

IEA TREASURER'S REPORT

January - December 2010

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1. Summary of Financial Performance

1.1. Accounting and banking procedures

As in the past, IEA carried out its financial operations in 2010 in U.S. Dollars (US\$). The IEA business year coincides with the calendar year, January 1 through December 31. A cash basis of accounting was employed. Revenues were noted and recorded when received, and expenses were noted and recorded when paid.

We continued to maintain and carry out our financial activities with “Scotiabank” in Ottawa, Canada and opened an account with the “Kreissparkasse” in Kaiserslautern, Germany. Four separate accounts exist:

- In Canada: An Active Cash Account (ACA) into which income was deposited and from which payments were usually made; and two Guaranteed Investment Certificates (GICs) that are interest bearing accounts.
- In Germany: An Active Cash Account (ACA) in combination with a credit card for paying IEA expenditures related to EC and Council meetings.

Because the IEA Congress is held every third year, and because there are significantly greater expenses during years of the congress, it is customary for the annual Treasurer's Report to show revenue and expenditures for the past three years. This additional information provides the basis for better understanding expenditures as well as a longer-term picture of IEA's financial status.

1.2. Overview of 2010 financial performance

- a. Total revenue - The total revenue for the 2010 business year was \$115,020. This revenue included all funds that were deposited into the Canadian Active Cash Account (\$107,729), the German Active Cash Account (\$692) plus the interest earned in the GIC Accounts and exchange values (\$6,599). There are seven categories into which the sources of revenue can be grouped: federated and affiliated society dues, sustaining member dues, capitation fees, interest, contributions to special funds, awards, and miscellaneous. The amounts of revenue received in each of these categories are presented in Table 3.

- b. Total expenditures - The total expenditures of both Active Cash Accounts during 2010 were \$66,384. The expenditures can be grouped into eight categories: officers' expenses, standing committee expenses, office/clerical, meetings costs, awards, grants/seed money, bank fees, and miscellaneous. The amounts spent in each of these categories are presented in Table 8.
- c. Assets - The assets show the use of funds. This includes, in particular, invested capital and working capital (including Seed Fund Receivables). IEA's assets at the end of 2010 totaled \$285,208. The funds in each of the Scotiabank accounts are shown in Table 1 below.

Table 1. Scotiabank Accounts and Seed Fund Receivable

Active Cash Account (ACA), Canada	78,266
Active Cash Account (ACA), Germany	6,818
Guaranteed Investment Certificate (GIC)	188,100
Seed Fund Receivables	12,024*
Total	285,208

- d. Equity - The liabilities side of a balance sheet reflects the source of funds of an organization (classified by equity and debt). In the context of current business activities of the IEA only the equity and reserves are relevant. This is the part of capital that remains after deducting all payables. While IEA's funds are held in the Scotiabank accounts indicated above, the money is actually earmarked for certain categories of expenditures. Two general categories are annual operations and special reserves. The annual operations include revenues from membership dues, capitation fees, interest, and other receipts. Expenditures in this category include the administrative work of the officers and office support, the work of the standing committees, meeting costs, and other recurring activities.

The special reserves category includes a loan fund of \$35,000 that was established several years ago to ensure a supply of seed funds for conferences. There were also six special funds in this category whose purpose generally is to promote and support ergonomics in developing countries (IDCs). The Liberty Mutual Prize is also in this category.

* This sum consists of \$9,000 money transfer to ABERGO and \$3,024 travel costs of the IEA 2012 Congress Chair pre-financed by IEA.

2. Assets and Equity

Table 2 presents IEA's assets and equity for 2010 and for the previous two years.

Table 2. Assets and equity per 31 December 2010

ASSETS:	2010	2009	2008
Cash Accounts	85,084	43,169	86,679
Term (GIC) Deposits	188,100	181,379	117,388
Seed Fund Receivable	12,024	0	0
Total	285,208	224,548	204,067
EQUITY:	2010	2009	2008
IDC Funds	34,325	38,259	36,262
<i>ESA</i>	5,426	5,426	5,426
<i>HFES</i>	8,496	8,496	8,496
<i>JES</i>	10,780	14,714	13,705
<i>SELF</i>	7,647	7,647	7,647
<i>ESK</i>	1,976	1,976	988
<i>4CA</i>	-	-	-
Liberty Mutual Fund	36,988	21,988	14,687
Loan Reserve	35,000	35,000	35,000
Cash Reserve	178,895	129,301	118,118
Total	285,208	224,548	204,067

Comments on Special Funds and Liberty Mutual Fund

- a. Special Funds - One of IEA's goals is to advance the science and practice of ergonomics at an international level. In striving to achieve this goal, significant effort and resources have been focused on ergonomics in developing areas. The six special funds are essentially dedicated to that purpose. During 2010, there was a contribution of the Japan Ergonomics Society (JES, \$1,066) and another one from 4CA to support a coffee project in Nicaragua (\$10,000). The 4CA fund financed expenditures for this project in 2010 (\$10,000) and therefore has not to be considered as equity in Table 2. In addition a contribution of \$5,000 from the IEA (JES Fund) was transferred to the same project.
- b. Liberty Mutual Fund - This fund provides financial support for the IEA/Liberty Mutual Award of \$10,000 that is awarded annually. Funding for the IEA/Liberty Mutual Award is provided by Liberty Mutual Insurance Company. The Liberty Mutual Fund contained a positive balance of \$21,988 at the beginning of 2010. This amount was a carry-over from previous contributions and expenditures. During 2010, a contribution of \$15,000 for 2011 was received in advance. In spite of joint efforts of the Award Committee in 2010 no prize winners could be chosen. Based on these facts we have a balance of \$36,988 in the fund at the end of 2010.

3. Revenues

Table 3 presents a summary of IEA revenues during 2010 and Table 4 the revenues "adjusted".

Table 3. Revenues in 2010 compared to previous years

Year	2010	2009	2008
REVENUE:			
Membership Dues			
- Federated and affiliated societies	43,114	41,051	32,815
- Sustaining members	9,975	14,154	16,350
Capitation fees	27,533	2,612	2,424
Interest and exchange value	6,599	11,022	6,003
Contributions (JES/4CA)	11,066	1,997	1,962
Liberty Mutual Fund	15,000	30,000	30,000
Misc	1,733	0	49
Total	115,020	100,836	89,603

Table 4. "Adjusted" revenues in 2010 compared to previous years

Year	2010	2009	2008
REVENUE (Table 3)	115,020	100,836	89,603
REVENUE "adjusted":			
Liberty Mutual Fund			
- Since the amount of \$15,000 for 2011 was pre-paid in 2010, it has to be assigned to 2011 revenue.	(15,000)		
- Since the amount of \$15,000 for 2010 was pre-paid in 2009, it has to be assigned to 2010 revenue.	15,000	(15,000)	
- \$15,000 of the amount in 2008 have to be assigned to the year 2007.			(15,000)
Capitation Fees from 2009 Congress in China			
- This amount has to be assigned to the year 2009.	(26,613)	26,613	
Total	88,407	112,449	74,603

3.1 Comments on revenue

- a. Membership - As shown in Table 3 and 4, membership income includes two categories: dues from federated and affiliated societies and dues from sustaining members. In 2010, there were 48 federated societies and one affiliated society.

Table 5 shows the federated and affiliated societies and the dues paid as of December 31, 2010. Sustaining members fees for 2010 are shown in Table 6. The reduction in 2010 was caused among others by a reduction of the fees from Elsevier from 10,000 USD to 5,000 USD and the withdrawal of the Center for Industrial & Management Engineering Research Resources, Korea.

- b. Capitation Fees – One capitation fee of \$920 was received for the 9th Pan-Pacific Conference on Ergonomics (PPCOE 2010) in Taiwan. The other one is for the IEA Triennial Congress in China 2009 (\$26,613).
- c. Interest, Contributions, and Liberty Mutual Fund – These categories of revenue have been discussed. One additional comment concerns the amount of the interest and exchange values in Table 3. As shown in this table, the amounts vary from year to year. This variation is due to the value of the US dollar relative to the Canadian dollar.
- d. Miscellaneous – The amount of this category is based on ICOH's Contribution to Printing Costs for Ergonomic Guidelines (\$1,000), one payment for Ergonomics Guidelines (\$33), royalty for a book publication which has been pre-financed (\$59), cash payments of guests for the council dinner in Bruges (\$642).

Table 5. Dues payments during 2010 by federated and affiliated societies

Federated and affiliated societies			Dues owed	Dues paid	Amount (in USD)	Comments
1	ABERGO	Brazil	'10			
2	ACE	Canada	'10			
3	ADEA	Argentina	'10	'10	50.00	
4	AEE	Spain	'10	'10	197.95	
5	AEERGO	Ecuador	'09; '10			
6	APERGO	Portugal	'08; '09; '10	'08; '09; '10	174.60	
7	AUEA	Ukraine	'10	'10	50.00	
8	BES	Belgium	'10	'10	230.30	
9	ChES	China	'09; '10			
10	CrES	Croatia	'09; '10			
11	CzES	Czech	'09; '10	'09	50.00	
12	ERGOSS	Singapore	'10			
13	ESS	Serbia	'08; '09; '10			
14	ESK	Korea	'10	'10	1,188.39	
15	ESN	Nigeria	'09; '10			
16	ESSA	South Africa	'06 - '10			
17	EST	Taiwan	'10	'10	64.12	
18	GfA	Germany	'10	'10	2,533.00	
19	HES	Greece	'10			
20	HES-J	Japan	'08; '09; '10			
21	HFES	USA	'10	'10	19,348.00	
22	HFESA	Australia	'10	'10	4,704.47	
23	HKES	Hong Kong	'07 - '10	'07 - '10	232.50	
24	IEHF	Great Britian	'10	'10	1,911.68	
25	InES	Iran	'10			
26	IREA	Russia	'05; '06; '10			

Table 5 (continued). Dues payments during 2010 by federated and affiliated societies

Federated and affiliated societies			Dues owed	Dues paid	Amount (in USD)	Comments
...	...					
27	IrES	Ireland	'10	'10	100.81	
28	ISE	India	'10	'10	50.00	
29	IsES	Israel	'10			
30	JES	Japan	'10	'10	5,538.71	
31	LES	Latvia	'10	'10	50.00	
32	MES	Hungary	'08; '10	'10	33,39*	*amount to low
33	NES	Nordic	'10	'10	585.00	
34	NVVE	Netherlands	'10	'10	1,285.89	
35	NZES	New Zealand	'10	'10		paid in 2011
36	OAE	Austria	'07; '08; '10			
37	PEI	Indonesia	'10	'10; '11; '12	150.00	paid in advance
38	PES	Poland	'10			
39	PhES	Philippines	'10	'10		paid in 2009
40	SCE	Colombia	'10			
41	SELF	France	'09; '10	'09; '10	2,513.17	
42	SEMAC	Mexico	'08; '09; '10	'08; '09; '10	300.00	
43	SIE	Italy	'10	'10	805.00	
44	SOCHERGO	Chile	'10	'10	134.52	
45	SSE	Switzerland	'08; '09; '10	'09; '10	832.36	
46	STE	Tunisia	'10			
47	TES	Turkey	'08; '10			
48		Thailand	'10			

Table 6. Contributions of sustaining members in 2008 – 2010

	2010	2009	2008
Diamond Members			
Elsevier	-	10,000	10,000
Platinum Members			
Elsevier	5,000		
Gold Members			
Central Inst for Labor Protection	-	-	1,000
Ctr for Ind & Mgt Eng Res Resources	-	979	1,000
Conservatoire National des Arts et Metiers (CNAM)	In Kind	In Kind	In Kind
Korean Occ Safety and Health Agency (KOSHA)	1,000	1,000	1,000
3M	2,000****		2,000*
Knowles Group	975	975	2,000
Gulf Petro	-	1,000	
Individual Sustaining Members			
Waldemar Karwowski	In Kind	In Kind	In Kind
Martin Hellander	200	(200**)	(200**)
Kazutaka Kogi	400***		200
Jennifer A. Guthierrez	200	200	200
Andrew S. Imada	200		
Total	9,975	14,154	17,400

*paid for 2008 and 2009; **prepaid by royalty contribution to IEA in 2000; ***paid for 2009 and 2010

****paid for 2010 and 2011

3.2 Comparisons with allocated budget

As shown in Table 7, the sum of revenues exceeds the allocated budget in 2010.

Table 7. Revenues vs. Allocated Budget 2010

Revenue category	Revenues (A)	Budget (B)	Difference (A-B)
Membership Dues			
- Federated and affiliated societies	43,114	35,000	8,114
- Sustaining members	9,975	10,400	(425)
Capitation Fees	27,533	-	27,533
Interest and exchange value	6,599	5,000	1,599
Contributions to IDC Funds	11,066	2,000	9,066
Liberty Mutual Fund	15,000	15,000	0
Misc	1,733		1,733
<i>Seed Funds Receivables</i>	<i>12,024</i>	<i>20,000</i>	<i>(7,976)</i>
Total	127,044	87,400	39,644

4. Expenditures

Table 8 presents a summary of IEA expenditures during 2010 and Table 9 the expenditures "adjusted".

Table 8. Expenditures in 2010 compared to previous years

Year	2010	2009	2008
EXPENDITURES:			
Officers and Administration			
- Office-related expenses	9,601	3,334	273
- Officers - Travel	-	9,061	16,431
- Meeting Costs	15,021	3,525	6,157
Standing Committees			
- Development	-	3,801	1,869
- Science, Technology, Practice	2,023	4,819	0
- Prof. Standards and Education	4,820	4,338	2,918
- IDC	19,076	10,171	3,877
- EQUID	531	10,882	1,170
- Awards	2,520	6,553	1,905
Liberty Mutual Medal/Prize Promotion	0	22,699	3,960
Fees and Bank Charges	767	1,172	543
Seed Money	12,024		
Total	66,384	80,355	39,103

Table 9. "Adjusted" expenditures in 2010 compared to previous years

Year	2010	2009	2008
EXPENDITURES (Table 8)	66,384	80,355	39,103
EXPENDITURES "adjusted":			
Liberty Mutual Medal/Prize Promotion			
- \$12,000 of the amount in 2009 have to be assigned to the year 2008.		(12,000)	12,000
Total	66,384	68,355	51,103

4.1 Comments on expenditures

Comparisons with the previous year (2009) - As shown in Table 8, expenditures for 2010 totaled \$66,384. Without the IEA support for the coffee project in Nicaragua (15,000) this sum is close to the adjusted one from the year 2008 – a year without an IEA Triennial Congress.

The main expenditures are based on the following points:

- Office-related expenses of \$9,601 which include IEA SG Support for the years 2006-2009 (\$9,000), IEA Commercial Registry Zurich (\$410) and Business Cards (\$192)
- Expenditures related to EC meetings in San Francisco, Bali, and Bruges (San Francisco: \$2,687; Bali: \$247; Bruges: \$12,087)
- The expenses for International Development (IDC) include IEA support for the coffee project in Nicaragua (\$15,000), ergofuture Bali (\$1,000) and other travel support (\$3,076).

4.2 Comparisons with Allocated Budget

As shown in Table 10, the sum of expenditures was carried out within the allocated budget in 2010. There were no expenditures for the Liberty Mutual Award in the year 2010 – that is the reason for the higher budget in 2010 in this category.

Table 10. Expenditures vs. Allocated Budget 2010

Expenditure Category	Expenditures (A)	Budget (B)	Difference (B-A)
Officers and Administration			
- Office-related expenses	9,601	11,000	1,399
- Officers - Travel	-	0	-
- Meeting Costs	15,021	11,600	(3,421)
Standing Committees	28,970	23,130	(5,840)
Liberty Mutual Medal/ Prize Promotion	0	12,500	12,500
Bank Fees and Charges	767	750	(17)
Seed Funds	12,024	20,000	7,976
Total	66,384	78,980	12,597

5. Operating surplus

Table 11 shows the operating surplus of the years 2010, 2009 and 2008, in Table 12 “adjusted” revenues and expenditures are considered.

Table 11. Operating surplus 2010 (compared to previous years)

Year	2010	2009	2008
Revenues	115,020	100,836	89,603
Expenditures	66,383	80,355	39,103
Operating surplus	48,637	20,481	50,500

Table 12. Operating surplus 2010 by considering “adjusted” revenues and expenditures (compared to previous years)

Year	2010	2009	2008
“Adjusted” revenues	88,407	112,449	74,603
“Adjusted” expenditures	66,383	68,355	51,103
Operating surplus	22,024	44,094	23,500

6. Additional comments regarding dues and costs

6.1 *Federated and affiliated society dues*

The current method of collecting dues from federated and affiliated societies is as follows:

Dues for each member are based on 3% of the total income derived from membership fees during the preceding year. If the sum is less than 50 USD, a minimum fee of 50 USD will be charged.

The Treasurer has the duty of invoicing the member societies, receiving their subscription dues, sending a final reminder letter if subscription dues have remained unpaid for one year, and reporting this fact to the Council if payment is still not received with the expectation of automatic termination of membership.

In 2011 we will make the payment process much more comfortable and timesaving. In the future there will be a web based worksheet available to generate some basic information about each federated society and some details on which the determination of the individual dues is based on. After confirmation a detailed invoice is generated automatically and sent to the person in charge.

Moreover, with "PayPal" we offer a new possibility for the payment of membership dues. PayPal allows to pay the dues with an individual PayPal account or by credit card. This process makes the collection of dues easy and secure. Caused by additional, percentaged costs we are only collecting dues up to 800 USD with the new payment process. Members whose dues are exceeding 800 USD should continue to use the existing way by transferring the money to the IEA Active Cash Account or pay by check.

Independent from the payment process every society should use the web based worksheet to give the necessary information!

We will inform all members by the time the web based worksheet and the PayPal option will be activated.

6.2 *Controlling Costs*

The Officers and Standing Committee Chairs have been concerned with the need to keep expenditures under control and as low as possible within the context of carrying out the work of IEA. One area to restrain expenditures is travel, particularly for Officer and Executive Committee meetings. The officers and members of the Executive Committee have attempted to have EC meetings related to major ergonomics conferences and/or special workshops, which some of the EC members have committed to attend. As the newly elected EC needed a kick-off meeting with face-to-face communication there was an additional EC meeting in January 2010 in San Francisco.

In Bali the EC meeting was related to the ergofuture conference to support our friends in Indonesia – and only a part of the EC attended.

As a consequence of the additional kick-off meeting the meeting costs inclined. But individual EC members and all officers have sought other sources for travel support. Therefore, the total sum of expenditures could be kept on the same level as 2008. There have been no additional meetings between officers. Instead of face-to-face meetings they have a skype conference nearly every month.