



Advisory Group on Finance Report to Executive Committee September 2020

Current Members: Amy Fagan (Chair), Nathan Hutting, Andrei Gheorghui (RIG), Rik Kranenburgship (member-at-large), Ronel Jordaan (SC Liaison), Paolo Sanzo (EC Liaison), Ingrid du Toit (Executive Director).

Past Members: Bob Rowe, Steve White, Marcia Kok, Mahmoud Saad

Purpose: The purpose of the Advisory Group on Finance (AGF) is to provide the EC (in the form of a written report) with recommendations regarding the IFOMPT income, expenditures, IFOMPT investments, and identification and review of potential revenue opportunities. The AGF will address specific 'charges' within a designated time frame as determined by the Executive. Reports from the AGF should outline the work undertaken by the group and provide the EC with prioritised recommendations with accompanying detail that will enable EC to make decisions regarding implementation of such recommendations.

The AGF formed in late October 2016 and commence January 2017. To date the AGF has had 30 meetings via teleconference, videoconference and face to face.

The AGF has been an effective advisory group which has enabled the Federation to generate additional income, facilitate new pathways to financial stability and modernise its governance. It has managed its original three charges well and undertaken additional charges which align with its purpose.

Achievements:

Identified and advocated for webinar series as an ongoing revenue source; result to date is approximately \$14k.

Remodeled annual subscription fee structure thereby boosting the financial stability.

Instigated an operational review to evaluate member benefits and value-add activities thereby allocating expenditures appropriately.

Initiated governance change resulting in exclusivity of financial decision-making to the Executive committee.

Conceived new conference models to enable more event management participation and potential revenue generation.

Developed guidelines for donations as revenue stream.

Investigated risks and benefits of establishing a finance committee.

Challenges

To remain unbiased the AGF sought consultation and feedback from delegate assembly, delayed communication or incomplete responses gaps in information gathering possible thus assumptions required to complete investigation and develop recommendations.

Non-adherence to requests to submit subscription fee by deadline and in full i.e. inclusive of any necessary banking fee repeatedly establishes small deficit in annual budget.

Future

The AGF has appropriately served its purpose for the Federation and should be continued. The operational and technological support enabled the group to work autonomously and a meeting schedule of every six weeks enabled the AGF to work in alignment with the EC meetings; it is recommended this process continues.

Recommendations

The AGF advocates the inclusion of the advisory groups' chairpersons in a videoconference meeting with the EC and SC chair once per annum to enhance the communication across leadership team and collaborate on strategy implementations.

The AGF acknowledges that delegates rotate periodically and advocates for the EC to consider how new delegates are appointed to an advisory group thereby ensuring their capabilities and contributions will be most favourable for the Federation.

This report has been written and submitted by Amy Fagan, Chair of the Advisory Group for Finance.

The table states the AGF's charges, the actions taken, recommendations made to the Executive Committee (EC) and/or delegate assembly and the outcomes.

2016/2017 Charges	Actions	Recommendations	Outcomes
Investigate alternative income streams for IFOMPT and provide EC with short- and long-term strategies to consider.	Dialogue about alternative income streams forms- educational offerings, advertisement on website, corporate sponsorship.	Focus on organisational strengths- OMT education and research. Focus on opportunities to generate smaller valued revenue that formatively contributes to income.	Create a webinar series.
Review subscription structure of IFOMPT and make recommendations for alternative structure and/or fees.	<p>Reviewed the current subscription fee structure and process.</p> <ul style="list-style-type: none"> • Identify lack of fees adjustment. • Review other professional association websites re membership fees. • Conducted two member surveys re: parent organisation subscription fee, membership size and expenses; IFOMPT benefits, value, expectations. • Analysis the revenue impact of incremental subscription fee increase. <p>Identified loss of revenue due to insufficient subscription fee payment i.e. bank fee related to currency exchange.</p>	<p>Motion to increase fee was developed and a special meeting was initiated in December 2017.</p> <p>Propose that a motion be drafted to address the insufficient subscription payments and hold MOs and RIGs</p>	<p>The annual MO subscription fee to be increased to \$2,500 (USD) beginning in 2018.</p> <p>The annual RIG subscription fee be increased to \$450 (USD) beginning in 2018.</p> <p>The annual MO and RIG subscription fee will be increased at a rate of 2.5% per annum in 2019 and 2020.</p> <p><i>Development of motion for penalty was held over. Ongoing dialogue with ED and EC.</i></p>

		accountable for full payment incl bank fees	
Review discretionary spending of IFOMPT and make recommendations for any appropriate cost-saving changes	Review IFOMPT operational budget and add financial reporting as standing agenda item. Discuss day to day verses strategic expenses. Consultations with ED, EC and SC re expenditures.	Commence the development dashboards of Standards Committee to assist the investigate the true cost of operations. Added the inclusion of Administration and Executive dashboard development. Evaluate cost benefit of member benefits i.e. Standards, International monitoring	Cost saving was produced by the reduction in expenditures for EC and SC meetings. Acknowledgement of the cooperation of EC and SC committees to achieve expenditure reduction.
2018 charges	Actions	Recommendations	Outcomes
Investigate alternative income streams for IFOMPT and provide EC with short- and long-term strategies to consider.	Investigated delivery options and expense of webinars. Formulated a fee based on cost, breakeven point, selling price and profit margin. Investigated the purpose, expense and revenue generation of a pre-WCPT (2019) IFOMPT sponsored workshop.	Commence webinars with a \$20USD registration fee. Develop FY19 forecast budget to include expense and potential revenue generation based on outcome of 2018 webinar trial. Increase quantity of webinars in 2019. Develop workshop to optimise registration and acquire 25% of profit share.	Webinars generated approximately \$6k of FY18 revenue. Revenue generated from alternative income streams utilised to offset operational expense, thus upholding reserve funds. Red Flags workshop was presented in Geneva, May '19.

	AGM interested in merchandise to promote brand and potentially generate revenue.	Collaboration of AGM and AGF regarding purchasing and price point of merchandise.	<i>Item was held over.</i>
Review subscription structure of IFOMPT make recommendations for alternative structure and/or fees.	New subscription fee commenced. Discuss penalty fee or banking levy to ensure accountability and eliminate annual subscription related loss.	Impact of late subscriptions and bank fee raised to delegates at Reno meeting (Nov '18)	Administration implemented strategies to address lateness and additional cost. <i>Development of motion for penalty was held over.</i>
Review discretionary spending of IFOMPT and make recommendations for any appropriate cost-saving changes	SC, EC and Admin dashboards developed. Contemplating cost benefit analysis of dashboards.		Administration optimally utilised platforms i.e. GoToMeeting thus increasing cost benefit. AAOMPT donated \$25k to support EC and SC to meet at annual conference in Reno.
NEW: Investigate a constitutional change that would enable the EC to have financial decision-making control	Working party established to facilitate constitutional changes. Review constitution and provide feedback to EC that constitutional change not required to modify financial decision-making process. Concept for EC to have financial decision-making control developed, presented in Reno, NV (Nov '18) and circulated to MOs.	Motion for the decision- making in relation to financial control be shifted from delegation to EC.	Motion released and voting scheduled for meeting in Geneva, May 2019.
NEW: Investigate IFOMPT assuming financial control of the conference	Main concerns identified- selection of location, control of conference development	Develop new policy and procedures for conference location selection and event organisation.	Conference working party commenced.

	<p>and maximizing revenue generation for IFOMPT.</p> <p>Alternative conference models identified and evaluated.</p> <p>Consultation with WCPT re its recent changes.</p> <p>Present options of conference models in Reno, NV (Nov '18).</p> <p>New models for conference organisation and selection process raised questions.</p> <p>Online forum conducted.</p>		
2019 charges	Actions	Recommendations	Outcomes
Investigate alternative income streams for IFOMPT and provide EC with short- and long-term strategies to consider.	<p>Webinar series scheduled.</p> <p>Investigate opportunities to create webinar library.</p> <p>Discussion about alternative membership categories to promote organisational growth and generate income. Awaiting recommendations of Membership taskforce.</p>	<p>Support economically disadvantaged- offer five complimentary registration to one RIGs for each webinar.</p> <p>Propose increase webinar fee from \$20 USD to \$25 USD to support initiative.</p>	<p>Registration fee increased to \$25USD/\$30NZD</p> <p>Webinars generated approximately \$7.5k of FY19 revenue.</p> <p>Awaiting recommendations of Membership taskforce.</p>

	Revisit sponsorship, bequests and donations, short courses, auctions as revenue streams.		Ongoing dialogue
Review subscription structure of IFOMPT make recommendations for alternative structure and/or fees.	Subscription increase by 2.5% Discrepancies in subscription payment persist. Commence 2021-2024 subscription fee model discussions.		Ongoing dialogue re penalty for banking fee.
Review discretionary spending of IFOMPT and make recommendations for any appropriate cost-saving changes	Dashboards being discussed and analyzed by AGF, sub-committees and EC to determine how to best utilise the information.		Increased utilisation of GoToMeetings Conservative approach to expenditures over the year.
Investigate <u>operational</u> change that would enable the EC to have financial decision-making control	Motion opened and voting for operational change re financial decision-making undertaken in Geneva (May '19)		Delegates voted in change 20 to 2; EC granted decision-making control of finances.
Investigate IFOMPT assuming financial control of the conference	Online forum conducted. Motion developed and special meeting initiated in relation to EC having decision making of location. Recognise new model process development, approval and implementation requires more time.	Special meeting re conference location decision-making scheduled for May 25, 2019. Evolution of organisation and governance to be evaluated and progressed by EC.	New model for conference decision making was approved by delegates. <i>Conference model tasks held over.</i>
NEW: Develop Founders Fund	Fundraising concept initiated in Geneva; AGF task to develop policy and procedures for		Continue task in 2020.

	<p>fund to support organisational growth and sustainability.</p> <p>Researched fundraising procedures, tax implications, administrative impact.</p> <p>Cyclic draft and feedback process with EC re: fund guidelines.</p>		
NEW: Investigate the formation of Finance Committee	<p>Discussion and research into the benefits of sub-committee vs advisory group.</p> <p>Acknowledge financial responsibility remains with EC.</p> <p>Commence development of TOR.</p>		Continue in 2020.
NEW: Optimise the AGF membership structure	In conjunction with investigating benefits of finance committee vs advisory group, dialogue re membership structure occurred.	2 MOs, 1 RIG, 1 member -at-large, 1 SC, 1 EC, 1 ED	Recruit new membership
2020 charges	Actions	Recommendations	Outcomes
Investigate alternative income streams for IFOMPT and provide EC with short- and long-term strategies to consider.	<p>Developed policy and procedure for webinar.</p> <p>EC proposed advertising on updated website as lateral column- employment, CPD opportunities, research.</p> <p>Implication of the postpone of 2020 conference discussed re revenue generation and accessing reserve funds.</p>		

	Impact of COVID19 on expenditures discussed.	Recommend 2021-22 subscriptions remain per 2020 fee schedule.	
Review subscription structure of IFOMPT make recommendations for alternative structure and/or fees.	Commence discussing subscription fee model. Formulate 3 models	Recommendations for 2021-2024 sent to EC and to be presented at Oct '20 GM.	
Review discretionary spending of IFOMPT and make recommendations for any appropriate cost-saving changes	Dashboards- purpose and analysis; who is responsible to analysis- EC or AGF?		
Develop Founders Fund	Developed proposal and submitted to EC in April '20. Consultation with WCPT. Revise purpose and proposal.	Proposed the commencement of fundraising campaign based on agreed policy and procedures. Documentation submitted to EC to present at GM in Oct '20.	
Investigate the formation of Finance Committee	Researched finance committee governance structure. Drafted terms of reference and presented to EC.	Propose maintaining Advisory group	Held over until new EC appointed in October '20.
Optimise the AGF membership structure	Obtained new RIG and new member-at-large Succession planning for 2021- chair, EC and SC liaisons.	Maintain membership size and representation- 1RIG, 2MOs, ED, EC liaison, SC liaison, 1 Member-at-large	