the section with distinction, but only with prior authorization of either the Treasurer or Chair of the Finance Committee. In reviewing any request, the Treasurer or Chair of the Finance Committee should seek to give due deference to the wishes of the section and shall consider factors including the amount of the requested contribution, the financial condition of the section and the role of the deceased person within the section.

b. With the prior authorization of the Finance Committee, sections may make donations to The New York Bar Foundation or to other appropriate 501(c)(3) charitable entities or to or for the benefit of such other entities as the Finance Committee shall approve. In reviewing any request, the Finance Committee shall consider factors including, but not limited to, the amount of the requested donation, the financial condition of the section, and whether the proposed donation is for a purpose that is consistent with the goals of the Association and the section or would benefit the section's substantive area of interest. By way of example, but without limitation, such purposes might include programs to benefit the legal profession or public understanding of the law, a capital campaign fund for purposes beneficial to the New York State Bar Association, or internships or studies related to the section's substantive field.

5. a. Unless otherwise approved in advance by the Finance Committee, sections may not reimburse officers, members or speakers for time spent by them or any partner, associate, paralegal or other employee in connection with section activities.

b. Except in exigent circumstances, sections shall utilize the resources of the Association for the reproduction and distribution of written materials to section members. Should section officers or members duplicate and mail or fax materials from their office, the expenses incurred will be reimbursed by the Association only if there is funding in the section budget for this purpose and upon submission to the Senior Director of Finance of documentation as to the actual duplication and mailing or fax costs, and in no event will reimbursement for photocopying exceed the lesser of $.05 per page or actual cost; and expense for faxing will be reimbursed at actual cost. There will be no reimbursement paid for word processing or other document production costs.

6. a. Sections should structure fees for programs and other functions, or augment fees by means of sponsorship income, to operate such events on a financially self-sustaining basis to minimize the extent to which funds derive from the dues of non-attending section members are used to sustain such events. Should estimated costs for a program or event exceed proposed revenues, or if other circumstances exist, such as the poor overall financial condition of the section, the Finance Committee may require the section to adjust the proposed fee or otherwise augment revenues.

b. The cost of travel for the staff of the Association to attend section meetings and events will be reimbursed to the Association by the section for which the travel was incurred. Reasonable travel expenses include but are not limited to airfare, train or bus fares, taxi or other ground transportation, tolls and parking charges, plus a mileage allowance at a rate determined annually by the Finance Committee for one driving his or her own vehicle, and charges for meals and overnight hotel or motel accommodations.

E. REIMBURSEMENT OF TRAVEL EXPENSES

1. Section Members

a. Each section may establish guidelines defining travel expenses subject to reimbursement and members eligible therefor, within the limitations of the following policies regarding amounts, travel distances and allowable expenses:

1. Reimbursable travel expenses shall be those of a member who travels from home or office to a meeting exclusive of the summer, fall or annual meetings of the section and shall consist of coach class airfare, train or bus fares, taxi or other ground transportation costs; or tolls and parking charges, plus an allowance at a rate per mile determined annually by the Finance Committee, for one driving his or her own vehicle; and charges for meals, and overnight hotel or motel accommodations. Charges for services such as spa treatments, in-room entertainment, dry cleaning/laundry and other charges not related to NYSBA will not be reimbursed.

2. The expenses to be reimbursed to a member shall be the actual expense incurred, or a fixed dollar amount to be determined annually by the Finance Committee, whichever is less.

3. The Chair of the International Section may be reimbursed for a business class airline ticket for international travel greater than four hours if the Section is willing to absorb the cost and has the budget to do so.

b. Such guidelines shall be submitted to the Finance Committee for approval.

c. Travel expenses subject to reimbursement shall be a designated line item in section budgets.

d. Sections may apply to the Finance Committee for a variance from the above policies should same be warranted by special circumstances, and the determination of same shall rest in the discretion of the Finance Committee based upon a showing of good cause by the applying section. In considering such applications, the Finance Committee will generally look with favor on those intended to encourage active participation in section activities by members employed by government agencies, public interest entities, or law schools.

2. Speakers at Section Programs

a. Sections shall be permitted to reimburse the reasonable expenses incurred by speakers who are not members of the section or are members of the section not engaged in full-time private practice in attending section programs. The reimbursement of expenses incurred by other section members who are speakers at section programs shall be limited to those expenses, as defined in subdivision (E)(1), except the restriction as to summer, fall or annual meetings shall not apply.

b. Sections may pay an honorarium to speakers, but only with prior authorization from the Treasurer or Chair of the Finance Committee. In reviewing any request, the Treasurer or Chair of the Finance Committee shall consider factors including, but not limited to, the amount of the requested honorarium, the financial condition of the section, the nature and purpose of the event, the location and likely attendance, the nature of the speaker – i.e., whether for substantive or entertainment purposes, and the overall benefit that the speaker may contribute to the program or function. In making a determination, the Treasurer or Chair of the Finance Committee will give due deference to the wishes of the section, but will look most favorably on speakers geared towards enhancing the professional development of section members, with honoraria to entertainment-type speakers being reserved for special circumstances.

F. MEETINGS

1. It is important that meetings, especially destination meetings, be planned and executed in a fiscally sound manner. Destination meetings are typically larger multi-day meetings, but may be only one day, that are held at a hotel or similar paid location that is selected by the Section, and may take place anywhere in New York State, around the Country or the world. Destination meetings have a CLE component and are usually held in the Spring, Summer or Fall.

   The guidelines and policies set forth below in this Part F seek to manage and preserve both Section and Association finances and resources, recognize the time and expense incurred by members to attend in-person meetings and the significant Staff time required to prepare for destination meetings (typically an expense borne by the Association rather than charged to the Sections), while also acknowledging and encouraging the efforts of Section leaders and volunteers to create meetings that enhance the value of Section and Association membership to members.

2. Meeting budgets should balance, with rare exceptions such as where a planned deficit can be justified as an appropriate use of Section surplus funds to promote and grow Section membership and diversity, as part of a series of meetings whose budgets are balanced in the aggregate, or on other appropriate grounds, and should be based on realistic assumptions.

   a. Attendance and sponsorship expectations should align with past Section experience for similar meetings or be justified by firm commitments.

   b. Expenses should include all reasonably anticipated costs, including venue costs, food and beverage, room blocks, transportation, local staff, audio-visual costs, and Association Staff travel and lodging expenses that are the Section's responsibility under Section 6.b. of Part D of this Policy. Section Liaisons, who have experience and training in planning destination meetings, should be involved to ensure that all likely expenses are considered.

   c. Expenses generally, and reception and meal costs in particular, should be reasonable.

   d. Evaluations, head counts, and profit/loss from prior meetings, as well as anticipated venue and other costs, should be reviewed prior to preparation of the meeting budget.

e. A contingency for unexpected costs should be included in most cases.

f. Meeting budgets should be approved by the Section Executive Committee or Section officers, where appropriate, before being submitted for approval to the Finance Department.

g. All meeting budgets must be approved by the Finance Department. Budgets for destination meetings with an expense budget in excess of $100,000 will in the ordinary course be provided to the Finance Committee Chair (or, if unavailable, to the Treasurer) and may be referred on a case by case basis to the entire Finance Committee for its approval. The budget review process will take into account the basis for attendance and sponsorship projections, the reasonableness of anticipated expenses, the extent of Association staff support required in light of the expected attendance and other anticipated benefits of the meeting, the track record of the particular Section in conducting prior destination meetings successfully and in stewarding its finances generally and the size of its accumulated surplus.

3. After the budget is approved, venue and other contracts should be finalized with the assistance of experienced and trained Association staff, who can help in avoiding unanticipated costs and in keeping agreed costs reasonable. All contracts must be reviewed and approved by the Association General Counsel. The Association is the legal entity and so must be the contracting party; contracts may not be signed by Section officers.

4. Upward departures from approved budgets at destination meetings are discouraged. Additional expense items in excess of $7,500 or 10% of the approved budget, whichever is less, require advance approval before being incurred, except for truly exigent circumstances. Approval may be requested from the President or President-Elect, if one of them is in attendance at the meeting, the Treasurer, or the Finance Committee Chair. The Section Chair should approve requests for such departures in advance, unless circumstances make the Chair unavailable, in which case another Section officer should approve.

5. Sections should generally meet in accessible and affordable locations that are cost effective with due regard to (1) the cost to volunteers/members and (2) costs to staff, while maximizing the overall benefit to its members, with due consideration to the benefits of meeting in a particular location.

a. Groups are encouraged to:

(i) Employ Zoom, or other web-based meeting tools to accomplish their work.

(ii) Where a meeting is held in person, consider the desirability of enabling remote participation, ideally using a venue that can provide such facilities without charge, such as a law firm, or the Bar Center in Albany, and

(iii) Consider the effect of holding meetings where members are asked to bear the expense, as the inability to bear the expense may fall disproportionately on young lawyers, solo or small firm practitioners, lawyers in corporate law departments, government lawyers, and judges, and may result in less diverse or inclusive participation. In addition, Section members should be apprised of the opportunities for Tuition Assistance for programming.

b. Except where there is a successful history of doing so, where a Section proposes to hold more than one destination meeting in a given year (outside of venues like the Bar Center and law firms), the reasons for doing so should be clearly delineated, and the expectation for success in both financial terms and attendance justified in conjunction with the Section's proposed budget when it is submitted for approval as described above.

c. Planning of destination meetings should begin as early as practicable and, to the extent possible, 12-18 months before the meeting. Especially for meetings taking place in new or comparatively expensive destinations for a Section, Sections are encouraged to survey their members to gauge interest in and willingness to attend a meeting at a particular location. Past experience of Sections or the Association in certain venues and locations, along with past contracts, should be reviewed.

d. Section officers and members of small Executive Committees should be committed to attending in person; members of large Section Executive Committees should be encouraged to attend. Other than meetings that are intended to provide training or other benefits to Section or Association members or others outside of the Executive Committee, if a significant number of Section officers and Executive Committee members are not planning to attend, the meeting should be re-evaluated.

e. Sections are encouraged to work together to collaborate on themes/topics for jointly held meetings.

f. Sponsorship can greatly help offset expenses and should be encouraged. Sponsors/vendor/exhibitors generally prefer high meeting attendance for exposure. Joint meetings with other Sections or Committees can enhance attendance and reduce per person expenses. Planning an in-person destination event at a hotel or similar paid venue for fewer than 50 people should be avoided, absent special circumstances.

g. Sections should work with their Section Liaisons on the scheduling of meetings to avoid multiple meetings occurring during the same time period. Such overlaps create a strain on available staff time, and, where meetings may have appeal to common interests, can reduce attendance. For the same reason, scheduling overlap with similar meetings of other bar associations should be avoided where possible.

h. Sections are encouraged to host meetings at the Bar Center in Albany where appropriate to lower overall expenses, capitalize on Association technology capabilities, and reduce the burden on staff. Alternatively, other free or low-cost facilities with technology capabilities should be considered, such as host law firms. Experience has shown that the availability of technology for hybrid meetings can greatly boost attendance.

6. **CLE Programming Planning**

a. Section programming should be developed in consultation with the CLE department to meet the needs of the Section and its members.

b. The number of proposed programs delivered by each Section or Committee should be determined with due regard to creating member value, considering, among other factors, the number of Section members, the level of interest in the proposed topics, the development of realistic balanced budgets, and due regard to the demands on staff time and resulting cost to the Association, both in terms of financial expense and use of staff resources..

c. Niche or specialty programs for smaller audiences should be evaluated together with the Associate Executive Director, who should determine in conjunction with the Section whether to have the program recorded, offered online, offered live, or offered on a hybrid basis at a low- or no-cost venue such as the Bar Center or a law firm.

d. Most CLE programming, other than in conjunction with a seasonal or other major meeting, should continue to be virtual or hybrid at low- or no-cost venues. In-person CLE programs gatherings should generally be reserved for destination/off-site meetings or smaller events with a significant networking element, where there is a significant benefit to in-person contact. This will result in minimizing overall financial and staff resource costs to the Section, Committee, or Association.

e. CLE planning should take place throughout the course of the year, in order to maximize the offering of timely events. Wherever possible, programs should be finalized and scheduled no later than 60 days before a program is to be held to minimize the burden on staff and maximize the opportunity for marketing and promoting the program.

f. Ideally, a Section or Committee should work together with the CLE department to map out quarterly or bi-annual plans for programming, so we can optimize the overarching calendar and allocate resources properly.

7. **Ongoing Needs**

a. Section leaders must be mindful that the Association has limited staff resources, typically 1 liaison for every 2 Sections (3 Sections in limited cases) and designated liaisons for standing committees.

b. Staff support for small meetings or Zoom arrangements should be planned out in advance with the Section liaison and requirements for liaison involvement at the meeting should be limited.

c. Whether it's working on an agenda, planning a meeting, or scheduling an award, NYSBA staff should work with Section or Committee leaders and program chairs on building relevant and requisite timelines that should be adhered to by the Section or Committee. A great deal of time is spent on last minute requests and projects that could have been avoided. Such last-minute demands are inefficient and take away scarce staff time and resources from the needs of other Sections and Committees.

8. In allowing complimentary attendees other than speakers, sections shall be limited to the chair of the section and the program chair to minimize expenses for which there is no offsetting income.

9. The payment of speakers' expenses shall be governed by subdivision (E)(2) of this policy.

G. ADJUSTMENTS AND SUPPLEMENTS TO SECTION BUDGETS

1. During the calendar year, the section fiscal officer or chair may transfer unexpended or uncommitted funds from one budget line item to another, upon advice of the Senior Director of Finance that such funds are available and that the transfer does not change the section's overall budget. The Senior Director of Finance should also be given written notice of the transfer to ensure the accuracy of the Association accounts.

2. Should a section without any existing surplus require additional funds during the course of the year, approval for same may be obtained upon consent of the following:

   a. The Executive Director for amounts up to $200;

   b. The Association Treasurer and the Chair of the Finance Committee for amounts between $200 and $1,500;

   c. The Finance Committee for amounts exceeding $1,500.

H. DEFICITS AND SURPLUSES IN SECTION ACCOUNTS

1. The following rules concerning surpluses and deficits are designed to assist sections in operating on a self-sustaining basis annually, by permitting the accumulation and use of surplus funds to offset unexpected deficits or to finance special projects.

2. A section may accumulate a reasonable amount of surplus funds which may be carried forward from year to year. While no specific amount or time limitation is placed on the accumulation of surplus funds, the Finance Committee reserves the right to establish limitations, as warranted, on the amounts which may be accumulated, the duration for which such funds may be held, and purposes for which they may be expended. Should a section, in the opinion of the Finance Committee, accumulate an excessive surplus over several years in proportion to the section's annual budget, the Finance Committee will consult with the section chair and fiscal officer to determine appropriate means for reducing the surplus in future years.

3. By allowing sections to retain surplus funds, the Finance Committee intends that such accumulation should be for long-term purposes designed to benefit the majority of section members, such as the development of educational materials or programs or the financing of studies relating to the section's area of interest. Sections are specifically discouraged from proposing the expenditure of funds merely to use an accumulated surplus, especially if such purpose is of limited benefit or duration.

4. Sections are expected to expend funds from the current annual budget for projects before surplus funds may be utilized for such purposes. Authorization for the expenditure of surplus funds may be obtained upon consent of the following:

   a. The Finance Committee for expenditures incorporated in the section's annual budget.

   b. In all other situations, by the Executive Director for amounts up to $2,000, the Association Treasurer and Chair of the Finance Committee for amounts between $2,000 and $5,000, and by the Finance Committee for amounts exceeding $5,000.

5. Deficits in section budgets shall be carried forward from year to year, and any surpluses occurring in subsequent years shall be applied first to offset such deficits before the balance may be utilized to fund special projects.

6. The proposed budget of any section which has incurred deficits for two successive years will be reviewed carefully by the Finance Committee, in consultation with the section chair and fiscal officer, so that appropriate measures may be taken to avert continued deficits.

I. RECONSIDERATION AND APPEALS

Denials of any portion of a proposed budget, requests for changes in line items or amounts, or requests for additional funds, may be appealed to, or reconsidered by, the Finance Committee upon request of the section chair. A further appeal to the Executive Committee of the Association may be taken from a decision of the Finance Committee. In either instance, the section chair or fiscal officer should contact the Executive Director for assistance in the appropriate procedure for the presentation of such appeals or requests for reconsideration.

J. SECTION PUBLICATONS

1. Since the benefits of section membership are intended primarily for section members, and recognizing that increased printing and postage expenses may reduce the financial resources of sections, distribution of section publications generally shall be limited to the section membership, unless prior approval to circulate to non-members shall have been obtained from the Association's Finance Committee and/or Executive Committee, as may be appropriate.

2. Sections are permitted to accept tasteful paid advertising for inclusion in section publications. Since the insertion of advertisements results in an increase in postage, rates for such advertisements should be fixed and adjusted periodically in consultation with the Association staff so as to offset these increased mailing costs.