

Treasurer

Adam Jastrzebski

Goals

- Financial management of the Region 8 activities in accordance with IEEE and good practice requirements.
- Leading R8 Finance Subcommittee (FC).
- Preparation of an annual budget for R8 in co-operation with OpCom and FC.
- Monitoring R8 budgets and providing OpCom with monthly actual vs budget reports.
- Maintaining R8 financial records and making these records available for inspection by FC and auditors.
- Reimbursement of authorised travel and other expenses. Checking that the claims comply with IEEE and R8 policies.
- Operating R8 bank payment system through which reimbursements, contract payments, awards, grants, and advances are being paid.
- In the planning of Region 8 major events (e.g. Committee Meetings) ensuring that contracts with hotels, restaurants, etc are compliant with IEEE requirements, and that reasonable economies are made.
- Annual financial reporting in compliance with IEEE regulations.

Status

Region 8 financial operations rely on five main components:

- IEEE CB bank accounts in USA
- NatWest bank accounts in UK
- Bank payment system to execute transfers of money
- Sage financial system to record transaction records
- Documentation related to transactions

The Treasurer must have access and be in control of all the above in order to properly discharge his duties. Unfortunately, the transition from the Past Treasurer has been a very long and a very difficult process. Only after seven months, at the end of July 2019, the Treasurer has gained full access to the NatWest bank accounts, bank records, and the bank payment system. Fortunately, we have been able to minimise some of the negative consequences of this delay and all the due reimbursement and contract payments had been made in good time. The Past Treasurer was cooperative in that respect. One of the negative consequences was much higher usage of our IEEE CB account with higher transaction costs than offered by the local NatWest bank. The other negative consequence is that we have a backlog of a few hundred transactions to be recorded in the Sage financial system. Until this is completed, the transaction records are being kept in the spreadsheet file.

A new coding system for the Region 8 activities budgets has been developed, which enables production of clear budget reports to help with the financial management of the Region. Budget reports have been provided for each of the monthly OpCom meetings. Once the financial records are in Sage, these reports can be generated with even more detail and with little effort (it is quite tedious and time consuming to do it from the spreadsheet).

One of the consequences of introducing budget codes into our records has been the necessity for the completely new setup of our Sage accounts system. This work has been completed now. The same budget coding system has been implemented in the Concur cloud-based expense reimbursement application, which is now been introduced across IEEE and which some of us can use already. This will simplify the claim process and it is the reason why we have not pushed forward with the work on a GnuCash project, proposed at the last 112th R8 meeting in Malta. There will be a presentation about Concur at this meeting.

Previously, financial documentation was stored in a traditional paper form. At present all the documents are stored electronically and properly indexed. A unique reference number is used for each transaction. That reference is used in all transaction's document names, bank records, Sage records and in email correspondence.

Please include financial position (Treasurer)

Our total budget expenses to-date fell well within the planned limits. Region 8 budget approved at 112th R8 Meeting has essentially remained unchanged apart from the revision in April 2019 which increased the budget for the new combined Professional and Educational Activities Sub-Committee by \$6k. To compensate for that, the budget for this 113th meeting has been decreased by the same amount. One of the consequences is a far more rigorous approach applied to the room booking dates for this meeting, which have been reduced to two nights, unless justified by objective circumstances.

Region 8 had its annual audit for 2018 completed with the satisfactory result.

An up-to-date detailed budget report for Region 8 will be presented at the meeting.

Outlook

The work on setting up of an efficient Sage accounting system with budgeting capabilities (previously unavailable) is close to completion. The modified Sage system is anticipated to be fully operational in November. Professional bookkeeper has been hired to help in recording the backlog of the financial data and then to maintain it, at the fraction of the cost in 2018. This will enable reduction of the Audit and Accounting expenses by 57% in 2020.

2020 R8 Budget proposals have been received and will be discussed in detail at this meeting. Quite a large increase in the budget is planned, mainly due to Section Congress, but also to invest in the financial co-sponsorship of the Region flagship conferences. It is also planned to create a central Reserve Fund for special projects. It is expected that these investments will pay-off in the future and will more than balance currently decreasing income from Regional Assessment. It is planned to use some of our LTF savings to finance this one-off budget deficit.

It is expected that Concur claim reimbursement system will become widely adopted. Regional Treasurer is expected to become a local point of support in using Concur. On one hand it will add another load but at the same time, it will reduce the number of transactions the Treasurer has to key-in manually. An important issue will be the detail of the records received by

the Treasurer from Concur, so the expenses can be correctly recorded in the accounts and assigned the right budget codes. The Treasurer has collaborated with the IEEE Concur team in setting-up the system to achieve that for Region 8, but there have been no life test to-date to confirm that it works.

Please include any modifications you would like in your budget, with the corresponding justification

Points of Concern

The main point of concern is that for several years Region 8 was spending more than its income was. The 2018 R8 financial report has substantially underestimated budget deficit by not including payments which have arisen and should have been paid last year (accruals). These expenses amounted to almost \$29k net (for example, \$8.7k to South Africa for MD Workshop in March 2018, or £8.3k to Assistant Treasurer for part of his services in 2018). Technically, these expenses should have been recorded as accrued in the last year records, which would make the reported last year budget deficit without the Long-Term Investment component of almost \$39k. With LTF included, the budget deficit for 2018 would be \$83.5k. Unfortunately, we had to pay these expenses this year, effectively from this year budget. Another point of concern is that the actual Region 8 Assessment (Membership Dues Element) figure for 2019 is only \$511,795, i.e. much less than the assumed \$540,000. In fact, R8 Assessment in 2018 was also only \$525k, rather than previously assumed \$540k.