

VIII. Budget Preparation, Execution and Review

A. Budget Cycle

The Virginia State Bar operates on the fiscal year cycle commencing July 1. Sections formulate a budget based on 80 percent of their dues revenue plus any seminar proceeds or miscellaneous revenue that may have been generated by the section.

Conferences prepare budgets based on the programs and projects planned for the fiscal year. Since conferences do not charge dues, these budgets are funded by the bar's general revenue, derived primarily from mandatory bar dues. In some cases, conferences may charge fees for events that would help offset the cost of that event.

Planning for the next fiscal year budget usually begins in January of each year. Sections and conferences should anticipate board meetings, projects, programs, newsletters and Annual Meeting activities which they plan to conduct in the subsequent fiscal year. Costs associated with these activities should be included on the proposed budget, a sample of which is found on page 20. **This is an Excel spreadsheet that can be e-mailed to you.** Section vice chairs should be actively involved in the budget process since they will be responsible for adhering to the budget when they assume the chair's position.

Section and conference budget proposals must be filed in the bar office on or before February 15, 2008. This allows time for the bar staff to compile the complete State Bar budget for review by the Standing Committee on Budget and Finance prior to the April Executive Committee meeting. Final action on the budget is taken at the June Council meeting.

B. Rules for VSB Section Budgets and Expenditures

These rules have been approved by the Executive Committee of the Virginia State Bar, and sections are *enjoined* to adhere to them:

1. After three years of operation, each section shall have a membership and dues structure that enables it to be self-supporting.
2. Each section, after three years of operation, shall pay annually 20 percent of its dues revenue as an administrative service charge for the use of the bar facilities, services and staff.
3. The Executive Committee must approve, in advance, any amendments to a section's budget. A section must request any amendment in writing by the April meeting of the Executive Committee.
4. A section's unexpended budget and excess revenue, as of June 30 of each year, becomes a part of the bar's general operating fund. However, any non-dues revenue generated in a given year will be considered by the Executive Committee in evaluating a section's proposed budget for the coming year.
5. Sections shall not expend funds in excess of their budget and all expenditures should be for the benefit of the entire section membership.

6. The board of governors of each section has autonomy in the expenditure of its budgeted funds. However, the Executive Committee will not approve vouchers for expenditures that are inconsistent with general policies of the bar as a state agency, such as political activities, meetings at resort hotels and other expenditures that are excessive.
7. Sections are responsible for Annual Meeting expenses, which should be reflected in their annual budget. No charges may be made to the hotel master accounts established by the Virginia State Bar without express authority of the VSB executive director.
8. Council must approve, in advance, proposed dues increases over the amount of \$35 (as amended 2/89).

Approved by VSB Executive Committee
October 1988
Amended by VSB Executive Committee
September 1999

C. Section and Conference Accounts

Virginia statutes require that all revenues collected by the state bar, or any of its sections, conferences or committees, be deposited into the state treasury to the credit of the bar. The state bar fiscal office maintains subsidiary ledgers for the sections and conferences, which reflect dues and other revenues. In accordance with policies regarding state funds, sections and conferences are prohibited from maintaining outside checking accounts.¹ The executive director of the Virginia State Bar has exclusive responsibility for the financial management of all section and conference budgets.

D. Monthly Financial Reports

Beginning with the month of July, section and conference chairs will receive a monthly financial report, indicating the status of the section's budget. Reports are circulated approximately three weeks after the close of the month. A copy of the financial report also will be sent to the vice chair for information. Because of the vice chair's responsibility for budget preparation for the next year, the vice chair should keep abreast of the financial condition of the section and be mindful of any developing needs or problems that might be anticipated.

E. Annual Meeting Expenses

Sections and conferences are responsible for all expenses associated with Annual Meeting activities sponsored by the section or conference, including:

- a) travel, lodging and other related expenses for speakers;
- b) awards for speakers and outgoing board members and officers;
- c) printing, AV and other special program requirements.

No funds are allocated from the Virginia State Bar's operating budget for expenses incurred by any section or conference in connection with the Annual Meeting. Sections and conferences should include these expenses in their annual budgets.

F. Year-End Expenditures

In accordance with state year-end guidelines, **original** invoices for section and conference expenditures that are not received by the state bar office prior to noon on the last working day of June will be charged against the group's budget for the following year.

G. Grant Requests

Chairs should be advised that sections and conferences are required, as is the Virginia State Bar, to comply with state guidelines and restrictions applicable to seeking grants from private or public sources.

If a section or conference plans to submit a grant application for a special project, **prior** approval must be given by the executive director. All grant applications must be signed by the executive director or the deputy executive director and a copy of the application must be given to the bar's fiscal officer. The fiscal department is responsible for tracking grants and complying with state fiscal policies and procedures.

If the grant is approved, a copy of the approval letter from the granting entity must be given to the fiscal officer. The executive director or the deputy executive director should sign off on any paperwork related to receipt of grant funds. The section/conference liaison is responsible for working with the volunteer responsible for carrying out the grant to make sure all funds are spent as designated by the grant, invoices are submitted promptly for payment, and required reports are filed accurately and timely.

¹ Section 2.1-180 of the *Code of Virginia* requires that every state agency collecting monies from any source for the use of the agency pay the collected monies into the state treasury.

H. Suggested Budget Format

Section/Conference: _____

2008–09 Proposed Budget

Projected Revenue

Projected Dues Revenue—2008–09 _____
(# members ____ x dues per member ____) x 80% _____
Dues available to budget \$ _____

Seminar/Misc. Revenue, if any + _____

Total available to budget. \$ _____

Projected Expenditures:

In the space provided beneath each category, provide detailed information to justify the requested amount. Attach additional sheets, if necessary.

Travel & Subsistence. \$ _____
(board meetings & other necessary travel)

Printing \$ _____
(newsletters, section letterhead & other
necessary printing)

Communication \$ _____
(postage for newsletters & other mailings,
telephone, Federal Express)

Other Operating Expenses \$ _____
(mailing service handling charges for
newsletter, other misc. items not covered above)

Annual Meeting Expenses \$ _____
(expenses specifically related to Annual
Meeting activities)

Total Requested Budget: \$ _____