

IEEE Region 8 Financial Report For the Year 2010

The IEEE Region 8 Financial Report for the year ending 31st December, 2010 has been completed.

Summary:

There has been some positive progress in the control of costs over the previous years. A full programme of activity was supported in 2010 together with a reduction in cost of \$169,418:41.

It is of some concern however that income during this period fell by \$345,371:00. This is largely attributable to a change in administrative process by IEEE MGA that left the Region without income between the months of August and December. It was also found that Assessment Income (Income that is linked to Membership Development) showed an uncharacteristic drop during the year.

These matters of reduced income give a Net Worth of the Region as at the 31st December, 2010 of \$499,171:40 (end of 2009 was \$632,608:20).

Income:

The Income to IEEE Region 8 in 2010 was \$545,972:22 (2009 was \$891,343:22).

Receipts:	Performance to end of December 2010 (USD)			
	Actual (2010)	Ratio	Prior Year (2009)	Variance
Received from Individuals	11,122:30	2.04	13,111:85	(1,989:55)
Received from Corporations	3,560:39	0.65	0:00	3,560:39
Received from Foundations	1,872:86	0.34	110,382:98	(108,510:12)
Meetings and Social Events	0:00	0.00	4,220:00	(4,220:00)
Rebate from IEEE HQ	151,800:00	27.80	98,273:00	53,527:00
Regional Assessment	198,941:58	36.44	517,495:82	(318,554:24)
Receipts from MGA & Major Boards	4,482:27	0.82	2,000:00	2,482:27
Sections' Congress Receipts	106,000:00	19.41	2,338:17	103,661:83
IEEE HQ and Societies	19,604:87	3.59	41,207:98	(21,603:11)
Interest	602:85	0.11	1,010:14	(407:29)
Dividends	9,346:42	1.71	8,999:62	346:80
Unrealized Gain/(Loss) on Investments	38,638:68	7.08	87,043:56	(48,404:88)
Other Receipts	0:00	0.00	5,260:10	(5,260:10)
	545,972:22	100.00	891,343:22	(345,371:00)

Attention is drawn to particular items of income:

1. VCF (Received from Individuals) continues to be at the low level when compared with the performance before the RAB BMS migration. A project is presently under consideration to give VCF a higher profile.

2. Received from Corporations is a new initiative aimed at acknowledging Technical Conference Co-Sponsorship in Region 8.
3. Received from Foundations included the support for ISBIR in the years previous. This project is now completed.
4. The low figure in Regional Assessment results from the administrative change by MGA and the apparent loss of the correlation of Assessment Income with Membership Development.
5. The Region thanks MGA for an allocation of \$106,000:00 in favour of Region 8 Committee Travel support to IEEE Sections' Congress this year (2011).
6. Interest gained on Bank Investment remains at a low level owing to the continuing global financial position. However, the Long Term Investment Fund of Region 8 continues to show evidence of recovery.

A useful gain has also been seen in Foreign Exchange against the U.S. Dollar of \$10,565:78 that increases our disposable income within the Region.

Expenditure:

The Net expenditure of Region 8 for the year against all captions was \$679,409:02 (2009 was \$848,827:43).

Summary of Expenditures to end of December 2010 (USD)

Expenditures:	Actual (2010)	Ratio	Prior Year (2009)	Variance
Meetings and Social Events	156,515:51	28.67	250,442:49	(93,926:98)
Publication Expenses	71,114:24	13.03	79,792:98	(8,678:74)
Advertising - IEEE	0:00	0.00	886:68	(886:68)
Conference Expenses	5,667:36	1.04	24,850:26	(19,182:90)
Educational Activities	9,430:96	1.73	11,593:52	(2,162:56)
Professional Activities	20,368:92	3.73	13,909:91	6,459:01
Student Activities	111,791:77	20.48	117,698:56	(5,906:79)
Grants and Awards	9,346:40	1.71	17,120:31	(7,773:91)
Other Programme Expenses	41,120:88	7.53	68,725:03	(27,604:15)
Sections' Congress Expenses	0:00	0.00	9,396:40	(9,396:40)
Travel	137,465:05	25.18	143,070:42	(5,605:37)
Support to Sections/Chapters	28,644:15	5.25	25,623:46	3,020:69
Support to Regions	0:00	0.00	658:74	(658:74)
MGA/Major Board Expenses	35,002:16	6.41	25,265:50	9,736:66
Other Mgt. & General Exp.	63,507:40	11.63	60,842:18	2,665:22
Foreign Exchange gain/loss	(10,565:78)	(1.94)	(1,049:01)	(9,516:77)
	679,409:02	124.44	848,827:43	(169,418:41)
Net Profit/(Loss) for Region 8	(133,436:80)	(24.44)	42,515:79	(175,952:59)

The following items of expenditure are discussed:

1. Meetings and Social Events expenditure is reduced. The practice of calling a full Start of Year meeting followed by a smaller management committee meeting

later in the year is continuing. The large meeting in Riga and the meeting in Prague in October were both to budget.

2. The Student Branch in Leuven are to be commended for their exceptional success in attracting sponsorship deals to support the Region 8 Student Branch congress held there in 2010. This relieved the Region of some cost responsibility and largely financed the travel costs of students attending and requesting support.

The large figure against Student Activity is accounted for by an expense against ISBIR in January 2010 for 2009 expenditures.

3. Travel in Region 8 continues to account for some 25% of expenditures. This is of the level as seen in previous years.
4. An increased focus was placed on Chapter activity in 2010. A total of \$28,644:15 was allocated to Chapter Co-ordination and Chapter Chair support.

Summing up:

The treasurer is of the opinion that the position of the Region remains sound and that it is able to support a full programme of activity and of Region 8 Committee Meetings under the normal circumstances. The events of reduced income experienced in 2010 are however of concern and may have a short term impact on the activities of the Region:

1. The change of administrative process by MGA which results in some \$300,000:00 being withheld from the Region during the latter part of a year presents the Region with a cash flow difficulty. Options are being considered by which to mitigate this position without damaging the activity of the Region.
2. Assessment Income is directly related to membership subscription renewals and to membership growth. The Region needs to understand any change to the composition or health of its membership. Or be aware of any other matter affecting this income.
3. It is apparent from points 1) and 2) that the Region needs to diversify its income to reduce the risks associated with our reliance on them.

B. R. HARRINGTON
Treasurer: Region 8

March, 2011.