



## **Report from the IFUW Treasurer**

It is that time of the year again when we look back, financially, to the year and triennium that have just passed, and look forward to the future prospects for the Federation.

### **2007 Audited Accounts**

The 2007 Audited Financial Accounts that are to be put to the vote for approval now were reviewed by the Finance Committee in February. Highlights include better than expected income from independent membership dues and investments, but there continues to be a decline in the dues from NFAs and thus a decline in membership.

Expenditure was well under budget in 2007, even taking in to consideration the Strategic Planning Meeting that was an additional exceptional item. This was a meeting held in November at which the Board and Convenors of Committees met to determine a strategic direction and focus for IFUW.

The Canadian Federation of University Women (CFUW) again paid their membership dues in advance, which eased our cash flow situation and for which we are most grateful.

At the time of the audit the Conference Accounts for Manchester had not yet been finalised, so they will be included in the 2008 accounts.

### **Financial Triennial Overview**

The budgeted deficit for the 2005-2007 triennium was close to CHF250,000, and was based on the anticipated reduction by nearly 40% of IFUW's income. I am delighted to be able to report that not only did the budgeted deficit not occur, we even made a slight profit ( $\pm$ CHF30,000) for the triennium.

This profit was made possible by a significantly better than budgeted for income from our investments, stringent cost cutting, and the donations made in 2005 from a number of AAUW members and the Japanese Association to assist with the transition. We are most grateful for the donations, as it has enabled IFUW to continue its good work, without significantly reducing its reserves.

### **Half Year Accounts**

The IFUW Council in Manchester voted for a balanced budget for the triennium based on maintaining income from dues. The half year financial report for 2008 for IFUW shows that we have managed to maintain our expenditure below budget. Our investments are still performing reasonably well, despite the current financial climate, and the six month review for 2008 shows a better than budgeted return for the period. Our income from dues, however, is 14% below budget. Many of the

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**International Federation of University Women**

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smaller NFAs are struggling, with their dues burden being high and their membership low. This does not bode well for IFUW meeting its income target, either for 2008 or the triennium.

Of particular concern is the decline in donations to the Bina Roy Partners in Development Programme (BRPID). To date, the BRPID programme has been linked with dues and has often made the difference between the NFAs being able to pay their dues or not. Demand for these grants has consistently exceeded donations for this purpose; in 2007 almost 65% of the grants were taken from IFUW's reserve fund. This is a trend that cannot continue, as the IFUW Special Reserve Fund is almost completely depleted. BRPID projects will continue, but from 2009 the grants will no longer be linked to dues. We urge you to donate, and to donate generously, to assist sister NFAs in their development work.

### **Functional Accounting**

The Finance Committee has proposed that from 2009 the accounts should be reported in a functional or programmatic format within the audited accounts. We are beginning preparations for this now. To do this it is necessary that the basis for the functional accounting be approved by the IFUW Council. The attached material for the written vote of Council explains the basis on which functional accounting will be reported from the end of this year. I hope that the benefits of this additional approach to our financial statements are apparent, and that with your approval we will be able to add this management tool to our working methods.

### **The Future**

The budget for the 2008 to 2010 triennium was based on the negligible inflation rate that prevailed in Switzerland at the time that the budget was drawn up. However, in the interim a global financial downturn has occurred, talk of recession is prevalent and inflation is on the increase. Switzerland is not immune from inflation, so it is likely that inflation will cause expenditure to rise above the budgeted amounts. In addition, the strong income growth of recent years cannot be counted upon to be repeated in the same significant way in the short to medium term.

The downsizing of the office included cutting costs to a minimum. While this has been a useful and necessary, but painful, exercise it means that there is nowhere for cost to go but up. Since there is no room to cut general expenses further within IFUW, it is unlikely that the balanced budget will be achieved.

While IFUW still remains on a sound financial footing, the reduced budget and staff has consequences for programme and the activities IFUW can undertake. This is cause for concern as it is our programme that defines who and what we are, and brands us in an ever more competitive marketplace. The IFUW Board has presented a focus for our activities at the international level. It is to be hoped that the new initiatives will increase awareness of IFUW and in the process increase our membership.

**CATHERINE A. BELL**

IFUW Treasurer