

# Financial Reports IUPAP

To the C&CC 13th October 2020

Leong Chaun Kwek and Bruce McKellar

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## 1 — Introduction - The present situation

The financial transactions of IUPAP are made by the Singapore Company International Union of Pure and Applied Physics Singapore Ltd, which is audited. The audited financial report of that company for 2019, [IUPAP signed FS 31.12.2019.pdf](#) included in your papers, is the official position of the finances of IUPAP at 31 Dec 2019. Because IUPAP budgets on a triennial basis a one year report of the accounts does not give a good picture of how we are tracking against our budget. So the spreadsheet [Budget, actuals and estimates 2018-2020](#) is in the papers and will be the base of most of the report on the present financial position on that spreadsheet.

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## 2 — Introduction - Budget for 2021-2023

We are just about to enter our next triennium. The budget for that triennium 2021-2023 is the spreadsheet **Draft budget 2021-2023** in your papers.

The implications of the budget are summarised in this presentation, and you will then be asked to

1. Adopt the 2021 budget as the IUPAP budget for 2021
2. Accept the 2022 and 2023 budgets as indicative budgets for those years, to be modified if necessary and adopted as the budgets for those years at the C&CC meetings in October 2021 and 2022

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## 3 — The Audited financial report for 2019

The audited financial report of that company for 2019, [IUPAP signed FS 31.12.2019.pdf](#), contains much accounting jargon relevant to companies which are making profits which is totally irrelevant to us. Look at page 7 the statement of profit and loss, for us that is a statement of income and expenditure, and it shows that our official income for 2019 was 592,618 EUR from members dues, and 84,717 EUR from grants, and our expenditure in 2019 was 517,489 EUR. The accounting is done on an accrual basis, and on page 8, the statement of financial position, you find that of the invoiced income for 2019 and previous years we are still owed 57,395 EUR. An important point to remember is that we received 90% of the invoiced income.

The second important point is also on p8, our total assets at 31/12/2019 were 1,519,357 EUR or almost 2.6 times our invoiced income for the year.

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## 4 — The financial position 30th Sept 2020 — 1. Income

To review the present financial position, look at the spreadsheet **Budget, actuals and estimates 2018-2020**. Column F gives the budget for 2020 and column G the position for 30/09/2020. First note that the income budgeted is the income we expect to receive for this year, not the invoiced income, so doubtful debts are already included in this figure. Second note that we have received 441373 EUR, rather less than received in 2019, in spite of a larger invoiced income. This is clearly a consequence of the financial position that the COVID pandemic has produced for our members. In column H you find the expectations for the end of the year. We now expect to receive only 450000 EUR and we have good hopes of receiving it before the end of the year.

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## 5 — The financial position 30th Sept 2020 — 2. Expenses

Now look at the expenses in the spreadsheet [Budget, actuals and estimates 2018-2020](#). The effect of the pandemic on our activities and thus our expenses is dramatic. We expected to spend 616574 EUR and we in fact spent 243307 EUR. Clearly many activities have been postponed. Most of the expenditure has been on conferences, including the 2020 Women in Physics Conference, and developing country workshops and we have asked that it be retained by the organisers to apply to the postponed conferences in 2021 and 2022.

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## 6 — IUPAP reserve funds

We were expecting to be at our General Assembly, the final year of our 2018-2020 triennium, and you should have been expecting to be told to make all of your claims for expenses before 1 December, so that they could be paid by the end of the year and the accounts closed. Any unspent funds at the end of the triennium are then added to the reserve funds of IUPAP.

From this presentation to the October 2018 C&CC meeting you will see that our reserve funds are 1448015 EUR, 2.4 times our invoiced annual income

We try to maintain our reserve at at least twice our annual income. Keeping it comfortably above our annual income allows us to meet our annual expenses without a loan from the bank, and some years ago we aimed to get to twice our annual income.

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## 7 — Non closure of 2018-2020 triennial accounts

In these unusual times we will NOT close the 2018-2020 accounts at the end of 2020. Just as we allowed conference organisers to retain the 2020 funds to pay for postponed conferences we will now allow all of our allocated expenses to be carried forward to the next triennium.

Remember that commissions were allocated 4090 EUR for the full triennium, and most working groups were allocated 7500 EUR for the full triennium. The office maintains a record of your individual situation, it is not reported in these public spreadsheets. Any unspent part of your allocation may be carried forward to be spent at any time in the 2021-2023 triennium.



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## 8 — The 2021-2023 Budget

To highlight some of the important points of the 2021-2023 budget in the spreadsheet [Draft budget 2021-2023](#).

1. The carry forwards for Conferences and Developing countries workshop in red are already with the organisers
2. If all the carry forward amounts are spent in 2021 we will have an effective deficit for 2020 of 122 K
3. The budget for C&CC meetings allows for only an October C&CC in October 2022, the March 2022 C&CC will be by Zoom
4. Funding for Conferences and Developing Country Workshops in 2022 and 2023 has been reduced to 2017 levels
5. For 2021 there is no new money allocated for working groups and Commissions, but the funds allocated for 2022 and 2023 can be spent over the whole period
6. Secretariat expenses have been increased to allow for increased expenditure because of the move of the office away from NTU
7. An allocation has been provided for creating a new webpage and for hosting it in a neutral site where it could stay as the office moves around.
8. A significant allocation has been made for the IYBSSD and the Centenary
9. Note that there are GAs in 2021 and 2023 in these budget years, which makes them expensive
10. The deficit budgeted at the end of 2023 is 117K, which will reduce our reserves. It has been expected that about 100 K to 200 K may need to come from reserves because of the IYBSSD and the Centenary.
11. We should try to find sponsorship to allow us to spend even more on the IYBSSD and the Centenary and also to reduce the impact on our reserves

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## 9 — The 2021-2023 Budget implications for Conferences, commissions and working groups

1. Because the budget allocation for 2021 conferences is less than that for 2020 conferences, new 2021 conferences may receive less than postponed 2020 conferences being held in 2021. These small changes from year to year are normal.
2. Commissions now receive 2727 EUR new money each for the triennium, to be added to any unspent funds from 2020
3. Working groups, except WG5, now receive 5000 EUR new money each for the triennium, to be added to any unspent funds from 2020
4. WG5 now receives 35000 EUR new money for the triennium, to be added to any unspent funds from 2020

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## 10 — Decisions

I now move that this meeting resolves to

1. Adopt the 2021 budget in the Draft budget 2021-2023 spreadsheet as the IUPAP budget for 2021
2. Accept the 2022 and 2023 budgets in the Draft budget 2021-2023 spreadsheet as indicative budgets for those years, to be modified if necessary and adopted as the budgets for those years at the C&CC meetings in October 2021 and 2022