

**IEA 2023 TREASURER'S REPORT  
FOR COUNCIL MEETING 2024  
January 1 – December 31, 2023**

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INTRODUCTION

This report summarizes the financial performance for the period of January 1 - December 31 of 2023. The basic accounting rules are essentially the same as those applied in previous years. However, the following are noted for clarification:

1. Banking and financial services:
  - 1.1. The IEA has consolidated its banking at UBS in Switzerland, where it now has:
    - 1.1.1. a basic US\$ denominated checking account opened in Oct/2017
    - 1.1.2. a basic CHF denominated checking account opened in Oct/2017
    - 1.1.3. in addition, IEA has invested the amount of US\$ 350.000 at UBS in a UBS trust fund at 4,99% p.a. for three months, followed by a similar investment at 5,02% p.a. for another three months. The investment will be continued at the current conditions if not canceled. UBS has recommended to limit the investment to a fixed term of three months because the conditions for longer investments were not significantly better and it was unclear how the financial situation developed.
2. Membership dues of previous years paid during Year 2023 are booked with Year 2023 membership dues.
3. Membership dues for Years 2024 and beyond paid during Year 2023 are booked as Liabilities.
4. Whenever possible, expenses are allocated to the various IEA committees or ad-hoc committees rather than to "Representation & Outreach".
5. The "Representation & Outreach" classification holds only (but not all) expenses specifically related to IEA Executive Committee activities which are not allocated to a special IEA committee or ad-hoc committee:
  - 5.1. Most of IEA officers' and EC members' travels for "Representation & Outreach" are now partially covered by the host society of the meeting or by the local society. In exchange, the IEA officers' and EC members are involved in local events that are co-aligned.

5.2. This applies to paying for the accommodation, meals, and local transportation. Some of the host societies or local societies have also started to cover air travel as well.

6. IEA accounting system

6.1. The following accounting titles are used in the P&L Statement.

Revenue items	Expense items
<ul style="list-style-type: none"> <li>● Membership dues (FS and AS combined)</li> <li>● Sustaining member contributions</li> <li>● Capitation fees</li> <li>● Interest</li> <li>● Funds Contribution</li> <li>● Miscellaneous</li> </ul>	<ul style="list-style-type: none"> <li>● Meeting</li> <li>● Representation &amp; Outreach</li> <li>● Office</li> <li>● Awards Committee</li> <li>● ID Committee</li> <li>● PSE Committee</li> <li>● STP Committee</li> <li>● CPR Committee</li> <li>● Future of Work Committee</li> <li>● DP Committee</li> <li>● IEA Congress</li> <li>● Bank charges</li> <li>● Grant</li> <li>● Exchange rate losses</li> <li>● Website</li> <li>● Miscellaneous</li> </ul>

6.2. The professional accounting software Banana (Ver. 9.0.5) is used for accounting. In parallel (and for a brief overview), Excel is used in parallel. The use of the accounting software enables fast and cost-efficient exchange with the accounting contractor (and, thus, reduces the costs for accounting) and the Swiss tax offices. Modifications were introduced for year-end closing bookings according to Swiss tax regulations.

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## BALANCE SHEET (BS)

Tables 1 & 2 show IEA's Balance Sheets on December 31, 2022, and December 31, 2023, to allow for easier comparison.

Table 1: Balance Sheet on December 31, 2022.

<b>Balance Sheet – Dec 31, 2022 - (US\$)</b>			
<b>Assets</b>		<b>Liabilities</b>	
Account	\$494,152	Dues Advanced Received	\$500
Prepaid Expenses	\$1,111	Accounts Payable (incl. accrued expenses)	\$ 37,526
Seed Money Receivable	\$0	Earmarked Funds	\$43,377
		<b>Total Liabilities</b>	<b>\$81,403</b>
		<b>Equity</b>	
		<b>Total Equity</b>	<b>\$413,860</b>
<b>TOTAL</b>	<b>\$495,263</b>	<b>TOTAL</b>	<b>\$495,263</b>

Table 2: Balance Sheet on December 31, 2023.

<b>Balance Sheet – Dec 31, 2023 - (US\$)</b>			
<b>Assets</b>		<b>Liabilities</b>	
Account	\$122,869	Dues Advanced Received	\$574
Investment	\$350,000	Accounts Payable (incl. accrued expenses)	\$9,570
Prepaid Expenses	\$0	Earmarked Funds	\$43,377
Seed Money Receivable	\$0	<b>Total Liabilities</b>	<b>\$53,521</b>
		<b>Equity</b>	
		<b>Total Equity</b>	<b>\$419,347</b>
<b>TOTAL</b>	<b>\$472,869</b>	<b>TOTAL</b>	<b>\$472,868*</b>

\* The difference of US\$ 1 is caused by a rounding error.

IEA's equity increased by US\$ 5,487 during 2023, from US\$ 413,860 on Dec 31, 2022, to US\$ 419,347 on December 31, 2023, partially because of a successful recruitment of new sustaining members and financial benefits from the fixed-term investments. \_\_\_\_\_

REVENUES AND EXPENDITURES (P&L)

Table 3, shows the Revenues and Expenditures during the period from Jan 1 to December 31, 2023. The table allows identifying and analyzing sources and flow of financial resources.

Table 3: 2023 Revenues and Expenditures

<b>2023 P&amp;L Statement to December 31</b>			
<b>Revenues</b>		<b>Expenditures</b>	
FS & AS Membership Dues	\$41,344	Meeting	\$16,518
Sustaining Member Contributions	\$61,156	Representation & Outreach	\$9,609
Capitation Fees	\$0	Office	\$24,252
Exchange Rate Gains	\$405	Awards Committee	\$31,835
Interest	\$0	ID Committee	\$5,594
Miscellaneous*	\$12,418	PSE Committee	\$0
		STP Committee	\$1,592
		CPR Committee	\$1,855
		Future of Work Com.	\$3,060
		DP Committee	\$5,486
		IEA Congress Com.	\$539
		Bank Fees	\$2,812
		Grants	\$0
		Exchange Rate Losses	\$0
		Website (Dev, Maint.)	\$5,500
		Miscellaneous*	\$1,184
<b>Total Revenues</b>	<b>\$115,323</b>	<b>Total Expenditures</b>	<b>\$109,836</b>
<b>Summary of operations</b>			<b>\$5,487</b>

\* Miscellaneous revenues include revenues from our financial investment.

\*\* This payment has been for the new corporate image project.

## CASH FLOW

2023 Cash Flow matches, as expected, with the comparable Cash Flows before the pandemic. Usual operations and EC meetings have continued. It was possible to maintain meeting and travel expenses, the main reason for expenditures, at a low level because of the strong involvement of meetings hosts and hosting organizations in the financial expenditures. In exchange for the involvement of IEA officers and EC members at local conferences or workshops, the hosts provided financial support for accommodation, meals and transportation.

Table 4: Cash Flow to December 31, 2023

<b>Cash Flow (US\$)</b>	
<b>Summary of operations, Year 2023, up to December 31</b>	
Forwarded from 2022 @ 2023 Exchange	<b>494,152</b>
Cash Revenues (+) (includes dues advanced this year, but does not include dues advanced in previous years)	114,992
Cash Expenses (-) (does not include depreciation)	- 136,680
Seed moneys sent (-) and received (+)	./.
Funds disbursed (-) and received (+)	./.
Investment Changes	- \$350,000
Exchange rate and cost effects from account balances, transfers between currencies, refunds, etc.	\$405
2022 Cash Flow	- <b>\$371,283</b>
Available to be forwarded to 2023 @ 2024 Exchange	<b>\$122,869</b>

### EXPLANATORY NOTE ABOUT HIGHER CASH EXPENSES 2023

Compared to 2022 and the year before, the cash expenses have increased. In addition to higher prices of traveling, is also caused by the fact, that the Kingfar and Tsinghua Awards 2022 were paid in 2023, and also the Kingfar and Tsinghua Awards 2023. This explains additional expenses of US\$ 42.000. The predictive payment of the awards was decided in order to reduce additional work for the awards committee caused by decisions about the triennial IEA awards during IEA2024 congress.

### EXPLANATORY NOTE ABOUT EXCHANGE RATE VARIATION

Most of the IEA's financial assets are now held in US\$ denominated accounts. The IEA has a CHF denominated account because of the UBS banking requirements and in order to facilitate credit card operations. Moreover, the official accounting prepared for tax authorities has to be in CHF. Therefore, the calculation of exchange rate and -losses reflect the conversation between the accounts as well as USD and CHF reporting. The difference is calculated on this basis.

### REMARKS AND RECOMMENDATIONS

The financial situation of IEA is considered to be stable and in good shape. During 2023, the payments from membership fees (i.e. of member societies and of sustaining members) have increased, resulting into new financial possibilities to support IEA developments. Examples for this are higher overall budget for awards and activities to support the global development of Ergonomics, especially in Latin America and the Caribbean, but also in other regions of the world. It also is a good base for supporting a “return to normal operations” of the officers’ and the whole EC in 2023.

The year 2023 ended with a small surplus again. This is a little less than expected in the forecast (compare the following chapter). Therefore, IEA's equity increased slightly. This is important to be prepared for eventualities. It also allows to discuss strategic activities.

However, although the financial situation is good, the general need to continue to explore new and/or extend existing funding sources continues and should be considered when planning the future. This refers to, e.g., new ways to increase global visibility of Ergonomics and Human Factors as well as visibility of IEA in particular. Fees and revenues from sustaining members (individual as well as corporate sustaining memberships) are considered to be a benefit for the member societies and to support this process.

About membership fees: Some societies have not paid the fee for several years. The

treasurer will communicate with the societies and help them identifying problems and finding a solution.

In 2023, 36 of 55 FS & AS members paid their membership dues, totaling over 96% of the overall revenues expected from this source. The invoices for 2024 have been prepared and sent in the 1<sup>st</sup> quarter and payments are expected to be received as usual.

### EVALUATION FORECAST 2023

The 2023 interim report presented on the IEA council meeting 2023 has introduced a forecast of the expenditure 2023 for the first time. The motivation of this has been that a forecast or estimate for future budget has frequently been requested in the past. However, it was introduced and highlighted that a huge variation might occur because of unclear expenses. This is primarily because a large proportion of IEA expenses are travels, e.g. to facilitate EC and council meetings, events of member societies or participating in meetings with other organizations or institutions.

The forecast considered fixed annual payments for regular services (e.g. domiciliation fee, website maintenance), regular general IT-services (e.g. dropbox, hightail, constant contact) and special payments (e.g. for awards). In addition, the forecast also considers payments for expected services with medium variation (e.g. costs of accounting contractor, cost of IEA office) and high variation (e.g. travel expenses to EC and council meetings).

Table 5: Forecast of 2023 (left, italics) and actual situation end 2023 (right)

<b>2023 P&amp;L Forecast (rounded sums) and actual situation</b>			
<b>Revenues</b>		<b>Expenditures</b>	
FS & AS Membership Dues	<i>\$35,000</i> \$41,344	Meeting, representation and outreach	<i>\$17,000</i> \$26,126
Sustaining Member Contributions	<i>\$60,000</i> \$61,156	Awards	<i>\$34,000</i> \$31,835
Capitation Fees	<i>\$0</i> \$0	Office	<i>\$16,500</i> \$24,252
Exchange Rate Gains	<i>\$0</i> \$405	Standing and ad-hoc committees*	<i>\$20,000</i> \$18,125
Interest	<i>\$7,000</i> \$0	Website maintenance (regular contract)	<i>\$5,500</i> \$5,500
Miscellaneous*	<i>\$0</i> \$12,418	Miscellaneous (including exch. rate, bank fees)	<i>\$0</i> \$3,997
<b>Total Revenues</b>	<i>\$102,000</i> <b>\$115,323</b>	<b>Total Expenditures</b>	<i>\$93,000</i> <b>\$109,836</b>
<b>Summary of operations</b>			<i>9,000</i> <b>\$5,487</b>

The comparison shows that, although revenues and expenditures were higher than expected and variations between the different positions occurred, the summary of operations and, thus, the conclusion of the preliminary interim report for 2023 during the council meeting match quite well. Therefore, the forecast will be continued in the future to allow monitoring of revenues and expenses during the actual term. However, it has to be considered that many expenditures always include a large variation and error margin. As a consequence, the difference between the expected and actual financial situation might vary between the years.