CALIFORNIA
LAWYERS
ASSOCIATION

Non-Dues Revenue Generation for Bar Leaders

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Duties and Fiscal Roles

- Setting strategic direction
- Monitor and strengthen programs and services
- Ensuring resources
  - Fundraising
  - Board Member Recruitment
  - Spreading the word
- Providing fiduciary oversight, protect assets

Typical Non-Dues Revenue Sources:

- Educational programs
- Special events
- Advertisements (newsletters, magazine websites, emails)
- Event sponsorship
- Royalties and affinity programs
- Job Boards
- Mailing list rentals

Other considerations:

- Unrelated Business Income

- Is there a trade or business?
- Is the activity regularly carried?
- Is the activity “not substantially related” to the exempt purpose?
- Is the activity statutorily exempt from tax?
- What are the impact of unrelated activities on exempt status?

Other considerations:

- Activities Exempt from UBI by definition or statute

- Business conducted by volunteers
- Convenience exception
- Sale of donated items
- Conventions and trade shows
- Provision of low-cost articles
- Qualified sponsorship payments
- Interest, Dividends
- Royalty
- Rental Income

Special issues to pay attention to:

- Revenue recognition
- You have both a 501(c)(6) and 501(c)(3), how to decide where sponsorship money goes
- FMV disclosure of goods or services received.

Where to Start?

Step 1:
Create a Shared Expectation

- All Board members should participate in “give or get”;
- What needs to change to create that culture?
- Should you set a $ target?

Step 2:
Conduct a Revenue Assessment

- Are all sources of revenue utilized?
- Are all sources of revenue maximized?
- What is preventing the source from use?
- Anything not in the best interest of the org?

Step 3 –
Who has connections with revenue sources?

- Law practice management
- Support vendors
- Banks
- Law firms
- Experts and expert witnesses
- CPAs
- Wealth Managers
- ADR Providers
- Local luxury product/service providers
- Hotels
- Restaurants
- Bars

Sample Worksheet

Board Member	Law Practice Support: Office, Trial, Tech, Discovery	Law Firms	Banks and CPA Firms	ADR Neutrals	Expert Witness	Wealth Managers	Luxury (Cars, Hotels)	Restaurants/Bars

Step 4:
Create a Plan

Focus on Sponsorship and Advertising

Factors to include in the plan:

- What is a realistic amount to set as a goal?
- What materials need to be created to support the ask?
- What is the frequency of the ask?
- Who collects actual dollars and when?
- Who is calling who/who is meeting with who?
- Who is managing the relationship and the benefits that have been offered once someone commits?
- What committee oversees this?
- How often should the Board get a report?

What can go wrong now that a plan exists?

- Relationship not managed or nurtured
- Expectations not clear/no agreement in place to summarize
- Some board members don’t follow through
- Too ad hoc; need to move to annual approaches
- Plan to aggressive for the organization or volunteer capacity

What can go wrong now that a plan exists?

- UBIT my mistake
- Not reported activities on IRS 990 Tax returns
- Vendors not billed correctly
- Revenue not recognized correctly

Audience Participation