



Federal Bar Association

Policy No. 2-5-: Income, Risk and Overhead for CLE Programs

Date Approved: June 23, 2023

Date Effective: October 1, 2023

Policy:

For purposes of this policy, Section or Division will be deemed a “Sponsoring Entity” of any qualifying program in which the FBA entity is identified within the program of the event as a sponsor or co-sponsor.

If an FBA entity (Section or Division) sponsors a Continuing Legal Education approved program lasting more than three (3) hours, the net deficit (that amount of total expenses that exceed revenues) or net income (that amount of revenue that exceeds the total expenses) from such program shall be divided between the Association and the Sponsoring Entity as set forth below. Due to lag time in receipt of invoices and processing of receipts, a final accounting will not be made until at least 90 days after the program is completed.

If a program to which this policy applies is sponsored by more than one Section or Division, that portion of the net income or deficit that is allocated to the Sponsoring Entity under this policy shall be divided equally among the sponsoring Sections and Divisions unless they previously have agreed among themselves on some other distribution formula. For such a program, the net income to which this policy applies shall be that portion of the net income from the program other than the income that is designated for a non-FBA co-sponsor. These policies do not apply when a non-FBA co-sponsor is paying all expenses, unless otherwise agreed.

Income

1. Net income of \$15,000 or less: Sponsoring Entity receives 50% and the Association receives 50%.
2. Net income of more than \$15,000: Sponsoring Entity receives \$7,500 and Association receives the remainder.

Deficit

In the event that a Sponsoring Entity hosts a program that runs a deficit, the Board of Directors may revoke approval of the program. If the FBA Board of Directors revokes approval of the program or requires that the program be offered virtually, the Sponsoring Entity may petition the FBA Board to reinstate the program including details about how a deficit will be avoided for future programs. Any net deficit of such program shall be paid according to the following policy:

- If the program loses money, the net deficit of such program shall be paid jointly, on a 50%-50% basis, between the Association and Sponsoring Entity. The Sponsoring Entity will be advised under the terms of this policy that measures must be put in place for the following year to address the loss of income and that a shift from in-person to virtual programming is recommended for

subsequent events. If the program loses money a second year or second instance of the program, the net deficit of such program shall be paid jointly, on a 50%-50% basis, between the Association and Sponsoring Entity. The Sponsoring Entity will be put on notice that a shift from in-person to virtual programming is required for subsequent events.

- If the program is held in person/hybrid and loses money for a third year or third instance of the program, any net deficit shall be paid by the Sponsoring Entity.

Budget and Expenses

Approved conference budgets are drafted annually for inclusion in the FBA's Fiscal Year budget approved by the FBA Board of Directors. The draft budget shall be developed collaboratively between national staff and program planners. The budget may require a reforecast based upon the program site selection, program details, and event performance (i.e., registration and sponsorship). Staff and program planners shall also hold a post-conference meeting to review event performance, expenses, attendee feedback, planning and marketing process, and onsite logistics.

All direct expenses incurred in planning and presenting conferences are charged to the appropriate conference. This includes such items as, but not limited to, printing and copying costs, delivery or shipping service, postage, event cancellation insurance, CLE fees, credit card processing fees, technology and audio/visual services, food and beverage, and total facility costs including rental of special equipment and gratuities. Direct expenses that exceed the approved budget must be approved by the Executive Director. Indirect or overhead expenses (e.g., salaries and benefits of conference staff, office rent, general liability insurance) are not charged to conferences.

The FBA does not pay an honorarium unless approved by the Executive Director. If a Sponsoring Entity wishes to pay an honorarium from its funds, the Sponsoring Entity may approve to pay an honorarium. Conference planners and speakers may be reimbursed for out-of-pocket expenses provided such expenses have been included in the approved conference budget. Unless approved by the Executive Director, the Sponsoring Entity may approve to reimburse conference planners and speakers for out-of-pocket expenses or registration that is not included in the approved conference budget from its funds.

Purpose:

To recognize the effort put forth by sponsoring Sections and Divisions and the important role of Sections and Divisions in activating successful programs, while at the same time acknowledging the importance of income from these major programs to help sustain other worthwhile endeavors of the Association through the Association's general budget.

Change Notice: Amended August 1, 1998; June 24, 2011; June 22, 2023.