

# The State Bar of California

Office of Finance

## **Budget Policies and Procedures Manual**

**Revised June 2016**

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## **I. INTRODUCTION**

This policy and procedures manual describes the general guidelines for budgeting and the budget process at The State Bar of California. Included are the State Bar's policies governing the preparation, approval and implementation of operating and capital budgets, as well as the policies defining the role of the Office of Finance and other departments that participate in the budget developing process.

The State Bar budget expresses, in terms of dollars, the funded programs and plans of the State Bar for the budget year and the estimated income (by sources) necessary to finance these programs and plans. The budget is the primary instrument of fiscal control and, accordingly, contains all income and expenditures of the State Bar. The State Bar's strategic plan provides the framework for the annual budget process.

The State Bar adopts a "rolling" three-year budget. This practice enables the bar plan its financial future more effectively than would be possible with traditional one-year budgeting. Operating budgets lapse at the end of each calendar year; capital project budgets are non-lapsing, so they are carried forward until the projects are completed.

### **A. Preparation and Approval of the State Bar Budget**

The Office of Finance under the direction of the Chief Operating Officer (COO) is responsible for the development and monitoring of the State Bar's annual operating budgets. It prepares the annual budget submission to the Board of Trustees (BOT) and Legislature; fulfills internal and external budgeting reporting requirements; processes budget transfers and funding requests for new initiatives; reviews and monitors capital budget requests; provides financial analyses for departments and the Board; and ensures the State Bar's budget is linked to the strategic plan.

The various departments of the State Bar assign a budget liaison to assist on budgetary matters. The liaison is available to answer questions, provide assistance with their annual budget submission and to work closely with the Office of Finance to meet their financial goals. A listing of staff contacts and the departments they are assigned to can be found in the attached Appendix.

### **B. Budget Formulation Process**

The budget development process typically begins in the month of August but may be extended to November depending on the budget adoption date set by the Board of Trustees.

Budget requests from each department are reviewed by the Office of Finance and an annual budget is submitted by the Chief Operating Officer to the Board of Trustees for adoption in January.

## **II. BUDGET SUBMISSION**

The Office of Finance has primary responsibility for preparing the annual budget request and submitting it to the Board of Trustees for adoption and annual filing with the legislature. The budget submission is an opportunity for the Bar to not only provide details of the appropriation request for the next fiscal year, but to review the current fiscal year and anticipated changes in the coming years ahead.

Following a review by the Planning and Budget Committee, the Chief Operating Officer presents the proposed budget (annual budget document) to the BOT. The annual budget document shall be formally adopted by the Board of Trustees at the cost center level in accordance with the State Bar's fiscal policy (Tab 17) in the Board Book. The expenditure budget for any cost center shall not be increased without the consent of the Board of Trustees by formal resolution. Funds that receive revenue through grants or other special revenue sources are not subject to this restriction.

For external budget submission, the Office of Finance is responsible for preparing an annual budget document for legislative filing in accordance with Business and Professional Code §6140.1. State Bar's annual budget document is prepared in accordance with Business and Professions Code §6140.1. This code section requires the State Bar to "submit its proposed baseline budget for the following fiscal year to the legislature by November 15, and its proposed final budget by February 15". This code section also provides that the budget document should be completed "in a form comparable to the documents prepared by state departments for inclusion in the Governor's Budget and the salaries and wages supplement. In addition, the Bar shall provide supplementary schedules detailing operating expenses and equipment, all revenue sources, any reimbursements or interfund transfers, fund balances, and other related supporting document".

The annual budget document submitted for BOT adoption and legislative filing should include the following elements and when preparing the budget document, staff should follow the criteria set in the Budget Document Checklist below:

1. The Chief Operating Officer's Transmittal Letter
2. Table of Contents
3. Organization Chart
4. Current year-to-date actual and annual budget by cost center, department and fund
5. Proposed annual budget for years 1 to 3 by cost center, department and fund
6. Budget assumptions and methodology underlying the budget estimates
7. Supplementary schedules and narratives for policy and document presentation changes with explanation
8. Program fund description, department goals, mission and core functions
9. All expenses by expenditure category and by function
10. All revenues identified by sources by cost center, department and fund
11. Supplementary schedules detailing operating and capital expenses and revenue by cost center, department and fund
12. FTE, salaries and wages supplement by department
13. Indirect cost allocation bases, methodology and amount by department and fund
14. Interfund transactions/transfers

15. Statement of Fund Condition by fund

16. Glossary of terms

The Chief Operating Officer's transmittal letter should highlight important details of the proposed budget and indicate how the budget furthers the Bar's mission.

### **III. BUDGET ACCOUNTS STRUCTURE**

The State Bar of California conforms to the GASB (Governmental Accounting Standards Board) guidelines of generally accepted accounting principles and practices, as well as applicable FASB (Financial Accounting Standards Board) principles and practices.

For internal purposes, the principles of fund accounting are being utilized. Fund accounting is the method of classifying resources into categories according to the purpose of use. Each fund is self-balancing and has separate assets, liabilities and a fund balance:

### **IV. PROGRAM FUNDS**

#### **A. Restricted Funds**

- ***Client Security Fund.*** Maintains funds from which members' clients can be reimbursed for pecuniary losses resulting from dishonest conduct on the part of their attorneys. Such reimbursement is discretionary and, currently, is not to exceed \$100,000 per application for reimbursement on any one transaction, as prescribed by the Board of Trustees. This fund is replenished through annual assessments of \$40 per active member and \$10 per inactive member.
- ***Elimination of Bias and Bar Relations Fund.*** Supports activities with voluntary bar associations and programs that address concerns of access and bias in the legal profession. This fund is supported by a fee of \$5 and is part of the annual membership fees; however, members who do not wish to fund these activities have the option to not remit this fee.
- ***Equal Access Fund.*** Since 1999, the California Budget Act has included funds to provide free legal services in civil matters for indigent Californians. The funds are in the budget of the State Judicial Council for grants to be administered by the State Bar's Legal Services Trust Fund Commission through the Equal Access fund. The Judicial Council contracts with the State Bar for the administration of these funds, which currently consist of grants to approximately 100 nonprofit legal aid organizations, and reimburses the State Bar for its administrative expenses. In 2005, the Uniform Civil Fees and Standard Fee Schedule Act (AB 145) was approved by the Legislature and the Governor. The Act established a new distribution of \$4.80 per filing to the Equal Access Fund. These revenues were collected by the trial courts starting in January 2006 to fund grants to nonprofit legal aid organizations for the grant year.

- ***Information Technology Special Assessment Fund:*** This Fund is supported by a special assessment fee of \$10 from 2008 to 2013 to support Bar's IT related projects.
- ***Justice Gap Fund.*** Used to help close the justice gap for needy Californians by voluntary donations to legal aid, pursuant to AB 2301. Members may contribute more or less than the recommended donation or elect to make no donation.
- ***Lawyer's Assistance Program Fund.*** Established for the protection of the public, the courts and the legal profession by providing education, remedial and rehabilitative programs to those members of the State Bar who are in need of assistance as a result of disability related to substance abuse or mental illness. This fund is replenished through annual assessments of \$10 per active member and \$5 per inactive member.
- ***Legislative Activities Fund.*** Accounts for the consideration of measures that are deemed outside of the parameters established in Keller vs. the State Bar, the purview determination and any litigation in support or defense of that lobbying. Such activities are funded by members electing to support these activities. This fee of \$5 is part of the membership fees; however, members have the option to not remit this fee.
- ***Legal Services Trust Fund.*** Used to expand the availability and improve the quality of existing free legal services in civil matters to indigent persons and to initiate new programs that would provide such services. Under this program, interest earned on certain client trust accounts held by California attorneys is legally required to be forwarded to the State Bar and, after deduction of the State Bar's administrative costs, the remainder is to be distributed as grants.
- ***Legal Specialization Fund.*** Accounts for the certification of legal specialists in areas of family law; criminal law; taxation law; immigration and nationality law; workers' compensation law; personal and small business bankruptcy law; estate planning, trust and probate law; and appellate law. Resources are provided by application fees, certification fees, recertification fees and annual membership fees.

## **B. Special Revenue Funds**

- ***Admissions Fund.*** Accounts for fees and expenses related to administering the bar examination and other requirements for the admission to the practice of law in the State of California.
- ***Annual Meeting Fund.*** Accounts for Annual Meeting registration fees and expenses. The Annual Meeting Fund allocates its revenues and expenses among itself.
- ***Grants Fund.*** Used to account for the various grants received and special projects undertaken by the State Bar.

- ***Sections Fund.*** Accounts for the activities of sixteen sections, which consist of specific practice areas or areas of professional interest and provides members with a vehicle for communicating with each other, educating themselves, and commenting on relevant legislation. Resources are provided through assessments of the sections' membership and revenue from seminars and workshops.

### **C. General Fund**

All other revenues, expenditures and other uses will be accounted for in the General Fund. These funds will be generally available for State Bar purposes, subject to budget priorities set by the Board. Consolidation of these funds will supersede previous Board policy regarding use of these funds. Current funds that are recommended for consolidation into the General Fund are:

- ***General Fund***
- ***Howard Building Fund***
- ***Legal and Education Development Fund***
- ***Los Angeles Facility Fund***
- ***Public Protection Fund***
- ***Support and Administration Fund***
- ***Technology Improvement Fund***
- ***Fixed Assets Fund***
- ***Benefits Reserve Fund***

## **V. PROCEDURES FOR BUDGET DEVELOPMENT**

At the beginning of this annual process, a combination of documents is distributed to the Bar's service areas by the Office of Finance. The information is distributed electronically and includes historical account activity. This provides the necessary information for the preparation of departmental budget requests. A meeting is set up between the Office of Finance and each of the Bar's service areas where the following elements are discussed:

- A review of the current organizational chart
- Cost center account worksheets which summarize that division's current budget and expenses as well as a base line for the following year; and
- Contracts outside the normal course of business in excess of \$75,000.

During this process departments may have the opportunity to request above base allocations, as well as reallocate existing funds within their base. Budget plans must support the important priorities outlined in the Bar's strategic plan. This enables the Bar to fulfill the shared vision that has been established for its future. The following guiding principles are to be used while developing the operating budgets:

- Operating budgets will be developed with a long-term perspective and with reference to the Bar's strategic plan.

- Non-personnel expenditures will be managed efficiently, with particular emphasis on ensuring that activities with the highest priorities are adequately supported.
- Existing resources shall be reallocated to meet the highest priorities in each division.

After the budget is reviewed and preliminary allocations and changes are made, the Office of Finance then uploads preliminary budget data from department worksheets into the budget system.

#### A. Revenues

The forecast for membership dues revenues and interest income are prepared by the Office of Finance. Fees and revenue sources other than member dues and interest income are forecast by the Office of Finance with input provided by the department responsible for the related revenue sources.

#### B. Personnel

Personnel costs including salaries and benefits are prepared by the Office of Finance. Any requests for additional staffing must be submitted to the Office of Human Resources and the Chief Operating Officer for approval, along with a justification of the need for increased staff.

#### C. Budget Transfers

Subject to the constraints of the adopted budget and budget transfers should be approved and processed in accordance with the Bar's Fiscal Policy in the Board Book (Tab 17, Article 1, Section 1).

#### D. Corrections

Subject to the constraints of the adopted budget at the cost center level, the Chief Financial Officer or the Finance Manager may approve transfer budgeted amounts as needed to correct technical or clerical errors.

#### E. Revenue Estimates

Revenue amounts included in the annual budget are estimates, not budgets subject to adoption. The Chief Financial Officer or the Finance Manager may adjust revenue estimates from time to time to reflect additional information as it becomes available or to correct technical or clerical errors.

#### F. Requests for Supplemental Funding

Requests for additional funding can be made during the internal budget process for proposed projects or planned new initiatives. When such supplemental funds are requested, the requesting department must submit a worksheet (see appendix, page 15) to



the Office of Finance. The approval of a supplemental budget request is subject to the availability of funding. For budget transfer within a cost center and department, individual department manager should submit a budget transfer request with justification to the Office of Finance for approval.

#### G. Direct Costs

The total cost of a program consists of direct and indirect costs. Direct costs are all costs explicitly identified with delivery of the program. Typically, but not exclusively, such costs include:

- Salaries and Wages
- Fringe Benefits
- Professional Services
- Capital Equipment
- Travel
- Supplies
- Computer Software
- Equipment Maintenance and Repair
- Printing
- Photocopying
- Telephones
- Postage

These costs are itemized in the program budget.

Fringe Benefits – Several elements are included in Fringe Benefits. Depending on employee type, an aggregate average rate is charged for each employee. Fringe benefits include the following:

- Health Insurance
- Other Insurance
- Retirement
- Misc. Benefits

#### H. Indirect Costs

Indirect costs are those incurred by the Bar but that cannot be directly traced and charged to a specific program. Generally, examples of indirect costs include:

- Operation and Maintenance of Facilities
- General Counsel
- BOT & Executive Director Office
- Financial and Accounting Services
- Procurement Services

- Human Resources
- IT

The Bar fully costs all direct service areas by allocating indirect costs to all program funds based on an indirect cost methodology.

#### I. Establishment of Accounts

If it is determined that changes to an existing account need to be made (e.g., new account title, department) or a new cost center needs to be established because a department is expanding or adding a new program, a memo or written request must be submitted to the Office of Finance including the proposed title, department, division, source of funds, a brief description of the program and the period the program will be active.

### VI. MONITORING AND CONTROL PROCEDURES

The State Bar's expenditures are formally governed at the cost center level through the annual budget resolution adopted by the Board of Trustees. The budget allocates spending authority within the cost centers across operating departments.

Departmental operations are expected to be managed within budgets. When variances arise, these are brought to the attention of the budget liaison of each cost center through monthly financial reports. Each liaison that has budget monitoring duties is responsible for ensuring that receipts and spending are within the approved budgetary authority and for the prudent use and safeguarding of funds paid by the membership.

Corrective action is necessarily taken on a case-by-case basis, depending on the extent to which the departmental variances impact overall expenditure authority at the department level. Examples of typical corrective action will include:

1. Requiring vacant positions to go unfilled
2. Deferring discretionary operating expenditures
3. Transferring budget amounts between cost centers of the same department (requires approval of the Chief Financial Officer)
4. Transferring budget amounts between departments in the same fund (requires approval of the Chief Operating Officer)
5. Transferring budget amounts between departments in different funds (requires budget amendment and Board approval). Budget transfers between funds should be approved and processed in accordance with the State Bar's Fiscal Policy (Tab 17, Article 1, Section 4 of the State Bar's Board Book).

In addition, budget management becomes a factor in annual performance evaluations under the current evaluation category of financial accountability which requires that operations are managed within budgets and financial resources are used efficiently.

- #### A. Monthly Financial Report/Budget Monitoring Procedures –Operating Statement
- Reports for each business unit (cost center) are available through the Oracle/JD Edwards

financial system after each month end close. After the closing of the books, the Office of Finance will send an email to each designated budget liaison announcing that the operating reports are ready for review. This report provides the following information:

- Budget for the current month
- Actual revenues/expenditures for the current month
- Year-to-date budget to actual variance
- Actual revenues/expenditures for prior year
- Budget revenues/expenditures for prior year
- Annual Budget

Variances are important in determining potential budget shortfalls and the need for corrective actions, i.e., additional expenditures, processing a budget transfer, or need for contingency funding. Each departmental budget liaison should also review the monthly operating statements to identify any unusual trends. Significant year-to-date variances will be brought to the attention of the budget liaison and will need to be explained. The definition of “significant” varies depending on the departmental budget size and nearness to year-end; generally all deficits or any variances that may result in the over expenditure of a departmental budget as a whole for a calendar fiscal year shall be investigated and explained {Tab 17, Article 1, Section 1 (a) (3)}. For budget monitoring and investigation purposes, Office of Finance will investigate any unusual items and line item with year-to-date variance that is greater than \$100,000 over the budgeted amount. An explanation of budgeted line item year-to-date variance greater than one hundred thousand \$100,000 of the budgeted line item shall be reported to the Board of Trustees according to the State Bar’s Fiscal Policies (Board Book, Tab 17, Article 1, Section 2).

Bar managers may research detailed transactions resulting in any significant variances by using the “account ledger inquiry” feature of the Oracle/JD Edwards system.

- B. Budget Authority vs. Cash Revenues** – staff must remember the difference between adopted budget and current cash resources. The adopted budget represents the legal authority to spend. However, the Bar can only use available resources. Therefore, with the exception of grant funded programs, no expenditures should be allowed unless: 1) budget for the expenditure has been adopted, and 2) resources to pay for the expenditure have been secured.

If unexpected resources or revenues in excess of projections are secured after budget adoption, departments must obtain a budget amendment prior to making additional expenditures of funds. For grant programs such as IOLTA, Equal Access, and Client Security Fund, the annual budget serves as an estimate of revenues/expenditures; however, it doesn’t restrict the amount of funds to be distributed in the event that annual grant revenues exceed the amount projected or in the event that grant distributions relating to the previous year are delayed for payment until the current year.

- C. Request for Budget Transfer** – The budget is an estimate of anticipated expenditures. Careful management of approved budget amounts is required to fund current planned

service requirements, unforeseen emergencies and/or increased service demands. Every effort should be made to absorb these unforeseen expenditures via prudent spending, savings acquired from more efficient work methods, and quality improvement projects.

Should a budget transfer become necessary, it may be initiated as follows:

- Request a transfer of funds within a business unit or department by initiating a budget transfer form. This form is available on the Finance intranet site. Under the section “Increase”, provide the business unit, object code, amount, and a detailed description of the budget to be increased. Under the “Decrease” section, enter the business unit, object code, description, and amount from where the budget is being transferred. The total “Increase” and “Decrease” amounts must be equal. Budget transfers within a business unit or department require the signature of the senior executive in the department and the Chief Financial Officer or the Finance Manager.
- When an intradepartmental transfer is not adequate to cover the forecasted deficit, a request for an interdepartmental transfer or budget transfer from contingency funds within the same fund may be requested. Transfers of this nature require the approval of the Chief Financial Officer and the Chief Operating Officer. Interdepartmental transfers between different funds will require a budget amendment and Board approval. Interfund transfers between funds should be handled in accordance with the Fiscal Policy documented in the State Bar’s Board Book (Tab 17, Article 1, Section 4). Contact the Office of Finance for instructions on a transfer of this nature.

Failure to initiate a budget transfer may cause purchase orders and requisitions to be held until the budget shortfall is addressed. Also, no formal purchasing solicitation may take place until contingency funds are authorized.

# APPENDIX

## Mission Statement

The Office of Finance is responsible for the development and monitoring of the State Bar of California's annual budget. It conducts analytical studies to support the planning and budget development processes and produces management information related to the State Bar's operations.

The Office of Finance offers the primary support for identifying, obtaining, allocating and maximizing resources. The office strives to provide efficient and productive methods of budget preparation, using sound budget and management practices, financial planning that supports management decision making, and developing innovative solutions to challenging problems.

### Major Responsibilities:

- Prepare the annual budget submission to the Board of Trustees.
- Develop and monitor the State Bar's annual budget.
- Fulfill internal and external budgeting reporting requirements.
- Process budget transfers and funding requests for new programs and new initiatives.
- Review capital project requests and monitor capital budget expenditures.
- Provide financial analysis for departments and the Board of Trustees.
- Link State Bar budgets with strategic planning.

## Office of Finance Staff Contacts

<b>Staff Member</b>	<b>Position</b>	<b>Telephone</b>	<b>E-mail</b>
Christine Wong	Chief Financial Officer	415-538-2542	Christine.Wong@calbar.ca.gov
David Wolf	Finance Manager	415-538-2544	David.Wolf@calbar.ca.gov
Kao Saetern	Sr. Financial Analyst	415-538-2517	Kao.Saetern@calbar.ca.gov

## Department Budget Liaisons

Leah Wilson	Executive Director's Office Media and Information Services
Gilda Munoz	Human Resources
Francisco Gomez	Governmental Affairs
Steve Mazer	Operations
Greg Dresser Cathy Molina	Office of Chief Trial Counsel - LA Office of Chief Trial Counsel - SF
Vanessa Holton	Office of General Counsel
Dina DiLoreto	Member Services
Resty Buenavidez	Information Technology
Colin Wong	Mandatory Fee Arbitration Lawyer Assistance Program
David Wolf	Finance
George Leal	Special Admissions MCLE Provider Certification
Marilyn Tichenor	State Bar Court
Lori Meloch	Client Security Fund
Pam Wilson	Annual Meeting Fund Sections
Kelli Evans	Access & Fairness Programs (LSTF, GAF)
Pat Lee	Grants Fund, Elimination of Bias
Natalie Leonard	Legal Specialization
Randy Difontorum	Professional Competency
Terrie Goldade	Probation

## Annual Budget Development Calendar for January Adoption

(Dates will vary based on Board Approved Adoption Date)

### September/October

- Notify budget liaisons and request preliminary meeting to discuss budget timeline

### September/October

- Current year to date numbers are distributed to departments
- Budget meeting held with departments
- Budget worksheets are revised.

### September/October

- Revised worksheets distributed to departments for review.
- Department budget submissions due to Office of Finance.
- Office of Finance updates the 3-year forecast of General Fund revenue and expenses.
- Budget Information entered into budget system.

### November/December

- Agenda item for Operations Committee budget submitted to the Executive Director's office.
- Meetings with Operations Committee to discuss budget.
- Budget Adoption by Operations Committee and Board of Trustees.
- Adopted budget loaded into financial system.

The State Bar of California  
**BUDGET TRANSFER REQUEST**

[Budget Policy](#)

**Instructions**

1. Budget Transfers can be changed between Business Units and Object Codes
2. Budget Transfers cannot be changed between Funds
3. Amount of increase and decrease must balance (total to same amount)
4. Include description on form or attach memo detailing the purpose of the transfer.
5. Senior Executives must approve all transfer requests, including printed name and signature
6. Forward original to Justin Ewert, Budget and Performance Analyst (ext. 2235), make a copy for your own records

Requestor Name	Department Name	Budget Fiscal Year
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Increase				Decrease			
BUSINESS UNIT	OBJECT CODE ACCT	DESCRIPTION	AMOUNT (\$)	BUSINESS UNIT	OBJECT CODE ACCT	DESCRIPTION	AMOUNT (\$)
Total			\$ -	< in balance >			Total \$ -

Purpose of Transfer *(required\*)*:

Authorization: _____ <div style="text-align: center; margin-top: 10px;"><i>Senior Executive Name</i></div>	_____ <div style="text-align: center; margin-top: 10px;"><i>Senior Executive Signature</i></div>	_____ <div style="text-align: center; margin-top: 10px;"><i>date</i></div>
Authorization: <b>John Chiappetta</b> _____ <div style="text-align: center; margin-top: 10px;"><i>Budget Director Name</i></div>	_____ <div style="text-align: center; margin-top: 10px;"><i>Budget Director Signature</i></div>	_____ <div style="text-align: center; margin-top: 10px;"><i>date</i></div>



**2014 Base + MOU Expenditure  
Worksheet (Sample)**

**10701 - Compendium on Prof. Resp.**

Center	Obj	Description	2011 Actual	2012 Actual	2013 Budget	2014 Base + MOU	2014 Adjustments	2014 Adjusted
10701	41020	Postage	545	402	500	500		500
10701	41030	Stationery and Office Supplies		353				
10701	41040	Subscriptions	111					
10701	42560	In House Copier Usages Alloc.	6,014	1,174	6,500	9,000		9,000
10701	44130	Outside Services- Printing-Desi			556	3,556		3,556
10701	44140	Outside Services- Printing-Othe	1,962					
10701	44560	Outside services- others	911					
10701	44580	Delivery Services	1,534	1,709	1,671	1,671		1,671
10701	47210	Indirect Costs Non- GF	56,387					
10701	47250	In House Printing Service	457	5,789				
10701	49710	Interfund Transaction- Expenses		6,000				
<b>Total Compendium on Prof. Resp.</b>			<b>67,922</b>	<b>15,426</b>	<b>9,227</b>	<b>14,727</b>		<b>14,727</b>

**10707 - Publications**

Center	Obj	Description	2011	2012	2013	2014	2014	2014
			Actual	Actual	Budget	Base + MOU	Adjustments	Adjusted
10707	41010	Books and Publications	6					
10707	41020	Postage	927	1,325	1,538	1,538		1,538
10707	42560	In House Copier Usages Alloc.	137	36	209	209		209
10707	44120	Outside Printing	13,359	8,981	14,761	13,261		13,261
10707	44580	Delivery Services	2,809	3,492	3,057	4,557		4,557
10707	47210	Indirect Costs Non-GF	734					
10707	47250	In House Printing Service		30				
<b>Total Publications</b>			<b>17,972</b>	<b>13,863</b>	<b>19,565</b>	<b>19,565</b>		<b>19,565</b>

# Chart of Accounts & Financial Statement Grouping

## Revenue Groups - Revenue Codes

Chart of Accounts Description	Financial Statement Grouping	Fund(s)
30110 Mandatory Membership Dues	Membership fees and donations	10, 21, 27
30120 Voluntary Dues/Donations	Membership fees and donations	10, 16,17, 28,32
30130 Penalties-Current Year	Membership fees and donations	10
30140 Penalties-Prior Years	Membership fees and donations	10
30150 Prior Years Member Fee	Membership fees and donations	10, 19, 21, 26, 27, 31, 33
<b>30160 Bankcard Proc. Fees</b>	<b>Other</b>	<b>10</b>
<b>30160 Pcard Rebate</b>	<b>Other</b>	<b>23</b>
30170 Tax-Intercept Funds	Membership fees and donations	28
30510 MJP Annual Renewal Fees	Membership fees and donations	10
30520 MJP Applic Fees-inhouse/leg se	Membership fees and donations	20
30530 MJP Applic. Fees-In House Atty	Membership fees and donations	20
31110 Applic. Fees-New February	Examination application fees	20
31120 Attorney Applic.-New February	Examination application fees	20
31140 Laptop Fee-February	Examination application fees	20
31150 Late Fees-Gen. Bar-Feb.	Examination application fees	20
31160 Late Typing Fee-February	Examination application fees	20
31170 Typing Fees-Gen. Bar-Feb.	Examination application fees	20
31210 Applic. Fees-New July	Examination application fees	20
31220 Attorney Applic.-New July	Examination application fees	20
31230 Completion Fee-July	Examination application fees	20
31240 Laptop Fee-July	Examination application fees	20
31250 Late Fees-Gen. Bar-July	Examination application fees	20
31260 Late Typing Fee-July	Examination application fees	20
31310 1st Year Law Student Exam.-Jun	Examination application fees	20
31330 Laptop Fee-June	Examination application fees	20
31340 Late Fees-FYLS -June	Examination application fees	20
31350 Late Typing Fees-FYLS -June	Examination application fees	20
31410 1st Year Law Student Exam.-Oct	Examination application fees	20
31430 Laptop Fee-October	Examination application fees	20
31440 Late Fees-FYLS -October	Examination application fees	20
31450 Late Typing Fees-FYLS -October	Examination application fees	20
31500 Reg. As an Atty. Applicant	Examination application fees	20
31600 Reg. As a Law Student Late Fee	Examination application fees	20
31700 Registration as a Law Student	Examination application fees	20
32030 Hearing de Novo Filing Fee	Examination application fees	20
32040 Extension	Examination application fees	20
32050 Determination	Examination application fees	20

32080 Accelerated Processing	Examination application fees	20
32510 Client Trust Account Revenue	Trust account revenue	28
33010 MJP Late Fees	Membership fees and donations	10
33020 Specialist Annual Fees	Legal specialization fees	24
33040 Recertification Fees	Legal specialization fees	24
33050 Specialist Miscellaneous Fees	Legal specialization fees	24
33200 Application Fees	Legal specialization fees	24
33210 Applic. Filing Fees	Legal specialization fees	24
33260 Late Applic. Filing Fees	Legal specialization fees	24
33270 CTC Renewal Fees	Legal specialization fees	24
33271 CTC Accreditation Fee	Legal specialization fees	24
33610 Sections Atty. Membership Fees	Law practices (sections) fees	71-89
33620 Sections Associate Membership	Law practices (sections) fees	71-89
34010 Registration as a Law Corp.	Law corporation registration fees	10
34020 Late Fee-Law Corp.	Law corporation registration fees	10
34030 Annual Report-Law Corp.	Law corporation registration fees	10
34040 Special Reports-Law Corp.	Law corporation registration fees	10
34510 Investment Income	Investment income/(loss)	All
34520 Unrealized Gain/Loss on Invest	Investment income/(loss)	10
35010 Commercial Exhibits	Convention income	14
35020 Miscellaneous Convention Incom	Convention income	14, 71-89
<b>35030 Pre-Registration Fee</b>	<b>Continuing legal education fees</b>	<b>10, 83</b>
<b>35030 Pre-Registration Fee</b>	<b>Convention income</b>	<b>14, 17</b>
35040 Registration - On Site	Convention income	14
35610 LLP Registration	Law corporation registration fees	10
35620 LLP Renewal	Law corporation registration fees	10
<b>35710 MCLE Application Fees</b>	<b>Continuing legal education fees</b>	<b>10</b>
<b>35710 MCLE Self Study Test</b>	<b>Continuing legal education fees</b>	<b>10</b>
35720 MCLE Provider Fees	Continuing legal education fees	20, 24
35730 MCLE Provider Renewal Fees	Continuing legal education fees	20, 24
35740 MCLE Activity Fees	Continuing legal education fees	20, 24
35750 Member Credit Req.	Continuing legal education fees	10
35760 Ex/Mod. Application Fees	Continuing legal education fees	10
35770 Late Compliance Fees	Continuing legal education fees	10
35780 Reentry Fee	Continuing legal education fees	10
<b>36010 Grant Revenue</b>	<b>Grants</b>	<b>10, 12, 84</b>
<b>36010 Grant Revenue - EAF</b>	<b>Grants</b>	<b>29</b>
36020 Corporate Sponsorship Revenue	Grants	12, 17, 36
36030 AB 145 Filing Fee - EAF	EAF AB145 filing fee revenue	29
36040 Ptnr Grant - EAF	Grants	29
36050 Ptnr Grant - AB145	EAF AB145 filing fee revenue	29
36520 Advert Revenue-CalBar Connect	Advertising revenue	18
36530 Advertising Revenue	Advertising revenue	14, 71-89

36540	Classified Advertising Revenue	Advertising revenue	10
36550	Internet Adv. Revenue	Advertising revenue	All
37010	Seminar and Workshop Revenue	Seminar/workshop revenue	All
<b>37510</b>	<b>Rental Income</b>	<b>Investment income/(loss)</b>	<b>23, 26</b>
<b>37510</b>	<b>Rental Income</b>	<b>Rental income</b>	<b>35</b>
<b>37510</b>	<b>Rental Income-180 Howard St</b>	<b>Investment income/(loss)</b>	<b>26</b>
37520	Rental Income-Conf Rm/Parking	Investment income/(loss)	26
37530	Late Fee on Rental Income	Rental income	26
37540	Operating Expenses Reimb	Rental income	35
38120	Admission Certificates	Other	20
38121	Annual Law School Report Fees	Other	20
38130	Bad Check Charges	Other	20
38140	Copies Exam Book	Other	20
38150	Law Office Study Intent	Other	20
38160	Law Office Study Report	Other	20
38170	MBE Answers	Other	20
38180	Other Revenue-Admissions	Other	20
38190	School Visitation	Other	20
38200	Administrative Cost Reimb-AOC	Other	29
38200	Selected Answers	Other	20
38210	Transcript Fees	Other	20
<b>38300</b>	<b>All Other Miscellaneous</b>	<b>Legal specialization fees</b>	<b>20</b>
<b>38300</b>	<b>All Other Miscellaneous</b>	<b>Other</b>	<b>All Other Funds</b>
38310	Subs. renewal-nontaxable	Other	10
38330.01	Royalty - BOA	Affinity Insurance revenue	18
38330.02	Royalty - Esqsites	Affinity Insurance revenue	18
38330.03	Royalty - CSN	Affinity Insurance revenue	18
38330.06	Royalty - Tmobile	Affinity Insurance revenue	18
38330.07	Royalty - Lenovo	Affinity Insurance revenue	18
38330.08	Royalty - UPS	Affinity Insurance revenue	18
38330.09	Royalty - Office Max	Affinity Insurance revenue	18
38330.13	Royalty - Hertz	Affinity Insurance revenue	18
38330.14	Royalty - Fromyouflowers	Affinity Insurance revenue	18
38330.18	Royalty - Themis Solutions	Affinity Insurance revenue	18
38330.19	Royalty - SurePayroll	Affinity Insurance revenue	18
38331	Pass Thru to Foundation	Other	18
38331.01	BOA-Pass Thru to Foundation	Affinity Insurance revenue	18
38331.08	UPS-Pass Thru to Foundation	Affinity Insurance revenue	18
38331.09	OffMax-Pass Thru to Foundation	Affinity Insurance revenue	18
38335	Marketing Contributions	Other	18
38400	Commissions Received-Insurance	Other	18
38400.01	Life	Affinity Insurance revenue	18
38400.02	Accidental Death & Dismemberme	Affinity Insurance revenue	18

38400.03 Workers Compensation	Affinity Insurance revenue	18
38400.04 Disability	Affinity Insurance revenue	18
38400.05 Long Term Care	Affinity Insurance revenue	18
38400.06 Auto & Homeowners	Affinity Insurance revenue	18
38400.07 Healthcare 1	Affinity Insurance revenue	18
38410 Court Order Sanction	Other	27
38510 CTA School	Other	10
38520 Ethics School Class Fees	Other	10
<b>38600 BoA Settlement</b>	<b>Other</b>	<b>28</b>
<b>38600 Rental Loss Recovery</b>	<b>Other</b>	<b>26</b>
<b>38700 Citi Settlement</b>	<b>Other</b>	<b>28</b>
<b>38700 Fee Arbitration Revenues</b>	<b>Other</b>	<b>10</b>
38800 Outside Label Revenue	Other	10
38920 FLC Annual Report Fees	Other	20
39100 Practical Training Fees	Other	20
39210 Processing Fees-Application	Other	20
39220 Proc. Fee-Certification	Other	10
39240 Proc. Fee-Oath Cards	Other	10
39400 Pro Hac Vice Fees	Other	20
39410 Out-of-state Atty. Arb. Fee	Other	20
<b>39510 Sale of Publication 250</b>	<b>Other</b>	<b>10</b>
<b>39510 Sales of Ethics Opinion</b>	<b>Other</b>	<b>10</b>
<b>39520 Sale of Trust Acctg Handbook</b>	<b>Other</b>	<b>10</b>
<b>39520 Sales of Pamphlets</b>	<b>Other</b>	<b>10, 24, 71-89</b>
39530 Sale of e-Publications	Other	10
39540 Ticketed revenues	Other	14, 71-89
39550 Net revenue sharing	Other	14, 71-89
39600.10 Transfer In From General Fund	Transfers in	All
39600.12 Transfer In From Grants Fund	Transfers in	All
39600.18 Transfer In From A&I Fund	Transfers in	All
39600.18 Transfer In From Insurance Fnd	Transfers in	All
39600.26 Trsf In From SF Bldg Fund	Transfers in	All
39600.26 Trsf. In From Building Fund	Transfers in	All
39600.31 Transfer In From IT Spec. Fund	Transfers in	All
39600.32 Trsf In From Justice Gap Fund	Transfers in	All
39600.33 Trsf. In From Bldg Asses. Fund	Transfers in	All
39600.35 Trsf In From LA Bldg Fund	Transfers in	All
39600.88 Transfer in from Educ Fd	Transfers in	All
39650.14 Trsf In LA Fac-Indirect-AnnMtg	Transfers in	All
39650.21 Trsf In LA Fac-Indirect-LAP	Transfers in	All
39660.35 Trsf In-InterLoan Interest&Pri	Transfers in	All
39710 Interfund Transaction-Revenue	Transfers in	All

## **Object Groups - Object Codes**

### **Description**

#### **Regular Salary & Benefits**

- 40110 Salaries - Regular
- 40115 Salaries - Special
- 40140 Payroll Tax Allocation
- 40150 Fringe Allocation
- 40151 Health Insurance
- 40152 Other Insurance
- 40153 CalPERS Retirement
- 40159 Misc Benefits
- 40170 Award/Recognition
- 40180 Dues & Membership
- 40190 Recruiting Expenses
- 40200 Rideshare Program Reimbursemen
- 40210 Salary Savings Reserve

#### **Supplemental Staffing**

- 40120 Salaries - Casual Hourly
- 40130 Salaries - Overtime
- 40160 Temporary Outside Help

#### **Travel & Training**

- 40220 Seminars and Training
- 40510 Travel - Staff
- 40520 Travel - Exam
- 40521 Exam travel-Feb GBX
- 40526 Exam travel-Dec Admission
- 40530 Travel - Others-Monitor
- 40540 Travel - Speakers
- 40550 Travel - Volunteers
- 40560 Travel - Monitoring
- 40570 Business Expenses
- 40580 Business Expenses-BOT Preside
- 40590 Catering
- 40600 Meeting Room Rental
- 40610 Public Member Per Diem

#### **Supplies and Postage**

- 41010 Books and Publications
- 41020 Postage
- 41030 Stationery and Office Supplies
- 41040 Subscriptions
- 42510 Copier Related Expenses
- 42520 Copier Loan Interest Expenses
- 42530 Copier Rental Expenses
- 42540 Copier Repairs/Maintenance
- 42550 Copier Supplies

42560 In House Copier Usages Alloc.  
42570 In House Copier Over/(Under) A  
42590 Per Copy Charges  
42600 Printing supplies

**Professional Services**

43510 Professional Services

**Exam & Software Licensing**

43740 Laptop License  
43750 Laptop Fee-Onsite Support  
43780 Multi-State Bar Exam.

**Exam Room Rental**

42030 Exam. Room Rental-Feb. GBX  
42040 Exam. Room Rental-June FYLSX  
42050 Exam. Room Rental-July GBX  
42060 Exam. Room Rental-Oct FYLSX

**Exam Proctors**

40230 Proctors  
40240 Proctors-February GBX  
40260 Proctors-June FYLSX  
40270 Proctors-July GBX  
40280 Proctors-October FYLSX

**Exam Graders**

43860 Graders Book Fee-February  
43870 Graders Book Fee-July  
43880 Graders-Essay Pre-Test  
43890 Graders-February GBX  
43900 Graders June FYLSX  
43910 Graders July GBX  
43920 Graders October FYLSX  
43930 Graders-Pre-Test  
43940 Reappraisers

**Occupancy**

42070 Garbage Services  
42090 Janitorial Services-Contract  
42100 Janitorial Supplies  
42110 Moving Expenses  
42120 Office Rental  
42140 Common Area Maintenance - Transamerica  
42150 Office Rental - Other Location  
42170 Office Rental - Transamerica  
42180 Parking - Lease Contracts  
42190 Repairs and Maintenance- Build  
42245 Security Supplies  
42250 Security-Alarm  
42260 Security-Guard



42270 Security Guard - February GBX  
42280 Security Guard - June FYLSX  
42290 Security Guard - July GBX  
42300 Security Guard - October FYLSX  
42320 Electric  
42330 Gas  
42340 Water/Sewer  
42350 Emergency FLS Supplies  
42410 Engineering Services  
42420 Engineering Supplies  
42730 Equipment Rental  
42770 Furniture Rental  
42780 Repairs and Maintenance - Equi  
42790 HVAC  
47050 Insurance

#### **Telecommunications**

41050 Telephone  
41060 Fax Broadcast  
41070 Telephone - Exam  
41080 Telephone June - FYLSX  
41090 Telephone July - GBX  
41100 Telephone October - FYLSX

#### **Other Outside Services**

42200 Electrical - Exam  
42210 Elect.-June FYLSX  
42220 Elect.-July GBX  
42230 Elect.-October FYLSX  
43511 Appointed Counsel Fees  
43520 Prof Serv-OGC Pro Law Proj  
43540 Hotel Labor  
43550 Photography  
43560 Shuttle  
43570 Exhibit Services  
43580 Facilitator's Fees  
43581 Participation/Evaluation Exp  
43582 Treatment Expenses  
43590 Interest earned on fac. Fees'  
43600 Reimb. From participants-fac.  
43610 Honorarium  
43620 Interpreter's Fees  
43640 Investigators/Comm.  
43700 Character Records  
43730 Fingerprinting  
43760 Misc. Expts./Committee  
43790 Psych. Expts./Exams. Fee  
43810 Question Development  
43820 Question Purch. & Preparation  
43950 Witness Fees/ SB Hearings  
43960 Writers

43970 Graders  
44000 Photo/Awards/Certificates  
44010 Awards  
44040 Publicity  
44050 Annual Meeting Operation  
44100 Reporting and Transcribing  
44120 Outside Printing  
44130 Outside Services-Printing-Desi  
44140 Outside Services-Printing-Othe  
44150 Typesetting  
44160 Finishing outside services  
44170 Finishing outside services-gra  
44560 Outside services-others  
44570 Copyright Fees  
44580 Delivery Services  
44590 Delivery Svcs.-Feb. GBX  
44600 Delivery Svcs.-July GBX  
44620 Document Destruction  
44630 File Retention  
44640 Marketing and Advertising  
44660 Audio/Video Productions  
44670 Comp. Services - Outside  
44680 Legislative Billing Services  
45000 Ticketed Event Expenses  
45010 Outside Mailing Services  
45030 Deposition Fees  
45040 Witness Fees  
45050 Process Servers  
45060 Arbitrations-Local Bar  
45070 Bank Processing Fees  
45110 Court Related Costs  
45570 Collection Fees

#### **CSF Applications**

46010 CSF Claims Paid

#### **Legal Services Grants**

47110 Grants Expenses-Tech Assist

#### **Computers & Software**

41510 Computer Software Purchase  
41520 Computer Supplies  
41530 Equipment - Hardware Purch. Ca  
41540 Equipment - Hardware Purchases  
41550 Internet Software  
41560 Repairs and Maintenance-PC  
41570 Software Maintenance  
41580 Software Purch. Capitalization  
41590 Web Hosting

#### **Buildings & Equipment**

42010 Building Improvements  
42710 Equipment Purchase-Capital  
42720 Equipment Purchase-Non-Capital  
42750 Furniture Purchase-Capital  
42760 Furniture Purchase-Non-Capital  
42810 Ergonomic Expenses

**Retiree Medical Funding**

40154 OPEB Normal  
40300 OPEB/ARC Expenses

**Debt Service**

47060 Interest expense-loans

**Other Expenditures**

44565 Outreach Fund-Ad Campaign  
46020 Misc. Funds Ordered to CSF  
46110 Bad Debts  
46140 Minor Amount Write Off  
46160 Disputed Tax or Freight  
46220 Non-Section Mbr Dues Expenses  
46520 Abandoned Case Expenses  
46550 Contingency Reserve  
47070 Miscellaneous Expenses  
47080 Pcard Clearing Default Account  
47090 Sections/Educ. Found. Funding  
47230 CalBar Journal Internal Adv. C  
47240 In House Computer Service  
47250 In House Printing Service  
47290 Legislative Advocacy  
47310 Sections Assessment  
47320 Section Council Expenses  
48010 G&A/Sub-program intrafund allo  
49710 Interfund Transaction-Expenses

**Indirect Costs**

47210 Indirect Costs Non-GF  
47280 Indirect Costs – GF

**Reimbursements**

45510 LAP - Cost Reimb. Collection  
45520 Disc. Costs reimb. Collections  
45530 Discipline Cost Reimbursement  
45540 CSF Int. Collection  
45550 CSF Coll. Received from Cook,P  
45560 CSF Coll. Exp. Paid to Cook,Pe  
45590 Misc. Expenses Collection-CSF

**Interfund Transfers**

49600.10 Transfer Out To GF  
49600.14 Transfer Out To Annual Mtg Fd

49600.18 Trsf Out To Insurance Fund  
49600.19 Trsf. Out To Tech. Improv.  
49600.20 Transfer Out To Admission Fd  
49600.21 Transfer Out To LAP  
49600.26 Trsf Out To SF Bldg Fund  
49600.28 Transfer Out To LSTF  
49600.35 Trsf. Out To LA Facility Fund

## Glossary

**Admissions Department** – responsible for all activities pertaining to the admission of attorneys to the practice of law in the State of California. Its principal activities include developing, administering and scoring the Bar Exam as well as conducting moral character investigations.

**Admissions Fund** – accounts for the costs of administering the provisions of the State Bar Act pertaining to admission to the practice of law, as well as for the fees paid by applicants to defray these costs, including application fees, late fees and other incidental charges.

**Affinity and Insurance Program Fund** – accounts for insurance commissions received by the Bar for the sales of certain lines of insurance (such as professional errors and omissions coverage) to its members.

**Annual Meeting Fund** – accounts for the costs of the State Bar’s annual meeting and for the registration and other incidental fees.

**Finance Office** – responsible for the development and monitoring of the State Bar’s annual budget.

**Bar-Wide Accounts** – includes a number of revenue and expenditure lines which are meaningful for the Bar as a whole, but which are not connected with specific departments, programs or operations. Mandatory dues, which are resources supporting the Bar as a whole, make up the largest revenue item. Interest earnings on balances in the General Fund are also included here.

**Baseline Budget** - the starting point for the budget development. Salary/benefit costs are calculated by Finance based on MOU provisions and non-personnel costs are based on prior year adopted budget adjusted for a small inflationary increase.

**Beginning Fund Balance** – an amount representing at the end of the previous year, the total accumulation of resources received over the amount spent.

**Building & Equipment** – includes capital purchases

**Building Fund** – accounts for costs and revenues associated with the Bar-owned office building at 180 Howard Street, as well as for the proceeds for the \$10 per member building assessment.

**CalPers** – California Public Employees’ Retirement System, a multiple-employer plan that acts as a common investment and administrative agent for participating entities within the State of California.

**Chief Trial Counsel Department** – has primary responsibility for carrying out the disciplinary functions of the State Bar. This includes receiving and investigating complaints from members of the public, and, where necessary, acting as the prosecution in the quasi-judicial proceedings leading to the suspension and/or disbarment of attorneys in California.

**Client Security Fund** – accounts for the reimbursement to victims of attorney theft by processing, investigating, reviewing and approving applications.

**Elimination of Bias & Bar Relations Fund** – accounts for the proceeds of voluntary fees collected to support programs that address issues of access and bias in the legal profession and in the justice system based upon race, ethnicity, gender, sexual orientation, age, or disability; to increase participation of such diverse groups of attorneys who have been under-represented in the administration and governance of the Bar; and to maintain relations with voluntary bar associations.

**Equal Access Fund** – accounts for grant revenues received from State of California’s Equal Access Fund Program for the purpose of expanding the access of indigent persons to legal services in civil matters. The use of these revenues is legally restricted by statute and by the terms of the Bar’s contracts with the Judicial Council of California, which oversees the program.

**Executive Director Department** – is responsible for the overall direction and administration of the day-to-day operations of the State Bar, as well as for legislative activities on behalf of the Bar.

**Expenditures** – operating and capital expenses requiring the use of net current assets.

**Fees** – consists primarily of dues received from attorneys for annual licenses and application fees for the Bar exam.

**Fixed Assets Fund** – an accounting entity in which to record the depreciation of the Bar’s fixed assets. Currently the major fixed assets of the Bar consist of the 180 Howard Street building in San Francisco and a parking lot in Los Angeles.

**Fund** – a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equity or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Fund Budget** – presents the Bar’s budget by fund type.

**General Counsel** – functions as the State Bar’s lawyer with responsibility for providing legal advice and counsel to all departments of the Bar.

**General Fund** – accounts for all financial resources of the State Bar except those required to be accounted for in another fund.

**Grants & Claims** – expense category that includes Client Security Fund payouts and grant disbursements from IOLA and State Equal Access grant proceeds.

**Grants Fund** – accounts for revenues received by the State Bar from a variety of granting agencies and other sources.

**Human Resources Department** – responsible for policies governing the compensation of State Bar employees, for negotiation with the Bar’s collective bargaining units, and for advising Bar staff with regard to personnel matters.

**Information Technology Department**— responsible for the Bar’s IT infrastructure (including PC’s, networks, servers, and mini-computers), for custom software development, for maintenance and administration of the Bar’s existing software, and for the Bar’s public-facing internet presence.

**Interfund Transfer** – the movement of money between funds of the Bar. The transfer will be a resource in the receiving fund and an operating requirement in the transmitting fund. Transfers indicate the amount of support provided from the General Fund to the Annual Meeting and Lawyers Assistance Program funds.

**Initiatives** – identified goals and areas of specific focus for the budget year.

**IOLTA** – Interest on Lawyer Trust Accounts.

**Information Technology Special Assessment Fund** – accounts for mandatory dues assessed to members for the upgrade of technology systems, including purchasing and maintenance costs and both computer hardware and software. Special assessment fee sunsets in 2011.

**Interest Income** – earnings received on the investment of State Bar cash balances.

**Internal Charges** – costs of providing a variety of administrative and support services to direct program service areas. Support departments include the Offices of Finance, General Counsel, Human Resources, and Information Technology.

**Justice Gap Fund** – accounts for voluntary contributions from members to legal aid pursuant to AB 2301. Funds are used to help close the justice gap for needy Californians.

**Lawyer Assistance Program Fund** – accounts for the portion of the mandatory annual membership fees legally restricted to the support of an attorney diversion and assistance program, as well as other resources obtained by the State Bar in support of this program. By statute, the program is intended to assist in the identification and rehabilitation of attorneys with impairments due to mental illness or substance abuse.

**L.A. Facilities Fund**—In November 2012, the State Bar purchased a real property located at 845 South Figueroa Street in Los Angeles. This L.A. Facilities Fund was set up to account for all the activities related to this property.

**Legal Service, Access and Fairness Department** – responsible for several programs intended to ensure that all Californians have appropriate access to the legal system, regardless of income or minority status.

**Legal Services Trust Fund** – accounts for resources received by the Bar under contract with the State Supreme Court for distribution to local programs, which provide access to legal services for low-income individuals. Primary revenue sources include interest on attorney trust accounts, legislative appropriations, and a state-imposed surcharge on legal filing fees.

**Legal Specializations Fund** – accounts for the costs of the State Bar’s program for the certification of attorneys within specific areas of practice.

**Legislative Activities Fund** – accounts for the portion of member dues legally available to support the Bar’s legislative advocacy role. Members who decline to support the Bar’s activities in this area have the option of withholding this portion of their annual dues. The resources of this fund support the Bar’s legislative activities as well as a number of public policy oriented committees.

**Mandatory Fee Arbitration** – provides arbitration in cases of attorney-client disputes over legal fees, primarily through local bar associations.

**Media & Information Services Department** – primarily responsible for communications between the Bar, its members, and the general public. MIS produces the California Bar Journal, and is responsible for public outreach, press relations, and the content of the Bar’s website.

**Member Dues** – fees paid by attorneys to practice law.

**Member Services Department** – responsible for a variety of services provided by the Bar to its members, including maintenance of member records, the member service center, insurance programs, and the Lawyer Assistance Program (LAP).

**MOU** – memorandum of understanding

**Non-Departmental** – revenues and expenses not identified to specific departments, programs or Bar operations.

**Non-Departmental Budget** – accounts for a variety of line items, which are not associated with specific departments, programs or Bar operations.

**Obsolete Accounts** – a holding area for certain accounts that are generally no longer in use, but that may have small historical amounts associated with them. .

**Operations Department** – responsible for the Bar’s physical facilities and real estate

**Other Expenditures** – miscellaneous expenditures such as in-house printing charges

**Other Post Employment Benefits (OPEB)** – executive staff retirement health care benefits.



**Payroll Savings** - savings of salary, benefits, and payroll tax amounts generated from staff turnover and vacancies.

**Performance Measure** – a quantification of the effectiveness and efficiency with which program objectives have been accomplished.

**Personnel Expenditures** - salaries, health insurance, retirement costs, payroll taxes and other employee benefits

**Planning Category Budget** – organizes the Bar’s budget according to the departments and service areas defined in the departmental work plans within the context of the Bar’s strategic planning framework

**Probation Department**– monitors probationer compliance with court orders, providing timely information to Superior Court, State Bar Court and probationers regarding non-compliance, and assisting probationers to successfully return to the practice of law.

**Professional Competence Department** – responsible for developing and publishing standards and guidelines pertaining to ethics in the practice of law in California

**Public Protection Fund** – accounts for reserves set aside to ensure the continuity of the Bar’s ability to protect the public in the event that it is unable to collect member dues.

**Restricted Funds** – funds that account for fees and expenditures in accordance with special regulations, restrictions or limitations

**Revenue** – income sources including member dues, applications fees, grants, facility rentals and interest income

**Sections Fund** – accounts for the costs of the Sections of the State Bar, which are advisory and educational organizations addressing the concerns and interests of specific segments of the legal profession. By law the Sections are required to be financially self-supporting, primarily by means of voluntary fees paid by Section members.

**Service Areas** – an organized set of activities carried out to accomplish a specified goal. Service areas are identified in departmental work plans.

**Staffing** – authorized permanent positions.

**State Bar Court** – hears the charges and has the power to recommend that the California Supreme Court suspend or disbar those attorneys found to have committed acts of professional misconduct or convicted of serious crimes.

**Supplies & Services** – expenditures such as postage, outside printing, proctor costs, exam graders, consultants, and rent.

**Support and Administration Fund** – accounts for the costs of providing a variety of administrative and support services – such as legal counsel, finance, information technology, and human resources – to the operational programs of the Bar. Costs accumulated in this fund are recovered from the Bar’s operating funds in accordance with an indirect cost allocation plan.

**Technology Improvement Fund** – accounts for the costs of certain technology capital projects. For 2009, the remaining fund balance in the Discipline Fund is consolidated within this fund.

**Workload** – information relating to the activity levels and outputs of a specific service area.