

---

## V. Budget and Finance

### A. Overview of Financial Operation and Budget Process

#### (A.) General Assembly Appropriation

Although it is a state agency, the Virginia State Bar receives no general fund or tax dollars. It is funded by dedicated special revenues derived primarily from bar dues which are held in the State Bar Fund with the Department of the Treasury. Regardless of cash balances on hand in the State Bar Fund, the VSB is authorized to spend **only** the amount of money appropriated to it by the General Assembly of Virginia in the state budget. The bar's appropriation request is included in the Governor's budget prior to review and approval by the General Assembly.

#### (B.) Special Funds

Virginia State Bar funds are held in three separate accounts: the State Bar Fund; the Administration and Finance Account, and the Clients' Protection Fund. Each of these accounts is authorized by statute or rule of court and is audited annually by the State's Auditor of Public Accounts.

**The State Bar Fund** is the bar's operating account. This fund is comprised of member dues and penalty fees, as well as fees from a variety of other sources including MCLE sponsors, professionalism course registration, cost assessments in disciplinary matters and section revenues. Va. Code § 54.1-3913.

**The Administration and Finance Account** was created in 1987 to manage revenues and expenses for meetings that are supported by registration receipts rather than mandatory dues. The Annual Meeting is handled through the A&F Account. The fund is used to pay expenses that cannot be paid with state funds. Va. Sup. Ct. R. Part 6, §IV, ¶9(i).

**The Clients' Protection Fund** was established in 1976 to make monetary awards to persons who have suffered financial losses because of the dishonest conduct of a Virginia lawyer. The fund is administered by a fourteen member board and operates under rules approved by the Council. From 1976 to 2005, the fund was primarily capitalized by member dues through transfers from the State Bar Fund. In 2007, the General Assembly and the Supreme Court approved a \$25 per year assessment for each active member of the bar. In February 2013, the General Assembly extended the assessment through June 30, 2020. In September 2017 the Supreme Court reduced the assessment for each active member of the bar to \$10. This change is effective 7/1/2018. Also effective 7/1/2018 the General Assembly extended the CPF sunset provision from 7/1/2020 to 6/30/2023.

#### (C.) Annual Process for Operating Budget

In November, the VSB staff will begin developing the operating budget for the following fiscal year beginning July 1. The proposed budget is reviewed and finalized by the Standing Committee on Budget and Finance in January. The budget is presented to the Executive Committee and Council for approval at their February meetings. The budget is also presented to the Supreme Court of Virginia for its input and approval.

### B. Financial Policies

#### (A.) Dues Increases

No increase in the annual dues above \$250 for active members or \$125 for associate members will be authorized by the Court whenever the total combined cash balances of the State Bar Fund and the Virginia State Bar's Administration and Finance Account shall exceed fifteen (15) percent of the total annual operating expenditures of the Virginia State Bar for the year preceding the year in which the dues increase is sought. (Rules of Court, Part Six, Section IV, Paragraph 11). Va. Code § 54.1-3912.

#### (B.) Expenses for Group Functions

The Executive Committee has directed the VSB staff to negotiate the best rate possible (considering location and circumstances) for group functions sponsored by the Virginia State Bar.

#### (C.) Use of State Bar Funds

---

As a matter of policy, funds in the custody of the Virginia State Bar shall not be used for the purpose of contributing to, or sponsoring, the social activities of any organization excepting those organizations to which the VSB owes a duty as a participating member.

Approved by VSB Executive Committee  
December 1988

Approved by Council  
February 1989

## **(D.) Alcohol and Spouse Expenses**

Senate Joint Resolution 263 (1995) directed the Joint Legislative Audit and Review Commission (JLARC) to conduct an analysis of the Virginia State Bar. The review began in the spring of 1995 and was concluded with a report to the commission on December 11, 1995. One recommendation stated that the Virginia State Bar should discontinue the practice of paying for expenses from its Administration and Finance Account which are inconsistent with the intent of the Supreme Court of Virginia in establishing and authorizing the fund.

In June 1996, Council amended its policy to prohibit the use of State Bar funds for spousal travel expenses and purchase of alcohol. Section budgets are comprised of voluntary dues therefore spousal expenses for group meal events are acceptable.

## **C. Volunteer Expense Reimbursement Policies and Procedures**

### **(a.) Volunteer Travel Expense Reimbursement Guidelines**

The Virginia State Bar (VSB) follows the Commonwealth of Virginia Travel Regulations with certain exceptions. Reasonable and necessary travel expenses incurred by committee members attending committee meetings are reimbursable by the Virginia State Bar. This includes mileage or fares, lodging and certain meal expenses; however, alcoholic beverages and spousal expenses are NOT reimbursable. Committee members are encouraged to minimize travel expenses by reducing overnight stays in connection with committee business. To this end, committee chairs are requested to call meetings at such times and in such places that costs of travel by committee members will be held to a minimum.

Travel reimbursement requests should be filed IMMEDIATELY after a meeting. All vouchers received more than 30 days after the completion of the trip must be approved by the Executive Director. Reimbursement requests received more than thirty days after completion of travel may not be honored.

With reasonable notice, arrangements can be made for a committee to use a VSB meeting room. Meetings at “resort” hotels are usually not allowed and must be cleared in advance by the Executive Committee.

Members attending the VSB Annual Meeting held in June at Virginia Beach are expected to pay their own expenses as a part of their professional responsibility. Hence, expenses of members attending committee meetings scheduled immediately before, after or during the Annual Meeting are NOT REIMBURSABLE. This also applies to committee meetings scheduled immediately before, after or during regular meetings of various voluntary state associations (i.e., VBA, VTLA and VADA) and are considered to be held for the convenience of lawyers attending those association meetings. This policy is in accord with that of the American Bar Association and other state bar associations. The board members of sections and conferences are allowed an exception to this reimbursement policy (refer to Sections and Conferences section of this handbook).

Please refer to the Volunteer Expense Reimbursement Voucher at [www.vsb.org/site/members/chairs-handbook](http://www.vsb.org/site/members/chairs-handbook). Reimbursement vouchers should be typed or handwritten legibly. Volunteer reimbursement vouchers are available from the VSB website or bar office (Excel spreadsheet or PDF file via e-mail). Send your e-mail request to: [huband@vsb.org](mailto:huband@vsb.org). **Each day’s expenses must be itemized separately on the voucher. You must attach appropriate itemized receipts.** Reimbursements will not be made from credit card receipts or statements. All Virginia State Bar volunteers are required to complete a Commonwealth of Virginia substitute W-9. A sample of the W-9 is on the following page. The W-9, Volunteer Expense Reimbursement Voucher, and detailed instructions are online at <http://www.vsb.org/site/members/chairs-handbook>.

### **(b.) Invoices and Miscellaneous Expenses**

Miscellaneous expenses (copying, postage, etc.) should be included on the volunteer reimbursement voucher and must include original invoices. Use the “other” column to capture these expenses. The State Comptroller’s Office requires detailed explanations and documentation.

Form **W-9**

Commonwealth of Virginia  
Substitute W-9 Form

Revised July 2014

# Request for Taxpayer Identification Number and Certification



<input type="checkbox"/> <b>Social Security Number (SSN)</b>  <input type="checkbox"/> <b>Employer Identification Number (EIN)</b>  _____	Please select the appropriate Taxpayer Identification Number (EIN or SSN) type and enter your 9 digit ID number . The EIN or SSN provided must match the name given on the "Legal Name" line to avoid backup withholding. If you do not have a Tax ID number, please reference "Specific Instructions - Section 1." If the account is in more than one name, provide the name of the individual who is recognized with the IRS as the responsible party.
---	--

<b>Dunn &amp; Bradstreet Universal Numbering System (DUNS) (see instructions)</b>  _____	<b>Legal Name:</b> _____	
	<b>Business Name:</b> _____	

Entity Type	Entity Classification	Exemptions (see instructions)
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> S-Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Disregarded Entity <input type="checkbox"/> Estate <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Non-Profit <input type="checkbox"/> Corporation	<input type="checkbox"/> Professional Services <input type="checkbox"/> Medical Services <input type="checkbox"/> Political Subdivision <input type="checkbox"/> Legal Services <input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Joint Venture <input type="checkbox"/> VA Local Government <input type="checkbox"/> Tax Exempt Organization <input type="checkbox"/> Federal Government <input type="checkbox"/> OTH Government <input type="checkbox"/> VA State Agency <input type="checkbox"/> Other	Exempt payee code (if any): (from backup withholding) _____  Exemption from FATCA reporting code (if any): _____

Contact Information		
Legal Address: _____  City: _____ State : _____ Zip Code: _____	<b>Name:</b> _____	
	<b>Email Address:</b> _____	
	<b>Business Phone:</b> _____	
Remittance Address: _____  City: _____ State : _____ Zip Code: _____	<b>Fax Number:</b> _____	
	<b>Mobile Phone:</b> _____	
	<b>Alternate Phone:</b> _____	

<b>Section 2 - Certification</b>	Under penalties of perjury, I certify that: <ol style="list-style-type: none"> <li>1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and</li> <li>2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or c) the IRS has notified me that I am no longer subject to backup withholding, and</li> <li>3. I am a U.S. citizen or other U.S. person (defined later in general instructions), and</li> <li>4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.</li> </ol> <p><b>Certification instructions:</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See instructions titled Certification</p>
----------------------------------	--

<b>Printed Name:</b>		
<b>Authorized U.S. Signature:</b>		<b>Date:</b>