Treasurer’s Report

Aaron Wagner

ITSec BoG meeting
ITA 2020
IEEE Accounting in One Slide

2019

- Special projects (new inits): 3%
- General funds: 50%
- Surplus: 50%

2020

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Reserves (Endowment)
IEEE Accounting in One Slide

IEEE Foundation (Movie, Padovani)

2019

general funds

special projects (new inits)

surplus

3%

50%

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Reserves (Endowment)

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2019 General Funds

- The 2019 budget as a Doob martingale:
2019 General Funds

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- \( \mathcal{F}_t = \) observed history up to time \( t \)
2019 General Funds

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- $\mathbb{E}[S_{2019}|\mathcal{F}_{\text{ITA } 2019}] = \mathbb{E}[S_{2019}] = \$46\text{K [budgeted surplus]}$
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- $E[S_{2019} | \mathcal{F}_{\text{2019 Fall Meeting}}] = $125K
The 2019 budget as a Doob martingale:

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\[
\begin{align*}
E[S_{2019}|\mathcal{F}_{\text{ITA 2019}}] &= E[S_{2019}] = \$46K \text{ [budgeted surplus]} \\
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E[S_{2019}|\mathcal{F}_{\text{ITA 2020}}] &= \$453K (!!)
\end{align*}
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2019 General Funds

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2019 General Funds
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- Notable sources of deviation:
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Transactions Trends (as of Vail)
2019 Special Projects

- $120K (3% rule) + $145K (50% rule) = $265K
- Special sessions at ISIT 2019 (Aaron): $55K
- Recording events at ISIT 2019 (Aaron/Emina): $41K
- Web server upgrade phase II (Brian): $40K + $24K (overbudget)
- REACH initiative (Vince): $37.5K
- One additional Youtube videos (Matthieu): $15K
- Student travel grants for regions 8 (but not EU), 9, and 10 (Aaron/Vijay/Daniela): $20K
- External speakers at ITA 2019 (Aaron/Alon): $10K
- D&I event at ISIT 2019 (Elza): $5K
- ISIT one-day registrations (Aaron): $4K (becomes operational)
- Publicity for “Small Bits” book (Christina): $13K

Total: $264.5K
### 2020 Special Projects

- **Total allowed:** $89K (3% rule) and $225K (50%) rule = $314K

- **Approved by officers or BoG:**
  - East Asian School (Stark): $20K [incorrectly stated as $30K in Paris]
  - “Hot-topic Workshops” (Henry and Emina) $25K
  - Travel grants for students outside Europe and North Amer. (Aaron/Vijay/Daniela): $25K
  - “Reaching out to K3-K8” (Christina) $20K
  - Web server upgrade (Brian): $14K
  - Childcare at ISIT 2020 (Aaron): $6K
  - D&I event at ISIT 2020 (Elza): $6K
  - ISIT one-day registrations (Aaron): $5K (yields operational $$!!)
  - Ancillary Professional Development Workshops (Emina) $5K
  - Conjecture Prizes (Parastoo) $1K in expectation

*Sum total:* $127K

- *Your idea here!*
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... and start thinking about 2021 special projects!
2020 General Funds

- $E[S_{2020}|\mathcal{F}_{ITA\ 2020}] = E[S_{2020}] = $243K [budgeted]

- Assumptions:
  - 100K surplus for ISIT 2020 in LA (ask to bring down)
  - Trans. revenues hit 2016 (not 2014) level
  - JSAIT has $71K revenue and $37K costs ($0/$0 for 2019)
  - 7% decline in membership fees
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In principle, we are supposed to aim for the $243K target....
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  - How to convert surplus money into new members?
Committee
Committee

From the ISIT Vail BoG meeting:

Motion for an Ad-Hoc Committee

Whereas:
- The Society is expecting operational budget deficits in the future;
- The BoG wishes to form a strategic plan for how to alter its revenues and costs in response to the expected deficits; and
- The BoG desires input on the strategic plan from a diverse set of stakeholders,

Be it resolved:
- That the president shall appoint an “Ad-hoc Committee on Society Finances” with a charge to review all aspects of the Society’s finances and report recommendations on changes the Society in response to anticipated deficits; and
- That the committee shall consist of members representing publications, conferences, schools; someone who has served or is serving as Society treasurer; and others that the president may select.
Committee

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- We will allow this committee to expire.
On the Padovani Fund

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- Should we think of this as a one-time gift to effect a large, immediate impact or a self-sustaining endowment?
On the one hand, the IEEE Foundation says:

“... Established in 2009 in concert with Information Theory Society and Roberto Padovani and is intended to be used until depleted [emphasis added] in accordance with signed gift agreements.

Initially, the Fund supported a travel grant for the Padovani Lecturer at the IT-S North America Summer School of Information Theory. Thanks to continued donations received from 2010 to 2013 - it was agreed between the IEEE Foundation, IT-S and the donor to expand the purpose of the Fund starting in 2014 to provide up to US$10,000 per year in support of the ITS North American Summer School of Information Theory to increase student-teacher activities. Use of the Fund includes:

- Student-Teacher social events (e.g., pizza/BBQ event, local outing/tour)
- Student travel support in the form of travel grants, and lodging stipends
- Dissemination (e.g., video-taping of lectures for distribution on IEEE Information Theory Society website and participating school websites)
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- On the other hand, our bylaws implicitly treat it as a self-sustaining endowment.
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- Complicating matters, in practice:

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- Should we think of this as a one-time gift to effect a large, immediate impact or a self-sustaining endowment?

- Are we making the best use of this donation?
On the Padovani Fund

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- At 5% return, spending it down will take about 15 more years.
- I suggest either raising or lowering the payout.
- In the meantime, I will work to draw it down in accordance with the existing rules.
What is a New Initiative?

From IEEE’s Financial Operations Manual

**Language common to 3% and 50% rule:** This funding would be intended for OU new initiative activities (activities with a limited expected life of one to three years). Items normally carried within the budget (including items that have been considered operational, such as staffing, existing publications, members services, governance activities, awards, etc.) shall not be funded under this rule.

**For the 3% rule:** Any multi-year initiative which requires funding in future years will need to re-qualify annually.

**For the 50% rule:** Any activities funded under this rule shall be completed during the current year unless provided for in the following year’s approved budget.