



香港中文大學
The Chinese University of Hong Kong



IRMMW-THz
2015
HONG KONG

IRMMW-THz Society & KJB Prize

Financial Reports

Sept. 30, 2014 – Aug. 23, 2015*

Peter H. Siegel, General Secretary Elect

** Note Fiscal Year is taken to be Sept. 30, 2014 - Sept. 30, 2015 for purposes of this report.
Fund values shown are for exact dates indicated*

14:30-14:35 Set-up, introductions and seating (Chair – G.-S. Park)

14:35-16:20 Society Financial Report (General Secretary - Peter Siegel)

- Society fund (10 min)

- Tax and full charitable organization (15 min)

- IEEE Xplore fee (5 min)

- New Society website (5 min)

- KJB prize fund (5 min)

Issues on conference management (G.-S. Park, D. Mittleman, P. Siegel):

- Vote on the issues of auditor, travel support for General Secretary (10 min)

- Discussion on the procedure for choosing conference venues (20 min)

- Discussion on change to IOC financially sponsored conference (20 min)

16:10-16:20 Coffee Break

16:20-17:00 Selection of the 2016 Exceptional Service Award (ESA)

- Presentations of nominations for the 2016 ESA (5 min each)

- Discussion & Voting (20 min)

17:00-17:25 Appreciation to the Prize Committee

- KJB Prize

- Student Paper Prize

- Discussions on "Best Paper Award"

- Discussions on "Young Scientist Award"

17:25-17:30 Announcement

- Any retiring IOC members or extension of service (5 min)



IRMMW-THz Society

Total Assets as of 9/30/14 (end of FY'14)

Vanguard VBIAX (9/30/14):	\$104,656.31
Vanguard VCVSX (9/30/14):	\$ 47,686.87*
<u>Checking Account (10/1/14):</u>	<u>\$ 6,309.29</u>

TOTAL (9/30/14): **\$158,652.47**

Amount shown does not include \$27,000 hosting fee from 2014 which was deposited on 9/23



香港中文大學
The Chinese University of Hong Kong

IRMMW-THz
2015
HONG KONG

IRMMW-THz Society

Earnings in FY' 15 (9/30/14-present):

Hosting Fee for 2014 Conference (9/23-PHS): \$27,000

Profit from 2014 Conference (10/30-PHS): \$161,388

Vanguard Div' s (12/30/14, 3/30/15, 6/30/15): \$14,438

Vanguard growth Note: VCVSX losses in 4th quarter 2014 resulted in transfer of all funds to VBIAX. 2015 gain on VBIAX now \$5677 ≈ 0

Total Earnings to date in FY' 15: \$202,826



IRMMW-THz Society

Expenses FY' 15:

Web fees (hosting, DNS, email, etc.):	\$718
New Society Website (Ashday-approved 2014)	\$15712
Award supplies/mail	\$256
Tax filing fees & accounting (Temo Arjani,LLP)	\$2526
<u>Student Paper Prize money for 2015</u>	<u>\$1000</u>

Total Costs in FY' 15 (to date)	\$20,247
--	-----------------



IRMMW-THz Society

Yearly Asset Change: 9/30/2014 to 8/9/2015

	<u>9/30/14</u>	<u>8/9/15</u>	<u>Gain</u>
Checking	\$ 6,309	\$ 11,618	\$ 5,309
Vanguard:	\$152,343	\$326,572	\$174,229
TOTAL	\$158,652	\$338,190	\$179,538*

Income: 2014 Hosting fee:	\$27,000
2014 Conference profits:	\$161,388
Vanguard Dividends:	\$14,438
Expenses: Accounting & taxes, awards, web:	-\$20,247
Total \$Gain (not including Cap Gain/Loss)	\$182,579

* Includes
capital loss
of about 3K



香港中文大學

The Chinese University of Hong Kong

IRMMW-THz
2015
HONG KONG

IRMMW-THz Society

CONCLUSIONS

- Taking over financial control of the 2014 Conference was a huge financial success for the Society. Suggest doing this again in 2020. PHS was able to earn for Society: \$188,388! (\$161,388+\$27,000)
- Society Endowment is now sufficient to take on any hosting risk
Total Assets (as of 8/9/15) = \$338,190.
- Dividend income in FY'2015 was \$14,883 (about 4%) but capital gain YTD is negative (hopefully this is a temporary anomaly)
- Expenditures in FY'2015 were \$20,247 (includes one time web cost)
- Going forward we can expect ≈\$10,000 in interest income, plus whatever hosting fees are paid or ≈\$30,000 minus expenses.



IRMMW-THz Society

Other Items to Consider Going Forward

- The Society is classified as a 501c(4) – mutual benefit corp. We would like to be a 501c(3) – charitable corporation, which would allow us to take tax exempt contributions.
- Switching to a 501c(3) requires an up front legal cost (~\$5000) plus additional accounting/legal costs each year (~\$5000 total). PHS suggests looking into the switch for 2016 (see later slide).
- The society web site is very old and hard to edit. With IOC approval in 2014, PHS contracted with Ashday (IRMMW 2014 web designers) to generate an updated Drupal site. Total cost for the completed swap is \$15,712 plus \$300/year (see next page).



New Society Website

- **Original web site built in 2009 using HTML by PHS**

Although it has served us adequately, it was never meant to be a professional site.

- **In 2014, PHS asked IOC for permission to contract out a new web site design using Ashday** (same company that designed the IRMMW-THz2014 web site).
- **PHS contracted with Matt Giambrone, Ashday President, in January 2015 to build a test site with Drupal.**
- **Site is now up and running.** Total cost: \$15,712. Expect $\approx 1\text{K}/\text{yr}$ maintenance. Site is on Pantheon at a cost of \$25/month.
- **Advantages:** Easy editing & expansion. Flexible access. Professional look. Password protected: www.irmmw-thz.org/member



KJB Award Financials

- KJB funds held by: Pasadena Community Foundation

As of Sept. 1, 2014 we had: \$175,479.17

As of 8/4/2015 we had: \$181,050.75 ($\approx 3\%$ growth)

2015 Award = \$3000.00

Remaining after award payment: \$178,050.75

- Principal is able to grow slowly. Once we reach \$200,000 PHS suggests increasing award to full value of derived income stream or \$8000 at 4% (\$6000 at 3%).
- KJB Comm. is being rebalanced & rules updated for consistency with IOC: Attendance 2 out of 3 years is now required.
- Last KJB medal given out in 2015. Switching to plaque in 2016.



Upgrade to 501c(3) Charitable Org.

- **IRMMW-THz Society is a Mutual Benefit Corp. under 501c(4)**
This means a maximum income of \$50,000/year, no tax deductible contributions allowed, limitations on tax exempt activities
- **Up until 2014, PHS has been able to handle all accounting and tax filing for the Society himself.**

In 2014, due to earnings from Tucson, PHS contracted with TemoArjani – an independent tax accounting firm in Pasadena, CA to file Society taxes. All forms were successfully submitted May 1. May 14 we received pushback from IRS on Society 501c(4) status. PHS was able to defend the Society status to the IRS. Cost for the service in 2014 was \$2500. So far so good! No Audit!



501c(3) Upgrade - 2

- In order to change to a full charitable organization under US 501c(3) status, we need to hire legal council and have a permanent accounting firm responsible for taxes and funds audits
This entails a minimum yearly expense of ~\$5000 (guestimate)
- PHS seeks Society board approval for the following motion:
The Society board authorizes Peter Siegel to contract with a legal entity in the US and to begin processing a transition of the IRMMW-THz Society to a charitable organization under 501c(3) status in 2016. Expenditure of up to \$8000 is authorized for this process.



香港中文大學

The Chinese University of Hong Kong

IRMMW-THz
2015
HONG KONG

Financial Sponsorship of 2020 & Future Conferences 1

- **The Society now has a projected 2020 endowment that exceeds the worst case financial loss scenario for an individual conference ($\approx \$400,000$)**
- **Other endowed societies use a centralized planning and financial model that outsources technical content of conferences to local committees but not financial responsibility (IEEE for example)**
- **PHS would like to propose such a model for IRMMW-THz beginning in 2020 (next unselected America's venue)**
It is difficult to find US teams willing to take on the financial risk



香港中文大學
The Chinese University of Hong Kong



Financial Sponsorship of Conferences 2

- **Advantages**

- More flexibility in choosing local hosts (no financial burden)
- *Could even choose a site without a local team in residence*
- A Select IOC subcommittee has direct involvement in the venue
- Experienced team involved each year & improving with time
- Professional conference management contract possible
- Fees and expenditures controlled by IOC
- All profits go back to Society
- Serving on the IOC is no longer a passive activity



香港中文大學

The Chinese University of Hong Kong

IRMMW-THz
2015
HONG KONG

Financial Sponsorship of Conferences 3

- **Disadvantages**

- Greatly increased burden on IOC – needs real dedication
- Financial risk to Society every year – requires careful selection and monitoring of the local technical committee and an MOU
- New ideas will be harder to seep into the venues – committee decisions generally limit radical changes
- Costs may be higher due to greater numbers of involved parties
- Other unknowns – since this would be a new process



Financial Sponsorship of Conferences 4

- **SUGGESTED IMPLEMENTATION**

- Test this process for 2020, following the 2014 model.
- Establish a venue Search Committee to set up proposals (Jan. 31, 2017 due date) and a draft MOU for hosting (IOC Chair)
- Name an IOC 2020 Subcommittee & generate a formal MOU

- **MOTION**

The Society board authorizes the establishment of a venue Search subcommittee to solicit proposers for locally hosting the 2020 IRMMW-THz conference in the Americas under IOC financial sponsorship and the drafting of an MOU for local hosting. The committee will report back to the Society Board for final selection of proposals to the full IOC at IRMMW-THz 2016 in Copenhagen.

- **Background:**

The General Secretary requires an extraordinary amount of behind the scenes effort over the course of the year. It is very important that the person in this position interact as much as possible with the IOC. In cases where the General Secretary may not be able to offset the cost of travel to the conference on grants or professional funds, it would be very helpful if the Society could provide some conference reimbursement support for the General Secretary, rather than not have the individual attend the conference.

- **MOTION**

The Society board authorizes funds to support travel and registration fee expenses for the General Secretary to attend a particular conference venue, if the General Secretary has a particular need. The process of awarding the funds will be through a request from the General Secretary to the Chair of the IOC with an explanation as to why the funds are needed, and approximately how much funding is being sought. The IOC Chair will have the authority to grant or deny the funding request.