

IASPM Treasurer/Membership Secretary Report 2009-2010

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Financial Report

The last treasurer's report covered the period between up to 31 May 2009. This report covers the period of the present executive (since July 2009). It also presents the financial statements for the years ended on the 31st December 2009 and 31st December 2010. Mention is made to information relevant to the 2011 financial year.

Notes

1. For a number of years, IASPM financial reports covered periods going from June to May. However, since IASPM's financial year runs from January to December, accounts have been and should be prepared going forward from January to December.
2. IASPM runs two bank accounts located in United Kingdom's The Co Operative Bank (CoOp)– a main US dollar account and a subsidiary sterling account. Branch subscriptions are requested in US dollars or the equivalent in pounds Sterling. Accounts have been prepared under the cash accounting basis in US dollars, using the relevant exchange date on the date of transaction and resulting in a small exchange *gain*.
3. Managing the bank account has been easier from within the UK. However, the CoOp is at many times constraining. It has no business branches and all dealings need to be made over the phone, post or the internet. The reason for staying with the bank lies in its ethical investment policy.
4. At the General Meeting in Mexico and Liverpool the previous executives begun to explore a more efficient system to maintain membership records and collect fees, whereby this could all be done centrally through the IASPM website. The recommendation was that the most affordable and a convenient option would be to organize central payments through Paypal. The previous executive recommended that the current executive employ someone with the necessary skills to set up such a scheme, which is also automatically linked to the database and mailing list, so that a more immediate and accurate system is maintained.

Centralising IASPM membership

5. I have been very carefully considering and discussing the centralising option with branch treasurers, previous IASPM treasurers and the current executive. The main reasons for centralisation were that at an international level IASPM needed to (1) have a clear idea of current IASPM membership at all times and to (2) be able to effectively collect membership fees from its membership base.
 - a. Centralising the membership subscription and payment to IASPM international through an automated web system sounds only good in

theory. Implementing such as strategy is an enormous task which would involve significant efforts and costs, straining human and financial resources beyond IASPM means at present. An automated system requires highly dedicated human orchestrators and transfers the management of over a thousand members from a number of branch treasurers/membership secretaries to one person. Though an automated system would avoid certain manual tasks, there will have to be a person behind to implement and bring such system to full working operations. In other words, one person needs to deal with the queries and maintain the membership and accounting records of over one thousand IASPM members. The treasurer and membership secretary would then need to liaise with local branches in order to transfer moneys across currency borders to and from the UK. Such transaction have costly financial implications.

- b. The two problems that have concerned IASPM executives for a number of years can be solved with measures more realistic to the nature and resources of IASPM international. In reality, IASPM is run on a volunteer basis and as such we need to find solutions that fall within the scope of our human and financial reality.

During my time as membership secretary and treasurer, I have been trying out certain mechanisms to address the problems of membership records and fee collections:

For the past two years IASPM international has collated membership list for the years 2009 and 2010. Going forward, the idea would be for branches to maintain 'live' web based membership lists to be shared with IASPM international. These lists need only to contain very few details (name, membership category, email address) in order to minimise the amount of shared personal data.

Based on the information submitted by branches, IASPM international can now invoice branches for the exact amount of fees in the year. This method has proved effective. In addition, it allows the treasurer to predict future cash flows and base forecasts on reliable financial information. At present, IASPM international has liaised with a majority of branches to recover and or renegotiate old debt. At present, most branches are up to date with the latest fee collection (for the year 2009). The 2010 collection has already been planned and needs to be sent to the branches after the conference ends. With the 2010 collection, IASPM international expects to collect fees in the region of US\$11,700.

In line with the suggestion of the previous executive, opening a paypal account is certainly beneficial to IASPM as it would allow individual members to have an easier option to pay IASPM international. However, in order to link a paypal account to our bank account and retain the benefits of a non-for profit organisation, proof of our registration and status has to be provided. It has only been until very

recent that the exact details of registration were located. Hence, there has been a delay with the setting up of paypal. With the right paperwork in place, we should be able to open a paypal account in the short term.

In summary, rather than a full centralisation of membership records and fee collections, I propose that fees carry on being collected locally. In addition, live web-based membership databases should be maintained and be accessible by branches and IASPM international.

Presentation of the financial statements and membership information

- **See Appendix 1 with Income Statement and Balance Sheet**
- **See Appendix 2 with membership numbers**

Branches

During the last period, a new branch in Hungary was formed. IASPM international was able to touch base with the Turkish and Bulgarian branch, which are still active. It has been difficult to contact the Portuguese branch and at present I have been unable to collect their fees for 2009.

The Latin American branch went through a major re-structuring of their executive and fee collection system. With enormous effort they have managed to implement a system for managing fees as well as maintaining accurate membership and financial information. Due to a number of issues to do with previous mismanagement, the present international executive has decided to re-negotiate the Latin American branch's debt by accepting a symbolic payment for fees owed 2009 and prior. In total, this payment is in the region of US\$1800. US\$ 800 have already been paid to IASPM international.

The Benelux branch has also settled their long outstanding debt. In the process, however, they failed to collect 2009 dues. The executive decided to condone this error but asked IASPM Benelux to pay at least for those members who attended the 2009 International conference. This was resolved successfully.

The Italian and Turkish branch have also settled overdue fees.

The Canadian branch changed their fee collection from July-June to January-December in order to align their financial year with IASPM international. This has triggered a gap in international fees which will be addressed once the process is finalised.

The re-negotiations outlined above are a step forward in a fundamental housekeeping process being undertaken in IASPM international. If anything, it has allowed us to recover considerable amounts of outstanding debt, whilst at the same time give branches enough flexibility to resolve their local administration issues.

A South African branch is in the process of being formed.

Sources of Finance – membership fees

At present, the main income stream for IASPM is its membership fees. Members of the present executive have raised concerns as to the absolute lack of fees in the student/unwaged membership category. A small monetary contribution gives a sense of commitment of being part of the organisation as it signifies an effort on the member's part. However, in effective terms, most members in this category do pay a fee at their local branches. Charging branches a student fee at IASPM international level could debilitate branch finances as passing the increase onto their student/unwaged members or absorbing the fees into current charges might prove problematic.

Therefore, this is more an issue to individual members. If agreed by IASPM's general meeting, going forward unwaged/students members should pay only a local branch fee to get instant association to IASPM international. Individual student/unwaged members should be liable to a 10 dollar fee a year, subject to the successful setting up of paypal. Also, an increase in waged IASPM international fees to 25 dollars should be programmed for 2013.

Recommendations going forward:

- The creation of 'live' web-based membership lists to be shared between branches and international IASPM.
- Paypal set up.
- Split Treasurer/Membership secretary role for the next two years
- Restate IASPM fees.