

Proposed IEEE 802 LMSC Policy and Procedure Revision
on
Working Group Financial Operations Rev 4

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To: LMSC Executive Committee

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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 5.1.6 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 6.2 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.

The LMSC may collect fees, usually a registration fee, from all attendees of any portion of any technical meeting that is a part of 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 plenary sessions, an LMSC WG/TAG or WG/TAG sub group may hold interim sessions. An interim session may be for a single LMSC WG/TAG or WG/TAG subgroup or it may be a joint interim session for any combination of LMSC WGs, TAGs and WG/TAG 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 and joint interim session shall have a Host. The **Host** is the entity that is responsible for the finances and the logistical planning, preparation for and execution of the session.

An interim session or joint interim session may be hosted by the LMSC, an LMSC WG or TAG operating with treasury, several LMSC WGs and/or TAGs operating with a joint treasury or a non-LMSC entity. LMSC WGs or TAGs not authorized to operate with treasury and LMSC WG or TAG subgroups may not host an interim session.

Alternatively, an interim session or joint interim session may be co-hosted (jointly hosted) by any combination of an LMSC WG or TAG operating with treasury, several LMSC WGs and/or TAGs operating with a joint treasury and a non-LMSC entity. Each of the entities co-hosting an interim session (Co-hosts) shall have approved a written agreement stating the responsibilities and liabilities of each Co-host and the disposition of any surplus funds before any financial commitments are made for the co-hosted session. When an interim session is co-hosted, the term Host means all of the Co-hosts as a single entity.

The responsibilities, authorities and liabilities of a Host are defined in the following list. The Host may contract with 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)/TAG(s) or WG/TAG 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, paying the session expenses including any penalties.
5. The Host is solely responsible for any session deficit and the disposition of any session surplus funds.

6.2.2 Interim Session Fees

The Host of an interim session may collect fees from all attendees of any part of any technical meeting that is part of the session. The fees, usually a registration fee, shall be used to cover the direct expenses of the session, and in some cases may also be used to cover other WG/TAG 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, or several WGs and/or TAGs operating with a joint treasury, are the Host of an interim or joint interim session, any fees collected from attendees should be deposited respectively in WG treasury or joint treasury. If several WGs operating with treasury and/or several groups of WGs/TAGS operating with joint treasury are Co-hosts a joint interim session, any fees collected from attendees should be deposited in the bank account of one of the co-hosting WGs/TAGs which shall be specified in the so-hosting agreement.

If a WG/TAG operating with treasury hosts or co-hosts an interim session for only itself, or several WG(s) and/or TAG(s) operating with a single joint treasury host or co-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)/TAG(s).

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

6.2.3 Interim Session Financial Reporting

A WG/TAG or WG/TAG subgroup shall prepare and submit all financial reports required by IEEE, IEEE-SA, Computer Society and LMSC regulations on any of its interim sessions for which fees were collected and that did not comply with all of the following requirements.

1. The WG/TAG or WG/TAG subgroup was not the Host of the session.

2. The Host complied with the definition of a host in Section 6.2.1 of these P&P.
3. Neither the WG/TAG or WG/TAG subgroup nor any of its officers had any financial responsibility for the session including any deficit or penalties.
4. Neither the WG/TAG or WG/TAG 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/TAG or WG/TAG subgroup nor any of its officers had and/or exercised any decision authority over the disposition of any surplus funds from the session.
6. Neither the WG/TAG or WG/TAG subgroup nor any of its officers have or had any control over or beneficial interest in any surplus funds from the session.

In the case of an interim session that is hosted by a single non-IEEE entity and for which fees are collected, the usual financial goal is for the session to be non-deficit with a minimum surplus. A recommended way of achieving this is for the Host to commit to a contribution to the session and then reduce that contribution as required to minimize any session surplus. It may be most convenient for the Host to not make the contribution (transfer the funds) until the size of the contribution needed to meet the non-deficit minimum surplus goal is known. If there is a surplus, the Host may retain it or dispose of it in any manner it chooses that does not violate item 6 above.

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

5.1.6 Working Group Financial Operations

A WG may wish or need to conduct financial operations in order for it to host interim sessions for itself or one or more of its sub groups or to acquire goods and/or services that it requires for its operation.

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 operate with treasury 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 motion that has been approved by the WG and that authorizes the WG to request such permission and to operate with treasury. The WG may, again by WG approved motion, surrender EC granted 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 not 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 follows prudent financial procedures.
3. The WG shall have an Executive Committee (WG EC) comprised of at minimum the WG Chair, Vice Chairs, Secretaries and Treasurer. 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 notified within 30 days 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 notified within 30 days 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 or in IEEE approved investments.
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 account 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 shall be by motion that is approved by the WG.

10. The WG shall prepare and maintain its own accounting and financial records.
11. The WG Treasurer shall prepare for each WG plenary session a financial report that summarizes all of the WG financial activity since the last such report. The report shall be submitted to the LMSC treasurer before the opening of the session, shall be presented to WG membership at the opening plenary meeting of the session and shall be included in the session minutes. The format and minimum content of the report shall be as specified by the LMSC Treasurer.
12. The WG Treasurer shall prepare and submit an audit package for each calendar year during any portion of which the WG operated with treasury as required by IEEE regulations. The package shall contain all material required by IEEE Audit Operations for an IEEE audit and shall be submitted to the IEEE for audit or the LMSC Chair for local audit as required by IEEE audit regulations. If the package is submitted to the IEEE, a summary of the WG's 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.
13. The maximum and minimum size of the WG operating reserve may be set by the LMSC EC.
14. All WG expenditures require the approval of 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.
15. The location, date and fees for each interim session hosted or co-hosted by the WG require the approval of the WG EC.
16. For each interim session hosted or co-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.
17. Any contract and/or agreement 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 or co-hosted by the WG require the approval of the WG EC and the LMSC EC before execution.
18. The WG shall maintain an inventory of each item of equipment that it purchases that has a useful life of greater than 6 months and purchase price of

greater than \$50. A copy of the inventory shall be provided to the LMSC Treasurer during December of each year.

5.1.6.2 WG Financial Operation with Joint Treasury

Two or more WG(s) and/or TAG(s), with the approval of the LMSC EC, may operate with a single joint treasury. WG(s) and/or TAG(s) 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 WG(s) and/or TAG(s) 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 overseeing the joint treasury shall be a Joint Executive Committee that is the union of the Executive Committees of the WG(s)/TAG(s) 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 WG(s)/TAG(s).