

IEA 2022 TREASURER'S REPORT
January 1st – December 31st, 2022
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INTRODUCTION

This report summarizes the financial performance for the period of January 1st-December 31st of 2022 (hereafter referred to as “the Period”). 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
2. Membership dues of previous years paid during Year 2022 are booked with Year 2022 membership dues.
3. Membership dues for Years 2023 and beyond paid during Year 2022 are booked as Liabilities.
4. Whenever possible, expenses are allocated to the various IEA 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:
 - 5.1. Some of IEA officers’ and EC members’ travels for “Representation & Outreach” are 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. Most host societies are already covering accommodation, food, and local transportation, and some of them have 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">● Membership dues (FS and AS combined)● Sustaining member contributions● Capitation fees● Interest● Funds Contribution● Miscellaneous	<ul style="list-style-type: none">● Meeting● Representation & Outreach● Office● Awards Committee● ID Committee● PSE Committee● STP Committee● CPR Committee● Future of Work Committee● DP Committee● IEA Congress● Bank charges● Grant● Exchange rate losses● Website● Miscellaneous

6.2. Following the recommendation of the accounting contractor (Consavo Fiduciaries, Zürich, CH.), the professional accounting software Banana (Ver. 9.0.5) is still used for accounting. This 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.

BALANCE SHEET (BS)

Tables 1 & 2 show IEA's Balance Sheets on December 31st, 2021 and December 31st, 2022, to allow for easier comparison.

Table 1: Balance Sheet on December 31st, 2021.

Balance Sheet – Dec 31st, 2021 - (US\$)			
Assets		Liabilities	
Savings Account	\$439,535	Dues Advanced Received	\$193
Prepaid Expenses	\$2,396	Accounts Payable (incl. accrued expenses)	\$17,147
Seed Money Receivable	\$0	Earmarked Funds	\$48,187
		Total Liabilities	\$65,527
		Equity	
		Total Equity	\$376,404
TOTAL	\$441,931	TOTAL	\$441,931

This balance sheet differs from the balance sheets of previous years. The position “Term Deposit” has been removed because the fiduciary account for investment purposes has been closed, and its balance transferred to the IEA’s checking account in 2021.

Table 2: Balance Sheet on December 31st, 2022.

Balance Sheet – Dec 31st, 2022 - (US\$)			
Assets		Liabilities	
Savings 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
		Total Liabilities	\$81,403
		Equity	
		Total Equity	\$413,860
TOTAL	\$495,263	TOTAL	\$495,263

IEA’s equity increased by US\$ 37,455 during 2022, from US\$ 376,404 on Dec 31st, 2021, to US\$ 413,860 on December 31st, 2022, due to a successful recruitment of new sustaining members and increased involvement of existing sustaining members. In addition, travel expenses have been significantly reduced because of the CoViD-19 prevention response in the first half of 2022.

REVENUES AND EXPENDITURES (P&L)

Table 3, shows the Revenues and Expenditures during the period from Jan 1st to December 31st, 2022. The table allows identifying and analyzing sources and flow of financial resources.

Table 3: 2022 Revenues and Expenditures

2022 P&L Statement to December 31st			
Revenues		Expenditures	
FS & AS Membership Dues	\$50,530	Meeting	\$6,804
Sustaining Member Contributions	\$60,200	Representation & Outreach	\$13,554
Capitation Fees	\$0	Office	\$13,077
Exchange Rate Gains	\$0	Awards Committee	\$36,147
Interest	\$0	ID Committee	\$3,216
Miscellaneous*	\$13,187	PSE Committee	\$0
		STP Committee	\$1,740
		CPR Committee	\$0
		Future of Work Com.	\$686
		DP Committee	\$1,522
		IEA Congress Com.	\$499
		Bank Fees	\$998
		Grants	\$0
		Exchange Rate Losses	\$94
		Website (Dev, Maint.)	\$8,000
		Miscellaneous	\$124
Total Revenues	\$123,917	Total Expenditures	86,461\$
Summary of operations			\$37,456**

* Miscellaneous Revenues includes payment from ILO (Future of Work), royalty and endorsement fees. It also includes the release of IDC-funds. In this case, money from an IDC-fund has been used to support the development of Latin American and Carribean Ergonomics and Human Factors societies.

** The Difference of \$1,00 (compared to IEA's equity increase on page 3 of treasurer's report) is explained by a rounding error.

CASH FLOW

2022 Cash Flow differs from cash flow in the previous before the pandemic. The reason is that usual operations and EC meetings started again in the second half. Still meeting and travel expenses, the main reason for expenditures, have been reduced. In addition, additional profits because of extended or delayed payments from member societies and sustaining members as well as payments from new members affected cash flow.

Table 4: Cash Flow to December 31st, 2022

Cash Flow (US\$)	
Summary of operations, Year 2022, up to December 31 st	
Forwarded from 2021 @ 2022 Exchange	439,535
Cash Revenues (+) (includes dues advanced this year, but does not include dues advanced in previous years)	124,224
Cash Expenses (-) (does not include depreciation)	- 64,703
Seed moneys sent (-) and received (+)	./.
Funds disbursed (-) and received (+)	- 4,810
Investment Fund Changes	./.
Exchange rate and cost effects from account balances, transfers between currencies, refunds, etc.	- 94
2022 Cash Flow	54,617
Available to be forwarded to 2023 @ 2022 Exchange	494,152

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. The amounts maintained there are too small to warrant exchange rate tracking in this report (although the exchange rate and its variations are still considered for accounting).

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 EC in 2023.

The year 2022 ended with a surplus again. Therefore, IEA's equity increased. This is important to be prepared for eventualities. It also allows to discuss strategic activities, e.g. for a sustainable operations model planning, the development of a congress model, ad-hoc groups or for an update of the IEA's corporate design.

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 these process.

The use of societies' funds for projects that can be shared and applied in different countries can also be discussed. A development of PhD programs in emerging countries would be a good example.

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 2022, 36 of 55 FS & AS members paid their membership dues, totaling over 96% of the overall revenues expected from this source. The invoices for 2023 have been prepared and sent in the 1st quarter and payments were received as usual.