Most Inns have a single source of income: member dues. In the next few moments, this vital component of an Inn’s sustainability will be examined--- from creating a dues structure and policy for your Inn to defining the process of dues billing and collection. The process an Inn uses to assess and collect dues, and the amount of those dues, are important issues. If not handled properly, this can create dire financial problems for the Inn and an enormous amount of ill will among the members.
The first question to answer is whether the Inn will have a tiered or a flat structure? Most Inns opt for a tiered structure, meaning Benchers pay the most, Barristers pay something less, Associates pay even less, and Pupils pay the least. Most people consider this a fair method, since Benchers often earn more than the more junior members, although this is not always true. The important thing for all members to be aware of is that in a tiered structure, it is likely that the members paying the most are, in effect, subsidizing the members who are paying less.

Occasionally, an Inn will opt for a flat fee system, where all members, with the possible exception of law students, pay the same amount. This structure is the exception, although it is possibly the most equitable. The Inn’s costs are typically assessed equally on a per person basis - particularly meals and national dues - and are therefore shared equally. When an Inn has special or unexpected costs, such as for a guest speaker, those expenses can either be assessed equally to all members, or only to the more senior members as a separate program fee.
Exemption or Discount

- Discounts for members in different practice areas
  - Public Defenders
  - Government attorneys
  - Civil servants

- Exemptions and scholarships
  - needs based
  - no categorical exemptions

Slide notes

You will also need to decide whether any members will pay a discounted rate, or if any members will be exempt. Occasionally, Inns will offer lower dues for public defendants, government attorneys or other civil servant members. Inns should be sensitive to the possibility there could be members whose participation may be dependent on the availability of exemptions or scholarships. The Inn should communicate such opportunities to current and prospective members, and have a process for members to apply. Applications should be reviewed by the Membership Committee and awarded based on need.

Keep in mind there are psychological costs associated with exempting members from dues. Other members may see it as unfair. They may resent having to underwrite the cost of the exempted member’s meals. The exempt member may feel less committed to the Inn, either because they won’t be out anything if they don’t show up, or because they are aware that others see their exemption as unfair. There may also be ethical issues related to exempting members from dues, especially judges.
Once the Inn has decided what its dues structure will be, it must determine who will be responsible for billing the dues, and how and when the dues will be collected. In most Inns, the Treasurer or Secretary/Treasurer is the officer responsible for notifying members of their dues obligation and collecting and depositing the money. This responsibility may be delegated to the Inn Administrator, especially if the Secretary/Treasurer is a judge and is concerned about accepting payments from lawyers and other judges. The Membership Committee will also play an important role in the billing process, assisting the Treasurer in knowing who to bill and how to communicate with the members.

**Dues Billing & Collection**

- Who is responsible for collecting?
  - Treasurer
  - Administrator
  - Membership Committee
Dues Collection

- Timing of collection: considerations
  - Cash flow for accounts payable
  - Financial commitment from returning members—help to determine vacancies
- Payment by or at first meeting
- Full dues payments for entire year: avoid "pay as you go"

Slide notes

The timing of dues collection is also important. Returning members may be required to pay well in advance of the first meeting. This is a good idea for two reasons:

1) It allows the Inn to pay large bills that are due early in the Inn year, such as deposits to caterers or meeting facilities, or national dues.
2) It obtains a financial commitment from the members, making it possible for the Membership Committee to fill vacant slots before the Inn year begins.

A sample Member Renewal form is available in the related resources area.

New members should be asked to pay their dues by or at the first meeting. The Inn should have a clear deadline by which all members should have paid their dues and a process for dealing with late payers, up to and including termination of membership. Inns are strongly encouraged to collect the members' full dues payments for the entire year. Inns that use a "pay-as-you-go" system for dues payments, where members pay for each meeting separately, often experience attendance problems. Such a system tends to make members less committed to attending meetings, particularly later in the year.
Inns have the opportunity to facilitate the dues billing, collection and tracking process online by utilizing the Chapter Management System. This system allows Inns to email invoices to members, collect payments online and easily track payments and outstanding dues. For more information, please contact the Director of Chapter Relations for your region or refer to the related resources linked to this topic.