

AESS TREASURER'S REPORT

AESS Board of Governors Meeting

George Dean, 2007 Treasurer

15 October 2007

2006 FINANCIALS

The Audit Reports (FM-14 Report) show a net surplus for 2006 of \$84.85K. This is a substantial increase over that shown in the forecast of October 2006 (\$222.4K) and the Official TAB budget surplus of (\$0.3K). The differences are mostly due to the investment return of \$265.7K and that the TAB budgets and forecasts had none.

Conference Net Revenue of \$1032.7K, more conferences were booked or accrued in 2006 than the 2006 treasure anticipated for and increase of \$235K over that forecast in October 2006. IEEE Administrative Charges were only \$366.7K compared to a budget of \$437.3K for a net increase of \$70.9K in the AESS surplus.

2007 FINANCIAL RESULTS

The third quarterly financial report, estimates the year ending with. a surplus of only \$47.4 K, The final results will not be tabulated until January 2008. Two conferences of 2006 have not been closed yet and none of the 2007 conferences have been accounted. However, an estimated revenue of \$243K should be coming to AESS from the 2006 and 2007 conferences. In new IEEE accounting practices, estimated surplus from 2006 conferences were booked based upon either the conference budget or preliminary estimates. These two factors resulted in a one-time conference surplus to AESS in 2005 of \$590K, an amount more than \$450K greater than that originally budgeted.. Other contributors to the additional surplus were strong IEEE investment returns and reduced IEEE administration expenses.

AESS RESERVES AND FINANCIAL HISTORY

With the 2006 surplus, the society cash reserves on 31 December 2006 were greater than \$3.0 Million. The history of the Society's revenues, expenses, surpluses, and reserves follows for 2006 and the four prior years . In this data, we have stated the AESS revenues and expenses without the gross revenue and expenses of our sponsored conferences. However, booked conference surplus is included in AESS revenue. IEEE financial reports include the total conference revenues and expenses, but I believe that the basis used here gives a clearer picture of funds that are under direct AESS control. Another peculiarity in the expense line of the five year figures results from the IEEE accounting practice of showing the AESS share of IEEE revenue from conference publications and investment income as negative expenses rather than positive revenue.

| | <u>Year 2003</u> | <u>Year 2004</u> | <u>Year 2005</u> | <u>Year 2006</u> |
|----------|------------------|------------------|------------------|------------------|
| Revenues | \$950K | \$1343K | \$1419K | \$3132.1K |
| Expenses | \$337K | \$ 741K | \$ 869K | \$2291.4K |
| Surplus | \$613K | \$ 602K | \$ 550K | \$ 840.7K |
| Reserve | \$1414K | \$2016K | \$2566K | \$3408.9K |

Purchase Orders (PO's)

Purchase Orders are statements of purchase that are issued to a vendor/contractor/university/editor, etc., **prior to service or receipt of materials**. The PO allows the individual/entity and the IEEE to prepare for the anticipated purchase and expense. In addition, a copy is kept at the IEEE and the information is entered into our database.

For auditing purposes, a PO is required in advance for all goods and services over **\$500.00**. Most POs (such as editorial. etc.) automatically expire on 31 December of the given year and must be renewed annually unless it is stated in the original contract that the time period is greater than one year. Even if you are working with the same vendor, university, etc. for the upcoming year, a new contract must be submitted to staff. For multi-year POs (up to three years), the time period must be stated in the contract when first submitted.

When requesting opening of a PO through the TAD Finance Staff, please include the following information:

- a. name of the vendor/contractor/university/editor, etc., their address, phone and fax and a contact name
- b. amount of anticipated expense
- c. the account number against which the expense should be charged
- d. the purpose for the charges or services provided
- e. the name of your society/council

NOTE: All purchase orders over \$25.0k **must** have a current Scope of Work on file with the TAD Finance staff. They are **highly recommended** for all purchase orders over \$5.0k.

Important Reminders About Payments and Reimbursements

For reimbursement of expenses, please send electronic copies to the Treasurer, g.dean@ieee.org and the originals to Alyson Rupp at IEEE TAD Finance, 445 Hose Lane, Piscataway, NJ 08854. This will expedite your refund.