

IEA TREASURER'S REPORT

January – December 2012

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1. Summary

This report summarizes the financial performance for the period of January 1 - December 31 of 2012 (hereafter referred to as “Year 2012”, or as “the Period”). ^[1] The basic accounting rules are essentially the same as those applied in previous years. The followings should however be noted for clarification:

- Two bank accounts for PayPal and one German bank account for credit card payment (“Kreissparkasse” in Kaiserslautern, Germany) were closed on the middle of the Period. Consequently, there are one active cash account and two “Guaranteed Investment Certificates (GIC)” at the end of the Period. All these are with Scotiabank in Canada.
- Membership dues of previous years paid during the Period are allocated to the Revenues of Year 2012.
- Membership dues of Year 2013 and beyond are allocated to the Liabilities.
- Loan Reserve allocated in previous Treasurer’s Reports is included in the Cash Reserve.
- The interest of GIC was added to the principal. It is not explicitly allocated to “Revenues.”

1.1 Assets, Liabilities and Equity - Balance Sheet

Table 1 shows the Balance Sheet as of December 31, 2012. Comparing with the Assets of previous two years, which are \$302,342 (Year 2011) and \$285,208 (Year 2010), the level of Assets at the end of the Period (\$317,373) is considered to be well maintained. Details are shown in Chapter 2.

Table 1: Balance Sheet of Year 2012 (as of December 31, 2012)

Assets		Liabilities	
Cash	\$301.05	Dues Advance Received (*3)	\$250.00
Saving Account (*1)	\$88,964.04	Equity	
Check	\$59.80	Funds (*4)	\$49,916.00
Term Deposit (*2)	\$224,548.49	Cash Reserve	\$267,207.38
Seed Fund Receivable	\$3,500.00		
Total	\$317,373.38	Total	\$317,373.38

*1: Scotiabank active cash account (US\$)

*2: Scotiabank non-registered investments - Guaranteed Investment Certificates (GIC) (US\$)

*3: Membership dues for Year 2013 and beyond received in advance

*4: Funds are reserved in the active cash account.

[1] For supplemental purpose, this report includes some information on the financial performance of Year 2013.

1.2 Revenues and Expenditures

Table 2 shows the Revenues and Expenditures of Year 2012. Compared with the surplus of previous years, which are \$5,661 (Year 2011) and \$48,637 (Year 2010), the level of surplus of Year 2012 (\$31,044) is considered to be within normal range. Details are shown in Chapter 3.

Table 2: Revenues and Expenditures of Year 2012

Revenues	
Membership Dues	\$37,791.79
Capitation Fees	\$43,926.98
Funds	\$3,430.00
Miscellaneous	\$1,666.16
Correction of Bank Mistake	(\$100.00)
Total	\$86,714.93
Expenditures	
Meeting	\$9,968.30
Travel Officers	\$0.00
Office	\$15,499.75
Standing Committees	\$28,429.04
Bank Charges	\$600.13
Loss of Currency Exchange	\$711.77
Miscellaneous	\$562.28
Correction of Bank Mistake	(\$100.00)
Total	\$55,671.27
Balance and Reserves	
Balance of Year 2012	\$31,043.66
Reserves from Year 2011	\$58,106.03
Reserves for Year 2013	\$89,149.69

1.3 Lessens and Prospects for Coming Years

The transition from a previous office appeared to be much less smoother than hoped. It took long for formally registering the new treasurer at the Zurich Canton Office and the Scotiabank. It caused the delay in sending out invoices to member societies. It in turn caused substantial amounts of membership dues to be received after January 1, 2013, resulting in lesser amount of membership dues of Year 2012 collected in the Period. Since the root cause is removed already, smoother operations are expected for the future. Note that the revenues of Year 2012 membership dues collected as of June 30, 2013 amounts to \$41,410 and that more is expected to be received.

Related to this problem was that it took time to verify the record of membership dues received in the past. It caused invoicing some member societies who had already paid their membership dues in the past. The treasurer apologizes for invoicing those societies. The database has been improved as a result of communication with member societies. The treasurer is grateful for their cooperation. However, there are still some member societies with which communications are not reestablished.

Overall, the financial affairs of Year 2012 appeared to be rather quiet after a triennial congress. This climate may continue into Year 2013. It must be the time to reinforce the infrastructure of financial affairs in general. Specific issues include the establishment of reliable and traceable database which can be the basis of accounting in coming years. Specification of appropriate and consistent account titles is essential for consistent accounting.

2. Details of Balance Sheet

2.1 Assets

Table 3 shows the Assets of Years 2010 – 12. In order to minimize the loss associated with currency exchange, membership dues paid in cash (\$300) and the residue of the German bank account (\$1.05) are reserved in cash. As a result of payback after the Triennial Congress 2012, the credit balance of the active cash account is larger than that of an immediate past year. The interest of the term deposit (GIC) for Year 2012 is \$4,921.49 based on return of 0.75 – 1.5%. The PayPal account was closed for simpler accounting. The Seed Fund Receivable is the seed money of SEANES 2012. ^[2]

Table 3: Assets of Year 2010 – 12 (Rounded off after the decimal point)

Assets	Year 2012	Year 2011	Y 2010
Cash	\$301	\$0	\$0
Saving Account	\$88,964	\$58,270	\$85,084
Check	\$60	\$0	\$0
Term Deposit (GIC)	\$224,548	\$219,627	\$188,100
PayPal Account	NA	\$945	NA
Seed Fund Receivable	\$3,500	\$23,500	\$12,024
Total	\$317,373	\$302,342	\$285,208

NA : Not Applicable

2.2 Liabilities and Equity

Tables 4 and 5 show details of the Liabilities and the Equity of Years 2010 – 12, respectively. The

[2] The seed money was returned in May 2013.

Advanced Received in Table 4 is explicitly allocated to clarify the amount of membership dues paid in advance for Year 2013 or beyond. This is expected to avoid irrelevant invoicing in the future.

Table 4: Liabilities of Year 2010 – 12 (Rounded off after the decimal point)

Liabilities	Year 2012	Year 2011	Year 2010
Advance Received	\$250	NA	NA
Total	\$250	NA	NA

NA : Not Applicable

The IDC Funds is raised to \$36,055. The Liberty Mutual Fund is decreased \$21,891. The budget allocated to Loan Reserve (\$35,000) in previous Periods is reallocated to the Cash Reserve for simplifying accounting. Consequently, the Cash Reserve is increased to \$267,157.

Table 5: Equity of Year 2010 – 12 (Rounded off after the decimal point)

Equity	Year 2012	Year 2011 (*1)	Year 2010 (*1)
IDC Funds	\$36,055	\$32,625	\$34,325
HFESA	\$5,426	\$5,426	\$5,426
HFES	\$7,739.50	\$5,496	\$8,496
JES	\$13,266.50	\$12,080	\$10,780
SELF	\$7,647	\$7,647	\$7,647
ESK	\$1,976	\$1,976	\$1,976
Liberty Mutual Fund	\$13,861	\$33,988	\$36,988
Loan Reserve	NA	\$35,000	\$35,000
Cash Reserve	\$267,207	\$200,729	\$178,895
Total	\$317,073	\$302,342	\$285,208

IDC : Industrially Developing Country

HFESA : Human Factors and Ergonomics Society of Australia

HFES : Human Factors and Ergonomics Society

JES : Japan Ergonomics Society

SELF : Société d'Ergonomie de Langue Française

ESK : Ergonomics Society of Korea

NA : Not Applicable

*1 : The information on the Advanced Received for Years 2011 and 2010 is not available; hence the total of Liabilities and Equity is used for these Periods.

3. Details of Revenues and Expenditures

3.1 Revenues

Table 6 shows the details of the Revenues of Years 2010 - 12. The membership dues received during the Period is significantly smaller than those collected in previous Periods. The time lag took for the

formal transition of treasurership caused the delay in invoicing, which in turn caused the delay in receiving dues from member societies. However, significant amount of dues have been received in Year 2013.^[3] Discussion with a leading sustaining member is in progress, which we hope will result in increasing their sponsorship. The result will be reflected to the revenues of Year 2013. HFES (USA) and JES (Japan) added \$2,243.50 and \$1,186.50).

Table 6: State of Operations for Year 2010 – 12: Revenues (Rounded off after the decimal point)

Revenues	Year 2012	Year 2011	Year 2010
Membership Dues (*1)	\$37,792	\$55,067	\$53,089
FS and AS	\$37,792	\$47,292	\$43,114
SM	\$0	\$7,775	\$9,975
Capitation Fees	\$43,927	\$2,277	\$27,533
Funds	\$3,430	\$0	\$26,066
IDC Fund	\$3,430	1,300	\$11,066
Liberty Mutual	\$0	\$0	\$15,000
Miscellaneous/Others	\$1,666	(\$836)	\$8,332
Total	\$86,815	\$56,508	\$115,020

FS : Federated Societies

AS : Affiliated Societies

SM : Sustaining Members

*1 : Appendix shows an overview of dues payment as of June 30, 2013.

3.2 Expenditures

Table 7 shows details of the Expenditures of Years 2010 - 12. The members of Executive Committee are encouraged to observe a guideline that every effort is made to find external sources to reduce cost of meetings including transport expenses. The adherence to this guideline is best exemplified by the “Travel Officers” (\$0). However, a substantial amount of meeting expenses was unavoidable mainly because of the Triennial Congress 2012. The cost of ad hoc projects (e.g. The Future of Ergonomics) and Standing Committees are allocated to the “Office” and the “Standing Committees.” The “Award” includes cost of the Liberty Mutual Award for Year 2011 (\$11,791) and 2012 (\$10,100). The cost associated with the transfer/deposit to the Euro-based German bank account (\$700) deserved paying for smoother treasury operation. Note, as a result of the replacement of the Treasurer, this type of cost will be minimized in this office. The “Miscellaneous” includes the website server fee (\$461).

[3] The revenue as of June 30, 2013 amounts to \$40,950 and more is expected to be received in coming months.

Table 7: State of Operations for Year 2010 – 12: Expenditures (Rounded off after the decimal point)

Expenditures	Year 2012	Year 2011	Year 2010
Meeting	\$9,968	\$1,987	\$15,021
Travel Officers	\$0	\$0	\$0
Office	\$15,500	\$6,942	\$9,601
Standing Committees	\$28,429	\$29,709	\$28,970
STP	\$292.8	\$0	\$2,023
PSE	\$0	\$3,745	\$4,820
IDC	\$6,245	\$4,170	\$19,076
DP	\$0	\$9,825	\$531
Awards	\$21,891	\$11,969	\$2,520
Seed Money	\$0	\$11,476	\$12,024
Bank Charges	\$600	\$733	\$767
Loss of Currency Exchange	\$712		
Miscellaneous	\$562	NA	NA
Correction of Bank Mistake	(\$100)	NA	NA
Total	\$55,671	\$50,847	\$66,383

Appendix: Overview of Dues Payment (as of June 30, 2013)

P: Payment Completed

Country	Society	Year					Remarks
		>> 2011	2012	2013	2014	2015	
Argentina	ADEA	P	P				
Australia	HFESA	P	P				
Austria	OAE	P	P				
Belgium	BES	P	P				
Brazil	ABERGO	P	P				
Canada	ACE	P	P				
Chile	SOCHERGO	P	P				
China	ChES	P	P				
Columbia	SCE	P	P				
Croatia	CrES						Payment in progress
Czech Republic	CzES	P	P	P			
Ecuador	AEERGO	P					
France	SELF	P					Payment in progress
Germany	GfA	P	P				
Great Britain	IEHF	P	P				
Greece	HES	P	P				
Hong Kong	HKES	P	P				
Hungary	MES	P					No communication
India	ISE	P	P				
Indonesia	PEI	P	P				
Iran	InES	P	P				
Ireland	IrES	P	P				
Israel	IsES	P	P				
Italy	SIE	P	P				
Japan	HES-J	P	P				
Japan	JES	P	P				
Korea	ESK	P	P				
Latvia	LES	P	P	P			
Mexico	SEMAC	P	P	P			
Netherlands	NVVE	P	P				
New Zealand	NZES	P	P				
Nigeria	ESN						
Nordic	NES	P	P				
Philippines	HFESP	P					No communication
Poland	PES	P					No communication
Portugal	APERGO						Payment in progress
Russia	IREA	P	P				
Serbia	ESS	P	P				
Singapore	ERGOSS						No communication
South Africa	ESSA	P					Not yet confirmed
Spain	AEE	P	P				
Switzerland	SSE	P	P				
Taiwan	EST	P	P				
Thailand	ESThai	P	P	P	P	P	
Tunisia	STE	P	P				
Turkey	TES	P					No communication
USA	HFES	P	P				
Ukraine	AUEA	P	P	P			