

**KENTUCKY BAR ASSOCIATION
RULES OF THE SUPREME COURT OF KENTUCKY**

PRACTICE OF LAW

SCR 3.120 Fiscal provisions

(1) The dues and bar registration fees prescribed in Rule 3.040 shall constitute a general fund to provide for the ordinary and necessary expenses of the operation of the Kentucky Bar Association, including, as appropriate, compensation of employees; expenses of the Board and officers; publications; maintenance of the client's security fund and the bar center fund and the discharge of the disciplinary, educational and other functions specified by these rules. Other fees, subscriptions, and contributions authorized by these Rules or approved by the court shall constitute a special fund or funds to provide for the specific purpose or purposes of each such collection including the annual conventions and other undertakings for which specific collections are authorized. Excesses in the special fund may be transferred to the general fund on order of the Board. Voluntary section or division funds or contributions may be retained by the sections or divisions annually with the approval of the Board.

(2) An annual budget including all income and expenditures shall be prepared by a budget and finance committee composed of the President-Elect and two members of the Board appointed by him/her; the Vice-President; two members at large appointed by the President-Elect; a member of the Inquiry Commission; a member of the Continuing Legal Education Commission; a member of the IOLTA Trustees; a member of the Clients' Security Fund Trustees; and the Director. The President-Elect shall act as chair.

(3) Not less than four (4) months prior to the commencement of the next fiscal year, the budget shall be submitted by the Board to the court for its approval. The Board shall include in its budget proposal the budget of the continuing legal education commission. The budget shall distinctly set forth expected revenues according to source, together with carry-over funds from the previous year, and shall list budgeted amounts for each category of expenditure in sufficient detail to identify clearly the nature of the respective expenditures.

(4) Upon approval by the court, the budget shall govern the fiscal operations of the Association. Each expenditure category may be increased or decreased by not more than ten (10) percent. Further departures from the budget allotments may be made only upon approval of the court.

(5) All receipts of the Association shall be recorded in a cash receipts journal and deposited promptly. Each repository of funds and bank account shall be designated by the Board and approved by the court.

(6) All disbursements shall be in accordance with the budget, made by the treasurer and recorded in a cash disbursements journal. Each check shall bear such countersignatures as the Board may direct.

(7) The director, treasurer and such other employees as the Board designates shall be bonded for the accounting of all funds collected. The bonds shall be in the amount or amounts specified by the Board.

(8) There shall be an annual audit of the Association by the Administrative Office of the Courts or, at the election of the court, a private accounting firm approved by the court. The report of the audit shall be submitted to the court. Each annual audit shall be paid for by the Association.

(9) The compensation of employees of the Association shall be fixed by the Board.

HISTORY: Amended by Order 2013-12, eff. 1-1-14; prior amendments eff. 1-1-06 (Order 2005-10), 9-1-93 (Order 93-1), 2-1-81, 7-1-78, 1-1-78, 10-14-74, 4-9-74, 7-2-71