

Finance Summary

IEEE AESS

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With assistance from Michael Cardinale, VP Finance

Summary

The Society is still quite solvent

we were budgeted to generate a surplus of
\$294.6k in 2018. Actual was \$802.2k

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,
Actual was **\$1,059.7k**

And IEEE investment returns were a remarkable **\$1,026.6k**,
giving AES a huge boost in our total surplus of **\$2,086.3k**
(which is our biggest increase ever)

This brought our “net worth” to \$6,350k at the start of 2020

Preliminary 2020 results

- **Preliminary 2020 results show that AES generated a surplus of \$744k, vs a budget of \$556.9k, without investments returns.**
- **And investment returns are expected to be substantial for 2020, meaning that AES will again substantially improve our financial position, thus enabling us to do even more for our members.**
- **BUT our investment return amounts will be diminished due to a loss in the sale of Global Spec.**

GlobalSpec

- GlobalSpec (GS) was purchased by IEEE in 2016 for \$32.2 million, \$25 million of which was paid by taking funds from investment returns prior to distribution to Societies & Councils.
- GS was expected to generate revenue which would be distributed to S/Cs. It never did.
- Book value has been reduced to just under \$7 million as of the end of 2019.
- BUT GS has sustained additional losses as of the end of 2020 so when the sale completes this year, an additional deduction from AES investment returns will be made, and since this is all “internal” IEEE data, it is not generally shared with S/Cs so I have no idea of what the AES share of the loss will be.

This information is not widely known within the TA or MGA volunteers; I discovered this quite by accident just 2 weeks ago; Alerted TAB FinCom and TAB treasurer Alaa Abunjaileh; he asked for a detailed briefing at the February TAB FinCom

2019 Highlights

Publications overperformed by \$471k (budget \$63.8k, actual \$534.8k)

- Non-member subscriptions T-AES \$485.9k (budget \$349.4k)
- Overlength Page Charges \$236.3k (budget \$204.4k)
- Open Access income \$28.7k (budget \$40.3k)
- Non-member subscriptions M-AES \$151.2k (budget \$109.9k)
- A number of Magazine fees were way less (such as Editor Fees)
- *NOTE: We still charge overlength page charges for open access articles*

Conferences overperformed by \$369.1k (budget \$672.3k, actual \$1,041.4k)

- Aerospace conference generated \$269.2k
- Radar generated \$180k
- AUTOTESTCON generated \$181.2k total (AES share is \$90.6k)
- METRO Aero generated \$9k
- ICNS generated \$29.7k
- FUSION generated 135k total (AES share \$13.5k)
- Conference publications Distribution: \$633k (budget: \$405.9k)

2020 Highlights

Publications overperformed by \$158.2kk (budget \$330.5k, actual \$488.7k)

- Non-member subscriptions T-AES \$476.9k (budget \$384.2k)
- Overlength Page Charges \$211.7k (budget \$204.3k)
- Open Access income \$24.0k (budget \$40.9k)
- Non-member subscriptions M-AES \$151.2k (budget \$109.9k)
- eJournal Press fees were way higher than budgeted (editorial, indexing, admin, tools)
- *NOTE: We still charge overlength page charges for open access articles*

Conferences underperformed by \$130.1k (budget \$836.7k, actual \$706.5k)

- Aerospace conference generated \$158.2k
- Radar generated \$310.2k (but expenses not properly listed; suspect lower surplus)
- AUTOTESTCON was canceled; insurance will pay the budgeted surplus of \$178k (AES share 89k but this will appear in 2021 results – *NOTE this insurance NOT available in 2021*)
- METRO Aero generated \$3k
- DASC generated \$0.1k (AES share)
- FUSION generated 3.8k total (AES share)
- Conference publications Distribution: \$644.1k (budget: \$496.3k)

Board expenses were favorable by \$146k (budget 336.1k, actual 190.0k)

A Note on Membership & Chapters

- AES membership also overperformed, we are at 5,341 as of the end of 2020. Student memberships represent 15% of members
- This keeps us pretty much at the median of the Society size chart – 21 Societies are smaller than AES.
- On Chapters, many Sections (there are 344 total) would take back any unspent Chapter funds at the end of the year. That is no longer allowed under the new 2021 MGA Operations Manual.
 - I sponsored a change to the MGA Ops Manual (Sections 9.6.C.1 and 9.6.G) by adding the wording “such funds shall remain the designated assets of the Chapter” in the paragraphs noted that discuss Chapter finances, and how they earn them.
 - The 2021 manual was released 2 weeks ago:
 - <https://mga.ieee.org/board-committees/operations-manual>
 - We should notify all Chapters of this so that any funds they earn, they keep.

Additional Publications Savings for 2022

- 2020 Pubs VP Sabrina Greco asked me to explore moving our transactions and magazine abstract management from eJournal Press to IEEE Manuscript Central (ScholarOne, S1). Current Pubs VP Lance Kaplan will cover this but the summary is:
 - S1 portal will open March 1; all manuscripts to eJP through Feb 28 will continue to be adjudicated until published or denied
 - This may mean some additional costs for 2021, perhaps very slight additional costs in 2022
 - Beyond that we will save money; eJP quoted costs are basically the same as IEEE (S1) but eJP continuously exceeds the budgeted costs (about 60k in 2020)
 - We will no longer need additional funded support from Conference Catalysts since their effort is included in the S1 costs

Summary 2020 Budget

	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



AES 2021 Budget Summary

SUMMARY BY COST CENTER		2019	2020	2021	2021
		Actuals	Budget	Target	FirsPass
00380	TRANS ON AEROSP & ELECT SYS	775.6	648.8	503.3	503.3
00381	AEROSPACE & ELECT. SYS. MAGAZINE	167.2	132.8	107.3	107.3
00382	AEROSPACE & ELECT. FEES	85.5	78.3	70.5	70.5
00383	AEROSPACE & ELECT DIGITAL LIBRARY	0.0	0.0	0.0	0.0
01499	PERIODICAL RELATED - OTHER	1.7	0.2	0.2	0.2
01600	NON PERIODICAL	0.1	0.0	0.0	0.0
01700	MEETINGS/CONFERENCES	2,332.8	2,061.3	1,220.1	1,140.5
01701	CONFERENCE RELATED - OTHER	11.8	10.5	16.6	16.6
01900	COMMITTEE & OTHER	0.0	0.0	0.0	0.0
TOTAL REVENUE		3,374.9	2,932.0	1,918.1	1,838.5
00380	TRANS ON AEROSP & ELECT SYS	178.3	302.1	204.5	207.7
00381	AEROSPACE & ELECT. SYS. MAG.	236.1	150.2	45.0	45.4
00382	AEROSPACE & ELECT. FEES	0.2	0.0	0.2	0.2
00383	AEROSPACE & ELECT DIGITAL LIBRARY	5.4	6.4	6.2	6.2
01499	PERIODICAL RELATED - OTHER	(10.1)	(7.5)	(5.3)	(5.3)
01600	NON PERIODICAL	9.9	8.2	9.9	9.9
01700	MEETINGS/CONFERENCES	1,272.3	1,216.0	912.0	622.8
01701	CONFERENCE - RELATED	31.0	19.1	48.5	48.5
01800	ADMINISTRATION	309.2	344.4	328.4	328.4
01900	COMMITTEE & OTHER	282.8	336.1	214.9	302.1
TOTAL EXPENSE/RMBSVC (excl Projects)		2,315.2	2,375.1	1,764.3	1,565.9
TOTAL FROM OPERATIONS (excluding Projects)		1,059.7	556.9	153.8	272.6

AES is quite solvent

We can still afford to spend money on worthwhile enhancements such as membership benefits, and the Society Review Committee recommends that we do this.

Here is what went into the 2021 budget:

- Reduction of student dues
- Increased Chapter support (in 2021 budget, by \$25k)
- Increased the undergraduate scholarship by \$5k (to 10k) AND added a second one
- Added \$5k to the graduate scholarship (to \$10k total) for 2021
- Added 500 pages to Transactions budget
- Additional awards
- Reductions in the 2021 budget were:
 - Travel; went virtual for officer's meeting and one Board meeting
 - Conference income and relevant expenses cut by average of 30% (IEEE recommendation)
- Even with the extra expenses and conference income cuts, we are still showing a healthy budgeted surplus of \$272.6k for 2021

