



Financial Policy

Version 2.0

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This document is subject to further changes.

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Release History

Date	Version	Description
2004-03-03	1.0	First Board-approved policy.
2005-03-08	1.1	Amended by the Board: 8 March 2005
2008-02-27	1.2	Amended by the Board: 27 February 2008
2009-06-16	1.3	Amended by the Board: 16 June 2009
2009-12-01	1.4	Amended by the Board: 1 December 2009
2013-06-19	1.5	Amended by the Board: 19 June 2013
2014-01-22	1.6	Board Amended and Approved: 22 January 2014
2015-06-16	1.7	Board Amended and Approved: 16 June 2015
2015-10-01	1.8	Board Amended and Approved: 1 October 2015. Conversion to current template.
2016-06-14	1.9	Board Amended and Approved: 14 June 2016
2018-06-13	1.10	Board amended and Approved: 13 June 2018
2021-06-15	2.0	Board amended and Approved: 15 June 2021

MIPI Alliance Financial Policy

Fiscal Year

MIPI Alliance fiscal year is 1 January through 31 December.

Budget

MIPI Alliance shall prepare an annual budget, which shall include a reasonable amount of written substantiation.

Membership Dues

The membership dues for the following fiscal year shall be determined and approved by the MIPI Alliance Board of Directors (“Board”) before the close of the current fiscal year. MIPI Alliance shall issue membership dues renewal invoices for the following year no later than 15 November of the current year.

Discounted Membership Dues

Member companies with revenue below certain thresholds are eligible for a discount on membership dues.

Membership Level	Annual Revenue (US Dollars)	Discount on MIPI Membership Dues
All	Above \$250 Million	no discount available
Adopter	Under \$250 Million	50% discount
Contributor	\$10 Million to \$250 Million	50% discount
	Under \$10 Million	75% discount

As detailed below, member companies desiring the discount:

- Must specifically request the discount,
- Must initially substantiate that their revenue meets the requirements, and
- Must re-substantiate their revenue annually at membership renewal time.

Failure to timely substantiate qualifying revenue as detailed below will result in loss of the discount.

Requesting Membership Dues Discount

New Member: A new member company qualifying for a membership dues discount can request it when applying for membership via the online application form, subject to substantiation of company annual revenue (see below).

Existing Member: An existing member company qualifying for a membership dues discount can request it at any time by emailing admin@mipi.org. However after non-discounted membership dues have been paid for a given period, MIPI has no obligation to issue refunds to a member company that subsequently requests a discount for that period.

Renewing Member: MIPI will invoice renewing member companies for membership dues annually. Companies that qualified for discounted rates must substantiate their revenue annually. Member companies are also obligated to report to MIPI any annual revenue increase that would disqualify the company from receiving the discount, see Company Revenue Changes (below).

If a member company fails to provide substantiation of annual revenue by 31 October as required, MIPI will issue an invoice for the full membership dues amount (i.e., no discount applied).

32 Substantiating Company Revenue

33 A member company requesting a membership dues discount must provide fiscal year financial statements
34 that substantiate that its annual revenue, including the annual revenue of all Affiliates, falls below the
35 associated revenue threshold. In lieu of financial statements, written documentation from an auditor or
36 company officer, attesting that the member company qualifies for the discounted dues based on its annual
37 revenue, will also be accepted. New start-up companies that do not have financial statements may provide a
38 Certificate of Incorporation. The financial information provided is solely used to validate that a company
39 qualifies for the membership dues discount, and will be confidentially maintained.

40 **New Member:** A new member company must provide the most recently available fiscal year financial
41 statements or written documentation from an auditor or company officer, attesting that the member company
42 qualifies for the discounted dues as of the date of the application.

43 **Renewing Member:** By 31 October, a renewing member company must provide the most recently available
44 fiscal year financial statements or written documentation from an auditor or company officer, attesting that
45 the member company qualifies for the discounted dues based on its annual revenue.

46 Company Revenue Changes

47 If a member company receiving a membership dues discount ceases to qualify for that discount rate due to
48 an increase in company annual revenue, then the member company must immediately report the change in
49 writing to admin@mipi.org.

50 Examples:

- 51 • A member company receiving the 50% discount ceases to qualify for any discount when annual
52 revenue exceeds \$250 million.
- 53 • A Contributor member company receiving the 75% discount ceases to qualify for that discount
54 when annual revenue exceeds \$10 million. If the new annual revenue does not exceed \$250
55 million, then the member company can request the 50% discount (note that the company must
56 make this request, as MIPI does not automatically apply the discount).

57 In the event that MIPI discovers that a member company received (or has been invoiced for) a membership
58 dues discount for which its annual revenue did not (or does not currently) qualify, MIPI reserves the right to
59 adjust any such prior year (or current) membership dues invoice accordingly.

60 Membership Year

61 The membership year is identical to the MIPI Alliance fiscal year.

62 Except as otherwise provided in the MIPI bylaws with respect to former members reapplying for
63 membership, members that join during Q2 and Q3 will have their dues prorated on a quarterly basis based
64 on the first day of the quarter in which they sign the membership agreement. For example, a member that
65 signs the membership agreement on 5 July will be invoiced for Q3 and Q4.

66 Members who join after 1 October will have their dues prorated on a monthly basis, based on the first day of
67 the month in which they sign the membership agreement, and will be invoiced for the prorated monthly fees
68 and the subsequent year annual fee. For example, a member that signs the membership agreement on 2
69 December will be invoiced for December plus the following year.

70 Participation in MIPI membership activities will not commence until the membership dues are paid in full.

71 Revenue and Income Recognition

72 Membership dues revenue is recognized on a monthly basis during the applicable membership year.

73 **Terminations**

74 MIPI Alliance bylaws and membership agreement provide for membership termination. Upon termination
75 for reasons other than non-payment of dues, outstanding invoices are immediately due and refunds of
76 membership dues shall not be considered unless explicitly granted by the Board in its sole discretion.

77 **Membership Dues Invoice Terms**

78 Standard terms for new membership dues invoices shall be Net 30 days. Standard terms for membership
79 renewal dues invoices shall be Net 60 days. The Board must approve alternate terms.

80 **Membership Roster**

81 The ISTO shall maintain the official membership roster of the organization. The most current version of this
82 roster shall be available via the MIPI Alliance public website.

83 **Payments in Kind**

84 MIPI Alliance shall accept no payments in kind related to membership dues.

85 **Payments by Credit Card**

86 MIPI will charge a 3% processing fee for membership dues payment by credit card.

87 **Accounting**

88 The ISTO shall perform all accounting functions for the MIPI Alliance, under the direction of the Board and
89 its Treasurer. All ISTO finance staff shall be properly bonded.

90 **Payments to Members**

91 Where it makes sense, MIPI members are free to bid on the provision of goods or services to MIPI Alliance
92 Inc. MIPI Alliance and affected member companies shall make every effort to ensure that such transactions
93 are established with arms-length, neutral considerations that provide the most efficient and optimal use of
94 MIPI Alliance funds. Participants may be selected as vendors only if they are the best candidates to supply
95 the service, without preference for any company's membership status.

96 **Dues Delinquent**

97 Each member will be responsible for payment of annual dues as set by the Board. The MIPI Alliance
98 Secretary will send out renewal invoices sixty (60) days prior to the membership due date of 1 January each
99 calendar year. A reminder notice for annual dues should be distributed to members who have not paid within
100 30 days of distribution of the initial renewal invoice. A member will be considered delinquent in its dues if
101 the Secretary does not receive the required dues payment thirty (30) days after the invoice due date. MIPI
102 Alliance shall send out a written notice (Dues Delinquent Notice) thirty (30) days after the invoice due date,
103 notifying the delinquent member that it has become Dues Delinquent. The notice shall state a final payment
104 date ("Final Date") of 1 March of the current renewal year. If the delinquent dues are not paid by 1 March of
105 the current renewal year, the membership of the Dues Delinquent member shall terminate without any further
106 action. If a member terminated due to non-payment of annual dues pays its invoice by 1 April, the
107 membership will be reinstated and the requirements of Membership Reinstatement, as described in the
108 Bylaws, will be waived.

109 **Upgrades and Downgrades**

110 If a member upgrades its membership level, MIPI Alliance will allow that company to apply its previously
111 paid member dues toward the new membership dues for the year of upgrade. Members that upgrade during
112 the year will have their dues prorated based on the first day of the quarter in which their upgrade is effective.
113 Members who downgrade, or are terminated, are not eligible for any refund unless explicitly granted by the
114 Board in its sole discretion.