

Proposed IEEE 802 LMSC Policy and Procedure Revision
on
Working Group Financial Operations Rev 1

From: Bill Quackenbush

To: LMSC Executive Committee

Date: 11/4/2003

Duration: Expires November 14, 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 sessions that are willing to pay all of the expenses of a 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 rules 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 be changed to
 - d) ~~Provide a full accounting to the LMSC Treasurer of all fees collected and retained, under authority of 5.1.4.4 Working Chair's Authority, to meet Working Group expenses, and the disposition of these funds.~~ Ensure that any financial operations of the WG comply with the requirements of Section 5.1.y of these Policies and Procedures.
2. That item g) of Section 5.1.4.4 Working Group Chair's Authority be deleted.
 - g) ~~Collect fees to meet Working Group expenses.~~
3. That Section 6.1 Registration Fees be deleted and its contents be distributed between two new sections 6.1 Plenary Sessions and 6.2 Interim Sessions, that the second paragraph of Section 5.1.3.5 Meetings and Participation be moved to the new Section 6.1 and that the current Section 6.2 Registration Policy be renumbered Section 6.3.

6.1 Registration Fees

~~The LMSC Treasurer may collect fees from all attendees of any technical meeting held in conjunction with an LMSC Plenary session to cover the expenses of the Plenary~~

~~session and the expenses of operating the LMSC. The LMSC Treasurer may collect fees from all attendees of any meeting held in conjunction with an interim session of an LMSC subgroup that is hosted by the LMSC to cover the expenses of the interim session.~~

~~Fees may be collected from all attendees of any technical meeting held in conjunction with an interim session of an LMSC subgroup that is not hosted by the LMSC.~~

6.1 Plenary Sessions

Plenary sessions are the primary LMSC sessions. All active LMSC WGs and TAGs hold their plenary sessions during LMSC Plenary sessions. There are normally three LMSC Plenary sessions per year.

The LMSC may collect fees from all attendees of any technical meeting held in conjunction with an LMSC Plenary session to cover the expenses of the Plenary session and the expenses of operating the LMSC.

6.2 Interim Sessions

In addition to WG Plenary sessions, a WG or a WG sub group may hold interim sessions. An interim session may be for a single WG or WG subgroup or may be a joint interim session for multiple WGs and/or WG sub groups.

Interim sessions shall have as goals: 1) Reasonable notification (>30 days) in addition to any announcement given at a plenary session, and 2) Few last minute shifts in location (<< 1 per year).

6.2.1 Interim Session Hosts

Each interim session shall have a Host. The **Host** is the organizational entity that is responsible for the finances and the logistical planning, preparation for and execution of the session.

An interim session may be hosted by the LMSC, an LMSC WG or TAG operating with treasury or a non-LMSC entity. LMSC WGs or TAGs not currently authorized to operate with treasury and LMSC WG subgroups may not host an interim session. A WG or TAG operating with treasury may host an interim session for one or more of its sub groups and may host interim an session for other LMSC WGs and/or the subgroups of other LMSC WGs.

An LMSC session Host and the hosted WG(s) and/or WG sub group(s) shall comply with the following rules on session Hosts. The Host may contract with one or more meeting planners and/or other entities to assist it in hosting the session.

1. The Host is solely responsible for the finances and the logistical planning, preparation for and execution of the session.
2. The Host will consult and coordinate with the Chair(s) of the WG(s) or WG sub group(s) participating in the session on the financial and logistical planning, preparation for and execution of the session.
3. The Host is solely responsible for all contracts and agreements that are for goods and/or services exclusively for the session.

4. The Host is solely responsible for collecting the fees from attendees, if any, and paying the session expenses including any session deficit or penalties.
5. The Host is solely responsible for any session deficit and owns any session surplus.

6.2.2 Interim Session Fees

The Host of an interim session may collect fees from all attendees of any meeting held in conjunction with the session. The fees, usually a registration fee, are to cover the direct expenses of the session, and in some cases may also be used to cover other WG operating expenses. The **direct expenses** of a session are those expenses, including penalties, that are incurred for goods and/or services that are completely consumed by the planning, preparation for and/or execution of the session.

If a WG operating with treasury hosts an interim session for only itself, or several WGs operating with a single joint treasury host a joint interim session for only themselves, the collected fees, if any, may also be used to cover other operating expenses of the participating WG(s).

If a WG operating with treasury hosts an joint interim session for itself and organization units from other WGs, or several WGs operating with a single joint treasury host a joint interim session for themselves and organization units from other WGs, the collected fees, if any, may also be used to cover other operating expenses of the hosting WG(s) if and only if the fees for the session are agreed to by the Chairs of all of the WGs with an organization unit participating in the session. An **organizational unit of a WG** is defined as the WG itself or any of its subgroups.

If a non-LMSC entity hosts an interim session, the collected fees, if any, and any financial contributions to the session from the Host and any other non-LMSC entity may only be used to cover the direct expenses of the session. If fees are collected, the fees shall not be greater than that required for the fees, in combination with any financial contributions from the Host and other non-LMSC entities, to yield a nondeficit session budget in which budgeted expenses are restricted to the direct expenses of the session. The Host may not accept a contribution from an LMSC subgroup to cover any part of the session expenses and the Host may not transfer any surplus or beneficial interest in any surplus from the session to an LMSC subgroup. In this case, the recommended approach is for the Host to budget a contribution to the session that is decreased or eliminated as necessary to minimize any session surplus.

6.2.3 Interim Session Financial Reporting

A WG or WG subgroup shall prepare and submit all applicable financial reports on any of its interim sessions for which fees were collected and that did not comply will all of the following requirements.

1. The WG or WG subgroup was not the Host of the session.
2. The Host and the WG or WG subgroup complied with Section 6.2.1 of these P&P.
3. Neither the WG or WG subgroup nor any of its offers had any financial responsibility for the session including any deficit or penalties.

4. Neither the WG or WG subgroup nor any of its officers handled and/or had or exercised any control over any funds either received for the session or disbursed to pay the expenses of the session including penalties.
 5. Neither the WG or WG subgroup nor any of its officers was a party to or had and/or exercised any decision authority over the terms and/or conditions of any contract and/or agreement that was for goods and/or services exclusively for the session.
 6. Neither the WG or WG subgroup nor any of its officers had and/or exercised any decision authority over the disposition of any surplus from the session.
 7. Neither the WG or WG subgroup nor any of its officers have or had any control over or beneficial interest in any session surplus. If the Host was a non-IEEE entity, the Host may offer any portion or the entire surplus to the LMSC or to a non-LMSC Host of a future interim session to partially offset the direct expenses of that session.
4. That a new subsection on financial operations be added to Section 5.1 LMSC Working Groups.

5.1.6 Working Group Financial Operations

The primary reason that a WG may want or need to conduct financial operations is to enable the WG to host interim sessions for itself or for one or more of its sub groups.

A WG that claims any beneficial interest in or control over any funds or financial accounts whose aggregate value is \$500 or more is determined to have a treasury and said to be “operating with treasury”.

A WG may have a treasury and operate with treasury if and only if it requests permission and is granted permission by the LMSC EC to operate with treasury and thereafter complies with the rules of Section 5.1.6. The WG request to operate with treasury shall be supported by a WG approved motion that authorizes the WG to request such permission and to operate with treasury. The WG may, again by WG approved motion, surrender EC permission to operate with treasury. The LMSC EC may withdraw permission for a WG to operate with treasury for cause.

A WG sub group shall neither have a treasury nor operate with treasury.

5.1.6.1 WG Financial Operation with Treasury

The financial operations of a WG operating with treasury shall comply with the following rules.

1. The WG shall conduct its financial operations in compliance with all IEEE, IEEE-SA and IEEE Computer Society rules that are applicable to the financial operations of standards committees. As of November 2003, the documents containing these rules include but are not limited to the following.

IEEE Policies, Sections 10.2 Standards Meetings, 11 IEEE Financial Matters and 12.6 Contracts with exclusive Rights

IEEE Financial Operations Manual (FOM), Sections FOM.3
Asset/Liability Management and FOM.8 Contract and Purchasing
Orders

Computer Society Policies and Procedures Manual, Section 16.7.1
Checking Accounts

2. The WG shall have a Treasurer who is responsible to the WG Chair for the operation of the WG treasury, for ensuring that the operation of the WG treasury and the WG financial accounts complies with these Policies and Procedures and for the review of all expenses before payments.
3. The WG shall have an Executive Committee (WG EC) comprised of the WG Chair, Vice Chairs, Secretaries and Treasurer and the WG Task Force Chairs. The WG Chair shall be the Chair of the WG EC.
4. The WG shall open and maintain a WG bank account whose title shall begin with “IEEE” followed by the numerical identity of the WG, e.g. IEEE 802.1. The LMSC Chair shall be an authorized signer for the account. The LMSC Treasurer shall be promptly notified of the bank, account number, account title and authorized signers for the account when the account is opened and whenever any on these items change.
5. The WG may open and maintain one or more WG merchant accounts for the settlement of credit card transactions. The title of each merchant account shall begin with “IEEE” followed by the numerical identity of the WG, e.g. IEEE 802.1. Each WG merchant account shall be linked to the WG bank account. The LMSC Treasurer shall be promptly notified of each merchant account, account number and account title when the account is opened and whenever any on these items change.
6. All funds collected and/or received by a WG shall be deposited in the WG bank account.
7. All funds retained by a WG shall be held in the WG bank account.
8. The WG may disburse and/or retain funds as appropriate to pay approved expenses and maintain an approved operating reserve.
9. Signature authority for any WG financial account is restricted to those IEEE, IEEE-SA and Computer Society officers and/or staff that are required to have signature authority by IEEE, IEEE-SA and Computer Society regulations, to LMSC officers and to the officers of the WG owning the accounts with the sole exception that at most two other individuals may be granted signature authority for the WG bank account for the sole purpose of assisting the WG in conducting its financial operations provided that each such individual has provided agreements, indemnity and/or bonding satisfactory to the IEEE. The granting of signature authority to any individual other than the WG Treasurer and those required by IEEE, IEEE-SA, Computer Society or LMSC regulations requires approval by a motion that is approved the WG.
10. The WG shall prepare and maintain its own accounting and financial records.

11. The WG Treasurer shall submit a financial report to the LMSC Treasurer no less than one week before the opening of each LMSC Plenary session summarizing all financial activity of the WG since the last such report. The format and minimum content of the report shall be as specified by the LMSC Treasurer.
12. The WG Treasurer shall present a financial report to the WG membership at the opening plenary meeting of each Plenary session summarizing all financial activity of the WG since the last such report. The format and minimum content of this report shall be as specified by the LMSC Treasurer and the report shall be included in the minutes for the WG session.
13. The WG Treasurer shall prepare and submit an audit package for each calendar year during any portion of which the WG operated with treasury. The audit package shall cover the financial activity of the WG during that year and shall be submitted by March 1 of the following calendar year. The package shall contain all material required by IEEE Audit Operations for an IEEE audit plus any additional material specified by the LMSC Treasurer. The package shall be submitted to the IEEE for audit if required by IEEE regulations. If not, the package shall be submitted to the LMSC Chair for local LMSC audit. If the package is submitted to the IEEE, a summary of the WGs financial operations for the audit year shall be submitted to the LMSC Chair by the same time that the audit package is submitted to the IEEE. The format and minimum content of the summary shall be as specified by the LMSC Treasurer.
14. The maximum and minimum size of the WG operating reserve shall be set by the LMSC EC.
15. All WG expenditures shall be approved by the WG EC with the sole exception that each WG EC member may be reimbursed from the WG treasury for up to \$200 of WG expenses incurred between WG sessions without specific approval of the WG EC.
16. The location, date and fees for each interim session hosted by the WG must receive the approval of the WG EC.
17. The budget for each interim session hosted by the WG shall be submitted to the LMSC Treasurer no less than 30 days before the opening of the session.
18. For each interim session hosted by the WG, all reasonable and appropriate direct expenses for goods and/or services for the session and that are provided under contract(s) and/or agreement(s) that are exclusively for that interim session are approved when the WG EC approves the location, date and fees for the session.
19. All contracts and/or agreements to which the WG is a party, whose total value is greater \$5000 and that is not for goods and/or services exclusively for a single interim session hosted by the WG require the approval of the WG EC and the LMSC EC before execution.

20. The WG shall maintain an inventory of equipment that it purchases that has a useful life of greater than 6 months and shall provide a copy of the inventory to the LMSC Treasurer during December of each year.
21. Any financial authority not specifically granted to a WG is specifically prohibited.

5.1.6.2 WG Financial Operation with Joint Treasury

Two or more WGs/TAGs, with the approval of the LMSC EC, may elect to operate with a single joint treasury. WGs/TAGs that operate with a joint treasury shall have no other treasury. The merger of separate WG/TAG treasuries into a joint treasury or the splitting of a joint treasury into separate WG/TAG treasuries requires approval of the LMSC EC. Each such action shall be supported by a motion from each of the involved WGs/TAGs that requests the action and that has been approved by the WG/TAG.

The operation of a joint treasury is subject to the same rules as a WG operating with treasury with the following exception The Executive Committee over seeing the joint treasury shall be a Joint Executive Committee that is the union of the 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.