

Budget 2015-2017 for IDEAS

Note for approval by the members – Rob D. van den Berg and Maureen Woodhouse

NB: this note is an updated version of the one shared for comments with the members. Apart from interventions made at the Annual General Meeting, several email comments were received, all of them positive in tone, one of them with the suggestion to provide a reduced membership fee for those who have been members for longer than ten consecutive years, which the Board decided to include in this version of the budget. Furthermore, the potential collaboration with UNDP has been removed from this document as it is speculative and will return in a future budget document if it materialises.

Principles

IDEAS has not had a proper budget process for a long time, due to the unpredictable nature of its income from membership fees and grants. Some issues will need to be decided:

- Our current financial reporting to the Charity Commission in the UK (where IDEAS is registered) is from 1 October to 30 September of the next year.
- This fiscal year is so for historical reasons – there is no objection to changing it.
- The Board has decided to shift the fiscal year to the calendar year as this will also make it possible to incorporate the income and expenses for the Global Assembly better.
- Our income from membership fees is low and will not enable continuity: we will need to discuss membership fees and start a process of increasing them.
- The budget is calculated in US\$, identified as \$ in the text of this note.

Balance

A full financial report on 2014-2015 has been submitted to the Charity Commission of the UK and will be published on their website, as all previous financial reports have been published. These reports provide assurance and accountability, but not transparency, as they are couched in audit terminology. The numbers in this draft budget are based on the numbers in the financial report, and presented in what we hope is a transparent way.

For the purpose of developing a budget that would relate to the calendar year, the Treasurer has provided an overview of the finances of IDEAS from 1 October 2014 to 31 December 2015 (see Table 1 at the end of this note). This incorporates the expenditures for the Global Assembly 2015 in Bangkok, but not all, as the final payment for the venue and reconciliation of registration fees was done in 2016.

A separate overview has been prepared by the Treasurer of the finances of the 2015 Global Assembly. With the balance from this event, mainly due to registration fees, the general balance of IDEAS has improved to such an extent that regular budgeting processes can be started up. The available funding is as follows:

General balance per 1 January 2016	\$135,743
DFID grant for publications/website (remainder of grant for GA2013)	\$13,717
DFID grant for professionalization (remainder)	\$18,334
Untied balance (= general balance minus DFID grants)	\$87,948

From a prudent financial perspective, a reserve needs to be kept at all times to ensure sufficient cash to deal with surprises (for example fluctuations in exchange rates). A prudent reserve for IDEAS would be a balance from which the core budget of the next year could be covered with at least 50% (see expenditure section below). It is proposed to set the reserve level of IDEAS at \$20,000, as IDEAS does not have many longer term financial commitments, and if we need to wind up operations we could potentially do this quickly. This means that of the untied balance of \$87,948 an amount of \$67,948 can be added to the budget for 2016 and 2017. This of course needs to be seen in the perspective of the income of IDEAS.

Income

The general income of IDEAS through membership fees (on average \$32,000 per year) is barely sufficient to pay for “operating costs”. With our annual fees at \$80 for developed country members and \$45 for developing country members we are one of the “cheapest” associations in the evaluation profession. The AEA and EES have fees of \$99 and €150. As a result, they are able to offer considerably more services to their members. Furthermore, the lifetime membership option (\$500 for developed countries and \$300 for developing countries) leads to loss of income over time – we have a growing number of lifetime members who do not contribute financially to upcoming years, whereas they expect services that need to be paid by a reduced number of members who pay annual fees. This is not a sustainable budget situation. To tackle this and turn the budget into a sustainable one, the following decisions are proposed:

- Membership fees need to be increased annually to ensure sufficient income. While IDEAS has a range of membership options, it is proposed that the annual fees will form the basis for our calculations of the various fees, and that we increase the fees per 1 January 2017 as follows:
 - Annual fee for developed country members: \$90
 - Annual fee for developing country members: \$50
 - Annual fee for institutional members: \$600
 - Annual fee for civil society organisations: \$350
- The distinction between developing and developed countries needs to be fine-tuned. It is undeniably the case that there are many countries in the world where income is still relatively (very) low; yet many “developing” countries are now recognized as “emerging economies” and some have income levels that are now as high as those of traditional developed countries. It is proposed that:
 - The designation of “developing country” will as from 1 January 2017 be the list of “Least Developed Countries” of the United Nations
- The lifetime membership category for new members need to be increased substantially to:
 - \$750 per 1 January 2017; with a reduced fee of \$500 for developing country members

To provide an additional incentive for members it is proposed that members that have continued their membership for ten consecutive years, would be eligible for one of the following options:

- Reduction of their annual fee with 50 percent.
- A reduction of 50 percent for a Lifetime Membership.

Furthermore, an option should become available for members to donate funds to IDEAS, which, given the status of IDEAS as an association with charitable purpose, could be used for tax deductions, depending on the tax laws and regulations in the members' country. Recognition of donations received will be provided to the members giving these donations, and in the financial reports of IDEAS.

Expenditure

The budget will have a core administrative and logistical budget and an activities budget.

Administration and logistical support

The core budget at the moment is composed of the following elements:

Administrative support	\$26,400
Various administrative expenses	\$750
Accounting services	\$5,000
Bank charges	\$1,000
Annual General Meeting in Ottawa	\$2,000
Website software, maintenance and continuous development	\$5,000
Total	\$40,150

A WebEx account has been opened to enable internet meetings and webinars. When activities of IDEAS increase over time, more administrative support will be needed, for which reason it is proposed to budget overall \$90,000 for the 2016-2017 period.

Activities budget

We have envisaged several areas of work for which the two DFID grants can be used, and the balance that we have built up so far (minus the agreed upon reserve of at the minimum US\$ 20,000), hopefully augmented by an increasing flow of regular income. No detailed budgets per area of work are available yet. They will be developed by the Board member responsible for the activity and will be submitted to and approved by the Board within the amount allocated in the budget.

- 1) Professional development/credentialing: at the moment the Vice-President is coordinating our collaboration with EvalPartners on this issue and our Secretary has contributed on capacity development support, whereas Board Member Michele Tarsila is leading the ITIG on capacity development. Activities can be financed out of the DFID grant for professionalization. It is proposed to allocate \$20,000 for support activities.
- 2) Mentoring Programme: Board member Awuor Ponge has developed the programme and has proposed a budget in the past that would need to be updated, as well as the plans of his working group. It is proposed to allocate \$10,000 for support to this programme.
- 3) Publication support: Awny and Michele have prepared a policy document that would also provide a starting point for developing a budget, that can be funded out of the DFID grant

for this purpose. It is proposed to round up the available amount to \$15,000 to implement the IDEAS publication policy.

- 4) The ITIG leaders are working with the Secretary, who coordinates the efforts, to develop concrete proposals for support to their work. It is proposed to allocate \$15,000 for this support.
- 5) The preparations for the Global Assembly 2017 should start in the coming months. Some pre-financing would help to ensure venues can be visited and discussions held with potential partners and donors. It is proposed to allocate \$10,000 for this task.
- 6) The Board has initiated talks with international development evaluation training programmes and will look at possibilities to collaborate, including the possibility to earn income from registration fees when IDEAS instructors (who should receive a fee for their contribution) would provide workshops or lectures. It is proposed to allocate \$4,000 to support the work needed to systematise collaboration with reputable international development evaluation training programmes.

Budget proposal for 1 January 2016 – 31 December 2017

The following budget is proposed:

Untied balance	\$67,000
DFID grants	\$32,000
Income from membership fees (current amounts)	\$65,000
Available for 2016-2017 budget	\$164, 000
Budget 2016-2017	
<i>Core administrative and logistical support</i>	\$90,000
<i>Activities budget</i>	
Professional development/credentialing (sponsored by DFID)	\$20,000
Support for mentoring	\$10,000
Publication support (sponsored by DFID)	\$15,000
ITIG support	\$15,000
Preparations for Global Assembly 2017	\$10,000
Collaboration with evaluation training programmes	\$4,000
<i>Total activities budget</i>	\$74,000
Total allocated amount for 2016-2017	\$164,000

Table 1 – IDEAS Oct 2014 to Dec 2015		
<i>Revenue/expense statement (in US\$)</i>		
Revenues		
GA2015		
Sponsorships	\$165,000	
Registration fees	\$78,916	
Other income	\$1,910	
Membership fees	\$38,024	
Total revenues		\$283,850
Expenses		
Global Assembly 2015	\$173,890	
DFID funding carried over	\$18,334	
Accounting fees	\$4,439	
Admin	\$35,685	
Bank charges	\$1,643	
Total expenses		\$233,991
Balance		\$49,859
Cash statement		
Opening bank balance USD	\$83,687	
Opening bank balance GBP (in USD)	\$2,197	
Total opening bank balance		\$85,884
Revenues		\$283,850
Expenditures		\$233,990
Closing bank balance per 31 December 2015		\$135,743

Note that some financial transactions related to the GA occurred only in 2016.

Table 2 – Global Assembly 2015 financial summary		
Revenue		
<i>Sponsorship</i>		
DFID	\$107,000	
IFAD	\$20,000	
SDC	\$15,000	
Gates Foundation	\$7,500	
UN Women	\$9,000	
Universalialia	\$1,500	\$160,000
<i>Registration</i>		\$78,916
<i>Other income</i>		\$1,910
<i>SDC receivable</i>		\$5,000
Total revenue		\$245,826
Expenses		
Travel		\$64,223
Accommodation/venue		\$74,266
Admin		\$30,166
Website		\$5,235
Total expenses		\$173,890
Balance		\$71,936
DFID funding carried over		\$18,334
Balance (unrestricted funds)		\$53,602

Note that some financial transactions related to the GA occurred only in 2016.

All GA- related transactions are included in this report, regardless of the timing of the transaction.