



# MGA Finance Update

*Gerardo Barbosa*

*MGA Treasurer*

*19 February 2022*

# Background

*Gerardo Barbosa, 2021-2022 MGA Treasurer*

- ▶ I live in Monterrey, Mexico
- ▶ ECE, MSc IT Management, MSc Technology Commercialization
- ▶ Co-founder and Managing Partner, CLOUDCOM
- ▶ IEEE Senior Member, HKN Member, Computer Society Member
- ▶ IEEE Region 9 Treasurer 2018-2020
- ▶ MGA Vice Chair Information Mgmt / ITCO Cmte Chair 2019-2020
- ▶ Chair, MGA Finance Committee (2021-2022)
- ▶ Member: IEEE FinCom, IEEE BoD Ad Hoc Cmte on Data-based Business Strategy, IEEE FinCom Ad Hoc on Alternate Funding for OU, MGA SPC, MGA OpCom, and WIE Strategy Cmte
- ▶ Chair, IEEE FinCom Ad Hoc on NextGen Volunteer Adoption (2022)



# Agenda

## ➤ **2021 MGA Finance Update**

- MGA 2021 Preliminary Actuals vs 2021 Budget as of FM13 Close
- Membership Dues Actuals vs Budget (2010-2021)
- Membership Dues Counts, Dues Revenue, and Inflation

## ➤ **2022 MGA Budget**

- Summary
- 2022 Member Dues Allocation
- Functional View

## ➤ **2023 Budget Process**

- 2022 Key Dates for the 2023 Budget Cycle
- 2023 Budget Timeline Summary, FinCom Recommended Guideline %
- IEEE FinCom Recommendation to the BoD Regarding 2023 Member Dues

## ➤ **Geo Units Year-End Close & NextGen Update**

# 2021 MGA Finance Update

## MGA 2021 Preliminary Actuals vs 2021 Budget as of December FM13 close

	2021 Preliminary Actual			2021 Budget			Fcst vs Bud
	Revenue	Expense	Net P&L	Revenue	Expense	Net P&L	Variance
<b>MGA</b>	<b>22,473.5</b>	<b>17,543.2</b>	<b>4,930.3</b>	<b>19,328.2</b>	<b>19,428.2</b>	<b>(100.0)</b>	<b>5,030.3</b>
Conference Distr Products	15,808.0	-	15,808.0	12,200.8	-	12,200.8	3,607.2
Women in Engineering Dues	96.8	(0.4)	97.2	87.4	-	87.4	9.8
Singapore Office	-	117.9	(117.9)	-	107.8	(107.8)	(10.1)
MGA Administration	2,335.2	5,931.0	(3,595.8)	2,335.2	5,929.9	(3,594.7)	(1.1)
Potentials	307.1	246.5	60.6	325.0	305.1	19.8	40.8
Women in Engineering	249.0	614.8	(365.7)	552.4	1,017.0	(464.6)	98.9
Membership Development	-	3,683.8	(3,683.8)	-	4,604.0	(4,604.0)	920.3
IEEE TV	36.5	366.7	(330.3)	185.1	111.5	73.5	(403.8)
Information Management	-	237.0	(237.0)	-	244.9	(244.9)	7.9
Regional Administration	-	11.3	(11.3)	-	449.1	(449.1)	437.8
Section/Chapter Support	6.2	1,323.3	(1,317.2)	-	1,576.2	(1,576.2)	259.1
Sections Congress	25.0	5.1	19.9	-	100.0	(100.0)	119.9
Geo Unit Rebates	3,596.1	4,654.0	(1,057.9)	3,596.1	4,459.2	(863.1)	(194.7)
Member Operations	-	195.7	(195.7)	-	244.7	(244.7)	49.0
Young Professionals	13.6	156.6	(142.9)	46.2	278.7	(232.5)	89.5

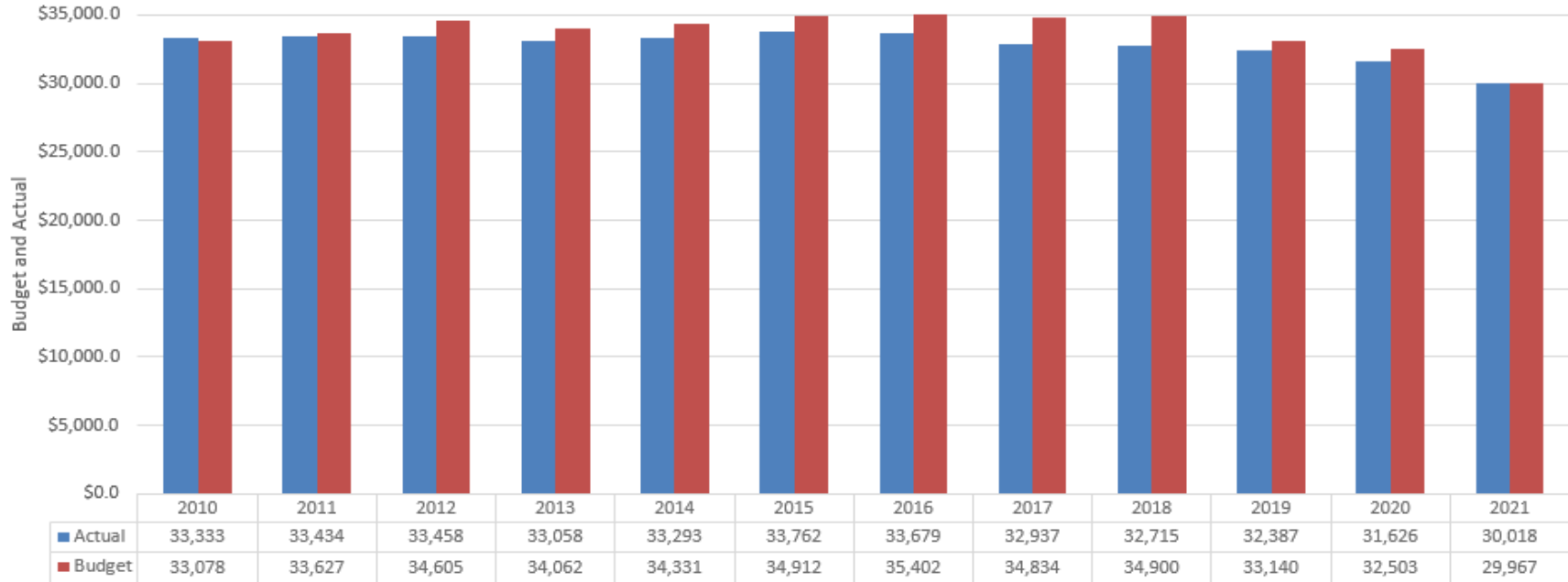
# MGA 2021 Preliminary Actuals vs 2021 Budget as of December FM13 close (Member Ops & Dues, Non-Dues Funded & Collabratic)

	2021 Preliminary Actual			2021 Budget			Fest vs Bud
	Revenue	Expense	Net P&L	Revenue	Expense	Net P&L	Variance
<b>Member Ops</b>	<b>(0.0)</b>	<b>4,589.8</b>	<b>(4,589.8)</b>	<b>0.0</b>	<b>5,427.8</b>	<b>(5,427.8)</b>	<b>838.0</b>
Mbr Svc Renewal Ops	(0.0)	2,006.5	(2,006.6)	-	2,369.4	(2,369.4)	362.9
Mbr Svcs Contact Center	-	1,883.7	(1,883.7)	-	2,213.6	(2,213.6)	329.8
Mbr Svcs O/H	-	699.5	(699.5)	-	844.8	(844.8)	145.3
<b>Member Dues</b>	<b>12,810.6</b>	<b>4,189.5</b>	<b>8,621.2</b>	<b>12,737.2</b>	<b>3,999.2</b>	<b>8,738.0</b>	<b>(116.8)</b>
Affiliate	483.7	0.2	483.5	454.4	-	454.4	29.1
Student	2,067.9	-	2,067.9	2,457.0	-	2,457.0	(389.1)
Recent Grad	281.1	-	281.1	276.1	-	276.1	5.0
Standard Higher Grade	24,131.8	(39.1)	24,170.9	23,755.6	-	23,755.6	415.3
e-Membership Standard	2,585.1	0.4	2,584.7	2,513.6	-	2,513.6	71.1
e-Membership Low Income	6.8	-	6.8	-	-	-	6.8
Special Circumstances	481.1	-	481.1	510.7	-	510.7	(29.6)
Spectrum	3.4	0.1	3.3	-	-	-	3.3
Member Dues Activities	(17,230.2)	4,227.9	(21,458.1)	(17,230.2)	3,999.2	(21,229.4)	(228.7)
<b>Fellows &amp; Corp Projects</b>	<b>0.0</b>	<b>528.5</b>	<b>(528.5)</b>	<b>0.0</b>	<b>839.6</b>	<b>(839.6)</b>	<b>311.1</b>
Fellows Committee	0.0	393.5	(393.4)	0.0	603.3	(603.3)	209.9
Corp Projects / MGA	-	135.1	(135.1)	0.0	236.3	(236.3)	101.2
<b>Collabratic</b>	<b>40.9</b>	<b>1,871.9</b>	<b>(1,831.0)</b>	<b>200.0</b>	<b>1,946.4</b>	<b>(1,746.4)</b>	<b>(84.6)</b>
Collabratic Related	40.9	1,832.2	(1,791.2)	200.0	1,946.4	(1,746.4)	(44.8)
Careers Strategy	-	39.8	(39.8)	-	-	-	(39.8)
<b>Grand Total</b>	<b>35,325.1</b>	<b>28,722.9</b>	<b>6,602.2</b>	<b>32,265.4</b>	<b>31,641.2</b>	<b>624.1</b>	<b>5,978.0</b>

# MGA 2021 December Preliminary Actuals vs 2021 Budget

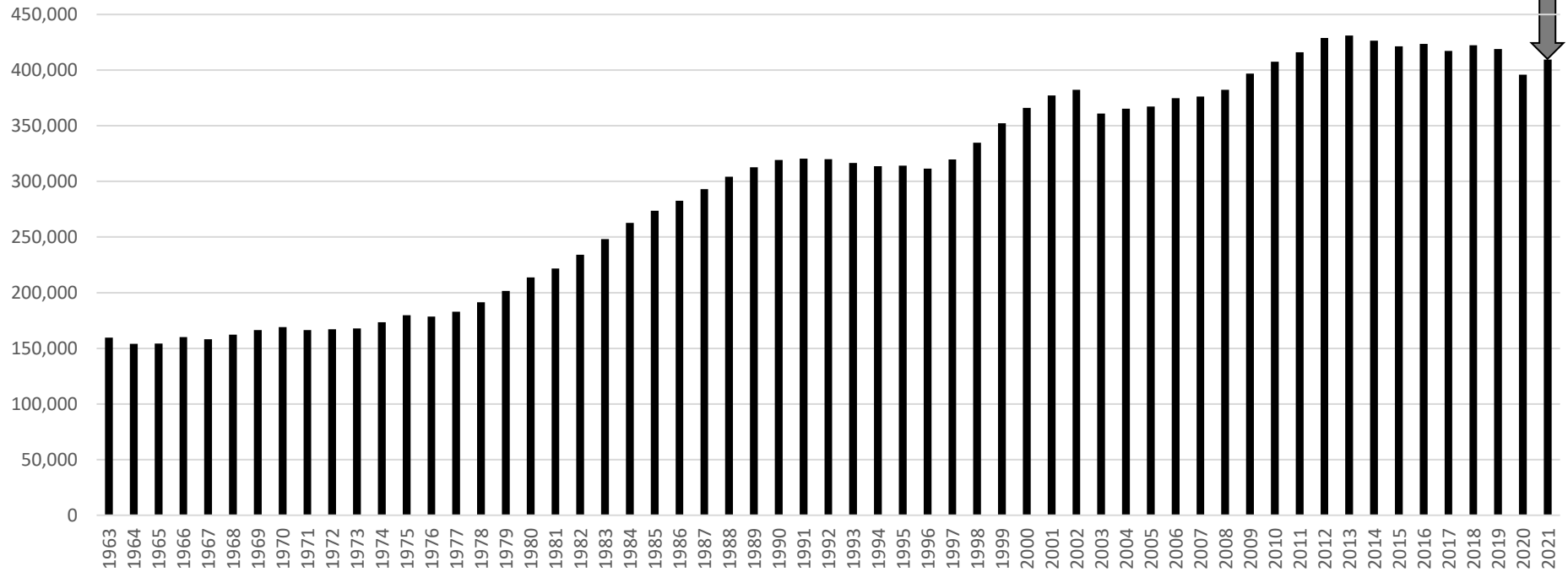
- Overall favorability \$6.0M
  - Conference Proceedings actual revenue favorable to Budget \$3.6M
  - Operating expenses overall favorable:
    - Open Headcount across MGA cost centers
    - Reduced travel expenses
    - MGA Surplus spend expenses
    - Reduced Collabratec depreciation expenses
    - Increased postage and marketing expenses for membership programs
    - Rebates slightly unfavorable due to Geo Unit payout higher than budgeted
    - Benefits giveback across MGA, Member Operations and Collabratec

# Member Dues Actuals vs Budget (2010 – 2021)

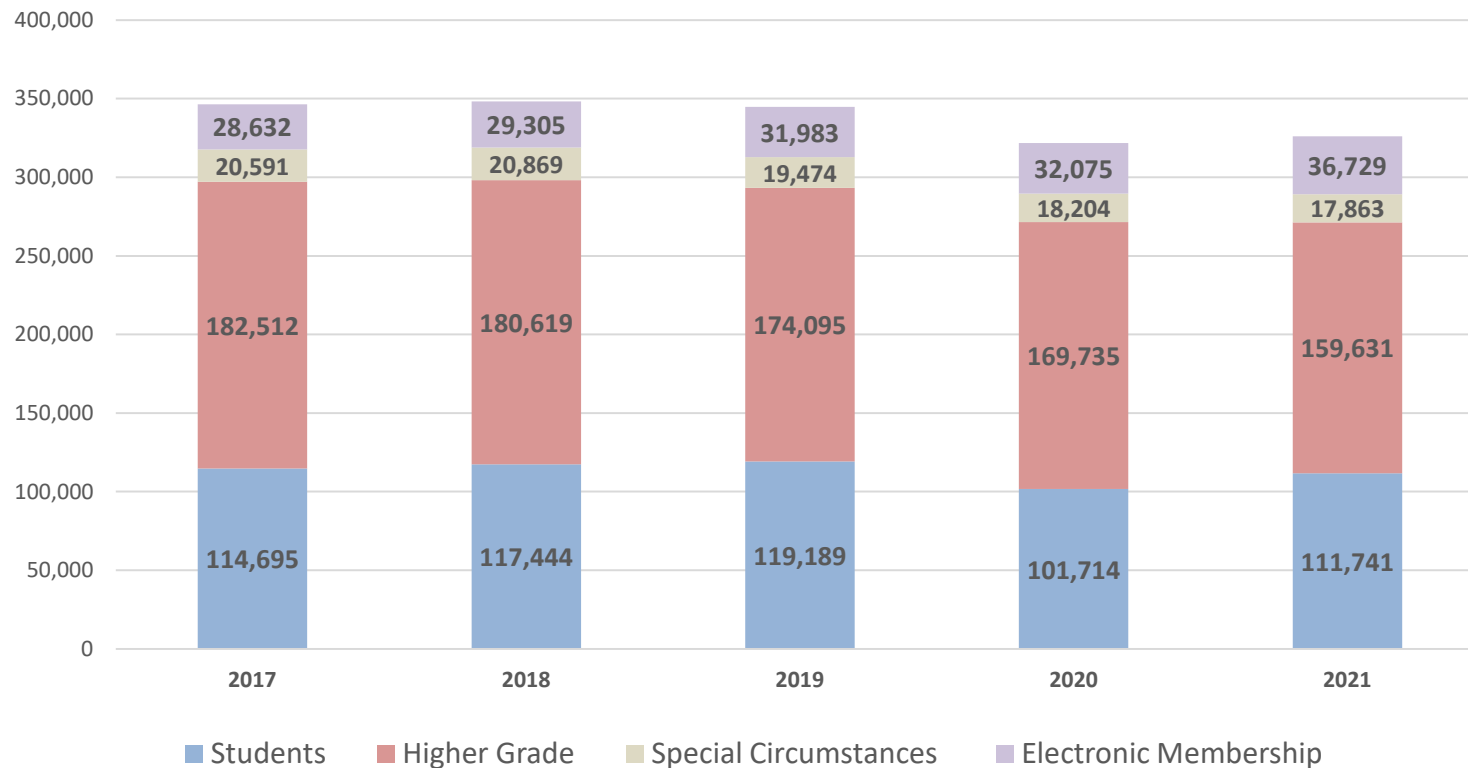




# Total IEEE Membership 1963 to 2021

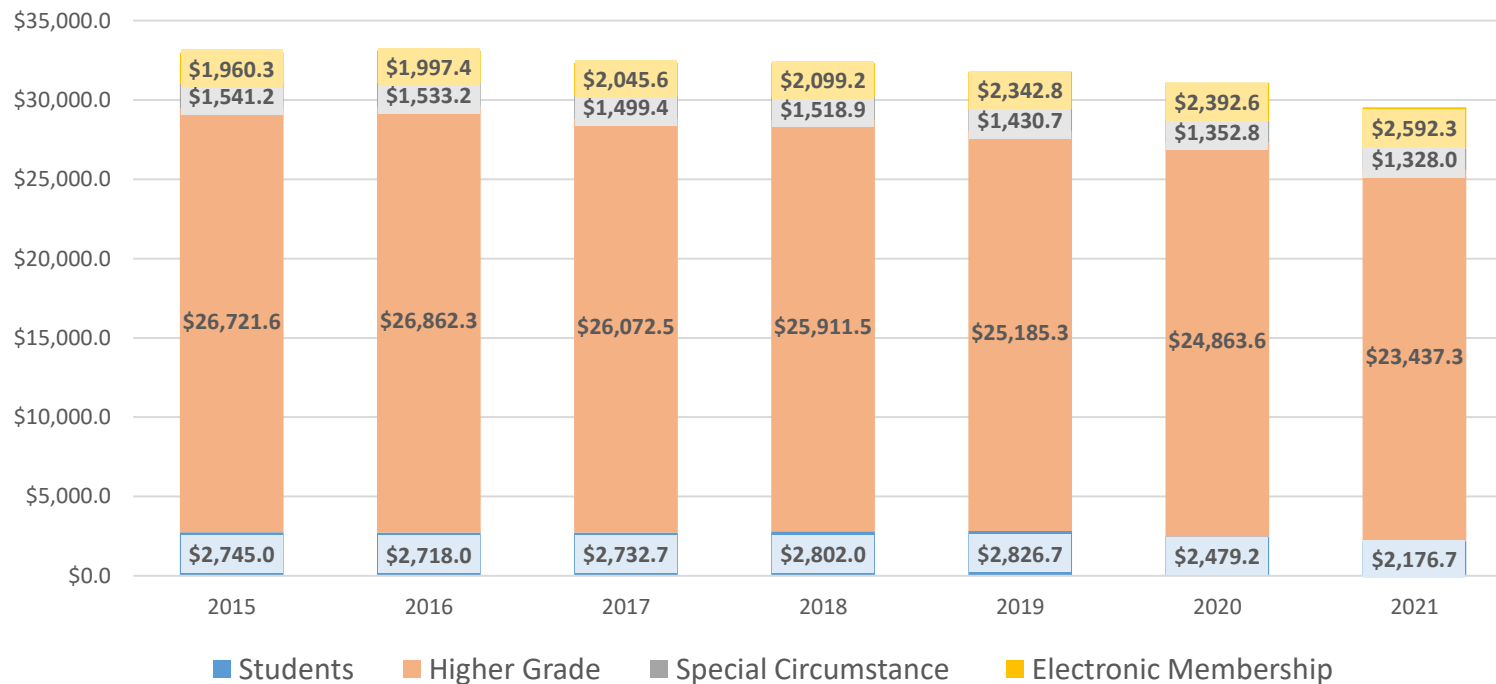


# Dues Paying Membership Counts (2017 – 2021)



# Membership Dues Revenue (2015 – 2021)

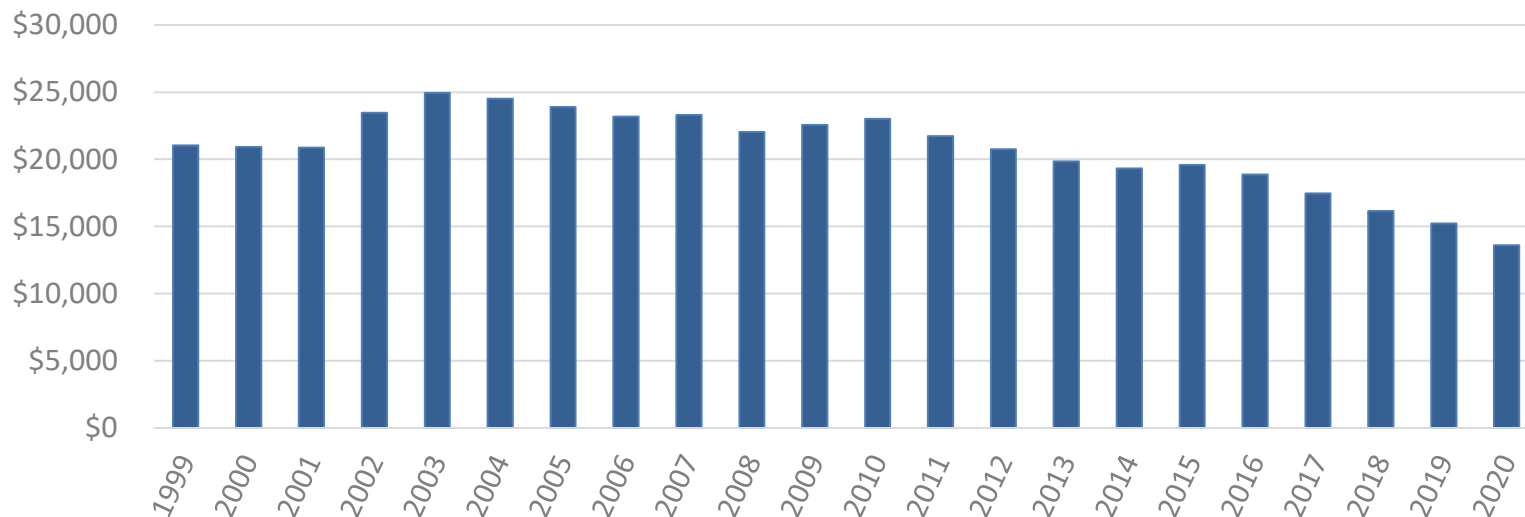
*In USD 000's*



# Member Dues Revenue Adjusted for Inflation

*Purchasing Power of the Current Dues Rate Continues to Decline*

Inflation Adjusted Total Dues Revenue (\$000s)



External Data Source: [inflationtool.com](https://inflationtool.com) inflation calculator

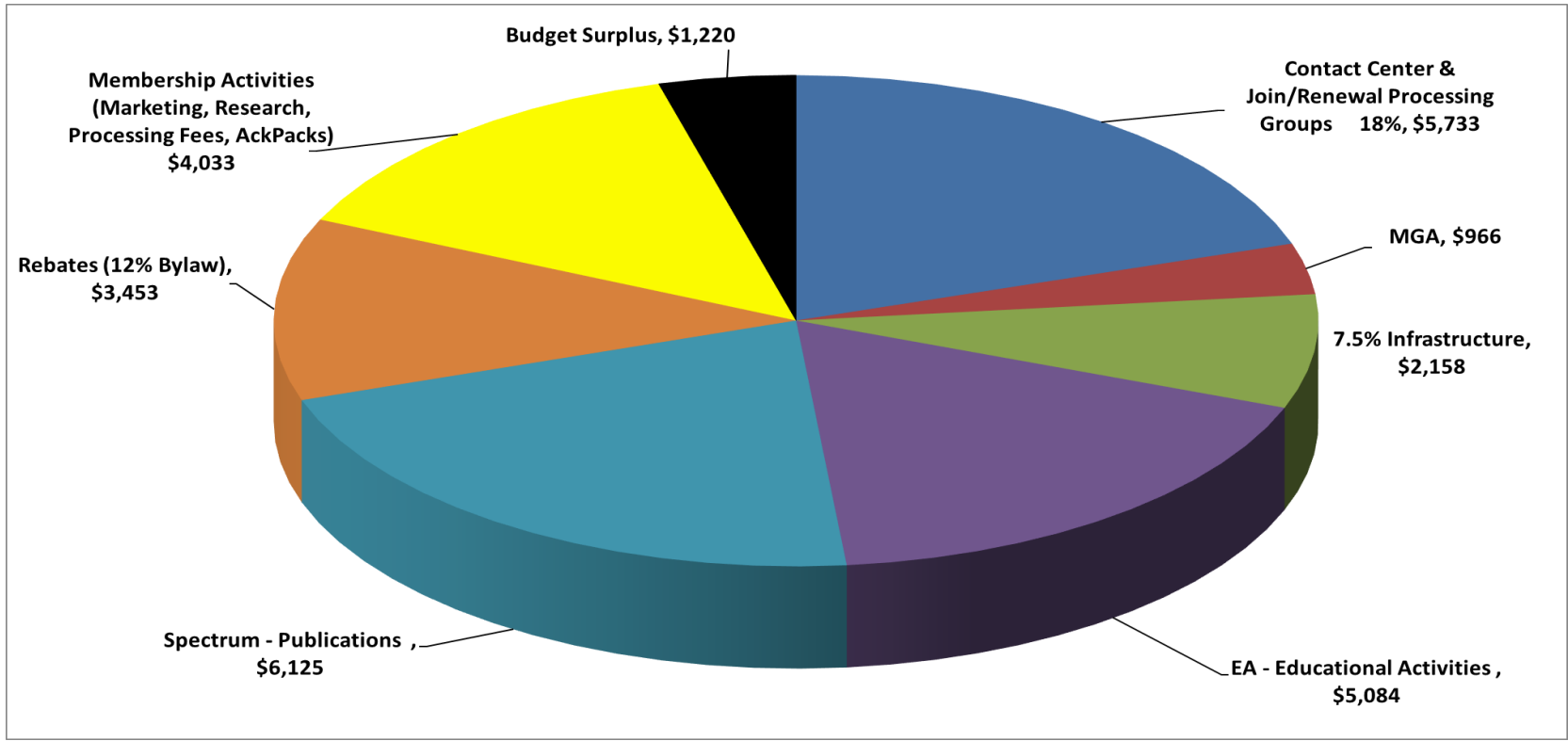


# 2022 MGA Budget

# Summary

- ▶ Budget is consistent with prior years: MGA expense budget correlates to membership revenue
- ▶ Travel and conference expense has been adjusted to reflect pre-pandemic activity
- ▶ Headcount kept at 2021 Budget levels (no increase in headcount request)
- ▶ Capital requests of \$1.2M was submitted to support increasing volunteer engagement and initiatives
- ▶ Membership Dues Revenue \$28.8M
  - As membership dues revenue declines, allocations were adjusted among the OUs, MGA, EA and Spectrum
- ▶ MGA maintains an overall (all BUs) net margin of 2.5%

# 2022 Member Dues Allocation \$28.8M (\$000s)



## 2022 Budget - Functional View

MGA Financial P&L Functional View (\$ Millions)	2022 Budget
<b>Funding Sources</b>	
IEEE Member Dues	\$28.8
MGA Programs	\$1.0
Conference Proceedings	\$32.9
Corporate Projects (IEEE Infrastructure Allocation, 30% rule)	\$2.2
<b>Total Funding Sources</b>	<b>\$64.9</b>
<b>Expenses</b>	
Member Dues Allocation - GeoUnit Rebates (IEEE Bylaw @ 12%)	\$3.5
Member Dues Allocation - IEEE Infrastructure (IEEE Bylaw @ 7.5%)	\$2.2
Member Dues Allocation - IEEE Spectrum / The Institute	\$6.1
Member Dues Allocation - Educational Activities	\$5.1
Member Dues Allocation - Membership Activities	\$4.0
Member Dues Allocation - Contact Center & Processing	\$5.7
Member Dues Allocation - MGA	\$1.0
<i>Sub-Total - Member Dues Allocations</i>	\$27.5
Conference Proceedings Charge-Backs	\$3.0
Corporate Projects (Collabratec, Young Prof's)	\$2.2
MGA Programs, Products and Services	\$30.9
<b>Total Expenses</b>	<b>\$63.6</b>
<b>Net Budget Surplus</b>	<b>\$1.3</b>



# 2023 Budget Process

# Glossary of Terms

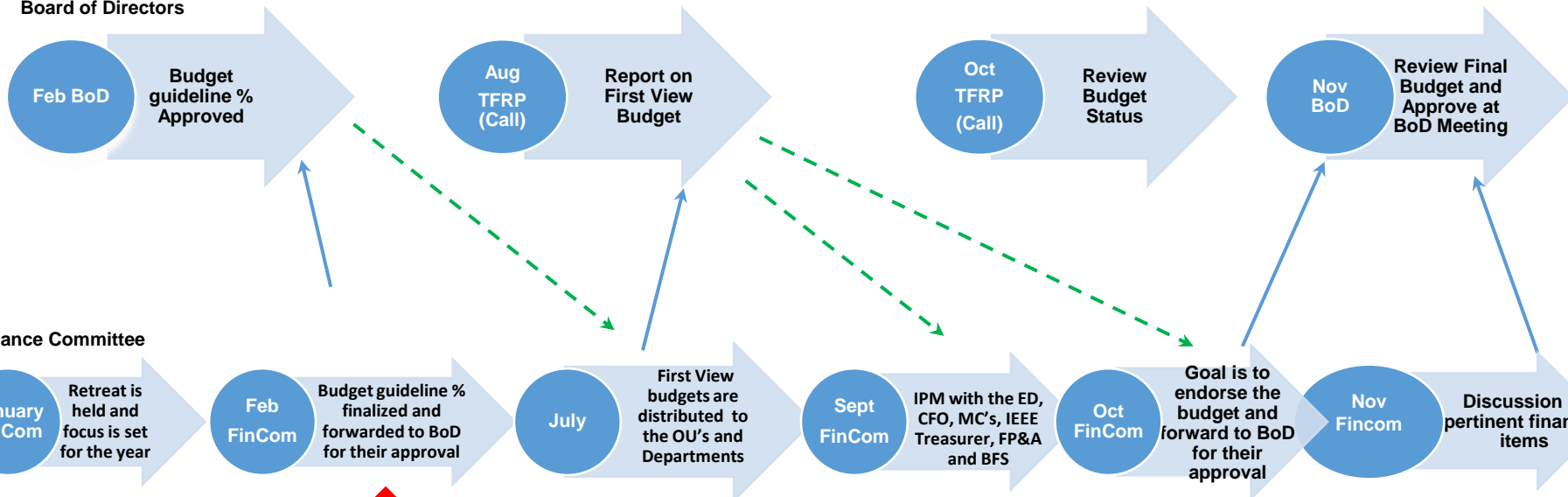
- ▶ **First View Budget:** Initial budget built on global assumptions which include:
  - Employee Benefit Compensation Committee (EBCC) guidelines
  - Specific assumptions on Revenue and Expenses
  - This version is locked for changes once sent to the Ous for their review and input
- ▶ **First Pass Budget:** Copy of the First View budget whereby the Operating Units work on refining and updating the budgets.
  - Data submitted as part of the First Pass is presented at the IPM.
  - If changes are warranted as a result of the IPM, those changes would be incorporated in the budget (second pass) which would later become the Final version.
  - If no changes, the First Pass will become the Final version of the Budget
- ▶ **IPM:** Integrated Planning Meeting - Meeting held with Executive Director (ED), Chief Financial Officer (CFO), IEEE Treasurer, Financial Planning & Analysis (FP&A), Management Council (MC) and the Business Finance Solutions group (BFS) where the status of the budget and other relative topics are presented and discussed

# 2022 Key Dates for the 2023 Budget Cycle

Feb	Jul	Aug	Sep	Oct	Nov
2023 Budget Guidelines goal endorsed and approved	First View Budget Distributed	First Pass Budget due in EPBCS  IPM Presentations due to FP&A	IPM is held  IEEE FinCom provided First Pass budget information  MGA FinCom Endorsement	IEEE FinCom Endorsement  MGA Opcom Endorsement	MGA Board Endorsement  IEEE BoD Approval

# Budget Timeline Summary

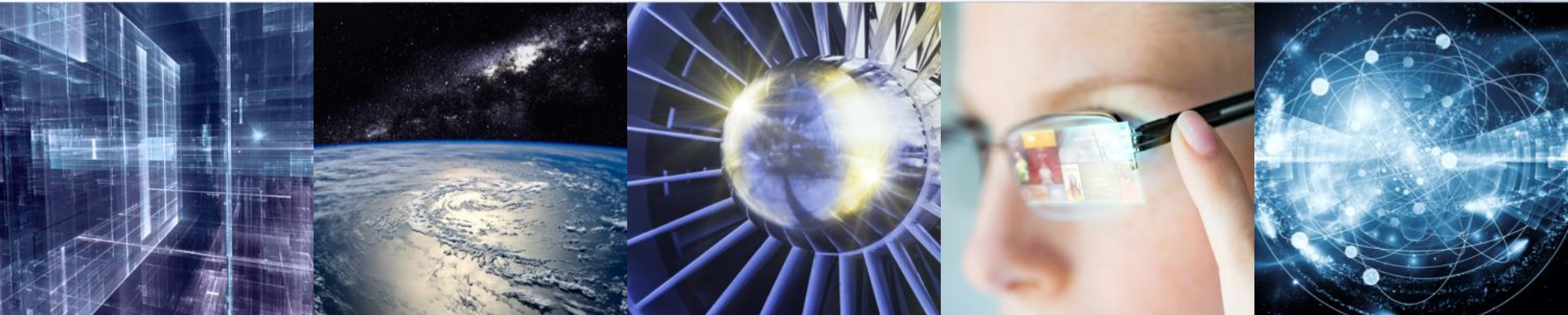
## Board of Directors



We are here

# IEEE Finance Committee Recommendation to the BoD

- ▶ \$3.00 increase in the 2023 IEEE HG dues based on the inflation factor specified in the bylaws (section I-108 Dues, Assessments & Fees)
  - Affiliate fees equal 50% of IEEE dues
- ▶ \$1.00 increase in the 2023 IEEE USA assessment based on the bylaw (section I-108 Dues, Assessments & Fees)
- ▶ \$1.00 increase in the 2023 IEEE Electronic Membership (including low-income economies)



# Geo Units Year-End Close & NextGen Update

*Lori Keller*

*MGA Finance Director*

*19 February 2022*

# Geo Unit Year End Close Key Dates

## ➤ 2022 Key Dates

- January – Grants, Awards & 1099's are due for 2021 Tax Processing
- 28 February – 2021 Financial submission into NextGen cut off for bonus eligibility and rebate with bank statements & reconciliations
- 15 March – Deadline to submit 2021 Compliance, Meeting & Officer Reports
- May – Calculation of 2021 Rebates
- June/July – Payment of 2021 Rebates

# 2021 MGA Geo Unit Financial Reporting Updates

- To assist volunteers with submitting financials for the 2021 reporting period, we have implemented a staff assisted approach.
- Templates were provided to the Local Bank Accounts in November 2021. All transaction templates with activity through December have been provided to the CB Accounts as of January 31, 2022.
- Finalized templates need to be submitted via the [ngbankupload@ieee.org](mailto:ngbankupload@ieee.org) email address at your earliest convenience, so the MGA Finance Team can process them as soon as possible.
- Smartsheets access have been provided to Region Directors & Treasurers for up to date view of template tracking
- Rebates will not be affected by this updated process in 2021
  - To qualify for the 10% bonus, the financials will need to be submitted by the 18th of February (3rd week in February) .
  - Geo Units will have until the 28th of February to submit their financials to qualify for their rebate.



# 2022 NextGen Operating Plan - Major Highlights

- Financial Reporting Guidelines
  - Continue staff assisted approach
  - Rebates dates remain unchanged in the MGA Ops Manual
- Banking & Transaction Tagging
  - Utilize templates because the integration is off between Coupa Banking and the NextGen Finance platform
  - Transaction tagging templates will be provided on a quarterly basis
- Training – additional information coming in early March
  - CLE Platform – development of annual volunteer Treasurer training plan
  - Track and report on volunteer training status
  - Each NextGen module per training session
- COI Reporting Update
  - Improve reporting with the Audit team – start timeline for requests earlier in the year

## 2022 NextGen Enhancements

- IEEE is looking to strategically enhance the NextGen system
- Communication forthcoming as additional enhancements are determined
- IEEE FinCom Ad Hoc NextGen Volunteer Adoption formed
- F&A (Finance & Administration) Financial Systems Team developed
  - NextGen platform functions that have been identified for improvement
    - Transaction tagging options out of the banking system
    - Enhanced reporting in NextGen Finance Platform

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# Contacts:

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# Appendix

# Automatic Membership Renewal

- ▶ Auto Renewal was rolled out in Dec 2012

Membership year	2014	2015	2016	2017	2018	2019	2020	2021	2022
# Members & Affiliates renewed (in thousands)	16.0	31.0	36.0	42.0	46.6	48.3	48.5	49.7	52.8
Dues Collected	\$3.2M	\$6.5M	\$7.5M	\$8.9M	\$10M	\$10.5M	\$10.6M	\$10.7M	\$11.4M

Data from the end of renewal cycle, November 2021

## 2021 Budget vs 2022 Budget - MGA

	2021 Budget			2022 Budget			Variance
	Revenue	Expense	Net P&L	Revenue	Expense	Net P&L	
<b>MGA</b>	<b>19,328.2</b>	<b>19,428.2</b>	<b>(100.0)</b>	<b>38,610.2</b>	<b>38,318.7</b>	<b>291.5</b>	<b>391.6</b>
Conference Distr Products	12,200.8	-	12,200.8	32,944.6	18,115.9	14,828.7	(2,627.9)
Women in Engineering Dues	87.4	-	87.4	108.0	-	108.0	(20.6)
Singapore Office	-	107.8	(107.8)	-	115.8	(115.8)	8.0
MGA Administration	2,335.2	5,929.9	(3,594.7)	966.1	6,087.2	(5,121.1)	1,526.5
Potentials - Adv	325.0	305.1	19.8	524.9	474.0	50.9	(31.0)
Women in Engineering	552.4	1,017.0	(464.6)	379.1	1,020.1	(641.0)	176.4
Membership Development	-	4,604.0	(4,604.0)	-	4,698.9	(4,698.9)	94.9
IEEE TV	185.1	111.5	73.5	188.8	153.1	35.6	37.9
Information Management	-	244.9	(244.9)	-	459.9	(459.9)	214.9
Regional Administration	-	449.1	(449.1)	-	449.1	(449.1)	(0.0)
Section/Chapter Support	-	1,576.2	(1,576.2)	-	1,645.9	(1,645.9)	69.7
Sections Congress	-	100.0	(100.0)	-	20.0	(20.0)	(80.0)
Geo Unit Rebates	3,596.1	4,459.2	(863.1)	3,452.6	4,530.5	(1,077.9)	214.8
Member Operations	-	244.7	(244.7)	-	240.2	(240.2)	(4.5)
Young Professionals	46.2	278.7	(232.5)	46.2	308.0	(261.8)	29.3

## 2021 Budget vs 2022 Budget

### Member Ops & Dues, Non-Dues Funded & Collabratec

	2021 Budget			2022 Budget			Variance
	Revenue	Expense	Net P&L	Revenue	Expense	Net P&L	
<b>Member Ops</b>	<b>0.0</b>	<b>5,427.8</b>	<b>(5,427.8)</b>	<b>0.0</b>	<b>5,671.5</b>	<b>(5,671.5)</b>	<b>(243.6)</b>
Mbr Svc Renewal Ops	-	2,369.4	(2,369.4)	-	2,572.3	(2,572.3)	202.8
Mbr Svcs Contact Center	-	2,213.6	(2,213.6)	-	2,269.3	(2,269.3)	55.8
Mbr Svcs O/H	-	844.8	(844.8)	-	829.8	(829.8)	(15.0)
<b>Member Dues</b>	<b>12,737.2</b>	<b>3,999.2</b>	<b>8,738.0</b>	<b>13,143.6</b>	<b>4,101.4</b>	<b>9,042.2</b>	<b>304.2</b>
Affiliate	454.4	-	454.4	398.2	-	398.2	56.2
Student	2,457.0	-	2,457.0	3,306.5	-	3,306.5	(849.5)
Recent Grad	276.1	-	276.1	290.1	-	290.1	(14.0)
Standard Higher Grade	23,755.6	-	23,755.6	21,442.3	-	21,442.3	2,313.2
e-Membership Standard	2,513.6	-	2,513.6	2,821.4	-	2,821.4	(307.8)
e-Membership Low Income	-	-	-	23.4	-	23.4	(23.4)
Special Circumstances	510.7	-	510.7	489.4	-	489.4	21.4
Member Dues Activities	(17,230.2)	3,999.2	(21,229.4)	(15,627.7)	4,101.4	(19,729.1)	(1,500.3)
<b>Fellows &amp; Corp Projects</b>	<b>0.0</b>	<b>839.6</b>	<b>(839.6)</b>	<b>0.0</b>	<b>922.3</b>	<b>(922.3)</b>	<b>(82.6)</b>
Fellows Committee	0.0	603.3	(603.3)	-	610.8	(610.8)	7.4
Corp Projects / MGA	0.0	236.3	(236.3)	-	311.5	(311.5)	75.2
<b>Collabratec</b>	<b>200.0</b>	<b>1,946.4</b>	<b>(1,746.4)</b>	<b>102.0</b>	<b>1,542.1</b>	<b>(1,440.1)</b>	<b>306.3</b>
Collabratec Related	200.0	1,946.4	(1,746.4)	102.0	1,542.1	(1,440.1)	(306.3)
Careers Strategy	0.0	0.0	0.0	-	-	0.0	0.0
<b>Grand Total</b>	<b>32,265.4</b>	<b>31,641.2</b>	<b>624.1</b>	<b>51,855.8</b>	<b>50,555.9</b>	<b>1,299.9</b>	<b>675.8</b>



## 2022 Budget Capital Requests

- ▶ Total Capital Requested & Approved \$1.212M
  - Relationship Management Project - \$240K
  - Fellows Nomination and Evaluation Software (Redesign) - \$300K
  - Bundling Training with Membership (SC Recommendation #2-EA) - \$250K
  - Online Membership Application Development - \$100K
  - Local Groups Integration with IEEE Systems - \$100K
  - Online Senior Member Application – \$60K
  - Geo Unit Petition Application - \$150K
  - Replacement Scanners – \$12K