



## TRIENNIAL REPORT OF THE CONVENER OF THE FINANCE COMMITTEE

**Members:** Terry Oudraad, IFUW Treasurer and Convener; Zelinda Bafile (*Australia*), resigned November 2006; Sonya Höstman (*Finland*); Karen McKee, Assistant Treasurer in USA; Hillevi Perraudin, Assistant Treasurer in Switzerland; and Griselda Kenyon, IFUW President, *ex officio*

The Finance Committee has held three regular annual scheduled meetings in Geneva since the 2004 Conference in Perth, Australia.

### **Financial Accounts**

At its annual meeting, the Committee reviews the budget and the projected year-end results of the prior fiscal year, and approves the format for the presentation of the accounts for the audit. The current Finance Committee reviewed the accounts for 2004, 2005 and 2006. All these received “clean” reports from the auditors.

**Revenue:** principally income is from dues and from investment returns.

**Dues income** is IFUW’s major source of revenue. The 28th Conference in Perth voted to increase the per capita dues by 6 Swiss francs (CHF). This was to offset a deficit that had accumulated over the years, as no increase of dues had been voted since 1995. This increase would have balanced the budget, except for the announcement by the American Association that they would no longer pay dues, starting in 2005. This meant that as of 2005 IFUW’s income from dues was drastically cut by 40%. This shortfall was reduced in part by the generous donations (in total CHF 70,782), which IFUW received for its 2005 expenses from the Japanese Association and individual members of the American Association through the AAUW-IFUW Support Group. The amount of dues received continues to be lower than the amounts projected because of the continuing decline in membership. The loss in this triennium has not been offset by the new NFAs.

**Income from investments:** The portfolio invested in the USA had better than expected returns during the triennium. The total interest and dividend income exceeded budget expectations despite the needed transfers to cover our shortfall. We need to remember, however, as we plan for the future, that the reduction of the capital base lessens the investment returns.

**Expenditure:** Salary and administrative expenditures have been kept under what was budgeted for the triennium. In 2005, the Board, on the advice of the Finance Committee, provided a social plan for employees made redundant and who had served IFUW for more than five years. The indemnities paid came to CHF 197,699, which were taken from the reserves. Another major cost reduction was the move of the office to cheaper premises. The office rent for 2006 and 2007 was reduced by approx. 40%. Approximately CHF 20,000 was taken from the Equipment Reserve for the moving expenses. As always, serious thought was given before any expenditure was made. Major efforts have been made to reduce expenses as much as possible.

**Result:** Despite the fall in membership, the combined deficit for 2005 and 2006 is much lower than expected. This is the result of careful management at Headquarters, major cost saving measures, better than expected return on investments, and donations. Hopefully we will be able to close the triennium without a deficit.

### **Report of the Assistant Treasurers**

The two Assistant Treasurers made annual reports to the Committee. See separate triennial reports.

## **National Affiliates**

The Committee dealt with:

- national affiliates in arrears with dues, including national affiliates requesting special arrangements to pay for the dues increase voted in 2004;
- requests for reduction of dues;
- requests for alleviation of dues;
- a proposition from the American Association (AAUW) suggesting that their dues obligations to IFUW be covered through voluntary payments by its members, without any guarantee from AAUW of what that amount would be; and
- the Bina Roy Partners in Development Programme.

The Committee made recommendations to streamline the BRPID programme, encouraging general donations so that all participating projects could benefit. The Committee also recommended that the unexpected shortfall in 2006 donations and the shortfall that might occur in 2007 be taken from the unrestricted IFUW Special Fund. Further measures in 2008 will need to be taken to limit the grant sizes if donations do not increase.

## **2005-2007 Budget**

The 2005-2007 triennial budget was adopted with a projected deficit of just over CHF 240,500, with 2005 considered to be a transition year to give the Board time to implement the appropriate financial measures for the survival of IFUW. These measures have largely been based on the recommendations of the Task Force (December 2004).

Following the recommendations of the Task Force, and on the advice of the auditors, a functional accounting system was introduced as a management tool, with an analysis of staff time spent on the tasks and services. The functional budget for 2006 was presented to Council. The functional budget for 2007 is included in the conference documentation, together with the functional triennial planning for 2008-2010.

## **New Dues structure proposal**

The Committee also reviewed the current dues structure and spent a lot of time on a simplified new dues structure based on the formula developed by a member of the Task Force. After careful consideration, the Committee recommended to the Board that a simplified dues structure should be proposed to Conference. Under this system, the per capita dues would be calculated according to the formula  $x = (2 \times \ln(\text{GNI per capita})) - \ln(\text{Membership})$ .

## **29th Conference**

In 2006, the Finance Committee discussed the Conference budget to determine the registration fee. In 2006 and 2007 the Committee met with the Treasurer of the Local Arrangements Committee (LAC) to discuss the various financial matters concerning the Conference budget. The shift in tasks from Headquarters to the host NFA and the LAC due to decreased staff resources cannot be taken lightly and is something which must be considered when organising future conferences.

I would like to express my thanks to all Members (past and present) of the Committee for their positive participation and a special thanks to Hillevi Perraudin for all her advice and work concerning the staff and the office.

Terry Oudraad, Convener  
May 2007