Administration of Section Finances

• Governed by IEEE rules, in particular “IEEE FINANCE OPERATIONS MANUAL (FOM)”

• GEO Unit should have annual budget for their activities which should be formally approved by appropriate body, e.g. Section ExCom. The budget can be revised during the year.

• The Treasurer is to monitor the budget spendings and to provide regular reports to ExCom.

• The Treasurer should keep records of all the transactions and keep all the receipts of purchases (usually in the electronic format).

• More than one person should oversee financial records.

• The Treasurer should not pay money to yourself/close relation without independent authorisation of another person (typically Section Chair).
Banking

• IEEE would like all GEO Units and Conferences to use IEEE Concentration Banking (CB). The advantages include no monthly fees, low transaction costs and higher interest rates than traditional bank accounts.

• NextGen Expense Reimbursement system (Concur) can only be used with CB.

• Local bank accounts are also allowed. In this case, there should be at least two volunteer signatories (typically Chair and Treasurer) plus an IEEE Senior Director of Financial Services. If that is impossible or impractical due to local rules, then there should be an additional local signatory.
Accounting Method

• Corporate IEEE uses accrual method of accounting, i.e. liabilities and loans from the previous year are transferred to the next year.

• However, accruals are not implemented in the annual IEEE reporting of the GEO Units, as only bank statements are considered, resulting in actual (cash) method of accounting.

• Region 8 uses accrual method in its accounting, which is more complex than a simple actual method, but gives a better measure of the costs of activities in a given year.
# IEEE Consolidated Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships</td>
<td>$58,317,100</td>
<td>$59,523,600</td>
</tr>
<tr>
<td>Periodicals and media</td>
<td>233,922,400</td>
<td>234,579,000</td>
</tr>
<tr>
<td>Conferences</td>
<td>127,989,100</td>
<td>129,029,800</td>
</tr>
<tr>
<td>Standards</td>
<td>41,504,400</td>
<td>41,491,500</td>
</tr>
<tr>
<td>Public imperatives</td>
<td>2,403,000</td>
<td>2,402,100</td>
</tr>
<tr>
<td>Other income</td>
<td>187,500</td>
<td>9,300</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>464,323,500</td>
<td>467,036,300</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships</td>
<td>82,590,000</td>
<td>80,563,100</td>
</tr>
<tr>
<td>Periodicals and media</td>
<td>158,382,600</td>
<td>171,836,100</td>
</tr>
<tr>
<td>Conferences</td>
<td>83,767,400</td>
<td>84,966,400</td>
</tr>
<tr>
<td>Standards</td>
<td>37,927,100</td>
<td>37,730,700</td>
</tr>
<tr>
<td>Public imperatives</td>
<td>10,482,700</td>
<td>11,241,500</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>373,149,800</td>
<td>386,326,800</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>7,887,600</td>
<td>7,144,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>381,037,400</td>
<td>393,470,800</td>
</tr>
</tbody>
</table>
The Statement of Activities: Line of Operations (“LoO”) Format

% of Total Revenues 2021
- Membership: 27.6%
- Public Imperatives: 12.6%
- Periodicals & Media: 50.4%
- Conferences: 0.0%
- Standards: 0.5%
- IEEE Globalspec: 8.9%
- Other income: 0.0%

% of Total Revenues 2020
- Membership: 27.6%
- Public Imperatives: 12.7%
- Periodicals & Media: 47.9%
- Conferences: 0.5%
- Standards: 2.3%
- IEEE Globalspec: 8.9%
- Other income: 0.0%

% of Total Expenses 2021
- Membership: 21.7%
- Public Imperatives: 2.8%
- Periodicals & Media: 41.6%
- Conferences: 2.1%
- Standards: 22.0%
- General and administrative: 10.0%

% of Total Expenses 2020
- Membership: 20.5%
- Public Imperatives: 2.9%
- Periodicals & Media: 43.7%
- Conferences: 1.8%
- Standards: 9.6%
- General and administrative: 21.6%
Flow of Funds

**MGA Funding**
- MGA’s share of Member Dues Revenue (~55%)
- Other Revenue (IEL, Conference Proceedings, Potentials Magazine)
- IEEE TV Advertising and Donations for Sections Congress in SC Year

**Member Dues to MGA (~55%)**
- 12% Dues Allocation for GEO Units
- Remainder of Member Dues funds balance of MGA budget

**12% of Dues to GEO Units**
- Only Regions, Sections and Student Branches receive Rebates
MGA 2023 Member Dues Distribution

Member Dues $31.3M

- Spectrum $6.3M
- EA $5.2M
- Infrastructure $2.3M
- Geo Unit Rebates $3.8M

Net Conference Proceedings & Other Revenue $25.1M

- MGA Contact Center/Renewal Ops $5.9M
- MGA Membership $4.2M
- MGA Support $3.6M

MGA All Other Areas**

- MGA Admin
- Information Systems
- Region, Section & Chapter Support
- Geo Unit Operational Costs
- IEEE tv
- Affinity Groups

Conference proceedings revenue supplements Member Dues funds allocated to MGA
Additional Sources of Funds

• Regions may have Section Support programs in place
• Societies may have programs to support Section/Chapter activities
• Workshops, Tutorials, Conferences
• Other IEEE GEO Unit Programs: IEEE-USA, Life Members
• External Sources (Industry support)
• Contributions & Region Assessments
• Reserves in line with IEEE Spending Rules
Uses of Funds (if in approved budget)

• Local events
• Chapter Support
• Student Branch Support
• Affinity Group Support: WIE, YP
• Life Members, Sections Congress
• Scholarships, Grants, Awards, Distinguished Lecturers (see policy)
• Publication and Advertising expense
• Travel related to meetings and events
Geo Unit Reserves & Spending Rules

• Reserve Balances as of 12/31/21:
  • Geo Units: $26.6M (Sections) & $9.5M (Regions) = $36.1M
  • MGA: $41.9M

• Spending Rules:
  • 1% Rule: 1% of Reserves on a 3-year average can be used for OU Projects
  • MGA uses its 1% for Sections Congress
  • TAB 3% rule for Societies rolls up to 1% for TAB
  • 50% Rule: each major OU can use 50% of prior year Operating Surplus in Current Year Forecast (certain conditions apply)
Compliance & Audit Process

• All Compliance Documents -- including *Conflict of Interest/Principles of Business Conduct* form, and Meeting and Officer Reports -- are due by last day of February

• IEEE Policy and FOM require annual (internal or external) audit for GEO Units with ≥ $250K revenue, Regions, and some additional units chosen by Internal Audit Judgmental Selection

• External audit firm must be pre-approved by Internal Audit Staff

• Other internal audits are performed annually -- Audits are recommended in cases of Leadership Transition

• Bank Balances are confirmed independently by IEEE Audit Firm

• Controls over cash have been improved & audits are rated based on findings
Financial Best Practices - 1

• GEO Unit Chairs and Treasurers receive a reminder from MGA regarding financial reporting due dates in mid-November

• Section Chair & Treasurer should periodically review the original monthly statements of account & compare them to recent financial report in NextGen
  • It is recommended that Treasurers review account activity and tag transactions each month
  • Good practice for all GEO unit leaders to review account activity

• A periodic review with Executive Committee should be standard procedure

• More than one person should oversee financial records
Financial Best Practices - 2

- A new bank account (CB or Local Bank Account) should be established for any conference activity and closed when the conference has commenced

- Avoid writing and signing a check to yourself/close relation

- Demand and keep (itemized) receipts for all purchases

- Contracts equal to or greater than $25K should be reviewed by the IEEE Legal & Compliance team through the NextGen Contract System (CMS)
  - For assistance with a conference or even contract, please contact Vita Feuerstein, MCE Contracts
  - For any questions about the CMS system, please contact Stacey Waters, MGA Project Manager or Patrick Smith, Legal & Compliance Contractor
Some Important Rules

• A single award cannot exceed USD 2,000 unless approved by the IEEE Awards Board.

• Money cannot be spent on:
  • Electioneering of any kind for any IEEE or government office.
  • Commercial promotional activities.
  • Donations of a philanthropic nature, including scholarships, unless authorized in advance by the IEEE Board of Directors.
  • Personal or commercial loans of any kind for any purpose.
  • Lease or purchase of real estate, without prior authorization from the IEEE Board of Directors.
  • Investment of surplus funds in any investment vehicle other than the IEEE Investment Fund.
Contract Rules as Implemented by R8 - 1

- The work/service should always be specified in an Agreement/Contract and/or Purchase Order (PO).
- Usually, PO is preceded by the Quotation from the supplier.
- Expenses should be pre-approved in the R8 Budget.
- For any expense not in the budget, a prior approval of R8 Director or OpCom needs to be sought.
- Below $1k and for obvious cases, where the service is well defined by other means, the PO/Agreement is not necessary (for example, when purchasing access to a generally available internet service on the usual customer terms). The budget holder authorises the payment and the Treasurer executes it.
• For the work/services above $1k and up to $3k we should have a Quote and PO, but we could deal with that internally. The budget holder passes the Quote to the Treasurer who issues the PO. After work is done, the budget holder approves the Invoice, the Treasurer double checks it and executes the payment.

• For the work/service above $3k and up to $5k, the process is as above, but we use PO template approved by IEEE Compliance and Legal.

• For the work/service above $5k and up to $25k we need a contract approved by IEEE Compliance and Legal and signed by R8 Director. The Invoice payment follows the procedure as above.

• For the work/service above $25k we need a contract approved and signed by IEEE Compliance and Legal. The Invoice payment follows the procedure as above.
IEEE NextGen System

• Went live in May 2021

• **Original Goal:** integrated cloud based system to streamline, simplify, save time, and allow for greater financial and contract visibility.

• **NextGen Banking:** has replaced Concentration Banking (CBRS).

• **However:** The current system is user unfriendly and is far too complex for volunteer treasurers.

• **NextGen is being updated** => most probably QuickBooks front end for banking and budgeting

• **Concur Expenses** integrated with NextGen. Special codes for R8 expenses requested and implemented in both, enabling R8 budget management.

⇒ MGA finance staff helps with annual reporting by importing spreadsheet templates into NextGen
Always access Concur with your IEEE credentials via ieee.org/expense. Never attempt to access Concur directly through concur.com.

1. Getting Started
   - You need an IEEE Account (IEEE username/password) -- hit blue Request button if needed
   - Log into your IEEE account with your IEEE username & password, then request to have a Concur account created for you.
   - Account creation takes approximately 24-36 hours. Once your account is created, you will receive an email with log in instructions.

2. Access Concur
   - Click the orange “Log In” button for direct access to Concur, a username/password are NOT required due to integration with Single Sign On (SSO)

3. Experience the benefits of the mobile app:
   - Submit your reports anytime, anywhere
## Payment Currencies Supported by Concur

**EUR Countries Supported by Concur**

<table>
<thead>
<tr>
<th>Austria</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Italy</td>
</tr>
<tr>
<td>Finland</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>France</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Germany</td>
<td>Portugal</td>
</tr>
<tr>
<td>Greece</td>
<td>Spain</td>
</tr>
</tbody>
</table>

*in addition to USD, CAD, INR, and JPY*

(otherwise, payment completed via Western Union)
Concur & Western Union Payment Processing

- **Concur or Western Union?**

  - The reimbursement currency in your Concur profile is based on your Country of Residence. If you reside in a Country where the local currency is **USD, EUR, CAD, JPY or INR** you must enter your banking information directly into Concur.

  - All other currencies require the user to enroll in **Western Union**, this is a one-time enrollment

    - *Additional benefit of Western Union is more flexibility to choose your bank (e.g. use your US bank even if your main country of residence is perhaps the UK)*

    - *Payment cannot be completed until banking information is provided*

  - **Western Union Contact Information:**
    - Phone: 1-800-815-2460, option # 1
    - Email: epayvendormanagement@westernunion.com

- **Security of Banking Information**

  - Personal information entered in the profile is secure and can only be managed by the user

  - Concur and Western Union meet ISO, SSAE, and PCI Compliance standards, ensuring the utmost in security measures

---

*Note: IEEE and Concur abide by OFAC regulations; in some cases, users may not be granted access to Concur*
NextGen Expense Help Featuring “WalkMe”

- **Walkthroughs** (step-by-step guided learning)
- **Smart Tips** (helpful hints)
Expense Reports using Concur

- Creating an Expense Report
  - Volunteers/Members select 4-tiered Expense Report Purpose (ERP) Levels & Expense Type, which generates the:
    - Approvers
    - IEEE financial accounting and CB Account/HOP # for NextGen Banking

- Approval Flow of Expense Report
  - Approver(s) – Treasurer (at a minimum)
    - Best Practice is to have 2 Approvers per expense report purpose
    - To change an approver of an ERP, please send an email to: NextGenExpense@ieee.org
  - Following approvals, Concur audit and payment processing begins

- Report is Ready for Payment
  - Payment is made electronically directly to your bank account
  - Standard Concur audit, IEEE review and payment processing typically takes 3-5 business days
Approver Responsibilities

- Become Familiar with the Expense Report Purposes (ERP’s) for your Region/Section
  - Update as necessary by sending an email to: NextGenExpense@ieee.org
- How to change the approver/approval flow of an ERP
  - Send an email to: NextGenExpense@ieee.org
- Provide Demo & Training to all Volunteers/Users who will submit an expense report
  - Coordinate any training within your Region/Section, etc.
  - Supporting documentation/training can be found on ieee.org/expense
Tips, Tricks & Common Mistakes

- **When Entering Transactions in a Foreign Currency**
  - Use the currency shown on the receipt, Concur converts the transaction to user’s local currency.
  - Reimbursements are made in user’s local currency, per your country of residence.

- **Receipt Options – easiest using mobile app SAP Concur.**
  - Email receipts to: receipts@expenseit.com they will automatically upload into your Concur profile.
  - Integration with 3rd party applications (e.g., Uber, Lyft, etc.) result in electronic receipt creation.
  - A *missing receipt affidavit* can be applied if a receipt is lost/damaged.

- **Itemize the “Hotel” Expense Line**
  - Break out the room rate and the room tax per day. *Please note that Concur has a “soft” warning message (yellow triangle) reminding you that this needs to be done. The warning message remains on the report including after completing the itemization.*

- **Transactions in excess of USD 25 require a receipt**
  - Credit Card Statements are not a valid substitute for receipts.
Tips, Tricks & Common Mistakes (continued)

- Expense Report Purpose (ERP) can be edited to be different for each transaction line, but then add a comment for approvers.

- When entering expenses in Concur, you must use the currency in which the transaction was incurred.

- Expenses must be recorded on the date the transaction occurred.
  - Receipt date = Transaction date

- Single Sign-On
  - Log into Concur via the link on ieee.org/expense and select the orange log in button, or
  - My NextGen Experience Portal
  - Username & Password are not required due to integration with IEEE Single Sign On Network.
Use NextGen Concur to Claim Expenses From This Meeting


- R8 has special Budget Codes in the format **XYZ0 Name**

- In Concur ERP Level 4 the above budget code is described as *(9.0X.XYZ) XYZ Name* for the current year, and *(9.10.XYZ) XYZ Name* for the previous year expenses.

- For travel expenses for this meeting, the R8 Budget Code is 1020 and the ERP Level 4 is *(9.01.102) 102 Cmte. Meeting Spring Travel R8*:

```
<table>
<thead>
<tr>
<th>Expense Report Purpose Level 1</th>
<th>Expense Report Purpose Level 2</th>
<th>Expense Report Purpose Level 3</th>
<th>Expense Report Purpose Level 4</th>
</tr>
</thead>
</table>
```
My Account Balances
Your CB account balances as of Mar 20, 2023. Balances include forecasted payments.

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Account Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>800099-Europe, Middle East, Africa - Region 8</td>
<td>1,178,107.42 USD</td>
</tr>
</tbody>
</table>

My Top Activities
All your most common tasks at the touch of a button.

- Make Payments
- Access Accounts
- Access 1099 Form
- Access Grants & Awards Form
- Create Expense Reports
- View Expense Report Library
- Upload Expense Receipts
- Approve Expense Reports
## Account Balances: Coupa default view

### Filters
- Entity Group
- Entity
- Currency
- Account Type: Bank Accounts and 1 more...
- Cash Pool
- Account

### Table
<table>
<thead>
<tr>
<th>#</th>
<th>Account</th>
<th>30/03/22 Transaction Currency</th>
<th>31/03/2022 Group Currency</th>
<th>Transaction Currency</th>
<th>01/04/2022 Group Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>800099-Europe, MI...</td>
<td>USD 1,149,047.69</td>
<td>USD 1,149,047.69</td>
<td>USD 1,149,047.69</td>
<td>USD 1,149,047.69</td>
</tr>
</tbody>
</table>

### Account Type Filters
- Bank Accounts
- Intercompany Accounts
- Special Accounts
Press again to export the data into csv file.
<table>
<thead>
<tr>
<th>Status</th>
<th>Template Name</th>
<th>HOP</th>
<th>Account</th>
<th>CB Account</th>
<th>Beneficiary</th>
<th>Amount</th>
<th>Ccy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>800099-ACH Payment</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>REQUIRED</td>
<td>1.00</td>
<td>USD</td>
</tr>
<tr>
<td>2</td>
<td>800099-Check Payment</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>REQUIRED</td>
<td>1.00</td>
<td>USD</td>
</tr>
<tr>
<td>3</td>
<td>800099-Domestic Wire Payment</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>REQUIRED</td>
<td>1.00</td>
<td>USD</td>
</tr>
<tr>
<td>4</td>
<td>800099-International Wire Payment</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>REQUIRED</td>
<td>1.00</td>
<td>USD</td>
</tr>
<tr>
<td>5</td>
<td>IEEE R6 CB to R8 NatWest USD transfer</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>800099-Europe, Middle East, Africa - Region B</td>
<td>IEEE Region B</td>
<td>100,000</td>
<td>USD</td>
</tr>
</tbody>
</table>
Choose International Wire Payment
Fill in the form
IC Payments = Payment to another CB account
New: IC Payment

- Fill-in the fields

- Payment Type
  - Payment

- Payer Account
  - Please select

- Receiver Account
  - Please select

- Value Date
- Amount

- Transaction Code
- Category
  - < none >

Payment Reference

- Leave empty

Cancel  Save
Training
How-tos for all your NextGen Activities.

Center for Leadership Excellence - MGA Geo Unit Training Tutorials & Information
NextGen Expenses

NextGen Banking - Access Accounts

NextGen Banking - Make a Payment
NextGen Banking - Tagging Transactions
NextGen Banking - Accessing Account Statement

See All Training
QUESTIONS and Business Finance Solutions Support Staff for MGA – Contact Information

Lori Keller (732) 562-3801  l.r.keller@ieee.org
Debbie Coto (732) 562-2662  d.coto@ieee.org
Teresa Sacks (732) 562-3962  t.sacks@ieee.org
Lauren Jesch (732) 562-5321  l.jesch@ieee.org
Vicky Li (732) 562-5596  v.li@ieee.org
Appendix – Links for Assistance

• Center for Leadership Excellence https://ieee-elearning.org/CLE/

• IEEE Governing Documents https://www.ieee.org/policies
  Sections 11 and 16 of the Policies, and the Bylaws should be reviewed by Chairs & Treasurers

• IEEE Financial Operations Manual

• MGA Homepage https://www.ieee.org/communities/geographic-activities.html

• Contracts templates https://legal.ieee.org/contracts/contract-templates
THANK YOU