



IFUW FINANCES

INTRODUCTION BY THE IFUW TREASURER

At the start of this triennium (2004-2007) the Board, on the advice of the Finance Committee, had to make some far-reaching financial decisions. Our goals were to ensure that IFUW would survive the financial crisis, which had to be faced suddenly in 2004, and that with the measures we took IFUW would have a better financial outlook for the near and, if possible, more distant future. 2005 was a year of transition in which the measures to save costs were gradually implemented. By the end of 2005, IFUW was able to move into new and considerably cheaper offices. Due to a lot of effort by the staff of IFUW, especially our former Secretary General Murielle Joye, we only had to pay one month double rent, as a new tenant for the old office was found to take over the monthly payments before the lease expired.

I would like to recognize the very generous donations IFUW received for its 2005 expenses from the Japanese Association and from individual members of the American Association through the AAUW-IFUW Support Group. A special thank you also goes to the Canadian Federation, which advanced a part of its 2006 dues in order to ease the IFUW cash-flow problem.

Of course the reorganisation of the office, whereby the number of staff members was reduced from 5.6 to 3.2, had a large impact on the IFUW budget. As a decent employer, we had to make provisions for the implementation of a social plan for long-time serving staff. Fortunately, we were able to finance the social plan out of IFUW assets, although we have to keep in mind that this does impact the return on investments.

Accounts

The functional accounts of 2006 and the Financial Statements 2006 from the auditors KPMG Ltd are presented in the conference documentation for your consideration. The expenditure was considerably under budget, mainly due to better-than-expected returns on investments, lower office rent than budgeted and the implementation of cost saving measures and streamlining activities, such as sending material electronically.

I would, however, like to point out a matter of grave concern. This is the financial situation of the Bina Roy Partners in Development Fund (BRPID), which for the first time in its history was confronted with a shortfall of donations in 2006. In spite of extra appeals, we received fewer donations than in the past. At the same time more (and larger) NFAs applied and, within the present rules, they all qualified. The Board decided to cover this shortfall and the expected shortfall for 2007 from the unrestricted fund IFUW Special Fund. However, for 2008 measures will have to be taken to limit the amount granted if the donations do not increase.

Another matter of concern is the fact that many NFAs do not pay their annual dues by 1 January, as required. This is in spite of the invoices and reminders Headquarters sends to the NFAs. This situation adds an extra burden to our cash-flow position. Therefore I urge you once again to pay when the amount is due.

Triennial Planning

The implementation of the staff time analysis has given us more and more insight on how staff resources are distributed. The functional budget established for 2006 has further been refined. This was an interesting and informative experience.

Included in the conference documentation is the *Functional Triennial Planning for 2008-2010*, which is a more realistic functional budget, based on our understanding to date of how staff resources are distributed. Further refinement of the functional budget will be necessary as IFUW is still in the process of changing its way of work, structure and also looking to focus more on specific priorities.

I am very glad to be able to present for your consideration a balanced budget for 2008-2010. It will be very necessary to continue monitoring all expenditures very carefully. Hopefully, with the support of the Marketing, Public Relations and Fundraising Group, we can find other funding to keep IFUW going and depend less in the future on the financial support from members.

New Dues Formula

This triennium, following the recommendation of the Task Force, the Board and the Finance Committee reviewed the current dues structure. We are pleased to be able to propose a simplified dues structure for your consideration. The formula on which the new dues structure is based was circulated last year to the NFAs for consultation.

The formula takes all NFAs into consideration, in a scheme that provides equally for all. It gives reduction to those NFAs from countries with a low GNI per capita and rewards NFAs for higher membership numbers.

After considering your valuable comments, we modified the formula to add two extra bands to lessen the impact of the change, particularly on the smaller affiliates. A detailed explanation of how the proposed dues formula works can be found in the conference documentation, together with a table showing the predicted impact on dues for each NFA (based on membership figures as of April 2007). If passed by the statutory bodies of IFUW, the implementation of the new dues structure would take effect as of 1 January 2009.

Terry Oudraad, IFUW Treasurer
May 2007