

**Proposed IEEE 802 LMSC Policy and Procedure Revision Ballot**  
**on**  
**Working Group Financial Operations**

**From:** Bill Quackenbush

**To:** LMSC Executive Committee

**Date:** 7/24/2003

**Duration:** Expires July 26, 2003

**Purpose:** To add specific requirements to the LMSC Policies and Procedures (LMSC P&P) on the financial operations of LMSC subgroups.

**Rationale for proposed text:**

It has relatively recently become very difficult if not impossible to find non-IEEE hosts for LMSC subgroup interim session who are willing to pay all expenses of the session. As a result, registration fees are being collected for most LMSC subgroup interim sessions. It has also become evident there are insufficient requirements and guidelines in the LMSC P&P to guide, control and monitor the financial operations of LMSC subgroups and to ensure that their financial operations comply with the IEEE, IEEE-SA and the Computer Society requirements on the financial operations of standards development groups.

Two major considerations when proposing changes to the LMSC P&P are the incremental workload imposed on the LMSC Treasurer when an LMSC Working Group decides to operate with treasury and the degree of financial independence granted to a WG/TAG operating with treasury. I think a reasonable approach is that a WG/TAG operating with treasury be required to conduct its financial operations in a manner similar to that required for the LMSC.

**Proposed Text:**

The following changes are proposed.

1. That item d) of Section 5.1.4.3 Working Group Chair's Responsibilities and item g) of Section 5.1.4.4 Working Group Chair's Authority be deleted.
2. That a new sub section on interim sessions be added to Section 5.1 LMSC Working Groups and that the second paragraph of Section 5.1.3.5 Meetings and Participation be moved to this new section.

**"5.1.x Interim Sessions**

In addition to WG/TAG Plenary sessions, which are held as part of LMSC Plenary sessions, a WG/TAG or a WG/TAG sub group may hold interim sessions.

Interim sessions shall have as goals: 1) Reasonable notification (>4 weeks) in addition to any announcement given at a plenary, and 2) Few last minute shifts in location (<< 1 per year).

Each interim session shall have a session host that is responsible for the logistical and financial planning and operation of the session and for the expenses of the session. An interim session may be hosted by a non-IEEE entity, an LMSC WG/TAG or the LMSC. A WG/TAG sub group may not host an interim session, but a WG/TAG may host an interim session for one or more of its sub groups. Multiple WGs/TAGs and/or WG/TAG sub groups may hold a joint interim session with a common host.

A WG/TAG may sponsor an interim session if and only if the group has received approved from the LMSC EC to operate with treasury.”

A registration fee may be collected from interim session attendees by the session host to cover the direct expenses of the session. If the host is a WG/TAG, the registration fee collected from the WG’s/TAG’s interim meeting attendees may also be used to cover other operating expenses of the WG/TAG.

3. That a new subsection on financial operations be added to Section 5.1 LMSC Working Groups.

#### **“5.1.y Working Group Financial Operations**

A WG/TAG that collects funds of any kind from its members and/or from the attendees of its interim sessions is said and is considered to be “operating with treasury”.

The primary reason a WG/TAG may wish or need operate with treasury is to allow the group to collect funds to cover the expenses of its interim sessions or the interim sessions of one or more of its sub groups. A WG/TAG may, with the approval of the LMSC EC, elect to operate with treasury.

A WG/TAG sub group shall not operate with treasury.

#### **5.1.y.1 WG Financial Operation with Treasury**

The financial operations of a WG/TAG operating with treasury shall comply with the following requirements. For the purposes of this section, the duration of an interim session is defined as being no longer than 7 consecutive calendar days.

1. The WG/TAG shall request and must receive LMSC EC approval to operate with treasury.
2. The WG/TAG shall have a Treasurer who shall oversee the collection, disbursal and retention of all Working Group funds.
3. The WG/TAG shall have an Executive Committee (WGEC/TAGEC) comprised of the following WG/TAG officers. The WG/TAG Chair shall be the Chair of the WGEC/TAGEC.

Chair

All Vice Chairs

All Secretaries

Treasurer

All Task Force Chairs

4. The WG/TAG shall open and maintain a WG/TAG bank account whose title shall begin with “IEEE” and include the identity of the WG/TAG. The account shall comply with the signature and title requirements of all applicable LMSC and superior IEEE entity rules and policies and in particular Section 10.2.7 STANDARDS MEETINGS BANK ACCOUNT SIGNATURES of the IEEE Policies. In addition, the LMSC Chair shall be an authorizer signer for the account. The LMSC Treasurer shall be notified of the bank, account number, account title and approved signers for the account.

5. The WG/TAG may open and maintain one or more WG/TAG merchant accounts, each linked to the WG/TAG bank account, whose title shall begin with “IEEE” and include the identity of the WG/TAG. The LMSC Treasurer shall be notified of each merchant account, account number and account title.
6. The WG/TAG shall maintain its own accounting and financial records under the supervision of the WG/TAG Treasurer.
7. The WG/TAG Treasurer shall submit a report to the LMSC Treasurer one week before each LMSC Plenary session summarizing all financial activity of the WG/TAG since the last such report. The report shall be in a format specified by the LMSC Treasurer. In addition, the following material shall be provided with each report.
  - Registration reports for each session since the last such report for which fees were collected.
  - Copies of all invoices received since the last such report
  - Copies of all checking and merchant bank statements received since the last such report
8. The WG/TAG Treasurer shall present a report to the WG/TAG membership at each Plenary session summarizing all financial activity of the WG/TAG since the last such report. The report shall be in a format specified by the LMSC Treasurer.
9. The WG/TAG Treasurer shall submit an audit package to the LMSC Treasurer by March 1 of each year that covers the financial activity of the WG/TAG during the previous calendar year. The package shall contain all material required by the LMSC Treasurer and IEEE Audit Operations for review by the LMSC Treasurer and audit by IEEE Audit Operations.
10. The WG/TAG may collect a registration fee from attendees of its interim sessions or the interim sessions of its sub groups.
11. The registration fee for each interim WG/TAG or WG/TAG sub group session shall be approved by the WGEC/TAGEC and shall be submitted to the LMSC EC for review.
12. If the WG/TAG is acting as the common host for a joint interim session with other WGs/TAGs, the registration fee collected from attendees that are not attendees of the host WG/TAG session may not be used for the operating expenses of the host WG/TAG that are not directly associated with the interim session.
13. The WG/TAG may collect other funds from its members if and only if approved by the LMSC EC
14. The budget for each interim session shall be submitted to the LMSC Treasurer for review at least two months before the start of the session or within one week of session notice, whichever ever occurs latter, and upon any significant revision of the budget.
15. The budgets for future sessions shall be submitted to superior IEEE entities as required and in particular as required by Section 10.2.6 STANDARDS MEETING BUDGETS of the IEEE Policies.

16. All funds collected by a WG/TAG shall be deposited into the WG/TAG bank account.
17. All funds retained by a WG/TAG shall be held in the WG/TAG bank account.
18. The WG/TAG may disburse and/or retain funds as appropriate to pay approved expenses and maintain an operating reserve.
19. The maximum and minimum size of the WG/TAG operating reserve shall be set by the LMSC EC.
20. All WG/TAG expenditures shall be approved by the WGEC/TAGEC with the sole exception that WGEC/TAGEC members may each be reimbursed from the WG/TAG treasury for up to \$200 of WG/TAG expenses incurred between WG/TAG sessions without specific approval of the WGEC/TAGEC.
21. All reasonable and appropriate expenses for goods and/or services associated entirely with a WG/TAG or WG/TAG sub group interim session and that are provided under agreement(s) or contract(s) whose duration is not greater that of one interim session are approved when the WGEC/TAGEC approves the date and site for the interim session.
22. All contracts and agreements for the provision of goods and/or services whose value is greater \$5000 or whose duration is greater than one interim session require the approval of the WGEC/TAGEC and the LMSC EC.
23. All purchases of equipment shall be reported to the LMSC Treasurer.
24. Any financial authority not specifically granted to a WG/TAG is specifically prohibited.

#### **5.1.y.2 WG Financial Operation with Joint Treasury**

Two or more WGs/TAGs that have been individually approved by the LMSC EC to operate with treasury may, with the approval of the LMSC EC, elect to operate with a joint treasury. WGs/TAGs that operate with a joint treasury shall have no other treasury.

The operation of a joint treasury is subject to the same requirements as a WG/TAG operating with treasury with the following exceptions.

1. The Joint Executive Committee over seeing the joint treasury shall be union of the WG/TAG Executive Committees of the WGs/TAGs operating with the joint treasury. The Chair of the Joint EC shall be selected by the Joint Executive Committee and shall be the Chair of one of the participating WGs/TAGs.
- 2.

#### **5.1.y.3 WG Operation without Treasury**

A registration fee may be collected from the attendees of a WG/TAG or WG/TAG sub group interim session without the WG/TAG or parent WG/TAG needing authorization to operate with treasury or having to having to make a financial report to the LMSC Treasurer if the WG/TAG is **not** the session host and **all** of the following conditions are met.

1. The Host is solely responsible for the logistical and financial planning and operation for the session. The host may contract with one or more meeting planners or similar entities to assist with and/or implement the Host's responsibilities. Such planning and

execution shall be done in close consultation and coordination with the WG/TAG or WG/TAG sub group Chair(s).

2. The Host is responsible for all contracts and agreements for goods and services provided for the session. Neither the WG/TAG, WG/TAG sub group nor any member of the group shall be a party to any of these contracts or agreements and may not force the terms of any of these contracts or agreements.
3. The Host may charge session attendees a registration fee to offset the session expenses directly associated with the session, but not other operating expenses of a WG/TAG or WG/TAG sub group, to minimize the financial liability of the Host. Such a registration fee may not be greater than that required for the session to nominally break even. The recommended budgeting approach is for the Host to budget a contribution to the session that is decreased or eliminated in the event of a surplus.
4. The Host is responsible for collecting the registration fees, if any, and paying the session expenses.
5. The Host is responsible for the session deficit and owns the session surplus. The Host may retain or dispose of a session surplus in any manner it chooses with the restriction that the WG/TAG, WG/TAG sub group and/or any member of the group shall not be granted any beneficial interest in the surplus. The host may offer any portion of or the entire surplus to the Host on the next interim session to partially offset the direct expenses of that session.
6. The WG/TAG or WG/TAG sub group has no responsibility for any session deficit and no beneficial claim on any session surplus.
7. The WG/TAG or WG/TAG sub group does not maintain checking or merchant accounts in its own name or the name of any other IEEE entity and has no claim of ownership or beneficial interest in the funds in any other financial account.

If any these conditions are not met, and in particular if the Working Group claims any beneficial interest in any portion of interim session surplus funds, then the Working Group is operating with treasury and its financial operations must comply with the rules for a WG/TAG operating with treasury.”