

Finance Report

IEEE AESS

Bob Rassa

Treasurer

January 2020

With assistance from Michael Cardinale, VP Finance

V2

Finance Goals & Objectives

Goal: Keep the Society financially healthy

Methodology:

- 1- Monitor all Society expenses**
- 2- Alert appropriate officer if trends indicate overspending or if inappropriate charges show up**
- 3- Ascertain that all expenses submitted for Treasurer approval are appropriate and meet IEEE expenditure rules**
- 4- Report financial health to Board**

Summary

The Society is still solvent
we were budgeted to generate a surplus of
\$294.6k in 2018

But we actually generated a
surplus of \$802.2k in 2018

These numbers are final and audited

Also they are w/o investment income

BUT With IEEE investment loss of \$198.8k, our surplus was \$602.4k

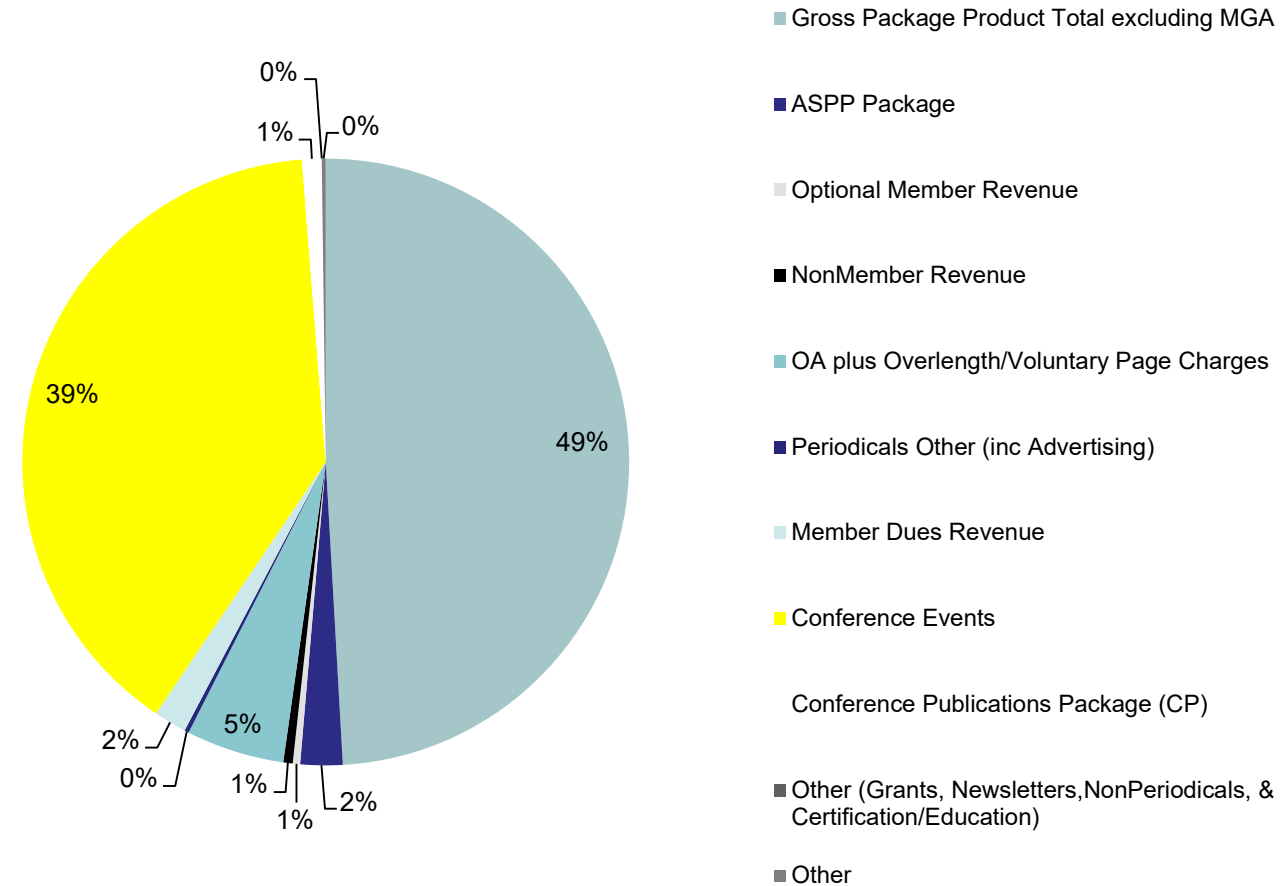
We were budgeted to generate a surplus of \$184.8k in 2019
I won't see preliminary numbers until the week of Jan 21

AES 2018 Results Final (audited)

	INCOME	YTD	YTD	EXPENSE	YTD	YTD	NET	YTD	YTD	YTD
	ANNUAL BUDGET	BUDGET	ACTUAL	ANNUAL BUDGET	BUDGET	ACTUAL	ANNUAL BUDGET	BUDGET	ACTUAL	VARIANCE
MEMBERSHIP	80.8	80.8	85.8	0.0	0.0	0.1	80.8	80.8	85.6	4.9
PERIODICALS	678.4	678.4	771.0	671.2	671.2	490.3	7.2	7.2	280.7	273.5
NON PERIODICAL (CTR 01600)	0.0	0.0	0.0	8.2	8.2	11.4	-8.2	-8.2	-11.4	-3.2
MEETINGS/CONFERENCES	2,061.7	2,061.7	2,358.1	1,240.2	1,240.2	1,350.7	821.5	821.5	1,007.5	185.9
ADMINISTRATION	0.0	0.0	0.0	353.2	353.2	303.4	-353.2	-353.2	-303.4	49.9
COMMITTEE/OTHER	0.4	0.4	0.0	253.8	253.8	256.8	-253.4	-253.4	-256.8	-3.4
GRANTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL EXCLUDING PROJECTS	2,821.3	2,821.3	3,215.0	2,526.7	2,526.7	2,412.7	294.6	294.6	802.2	507.6
SOCIETIES PROJECTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL INCLUDING PROJECTS	2,821.3	2,821.3	3,215.0	2,526.7	2,526.7	2,412.7	294.6	294.6	802.2	507.6
INVESTMENT RETURNS	0.0	0.0	0.0	0.0	0.0	198.3	0.0	0.0	-198.8	-198.8
TOTAL	2,821.3	2,821.3	3,215.0	2,526.7	2,526.7	2,611.0	294.6	294.6	602.4	307.8

AES Revenue Picture- 2018

FM14-18A S/C Revenue if restated based on estimated calculated share of Gross PP in lieu of net PP distribution



AES Conference Pubs Income

Package Net Distribution Percentages from Budget		2015 -2018 DISTRIBUTION AMOUNTS						
Year	CONTENT/USAGE		ACTUAL \$		ACTUAL \$		TOTAL	% of Total Dist
	CONTENT %	USAGE %	DIRECT REV	DIRECT EXP	CONTENT	USAGE		
2015	1.08%	1.30%	\$16.9	(\$30.8)	\$118.6	\$264.8	\$369.6	1.22%
2016	1.23%	1.32%	\$13.8	(\$12.9)	\$139.6	\$278.1	\$418.6	1.31%
2017	1.30%	1.34%	\$15.7	(\$25.7)	\$150.5	\$287.9	\$428.4	1.31%
2018	1.20%	1.40%			\$141.2	\$290.0	\$434.4	1.40%

Additional Pubs Info

2017 Page Charges

	<u>Budget</u>	<u>Actual</u>
Voluntary Page Charges 2017:		\$9,140
Overlength Page Charges:	\$140,000	\$204,395
Bad Debt	\$30,130	\$37,599

2018 Page Charges

	<u>Budget</u>	<u>Actual</u>
Voluntary Page Charges:		\$1,100
Overlength Page Charges:	\$148,194	\$234,060
Bad Debt	\$21,438	\$12,700

2019 Page Charges (preliminary)

	<u>Budget</u>	<u>Preliminary</u>
Voluntary Page Charges:		\$1,980
Overlength Page Charges:	\$204,393	\$236,300
Bad Debt	\$21,438	\$6,605

Pubs Distribution Reduction

IEEE is reducing the publications distribution (ASPP*) over the next 5 years. (* All Society Periodicals Package)

Year	Base	Usage	Content
2018	10%	55%	35%
2019	8%	57%	35%
2020	6%	59%	35%
2021	4%	61%	35%
2022	2%	63%	35%
2023	0%	65%	35%

AES will lose almost \$50,000 in ASPP revenue when new algorithm is fully in place in 2023

			Old ASPP	New ASPP	Gain - Loss	% Gain-Loss
\$ - Base	\$ - Content	\$ - Usage	\$474,491	\$424,867	-\$49,624	-10%

This won't materially affect us all else being equal but we need to be aware of the loss of income. **BUT Open Access is a game changer**

Other Categories - 2019 Preliminary

Distinguished Lecture Program:

Budget	\$9,000	Actuals	\$3,553*
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* low number since concur does not allow split charges and some DLs were delivered with Board meetings

Chapter Support:

Budget	\$13,448	Actuals	\$10,985
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AdCom Travel:

Budget	\$72,805	Actuals	unknown*
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*Concur has not reported all travel yet

AdCom Meeting Expenses

Budget	\$14,000	Actuals	\$26,357
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Summary 2020 Budget – AES Input

	2018	2019	2020	2020
	Actuals	Budget	Target	Final
00380 TRANS ON AEROSP & ELECT SYS	631.6	614.5	587.8	648.8
00381 AEROSPACE & ELECT. SYS. MAGAZINE	139.5	122.8	114.4	132.8
00382 AEROSPACE & ELECT. FEES	85.8	80.8	78.3	78.3
00383 AEROSPACE & ELECT DIGITAL LIBRARY	0.0	0.0	0.0	0.0
01499 PERIODICAL RELATED - OTHER	0.0	0.2	0.2	0.2
01600 NON PERIODICAL	0.0	0.0	0.0	0.0
01700 MEETINGS/CONFERENCES	2,320.1	1,776.0	2,142.2	2,061.3
01701 CONFERENCE RELATED - OTHER	38.0	10.3	10.5	10.5
01900 COMMITTEE & OTHER	0.0	0.4	0.0	0.0
TOTAL REVENUE	3,215.0	2,605.0	2,933.4	2,931.9
00380 TRANS ON AEROSP & ELECT SYS	186.3	327.3	301.6	302.1
00381 AEROSPACE & ELECT. SYS. MAG.	306.5	344.0	149.7	150.2
00382 AEROSPACE & ELECT. FEES	0.1	0.0	0.0	0.0
00383 AEROSPACE & ELECT DIGITAL LIBRARY	0.0	5.9	6.0	6.4
01499 PERIODICAL RELATED - OTHER	(2.4)	(3.5)	(5.0)	(7.5)
01600 NON PERIODICAL	11.4	8.2	8.2	8.2
01700 MEETINGS/CONFERENCES	1,325.6	1,095.2	1,254.1	1,216.0
01701 CONFERENCE - RELATED	25.0	18.8	19.1	19.1
01800 ADMINISTRATION	303.4	348.0	345.7	344.4
01900 COMMITTEE & OTHER	256.8	276.3	271.9	336.1
TOTAL EXPENSE/RMBSVC (excl Projects)	2,412.7	2,420.2	2,351.3	2,375.0
TOTAL FROM OPERATIONS (excluding Projects)	802.2	184.7	564.1	556.9

1900 (discretionary) additions

	<u>IEEE suggestion</u>	<u>AES input</u>
Secretarial Services (including expenses)	75.0k	90.0k
Volunteer travel	90.8k	127.0k
DL travel	0	7.5k
Student Support	15.0k	20.0k
Treasurer travel	0.0k	5.0k
President's Discretionary	0.0k	5.0k

Note that the DL, Treasurer and President's travel are in the \$127k number, thereby inflating (incorrectly) the 1900 account increase. This was unknown when reported in November but confirmed once the final 2020 budgets were received, in late November,

In addition, the Chapter Support AdHoc Committee is recommending to TAB that all Societies and Councils start to budget additional Chapter support beyond the \$50 per meeting; I recommend a maximum of \$15k for our 50+ Chapters to start. The President can approve all individual requests. **Note: Motion Needed for this!**

One more super cool item

- **Michael Wicks has generously donated \$25,000 to AES.**
- **We are working to see how we can create an endowment, award, or something special to do with this outstanding donation. For now it has been deposited in our GL accounts**
- **Michael also allows that this is not a 1-time donation; more will be forthcoming.**
- **I think that AES should be exceptionally proud that we have such a generous and thoughtful donor**
- **A special educational support account has been set up in the IEEE Foundation where the funds will continuously earn interest. We will name the fund at the Spring Board meeting and make initial decisions on the use.**

Initiatives

- **Initiatives are activities that a Society or Council wishes to implement on a 1-time basis that would benefit IEEE and/or the Society, and IEEE encourages such.**
- **Since the initial 2017 budget was looking good we inserted two:**
 - 1- Funding for a possible “Chapter Summit” in conjunction with Sections Congress in August 2017, Sydney Australia in the amount of \$45k**
 - We subsequently abandoned that as too expensive and not cost effective*
 - Agreed on a “local” Chapter Summit at an AES conference instead*
 - 2- Initial funding for two Scholarships, in the amount of \$10k.**

We voted to implement since AES hasn’t been as prominent in our educational thrusts as many Societies.

Budget for it has been approved by IEEE

Two annual scholarships in Electrical (UG) and Systems (G) Engineering, \$5,000 for undergraduate and \$5,000 for graduate

Forms submitted to IEEE and approved for implementation 2018.

Scholarship Committee of 3 established.

IEEE Expense Report Rules

The IEEE Board has declared that all expense reports must be submitted with 60 days of completion of travel, or they will not be reimbursed.

- *FYI this is not enforceable, but AES Board members are asked to try to submit within 60 days.*

NO LONGER SUBMIT TO: bobrassa1@gmail.com

IEEE is no longer using the excel spreadsheet-
We have started to use the online CONCUR program.
Details will be sent to all Board members.

<https://www.concursolutions.com/home.asp>

<https://corporate.ieee.org/resources/travel,-medical-and-insurance/ieee-expense-report>

Payment now occurs within 7 to 10 days based on submittals from recent Board meetings

