

Treasurer and Financial Report

*Adam Jastrzebski
Region 8 Treasurer
123rd R8 Committee Meeting October 2024*



Summary of recent activities - 1

- Positive result of the R8 annual IEEE Audit with no advisory recommendations
- Successful reconciliation of the 122nd R8CM in Vienna
- Preparation and contracts for the 123rd R8CM in Bordeaux
- Financial arrangements and contracts for several R8 events: Skopje, Grenoble, Lecco, Bari, Casablanca
- Usual Concur and other payments (about 2100 transaction lines since the beginning of the year)
- Planning and contracts for the 124th R8CM
- Providing training and support for R8 events in Skopje, Grenoble and Lecco

Summary of recent activities - 2

- Together with Assistant Treasurers taking active part in IEEE MGA treasurer training event in Piscataway, USA
- Working with Assistant Treasurer, Andreas Koltes on further improvements to the spreadsheet-based budget reporting tool
- Working with Assistant Treasurer Pascal Lorenz (also Treasurer of France Section) on financial management of the R8 SYP Congress in Grenoble
- Assistant Treasurer, Pascal Lorenz has coordinated the airfare selection process for R8 events attendees
- Supporting the work of R8 Ad-hoc Committee on Alternate Membership Payments led by Nadine Abbas (see the report)

Financial Challenges in Region 8

- There are 12 Sections/Subsections in Region 8 under OFAC (USA) restrictions. Region 8 cannot conduct financial operations in these countries. Concur reimbursements are not available there.

Partial Solution: The new clearing system has been positively tested with IEEE Legal. However, special arrangements with IEEE Finance are required for transactions.

- Many volunteers simply cannot afford or cannot use their own credit cards to buy their travel tickets.

Partial Solution: Sections can buy tickets for their volunteers and get reimbursed by R8 – works very well in Tunisia

New IEEE NextGen Banking Central System (NGBC)

- The NextGen system using Coupa, introduced in 2021, was unsuitable for volunteer treasurers
- Special IEEE Ad-Hoc Committee on NextGen Volunteer Adoption (NGVA) was established in 2023 to identify main issues and to propose the programme of improvements
- R8 Treasurer was one of the main contributors to the work of NGVA
- The GEO Units roll out of the new NGBC took place between 13 Sept and 1 Oct 2024, during which time both Concur and CB were unavailable to the users

NGBC Functionality Improvements

- Greatly improved and simplified user interface enabling:
 - CB payments with easy addition of documentation
 - Inter-HOP transfers
 - Transaction tagging (coding)
 - Budgeting
 - Audit
 - Financial Reports
- However:
 - No non-CB payments
 - No project management spanning different budget codes
 - No forecasting
 - No integration with accounting software (e.g. Quick Books)

Region 8 New NGBC Coding System

- Region 8 category coding system was introduced in 2019 to logically reflect budgets related to the organisational structure and main activities
- The NextGen system introduced in 2021 adopted a special coding method for Region 8 – it was possible to easily derive NextGen code from R8 code and vice-versa
- Unfortunately, NGBC coding is very different. Although, we have managed to negotiate a special set of codes, they can only identify the main budget lines => see the Budget Report
- **NGBC is here to stay**
=> we need to adopt new coding across all our financial systems
=> integration with accounting software needed for projects

Claiming Expenses From This Meeting

- For travel expenses for this meeting, the new Concur ERP Level 4 Budget Code is **R8 Cmte.Mtg Fall Travel (9.00.4)**.
- Give the claim the title “123 R8C Meeting Bordeaux”**

Expense Report Purpose Level 1 *	1	Expense Report Purpose Level 2 *	2
Regions X v		Region 8 – Eur. Mid. East Africa X v	
Expense Report Purpose Level 3 *	3	Expense Report Purpose Level 4 *	4
Region 8 – Eur. Mid. East Africa ... X v		<div>Code v 9.00.4 Q</div> <div>R8 Cmte.Meeting Fall Travel (9.00.4)</div>	
Entity	1	Operating Unit	2



IEEE R8 Budget Report – Revenue Summary

10 Oct 2024

R8 Nominal Code	New IEEE Code	Actual	BUDGET (\$) 2024	Variance
0100 - Income: Balance/savings carried forward from previous year	3.95.0	\$466,370	\$466,370	-
0110 - Income: Regional Assessment: Membership Dues Element	3.12.0	\$438,557	\$431,699	\$6,857
0120 - Income: Rebate: MGA Allocation for Management of the Region	3.10.0	\$175,932	\$176,778	(\$846)
0130 - Income: Interest received: Bank accounts	3.45.0	\$35,973	\$36,649	(\$676)
0140 - Income: From Conference Co-sponsorship	2.50.1	\$18,280	\$13,081	\$5,200
0180 - Income: R8 SYP Registrations, Sponsorship	2.80.1	\$26,000	\$20,000	\$6,000
0190 - Income: Other	3.70.3	-	-	-
0210 - Income: Voluntary Contributions: Member Donations	1.10.1	-	\$13,429	(\$13,429)
0220 - Income: Support for Members outside of Sections	3.15.1	-	-	-
0230 - Income: Support from Organisations	1.20.1	\$48	-	\$48
0240 - Income: Support for Projects	2.90.1	\$177,500	-	\$177,500
0700 - Income: R8 as Intermediary	3.70.5	-	-	-
0750 - Income: Loan Repayment	3.75.0	\$4,755	\$4,409	\$346
Budget Income Total		\$1,343,415	\$1,162,414	\$181,001

2023 IEEE R8 Budget Report – Expenses Summary

R8 Nominal Code	New IEEE Code	Actual	BUDGET (\$) 2024	Variance	%
1000 Committee general Total	9.0x.xx	(\$489,031)	(\$730,100)	\$241,069	67%
2000 Region 8 Director Total	9.1x.xx	(\$9,776)	(\$31,000)	\$21,224	32%
3000 Region 8 Director-Elect Total	9.2x.xx	(\$2,804)	(\$7,000)	\$4,196	40%
4000 Region 8 Past-Director Total	9.3x.xx	(\$6,334)	(\$7,000)	\$666	90%
5000 Vice Chair for Technical Activities Total	9.4x.xx	(\$33,468)	(\$77,000)	\$43,532	43%
6000 Vice Chair for Member Activities Total	9.5x.xx	(\$45,996)	(\$75,000)	\$29,004	61%
7000 Vice Chair for Student Activities Total	9.6x.xx	(\$80,143)	(\$58,000)	(\$22,143)	138%
8000 Region 8 Secretary Total	9.7x.xx	(\$1,648)	(\$5,800)	\$4,152	28%
9000 Region 8 Treasurer Total	9.8x.xx	(\$7,339)	(\$13,437)	\$6,098	55%
9100 Expenses from previous year budget Total	9.9x.xx	(\$19,866)	(\$158,077)	\$138,211	13%
Budget Expenses Total		(\$696,406)	(1,162,414)	\$466,008	60%

Oct 2024 IEEE R8 Budget - comments

- The detailed budget report is in the attachment “R8 Budget Report 2024.10.10.pdf”
- Larger Revenue than anticipated, mainly due to additional \$177.5k income from various grants
- Expenses show the total spent, including grants – thus anomalies such 138% spent on SA
- The reconciliation of expenses for different grants will require substantial effort, as we do not have suitable software at present
- The forecast end-of-year actual budget spending is 80%

R8 Financial Position 10/10/2024

ACCOUNT (\$)	31/12/2023	10/10/2024	Diff
IEEE Custody Banking REGION 8	1,408,948	1,444,970	36,022
NatWest REGION 8 USD ACCOUNT	21,541	139,614	118,073
NatWest REGION 8 EURO ACCOUNT	7,830	40,828	32,998
NatWest REGION 8 GBP ACCOUNT	1,205	1,272	67
Regional Assessment Account REGION 8	0	0	0
Donations Account REGION 8	0	0	0
Liquid assets (cash)	1,439,525	1,626,685	187,160
IEEE Long Term Investments Fund (LTIF)	1,123,150	1,184,194	61,043
Total assets	2,562,675	2,810,879	248,204

Please note that \$100,315.02 of Donation funds have been transferred to CB account in 2022-3.
We did not have a report about Donation funds for 2024.

THANK YOU

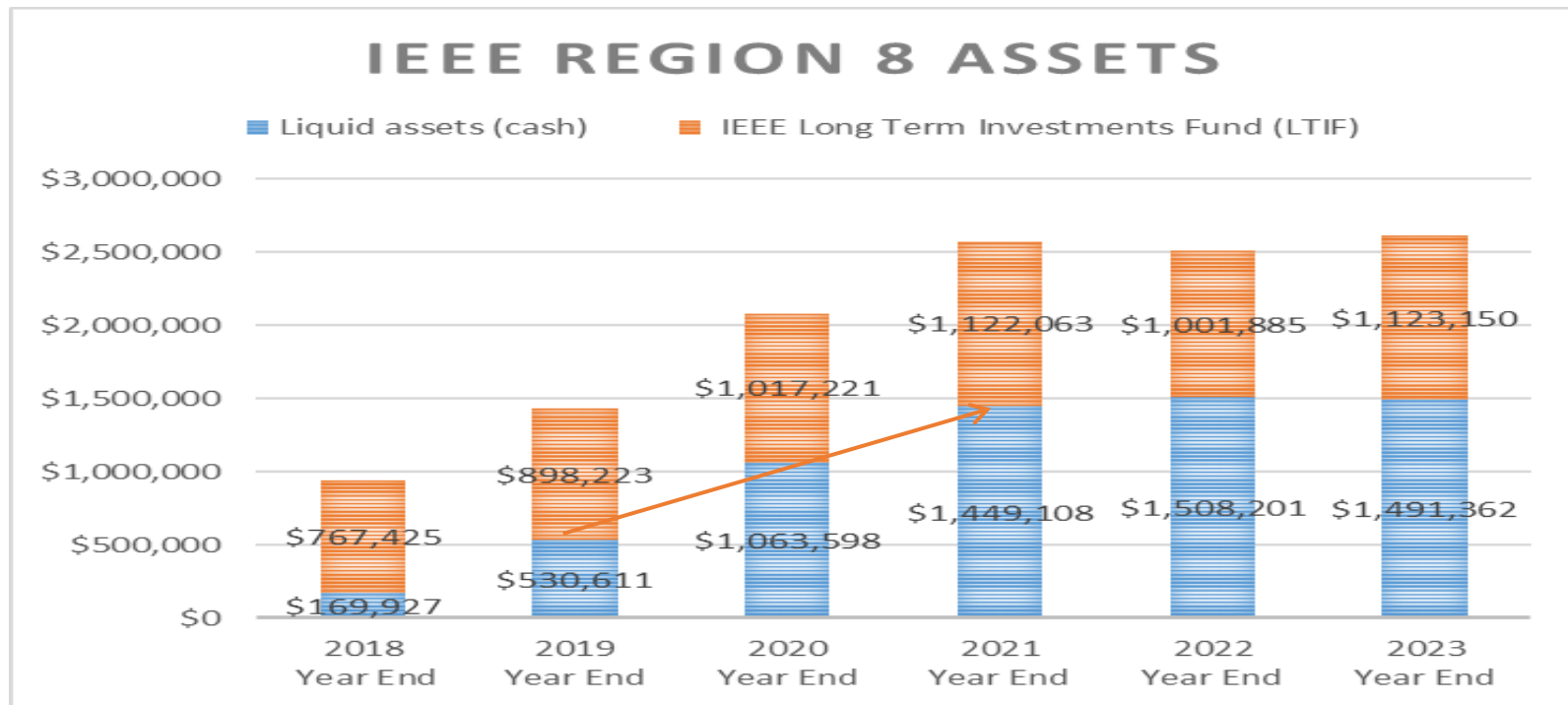
Initial 2025 Region 8 Budget Proposal

- Current 2024 R8 Budget has been designed with careful consideration of available income
- We always need to plan for more due to a volunteer nature of our activities and unexpected events which can prevent their implementation
=> planning with 20% headroom seems appropriate, which corresponds to 80% budget utilisation (this year prediction)
- Therefore current 2024 R8 Budget is a good starting point for 2025 R8 Budget.

Subsequent 2025 R8 Budget Adjustments

- A new OpCom team for 2025-6 will be elected at this meeting.
New Committees will follow later
=> There will be new ideas and
=> Budget adjustments will be required
- Anticipated budget process:
 1. Initial Budget v.0 at this R8C meeting
 2. First update v.1 at OpCom meeting in January 2025
 3. Second update v.2 at R8C meeting in April 2025
 4. Possible further update in June
- The 2025 Initial R8 Budget has been approved by OpCom
=> 2025 R8 Budget Motion for R8 Committee

R8 Financial Position – Recent Trend



R8 Financial Position - Comments

- The reduction in R8 activities due to COVID in 2020-21 resulted in the budget underspending and the increase of the Liquid Assets by \$918,497.
- There has been no increased spending in 2022-23 to compensate for the previous two years of reduced activities. We still have not recovered from the COVID effects. The main reasons were unexpected events such as wars, travel visa restrictions, hyperinflation, and economic sanctions, which unfortunately affected Region 8 recently.
- As the result, the R8 Actual Expenses were approximately equal to R8 Actual Annual Income and R8 Liquid Assets remained quite stable in the last three years.

Budget 2023 Income For Existing Activities

BUDGET 2023 INCOME FOR EXISTING ACTIVITIES	ACTUAL INCOME 2023	SAVINGS LOANS FROM 2023
Actual Annual Revenue 2023	1,323,438	
Less non-repeatable revenue and transfers	-651,803	
Return of Loans Repayable		4,409
Savings towards R8SYP		20,000
ESTIMATED SUB-TOTAL 2023	671,635	24,409
TOTAL BUDGET INCOME 2024 AVAILABLE FOR EXISTING ACTIVITIES	696,044	

Budget 2024 Accrual Expenses From 2023

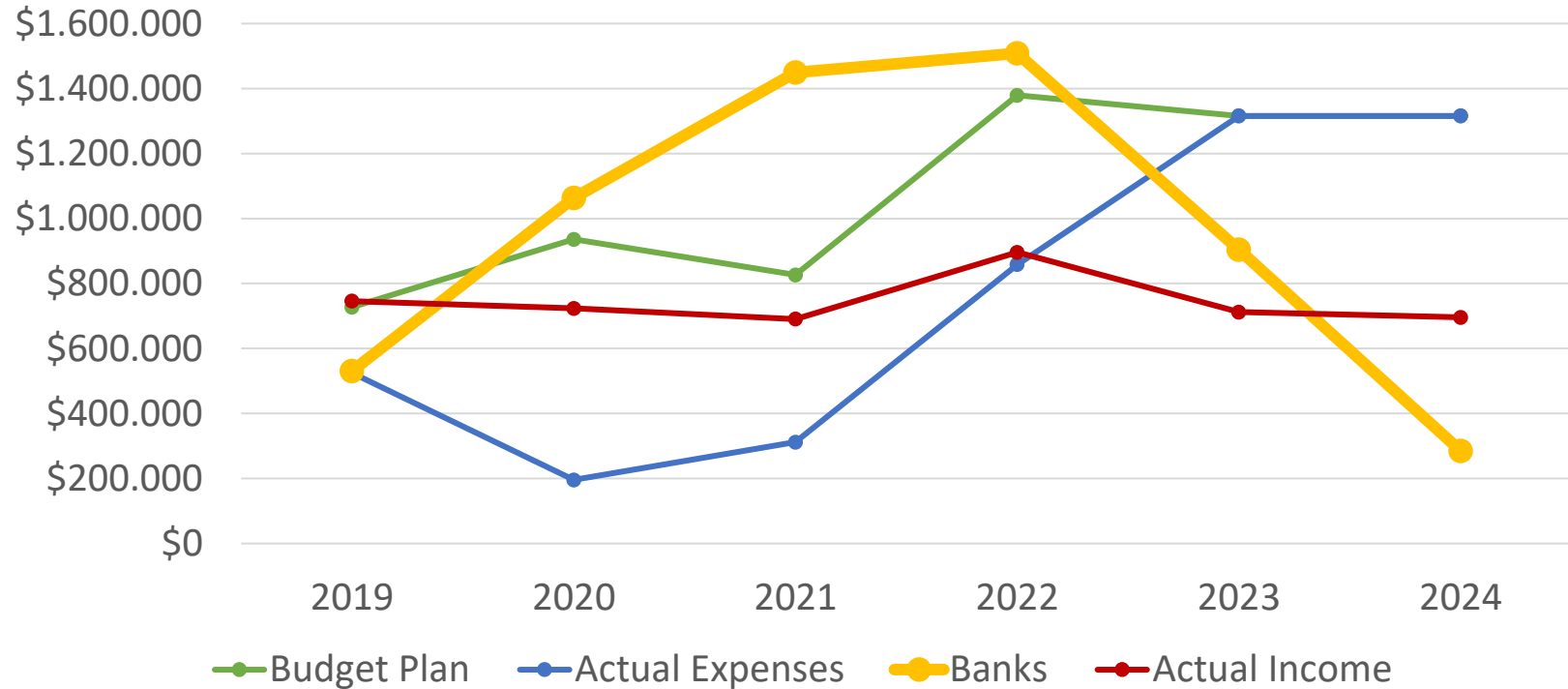
BUDGET 2024 ACCRUAL EXPENSES FROM 2023	ACCRUALS FROM 2023
1020, 1040, 1130 - R8C Travel	20,000
1060 - R8 News: Mailing and Production	30,000
5030 - MD and CC Workshop Skopje (50%)	25,000
6020 - MD and CC Workshop Skopje (50%)	25,000
7040 - SAC Training (Alexandria)	18,000
Various accruals, already paid in January 2024	40,077
9100 - TOTAL EXPENSES FROM PREVIOUS YEAR	158,077

Planning of R8 Budget 2024

- Preliminary Budget 2024 Plan v0 – agreed at R8C Meeting in Ottawa, August 2023 – the same as in 2023
 - Initial Budget 2024 Plan v1 – based on the budget requests from the main budget holders.
 - These added up to \$1,440,086, i.e. \$117,673 higher than the Budget 2023. Note that only 75% of the budget was spent/committed in 2023.
 - Normally, we can transfer 50% of the Surplus to the next year. Additionally, we would need to transfer \$427,673 from reserves.
 - The request would be much higher than in previous years and would need to be approved by MGA
- => It was considered unrealistic to assume we would receive such a permission**

Region 8 Budget and Assets History and Forecast

Assuming 2024 V0 and 100% Budget Utilisation



Budget 2024 v2b

Assumptions:

1. Actual regular Income 2024 the same as in 2023
2. 50% of R8 Operational Surplus + \$150k transferred to New Initiatives in 2024
This is the same request as in 2023 => we can expect to be accepted by MGA

Region 8 activities are divided into two categories:

- A. Existing Activities (EA) – financed from the estimated actual regular income in 2024 plus specific savings and accruals from 2023, as shown in the tables above.
- B. Special New Activities (SNA) – financed from the operational budget surplus 2023, as required by IEEE MGA Financial Operations Manual.

Operational Surplus Available for Special New Activities in 2024

SURPLUS 2023	ACTUAL 2023	TO ACCRUALS 2024
Budget balance 31/12/2023 (Income-Expenses)	494,662	
Less Accruals		-158,077
Less savings from 2023 towards future activities (R8 SYP)		-20,000
OPERATIONAL SURPLUS 2023	316,586	
50% Operational Surplus	158,293	
Additional transfer	150,000	
Total Surplus transfer from 2023 towards New Activities 2024	316,586	

Transfer Subject to MGA approval

Budget 2024 Income Summary (\$)

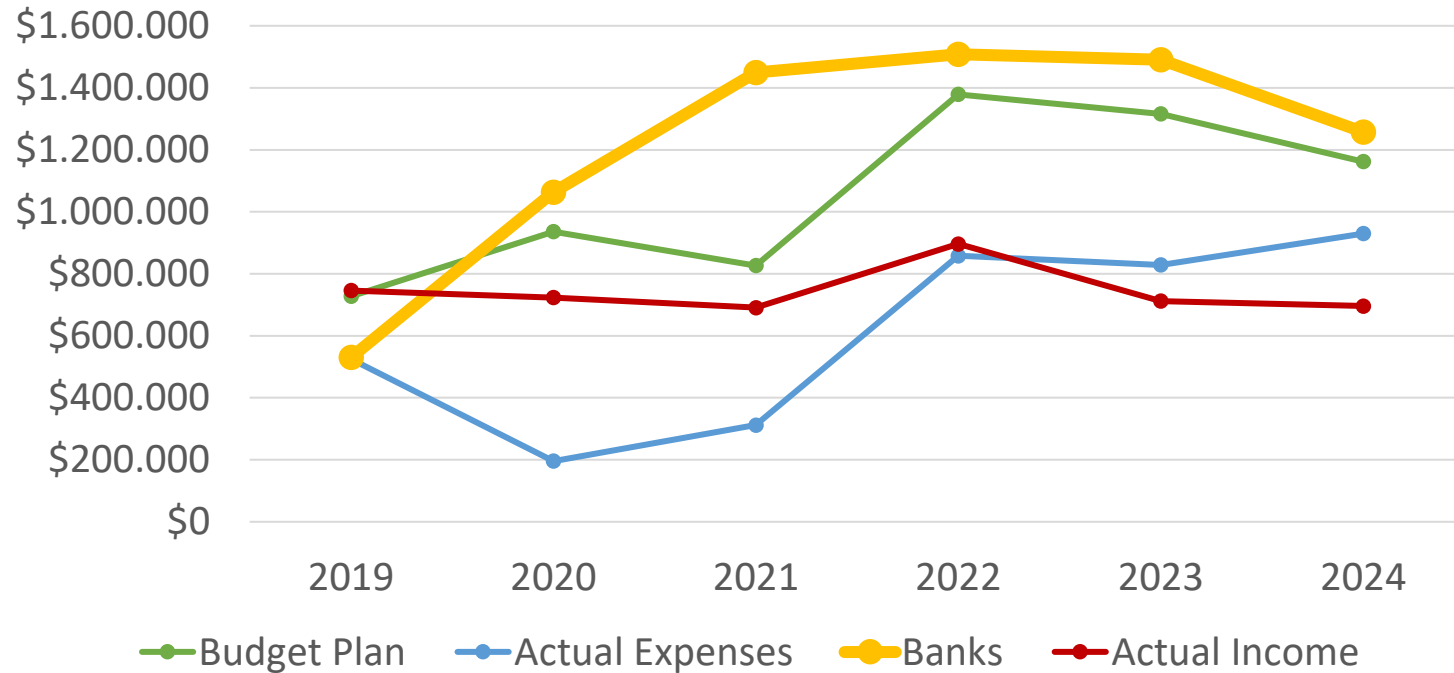
BUDGET 2024 INCOME SUMMARY v2b	\$
Existing Activities including savings	696,044
New Initiatives (50% Operational Surplus)	158,293
New Initiatives (Additional request)	150,000
Accruals from 2023	158,077
TOTAL AVAILABLE	1,162,414

Budget 2024 Allocation – For R8C Approval

IEEE Region 8 Budget 2024 Allocation Proposal v2b February 2024			
Nominal Code	<i>Budget (\$) 2023</i>	<i>Budget (\$) 2024</i>	<i>Budget 2024 vs 2023</i>
1000 Committee general Total	750,267	730,100	97%
2000 Region 8 Director Total	43,880	31,000	71%
3000 Region 8 Director-Elect Total	8,776	7,000	80%
4000 Region 8 Past-Director Total	8,776	7,000	80%
5000 Vice Chair for Technical Activities Total	123,013	77,000	63%
6000 Vice Chair for Member Activities Total	119,820	75,000	63%
7000 Vice Chair for Student Activities Total	91,865	58,000	63%
8000 Region 8 Secretary Total	10,485	5,800	55%
9000 Region 8 Treasurer Total	24,482	13,437	55%
9100 Expenses from previous year Total	134,500	158,077	118%
Budget Expenses Total	1,315,864	1,162,414	88%

Region 8 Budget and Assets History and Forecast

Assuming 2024 V2b and 80% Budget Utilisation



Budget 2024 Proposal Comments

- The proposed budget update has been agreed by OpCom as reflecting realistic expectation of actual expenses.
- The overall budget is reduced but it is comfortably above the actual spending in 2022 and in 2023.
- Request to MGA to use 50% + \$150,000 Operational Surplus in the Budget 2024 has been sent for approval. This is the same request as in 2023.