

Chapter 6: Expenses (updated by the Board of Governors on July 23, 2016)

I. GENERAL EXPENSE REIMBURSEMENT POLICY

WSBA depends upon and values the time and talent of its employees and volunteers. As a steward of member funds, WSBA asks for employees and volunteers to be fiscally prudent and follow the policy at all times. **WSBA will reimburse: (1) reasonable and prudent, (2) necessary, and (3) appropriately documented, out-of-pocket expenses incurred in connection with WSBA business or meetings, as set forth herein.**

A. Scope

This policy applies to all employees and volunteers while engaged in authorized WSBA work, including, but not limited to: the President, President-elect, and Immediate Past-President; Board of Governors; Board of Governors-elect; board, committee, task force, council, and panel members; section officers, executive committees and members; and invited guests. Any items not included herein deemed necessary to conduct the WSBA's business, or that deviate from these policies due to extenuating circumstances, may be approved by the WSBA Treasurer or the Executive Director in accordance with the WSBA Fiscal Matrix.

B. Liability

The financial liability of the WSBA to any board, committee, task force, council, panel or section is limited to the funds budgeted for it in the current approved budget of the WSBA. If any volunteer, board, committee, task force, council, panel or section (or any one of its members): (1) incurs a liability that is greater than the funds budgeted or otherwise approved; or (2) incurs a liability in excess or outside of the amounts allowed by this policy, such liability may be the personal obligation of the individual responsible for incurring or authorizing the liability.

C. Policy Exceptions

- WSBA ABA Delegate expenses shall be reimbursed up to a fixed amount set each year during the budget process.
- Certain expenses of WSBA Officers, Board of Governors, and the Executive Director shall be reimbursed in accordance with "IV. Expense Policies: WSBA Officers and Board of Governors" and Section "V. Expense Policies: WSBA Executive Director", *infra*.
- Section executive committees may use their discretion: (a) to use section funds to cover group meal expenses for one guest per section member attendee at section events open to all section members, at executive committee retreats, and at speaker or award dinners; and (b) to pay or reimburse a speaker or award recipient and guest for travel, meals, and lodging in accordance with WSBA expense policies.

D. General Guidelines for Reimbursement Requests

1. WSBA will not reimburse expenses that are reimbursed from another source.
2. WSBA will not reimburse expenses incurred by spouses, domestic partners or guests (hereafter collectively referred to as "guest" or "guests", except as identified in Section I.C above. However, WSBA will reimburse for double accommodation (as compared to a single).
3. In accordance with IRS requirements, any person seeking reimbursement from WSBA shall submit a signed, dated WSBA Expense Report, supported by detailed receipts. In the absence of a detailed receipt, up to \$75 may be reimbursed for an expense by completing an Expense Affidavit Form.
4. All WSBA Expense Report forms and receipts must be submitted within 60 days of incurring the expense;

with the exception that expenses incurred in September must be submitted within 30 days after WSBA's September 30 fiscal year end (by October 30). Reimbursement requests for expenses incurred in the prior fiscal year submitted after October 30th of the following fiscal year will not be paid unless approved by the Executive Director and Director of Finance.

E. Travel Expenses

1. Volunteers (*updated and approved by the Board of Governors on March 8, 2018*):

WSBA encourages virtual meetings whenever feasible to accomplish board, committee, task force, panel, council and section work. Reimbursement of travel expenses to board, committee, task force, council, panel and section members residing out of state to attend their meetings is limited to the approximate cost of in-state travel¹.

2. WSBA Employees:

Employees must have prior authorization, from their supervisor or inherent in their job description, to incur travel, lodging, and meals expense on the job. Any costs beyond Seattle-Metropolitan area mileage (King, Pierce, and Snohomish Counties) related to attending Board of Governors meetings shall be pre-approved by the employee's director. All overnight stays at a Board of Governors meeting shall be approved by the Executive Director. For additional terms, see "III. Additional Employee Expense Policies".

F. Transportation

Subject to Section I.E, WSBA will reimburse transportation costs based on the limits set forth below. WSBA will not reimburse for lodging *en route*, and will only reimburse for the lesser cost of coach-economy airfare. Reimbursement for out-of-state meeting travel is limited to the approximate cost of in-state travel (the cost of traveling from the nearest Washington border).

1. Personal Autos: Mileage will be reimbursed at the IRS Standard Mileage Rate in effect at the time of travel. *Carpooling is encouraged*. Damage to personal autos while being used on WSBA business is not covered because a portion of the mileage reimbursement is intended to defray the insurance cost to the individual. Fines for traffic violations are also not reimbursable.
2. Rental Cars: Rental cars may be used only when economical compared to other modes of local transportation or if local transportation is nonexistent. Rental charges should be net of any discounts and will be limited to the rental cost of compact or standard-size cars.
3. Ground Transportation: WSBA will reimburse ground transportation, parking costs and tolls. WSBA will reimburse longer term airport parking at the lower of actual parking costs or an airport shuttle to/from the traveler's home.
4. Airfare: WSBA will only reimburse coach/economy-class airfare, which should be booked well in advance of travel to obtain lowest possible fares. WSBA reserves the right not to fully reimburse for travel booked less than two weeks in advance of travel. WSBA will not reimburse for use of frequent flyer coupons or air miles. Use of private airplanes is permitted; however, reimbursement is limited to an amount not to exceed coach-class airfare on a commercial air carrier, purchased not less than two weeks in advance of travel, for the same or substantially similar route. WSBA will pay a cancelled airfare if it cancels a meeting. Airfare change fees will be paid for changes in a meeting schedule. *Reimbursement receipts for airline travel must include name of passenger, credit card used for payment, confirmation that flight was paid in full, date of flight, and departure and destination locations. Credit card statements and cancelled checks are not acceptable.*

¹ The approximate cost of in-state travel is deemed to be the cost of traveling from the nearest Washington border. For example, a member traveling from California would be reimbursed for the lesser of either (a) the mileage from Vancouver, WA; or (b) a flight from Portland, Oregon.

5. Other: Reimbursement for any other method of travel will be reimbursed only in an amount that would have been payable had the most economical method of travel been used.

G. Lodging/Hotel Accommodations

WSBA will reimburse hotel/motel accommodations up to \$175 per night (\$200 in Seattle) plus taxes. With respect to out of state conferences, WSBA will reimburse hotel accommodations at the advertised conference hotel rate. If no lodging below the applicable limit is available or convenient in the area of the stay, department directors may approve reimbursements above the applicable per night limit. WSBA will not reimburse for incidental expenses such as entertainment, personal phone calls, etc. *Reimbursement receipts must include name/location of hotel, guest name(s), date(s) of stay, and breakdown of charges for lodging, meals, telephones, and incidentals.*

H. Meal Expenses

1. WSBA will reimburse meal expenses, including gratuity. WSBA will not pay or reimburse for alcohol purchases (see Section II. Purchase of Alcohol for Bar Functions). The WSBA will reimburse up to \$18 for breakfast, \$19 for lunch, and \$34 for dinner. If a person is traveling all day (for all three meals), he/she may combine the allowances set forth above into one per diem amount and reallocate the per-meal allowances as desired (e.g., spend more on lunch and less on dinner).
2. If a meal is provided as part of a meeting or conference, no reimbursement will be made for substitute meals.

I. Expenses Other Than Travel/Transportation, Lodging, and Meals

1. Office Expenses: Despite use of services available through the WSBA office, volunteers may occasionally use their own resources to conduct WSBA business. Where practical, volunteers are expected to absorb, without reimbursement, minor expenditures. However, to the extent that cost records are available to document specific out-of-pocket expenses, such as telephone calls and postage, reimbursement may be made. Expenses for photocopying and facsimile use will be reimbursed at rates set by the WSBA². No reimbursement will be made for office services not detailed by this policy (for example, voice mail charges, telephone connections, etc.). No reimbursement will be made for personnel costs or professional services without specific advance authorization.
2. Gifts/Awards: WSBA will reimburse costs (up to \$100) for the purchase of gifts, plaques or similar items recognizing an individual's extraordinary volunteer service to the WSBA and/or its component parts. Gifts from volunteers to WSBA employee are prohibited except for *de minimis* or token appreciations (up to \$50). All employee liaisons to boards, committees, task forces, councils, panels or sections should make sure the group is aware of this policy.
3. Miscellaneous: Reimbursement for expenses not otherwise described by this policy may be allowed when reasonable, necessary, appropriately documented, explained, and approved by the Executive Director or WSBA Treasurer in accordance with the Fiscal Matrix.

² Photocopying charges will be reimbursed at the actual out-of-pocket expense up to 15 cents a page. For faxes, the WSBA will reimburse the lesser of (a) the actual cost to send the fax; (b) up to 25 cents per page; or (c) up to \$5 per transmission. Appropriate documentation detailing the number of pages, fax recipients, etc. is required. The WSBA will reimburse for the telephone costs associated with long distance fax calls if detailed cost records are available.

II. PURCHASE OF ALCOHOL FOR BAR FUNCTIONS

The WSBA prohibits the use of WSBA funds to purchase alcoholic beverages.

- A. WSBA will not pay for or reimburse alcoholic beverages purchased by volunteers or employees as part of a meal. Such purchases shall be segregated from meal expenses and paid for by the individual ordering them.
- B. Alcoholic beverages may be served at WSBA functions, as long as they are: (1) paid for with personal funds (e.g. no host bar), or with non-WSBA funds raised for that purpose; (2) paid directly to the vendor; and (3) served by a licensed bartender.

III. ADDITIONAL EMPLOYEE EXPENSE POLICIES

A. Weekend Work

Working on a weekend is treated like any other workday. Meals, daycare, etc. will not be reimbursed. However, in some circumstances, employees may be reimbursed for parking if they are required to work on a weekend (see "Private Auto- Parking" policy below).

B. Transportation

1. Rental Cars: Car rental requires pre-approval of a department director, and may be used only when economically practical compared to other modes of local transportation or if local transportation is nonexistent. Rental charges should be net of any discounts and will be limited to the rental cost of compact or standard-size cars. It is helpful to rent the car in the name of the WSBA. However, the WSBA's insurance policy contains an endorsement which extends coverage for damage to rental cars even if they are rented in an individual's name as long as they had permission from the WSBA and they are on WSBA-related business (the endorsement is intended to fill in the gaps where someone doesn't or can't rent the car in the WSBA's name). The WSBA will not pay for additional insurance coverage; the renter should decline coverage when renting in the WSBA's name.
2. Private Auto – Parking: Employees who purchase a monthly parking space are eligible for daily parking reimbursement at a prorated rate (1/21 of the monthly parking cost) on days they are required to use their vehicles for business. Employees who normally take public transportation but occasionally need their car for work may be eligible for reimbursement of actual parking costs. This option is expected to be used only occasionally and may apply regardless of whether the employee returns to the WSBA at the end of their work day. In addition, employees whose work assignments temporarily require substantial after-hours and weekend time in the office may request reimbursement for parking, subject to department director approval. Examples of such situations include the following: hearings; bar exam preparation; committee, section, or board meetings, licensing season; or other projects.
3. Taxi Rides: As part of the Metro Area Flex Pass program, employees who have a FlexPass and use an eligible method of transportation to work may use a taxi to get home if they meet certain emergency criteria. See the Human Resources Department for details. Directors may authorize a WSBA-paid taxi ride home in extenuating circumstances.
4. "Advances" For Travel or Expenses: The Executive Director, upon a director's recommendation, may approve travel advances. Travel advances must be requested at least 7 workdays prior to the trip to allow for sufficient time to prepare the check.

C. Meals

1. With Volunteers: Picking up the tab for lunches with volunteers outside of regular meetings should be done with caution because of consistency, fairness, and appearances. Director approval is required. Any such expenses should be charged to the committee or function budget.
2. "Buddy" Meals: Employees assigned to be the "buddy" of a new employee may take the new employee to lunch. Moderately priced lunches (around \$20 per person) should be the norm.

D. Professional License Fees

WSBA will reimburse an employee or directly pay for fees associated with professional licenses that the employee legally must have to perform his/her job at the WSBA, or which the Executive Director determines are in the interest of the WSBA for the employee to have. This includes, for example, WSBA licensing fees (but not section membership fees) for attorneys whose positions require a license to practice, the State Board of Accountancy licensing fees for CPAs, and the Department of Health licensing fees for LAP psychotherapists. Such reimbursements/payments are prorated for new employees based on the calendar year and date of beginning work at the WSBA, as follows:

Month	% Reimbursed
January	100%
February	92%
March	83%
April	75%
May	67%
June	58%
July	50%
August	42%
September	33%
October	25%
November	16%
December	8%

E. Professional Liability Insurance

WSBA reimburses Lawyers Assistance Program employees for the cost of professional liability coverage for their activities conducted pursuant to their employment with WSBA. An employee who leaves WSBA employment during the insured period must refund to the WSBA that portion of the reimbursement covering any insured period after WSBA employment ends.

F. Employee Membership Dues

WSBA may reimburse or pay membership dues for employees to belong to local, state, or national organizations, subject to director approval and budget constraints.

G. Employee Cell Phone Expense Reimbursement Policy

This policy covers the reimbursement policies and procedures for business use of employee-owned cell phones.

A. Personal Cellular Phone Reimbursement – Ongoing Basis

A person who qualifies for a WSBA issued cell phone (based on their job duties) but chooses to use his/her personal cellular phone for WSBA business may be authorized to seek reimbursement in lieu of being issued a WSBA cellular phone as long as:

- a. The director and user agree on a fair and equitable way to allocate the charges between WSBA and the user based on cost or time spent on WSBA calls vs. personal calls (Note: Permanent users can be reimbursed for charges based on unlimited minute plans); and
- b. The appropriate director approves such arrangements in writing.

The employee shall submit a Check Request or Expense Report, along with a copy of his/her cell phone bill showing the charges and specific WSBA-related calls. WSBA cellular phone bills shall be charged to the appropriate cost center (department telephone expense) on the Check Request.

B. Personal Cellular Phone Reimbursement – Occasional Basis

Employees who occasionally incur cell phone charges for WSBA-related business on a personal cell phone are authorized to submit an expense reimbursement if:

- a. The use of phone was *necessary* for the performance of job duties; and
- b. The personal cell phone plan is such that cell phone owner is actually charged for the WSBA calls and the cost of WSBA-related calls are easily determined as follows: (a) charges are based on per minute charge; or (b) a flat fee is charged for an allotted number of minutes; a per-minute charge applies to minutes beyond the allotment; and the WSBA call(s) resulted in the owner going over the allotted minutes.

No reimbursement for occasional WSBA-related calls where plan charges are based on unlimited usage (WSBA will not pay a percentage of the total monthly fee). The employee shall submit a Check Request or Expense Report, along with a copy of their cell phone bill showing the charges and specific WSBA-related calls. WSBA cellular phone bills shall be charged to the appropriate cost center (department telephone expense) on the Check Request.

H. Employee Parties and Celebrations

1. Generally, events in which all employees are invited to participate, or were approved by

the Executive Director and the directors in advance, are paid by the WSBA. These include:

- Activities Committee events (e.g., annual holiday party, monthly birthdays, R.A.P, etc.);
- Lunch on records clean-up days;
- Refreshments for all-employees meetings; and
- Executive Director's purchase of treats for the entire employees for a special occasion.

2. Examples of where the WSBA *will not pay* include (any exceptions to this must be approved in advance by the Executive Director):

- Personal celebrations like showers for weddings or babies;
- Flowers for personal events, like illness or death in the family; and
- Going-away luncheons or gifts.

I. Employee Development Budget

Each director is given an annual Employee Development budget, with sole discretion to use Employees Development funds reasonably for team building items such as employee retreats or activities, department meetings, meals or snacks, coffee or lunches with employees, and tokens or small gifts of appreciation for employees.

IV. EXPENSE POLICIES: WSBA OFFICERS AND BOARD OF GOVERNORS

The officers and members of the Board of Governors (including sitting and newly elected officers and Governors) are fiduciaries of WSBA and ambassadors to WSBA boards, committees, task forces, councils, panels and sections; to local and specialty bar associations in Washington State; and to other related groups or officials. It is expected that WSBA officers and governors will incur certain expenses in furtherance of this responsibility, and will comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses

Individual meals for a guest of an officer or governor may be reimbursed when no group meal is provided (up to the limits set forth in the "Meal Expenses" section of the General Expense Reimbursement Policy). Separate lodging/rooms and transportation costs will not be reimbursed.

B. Officer and Governor Attendance at Law-Related Events

From time to time WSBA officers and governors are invited to attend a ticketed, non-educational event sponsored by an outside organization. Usually, these invitations come from local or specialty Bar Associations in the state of Washington, or a similar national organization having a local meeting, or other law-related organizations. The primary purpose of the event may be to raise funds for the organization, or it may be social or networking occasion.

The Board affirms its role as a statewide organization to reach out to these interest groups, to encourage and support other Bar Associations and law-related organizations, to further the understanding of the activities and purposes of the WSBA, and to foster collegiality among its members and goodwill between the Bar and the public; in a fiscally prudent manner.

To this end, WSBA will annually reimburse expenses incurred for group registration events as follows:

	Statewide Events	Local and Specialty Bar Events	Significant County Bar Events
Officer	yes	up to 8	yes
Governor	yes	up to 6	In Governor's home district

The Executive Director may approve exceptions to these limits. WSBA reserves the right to request reimbursement for cancellations to group registration events.

C. Officer and Governor Travel to and Attendance at National/Regional Events (*Section C.1 updated and approved by the Board of Governors on January 18, 2019*)

Educational, training, or networking events for officers and/or governors are approved as part of the budget process based on the educational/networking value. Examples include the Bar Leaders Conference, Western States Bar Conference, American Bar Association annual or mid-year meetings, or meetings of the National Council of Bar Presidents.

The following policy has been adopted by the Board of Governors:

1. Officer Conferences:
The President, President-elect, Past President, and Treasurer may attend two national conferences and the Western States Bar Conference. The President and President-elect may also attend the Northwest Bar Leaders meeting.
2. Governor Conferences
Governors may attend one national or regional conference during their term of service on the Board of Governors.

V. EXPENSE POLICIES: WSBA EXECUTIVE DIRECTOR

The Executive Director is an ambassador of WSBA to WSBA boards, committees, task forces, councils, panels and sections; to local and specialty bar associations in Washington State; and to other related groups or officials. It is expected that the Executive Director will incur certain expenses in the furtherance of this responsibility. The Executive Director shall comply with the expense policies of the WSBA, with the following exceptions:

A. Guest Meal Expenses

Individual meals for a guest will be reimbursed only at Board of Governor functions when no group meal is provided (up to the limits set forth in the "Meal Expenses" section of the General Expense Reimbursement Policy). Separate lodging/rooms and transportation costs will not be reimbursed.

B. Attendance at Law-Related Events

The Executive Director shall be reimbursed for attendance at law-related events when he/she is attending in his/her official capacity.

C. Travel

Reimbursement will be made for travel costs (transportation, lodging, meals and incidentals) to other bar associations when the purpose of the trip is to meet with another bar's Executive Director or

elected official(s) for the purpose of furthering WSBA business. This would include local and specialty bar associations in Washington State, and unified or voluntary bar associations in other states. The Executive Director is also reimbursed for attendance fees and travel and lodging expenses to attend work-related educational seminars, such as, but not limited to, American Bar Association, Western States Bar Conference, Bar Leaders Institute, and the National Association of Bar Executives.

D. Meals

WSBA will reimburse meal expenses of the Executive Director and any WSBA or Washington State elected or appointed official(s) when the purpose of the meal is for the Executive Director or WSBA or Washington State elected or appointed official(s) to conduct WSBA business with the official(s). This would also include Washington state local and specialty bar elected or appointed officials.

E. Review of Payments to Executive Director

At least quarterly, the Treasurer shall review the payments made to the Executive Director (including salary, benefits, credit card charges, and reimbursements). The Senior Accountant and Budget Analyst prepares a quarterly report for the Treasurer to review and sign.

VI. CLE SPEAKERS/PROGRAM PARTICIPANTS EXPENSES

In general, reimbursements to speakers and program participants shall be reimbursed according to the WSBA guidelines. However, with prior approval of the Executive Director, W S B A may approve reimbursements for lodging and meal expenses above the WSBA rates, as supported with appropriate receipts.

VII. ACCOMMODATION **FUND**

A. Purpose

The WSBA Accommodation Fund and Procedures are established to support the WSBA Accessibility Policy and ensure reasonable accommodation to members' participation in WSBA services, programs and events. Accommodation for services, programs and events is available to all members with disabilities. Reasonable accommodation includes such accommodation as sign language interpretation, sound enhancement, or other accommodation requested by members wishing to participate in WSBA services, programs and events.

B. Procedures

Persons should request accommodation through WSBA employees organizing the event (Organizer). The request should describe the event or series of events and the accommodation requested. Dialogue with the person requesting accommodation may be necessary to assure the most appropriate accommodation. All accommodation requests should be made as far in advance as possible, at least two weeks in advance of the event is strongly recommended to allow the best accommodation possible. The Organizer will review the request and outline the reasonable accommodation available. Reimbursement requests or pay-ahead service requests will be handled by the Organizer to ensure privacy. Should the request be beyond the expertise of the Organizer, even after consultation with Human Resources, outside experts will be consulted.

C. Other

The Accommodation Fund is intended primarily for use by WSBA members — other resources are available for WSBA employee accommodation and the Accommodation Fund is not intended to cover other overall accessibility accommodation which are budgeted for separately. The Accommodation Fund is not intended to cover facility or general accommodation needs. These matters will be handled by employees working with the facility at which the meeting or event is to be held.

D. Funding

The amount of funding available for accommodation will be set annually as an estimate of need in the budget process but may be modified by the Budget and Audit Committee if further needs arise to assure accommodation. The Organizer shall work with the Director of Finance to prepare a request for increased funding which will be considered by the Budget and Audit Committee at its next meeting. In time sensitive circumstances the Executive Director can preliminarily approve a request which exceeds the Accommodation Fund, so long as the funds are available within the current fiscal year budget, subject to the Fiscal Responsibility Matrix.

VIII. WSBA CREDIT CARDS

Each department director and some employees who frequently incur travel expenses (e.g., investigators) are issued individual WSBA corporate credit cards ("card holder") to cover WSBA business expenses only; personal charges are not allowed. An exception is if the charge contains personal expenses beyond the WSBA limit, in which case the card holder shall submit a check to Accounting with the credit card bill. All charges on a WSBA credit card must be supported by appropriate detailed receipts.

Card holders may authorize their employees to use their credit card for business expenses. However, the card holders remain responsible for all charges made using their credit card; specifically, that all charges comply with WSBA policies, are made within the delegated budget authority, and are coded to the proper general ledger account.

Each card holder must approve the monthly statement for his/her credit card. The monthly statement, along with detailed receipts and general ledger coding information, shall be submitted to the Senior Bookkeeper (AP) within 10 days of the end of the month.

Employees who support the WSBA's conference rooms and CLE Conference Center may be issued credit cards for the purpose of purchasing office supplies, food service, kitchen supplies, etc. in order to efficiently and cost-effectively manage the conference rooms and provide support to employee meetings. The monthly American Express bill shall be reconciled and coded to the proper general ledger accounts, then given to the Director of Finance for review and approval.

IX. FUNCTIONAL ACCOUNTING PROCEDURES/ALLOCATION OF INDIRECT EXPENSES

"Indirect" expenses are expenses that benefit the whole organization; in many ways they are the basic cost of doing business. Examples include salaries, benefits, rent, telephone, insurance, legal advice,

auditing services, computer equipment, etc., as well as all-employee meetings, coffee/tea service, etc. GAAP does not require a specific method of allocating expenses to their appropriate function. There are numerous ways to allocate common expenses, but there is no one correct way. However, the method chosen must be meaningful, reasonable, accurate, and consistently applied. Changes in the method of allocating indirect expenses, and what specific expenses are included in indirect expenses, are generally disclosed in the audited financial statements.

The main goal of allocating common expenses is to provide the "true cost" of each program. However, getting a "true cost" is a misnomer, since different allocation methods will produce different results. The organization must choose a reasonable method that makes sense and will produce "accurate enough" information. Thus, it is important to understand that you are never really seeing the true cost of any program; you are seeing as close as we can get based on the allocation method chosen. A good example of this is how the WSBA treats certain support expenses. The WSBA has several departments which support all the cost centers, but for which the costs are not allocated to the indirect pool. No employee time for the Human Resources department or Information Technology department is allocated to other cost centers, although they primarily exist to support all cost centers. Thus, the "true cost" of a program does not include many of the WSBA support functions provided to it. It is helpful to understand this when conducting reviews of programs and cost centers.

WSBA has been using functional accounting since 1992. Direct expenses are recorded 100% to the appropriate cost center. Examples include committee expenses, employee travel, events, etc. The WSBA allocates indirect expenses as follows:

- Salaries – Salaries are directly allocated (through payroll) to the cost centers in which the employees primarily work. For example, some employees are allocated among several cost centers in one department (e.g., Advancement or Regulatory Services Departments). Many employees are allocated to only one cost center, although they perform work for many functional areas (e.g., Finance and Administration Department employees). *The allocation of employees is done through the budget process; employees are allocated throughout the year just as they are budgeted.* Therefore, a person may be budgeted at 25%, but may actually spend more or less of their time performing work for that cost center. However, the person is allocated through payroll at 25% regardless of their actual time spent unless a mid-year change in actual allocation is authorized by the Executive Director as part of the Reforecast process. Actual time is considered in allocating employees for the next budget year.
- Benefits – When incurred, benefits expenses are pooled together and allocated among the cost centers *based on the salary expenses (dollars, not FTEs)* for each cost center. This method proportionately distributes benefits in relationship to the salaries expenses. Thus, the departments with higher-paid employees will also incur a higher share of benefits expense.
- Other Indirect Expenses (insurance, telephone, professional fees, etc.) – The WSBA allocates all other indirect expenses based on the *number of FTE's in a cost center.* For example, if a cost center has 10 out of 138 of WSBA's FTEs, then it will be allocated 7.2% (10/138) of the pool of indirect expenses.