

2020 GENERAL ASSEMBLY

FINANCIAL ISSUES (INCLUDING 2019 ACCOUNTS, 2020-23 BUDGETS AND 2022 SUBSCRIPTIONS)

1. Introduction

This paper provides the General Assembly with an update on FIG's financial result for 2019, the Council's amended proposed budgets for 2020-22 and an indicative budget for 2023, and other financial matters.

The General Assembly is asked to:

- Adopt the audited 2019 Accounts at Annex A, noting that the audited accounts are in the form of the template approved at the 2009 General Assembly (and provided again at Annex B)
- Endorse the budgets for 2020-23, at Annex C to the General Assembly agenda.
- Approve member association subscription levels for 2022, set out in section 5 of this paper.

2. A commentary on FIG income and expenditure for 2019

FIG Finances follow three key measures:

- Key measure 1: there must be a surplus of regular income over regular expenditure each year;
- Key measure 2: there must be an overall surplus over the 4-year Council period;
- Key measure 3: the general reserve must remain within the level of 90-100% of regular expenditure.

2019 was the first operational year for the current Council. Often the first year of a term does not incur as many costs as the other years as several activities have only been started. This start of term was however different as the election of the Commission chairs was postponed until General Assembly 2018 and therefore the elected Commission Chairs did not have much time to prepare for their term. Council decided to have a meeting for all Commission Chairs in January 2019 in Copenhagen to get a good start of the term. Having the meeting at that time also meant that the Commission Chairs could work together face-to-face on the technical programme for the FIG Working Week 2019. This approach was very successful.

There was a budgeted surplus of €4,250, and the final result shows a surplus of € 9,415, which is quite close to budget.

Key measures 1 and 2 were held and key measure 3 is above the desired level which gives a small extra reserve. There was a surplus of regular income over regular expenditure of €16,792 (Key measure 1) also very close to what was budgeted, €16,250.

As always, expenditure was monitored closely. Key measure 2 for 2019 is 120% seen over the period: 2018, 2019 (actual results) 2020 and 2021 (budgets). Key measure 3 is 128%. General reserve as % of annual total expenditure was 143%.

The finances are solid and are prepared for possible less healthy years.

Income 2019

Income from membership subscriptions was almost €16,000 lower than budget and also almost €10,000 lower than 2018 caused by several members writing down numbers of national members. Membership fees from Affiliate and Academic members were a little lower than expected, and unfortunately we did not see the expected increase in Corporate membership, but a minor increase compared to 2018 which is positive. Write offs is for once lower than budget, and quite much lower than in 2018, €14,000 compared to €31,528 in 2018. A lot has been done to clean up old arrears and to get expected payments. One reason however, why 2018 was larger is because Academic members are only invoiced once per 4 years. All those who had not paid their last invoice were written off in 2018. We see a lower number in general of members in arrears which is positive and shows that the last years intense follow up has worked. Thanks to all members who have paid. The provision for doubtful debt was kept unchanged.

Financial income differs significantly from previously. We are still facing this prevailing low interest rate regime, which has caused negative interests on all bank accounts. One investment prevents us from having too high negative interest. Still, FIG keeps a low-risk investment profile, and despite the negative interests does not want to invest in higher-risk investments. Further to this, FIG needs a cashflow. Currency difference is not to predict in a budget and has varied quite much over the years.

In total the regular income for 2019 was €23,000 lower than budgeted, and €15,000 lower than 2018. Part of this difference to 2018 can be explained in the currency difference which gave a €10,000 increase in 2018 but was negative in 2019. Further to this 2018 was a congress year where expectations to congress income is higher than from Working Weeks. Having a Working Week income included in the regular income shows how dependent FIG is of the Working Week and that it is possible to create an income from this.

Arrears 2019

Arrears at the end of 2019 were € 91,000. This is almost a doubling since 2018 where arrears were €49,000. It was positive that arrears had decreased significantly compared to earlier, where arrears were in average at the height of around €150,000, but it has been discouraging to see this amount significantly higher again.. €55,000 of the arrears belong to member associations which is very high. €10,000 to affiliate members, €11,000 to corporate members and 14,000 to academic members. Almost €70,000 are arrears solely from 2019, the rest from 2018.

Expenditure 2019

Total regular expenditure was €402,000 which is almost €24,000 below budget, and €30,000 less than in 2018. 2018 was a congress year with expected higher expenditure which explains the difference. The difference to budget is mainly due to savings on our IT supplier systems, general office costs (such as postage, copying, telecom) meeting costs and marketing/publication.

The grants to Commission chairs were paid in line with the levels agreed by the General Assembly. All requests from Task Force and Network chairs for support and from Commission chairs for specific support were carefully reviewed prior to any decision. There were no applications for support for poor Member Associations.

Council travel has also been monitored carefully. Some of the travels were partially covered by external sources. It is important also to note that, in many instances, travel by Council members were partially covered by Council members' employers, member associations or by the event hosts. FIG is very grateful for this support, which allows Council members to maintain close contact with its membership and partners during the year.

FIG Office continued the IT developmental work however at a lower speed due to various circumstances.

Final result

The result of regular income over regular expenditure (key measure 1) showed a positive result of €16,792 which is as budgeted.

The final result 2019 which also includes projects and development costs and income shows a surplus of €9,415 which is €5,000 over budget.

At the end of year, FIG's total reserve stood at € 614,103 and the general reserve (total reserve deducted IT and Events reserves) amounts to € 514,103 which is 128% of regular annual expenditure and 123% of total annual expenditure.

3. Budgets 2020-23

Annex C to this paper presents proposed revised budgets for 2020, 2021 and 2022 and a proposed budget for 2023. This is to adhere to the requirement for a 4-years ahead budget (decision at the 2009 General Assembly).

Key considerations in constructing the budget

Council's overriding consideration when preparing the budget was to be as realistic as it has to be, particularly with its forecast since it is a 4-year forward budgeting process. In this regard Council is very mindful of the following ongoing risks to the budget:

- There are potential risks around the level of income from subscriptions in the on-going economic situation. Income from subscriptions has decreased over the later years
- The expected increase in income from corporate members that should have been a result from the 2015-18 Task Force on Corporate members has not materialised.
- The level of arrears has increased from 2018 to 2019 which is worrying, and the amount shows that it remains a significant area of concern.
- Council is aware of the risk to include a conference income in the regular income
- The suggested budgets include minor deficits. Council is aware of the risks, however taking into consideration that for many years FIG has increased its reserves, a high activity level is needed to obtain results.

Budgets

Council seeks to ensure a sustainable, effective and efficient Federation. Budgets have therefore been revised to reflect the current realities. When income is forecasted to decline, this has to be balanced by corresponding efforts to reduce operating and developmental costs.

Based on the approved budgets at the GA from 2019 the following key changes are suggested:

- Subscriptions from member associations is expected to increase slightly
- An expected increase in the number and income of Corporate Members is included in the budget and Council will continue to have a special focus on Corporate Members and the mutual benefits;
- In the light of the increase in subscription rate from 2019 for Member Associations FIG Council expects to keep this level throughout the coming four years.
- In 2019 there was an increase in subscription fee for Affiliate Members for 2019 and onwards, and Council expects to keep this level in the coming years.
- Financial income will most likely be negative or close to zero due to the negative interest rate and low interest on low-risk investment possibilities
- Council and executive management costs are reviewed in the light of activities anticipated for the year;
- Council suggests to include the capacity network activities equally to commissions and YS, thus providing 3,000 per network for their activities
- The preliminary 2023 budget is dependent on a new president and council and their goals and actions

As in previous years, every effort has been made to base the budget on information available as well as to forecast income and expenditures realistically. This is particularly important given the overall economic situation.

Council remains cognizance of the three key financial measures when preparing the budget:

- Key measure 1: there must be a surplus of regular income over regular expenditure each year;
- Key measure 2: there must be an overall surplus over the 4-year Council period;
- Key measure 3: the general reserve must remain within the level of 90-100% of regular expenditure.

Staffing

Current staffing of the FIG Office is:

- Director (Louise Friis-Hansen) responsible for general management, developmental/strategic tasks, oversight of administration, finances, events, membership matters (particularly in relation to corporate members), council/commission matters, IT, communication and Foundation secretariat duties
- FIG Events and Support Manager (Claudia Stormoen Pedersen, full time), Claudia was on maternity leave from April 2019 until mid November 2019.
- Finances and Administration (Maria Bargholz, 90%) responsible for financial administration as well as general FIG and events administration.
- Assisting FIG Events and Support Manager Martine Eelderink, the Netherlands, was in the office October 2017 – June 2018 replacing Claudia Stormoen during her maternity leave.

- Assisting FIG Events and Support Manager Katja Lambertsen – January 2019 - June 2019 and prolonged August-September 2019 -

2019 has been a challenging year for the office in several ways.

Claudia Stormoen was on maternity leave April 2019 – November 2019. Well, during her maternity, and almost also during labour she supported from home the Working Week as it went on. It has been positive to see that, financially, there has been no impact on having one staff member on maternity leave. It was decided that a temporary assistance (Katja Lambertsen) was hired for 6 months to assist with the Working Week 2019. Her temporary employment was prolonged for two months as it was clear that the finances could bear this extra cost and there were enough tasks. Unfortunately it was not possible to keep Katja longer due to the limited financial resources of the federation.

Maria Bargholz had in January 2020 10 years working anniversary for FIG. She has for several years worked part time and from Dubai. In Summer 2019, she returned to Denmark and is now working almost full time.

Martine Eelderink worked in FIG office for 8 months during 2017/2018, generously supported by Dutch Kadaster. The experience Martine got while she was in the office on conference organisation has been extremely helpful, as Martine, from the Netherlands, has helped FIG Office and the Local Organisers in the Netherlands with the FIG Working Week. A large thanks to Dutch Kadaster for letting Martine get the experience in the office, and also to allow her to work with the preparations for Working Week 2020.

August 2019, Louise Friis-Hansen had worked for FIG for 10 years. Part of this year she proved that it is possible for FIG Office to work remotely, as she partly had to work from home due to a broken knee and a new hip (with only a very few sick days).

Organisation of events

The Council and FIG Office work closely together with a Local Organising Committee to organise the yearly FIG event ensuring that FIG's annual event remains not only the flagship event of FIG but a global forum for FIG's membership, partners and stakeholders. Over the past years, FIG has developed the following operating models for its annual events:

- FIG will handle the overall programme, the technical programme, keynote speakers, international registrations, (local registration if in EUR or USD), the website, and international exhibitors; and
- The local organisers will handle the contact with the venue; hotels; the local exhibition; local registrations (if other currency from EUR and USD); social events; technical tours; and social tours.

FIG will be reimbursed a fixed sum for its handling, coordination and organization workload for each event. We believe that the models and arrangements provide a sound basis for future conferences, and provide an appropriate balance between FIG and local input and expertise.

FIG Office spends a considerable amount of time on the organisation and preparations of FIG events. FIG Office and Council have evaluated that it is a rewarding investment and gives a possibility to get closer to the individual persons that are related to FIG members.

IT Development

Throughout the later years major IT projects have been finalised:

- FIG Membership database phase I. A database for all members was established in 2016.
- Peer review database and handling system that can handle most processes electronically
- Improvements and integration of abstract and registration databases for handling of FIG Conferences
- Automatisation of many of the processes in connection to FIG conferences that have previously been done manually
- Improvement of online payment system
- Conference management related features and FIG Conference Web App
- Introduction of a new mass mailing system.
- Update systems to follow the EU General Data Protection Regulation (GDPR)

Projects under progress:

- FIG Membership Database phase II which includes a user database where individuals can update info and interests.
- Improvement of navigation and content of the web site
- Improvements of FIG Conference Web App
- Use of social media technologies to improve the communication/information

4. FIG Reserves

As is shown in Annex C, the FIG general reserve at the end of 2019 was 128% of regular annual expenditure. This is above the 90-100% agreed by the 2009 General Assembly. As a 4-year average the general reserve is 120% (the reserve percentage is calculated using an average of four years' regular annual expenditure, as agreed at the 2012 General Assembly).

Last year the events reserve was increased to €50,000 to have a reserve in case a conference does not meet the financial expectations for one reason or another. In essence, this recognises the risk of organising events, particularly in the current economic climate. Council suggests to keep this reserve unchanged.

Council suggests to maintain the IT reserve at the €50,000 level.

The reserves are held in low risk investments and on bank accounts, in line with the policy agreed by the General Assembly. Any transfer of the reserves requires approval by two persons, one of whom being the Council member responsible for finance and administration.

5. Subscriptions 2022

The 2019 General Assembly approved membership fees as follows:

Year	Per capita fee	Minimum fee	Maximum fee
2021	€4.80 per member up to a maximum of 5,500 members Member associations from countries listed by the World Bank as low-income economies or lower-middle-income economies shall pay €2.40 member up to a maximum of 5,500 members.	25 members or €50 (whichever is greater)	5,500 members (€26,400)

In the light of the budget and the current development the General Assembly decided in 2017 to increase the membership fee for 2019 and onwards. The last time fees for member associations were increased was in 2012. Council is conscious of the economic condition that members are operating under and in particular member's challenges with their national membership and budgets. Council wishes to respect this as well and both Council and FIG Office will continue to be prudent in its financial management. Council proposes to keep the 2021 rates also in 2022.

Year	Per capita fee	Minimum fee	Maximum fee
2022	€4.80 per member up to a maximum of 5,500 members Member associations from countries listed by the World Bank as low-income economies or lower-middle-income economies shall pay €2.40 member up to a maximum of 5,500 members.	25 members or €50 (whichever is greater)	5,500 members (€26,400)

In 2018, Council agreed to increase the membership fees for Affiliate Members from 2019 to € 790 EUR (from 760) which was a 6% increase. Council has kept the Academic member fee and Corporate member fee unchanged. Academic members were in 2018 invoice for a 4-year term, 2018-2021. Next time Academic members will be invoiced will be in 2022.

6. Conclusion

The finances are solid, due to many years prudent and sensible behaviour and precautions, and yet a vivid activity level has been kept. This is also due to the many volunteers contributing to the agenda of FIG and to the support of members. Council continues to monitor and manage its finances prudently and believes that the budget proposed is realistic. The decision to increase support also to the regional networks has an effect on the budgets, however council believes that it is also important to keep a high activity level. Council will allow appropriate decisions to be made on levels of operational and developmental expenditure, to ensure the continuing sustainability, efficiency and effectiveness of FIG. Council thanks all members who have paid the annual membership fees promptly.

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