

Executive Board Meeting

7 October 2008

Agenda item no. 11

Prepared by: Don McMichael, Treasurer

Date: 3 October 2008

Topic: Treasurer's Report (October 2008)

1. Recommendations

- 1.1 That the attached Report be noted and the payments listed in Attachment 1 be ratified;
- 1.2 That the authority of Christopher Nobbs to operate the ICOM Australia bank accounts Numbers 1980 - 08971 and 9847-18575 be revoked;
- 1.3 That the annual subscriptions payable to ICOM Australia for 2009 be the same as those applying for 2008;
- 1.4 That subscription payments received after 30 September 2008 be credited towards 2009 membership, unless the member requests renewal for 2008;
- 1.5 That a flat charge of \$3.00 be applied to members paying their subscriptions by Credit Card, regardless of category;

2. Background

- 2.1 The transfer of all Treasurer functions and documents to Canberra has now been completed.
- 2.2 Mail is being re-directed to the Museums Australia PO Box and Museums Australia National Office (MANO) staff are collecting mail and advising me of it as received.
- 2.3 Craddock Morton, Roger Garland, Don McMichael and Jonathan Sweet are now registered as signatories to both our bank accounts.

3. Issues

- 3.1 Despite our best endeavours to update the signatories to our two bank accounts, it emerged that the ANZ Bank still has Christopher Nobbs listed as a signatory, apparently from some years ago. Chris has indicated that he has no objection to his name being removed from the list and there is no advantage in retaining him as a signatory; however that requires a resolution of the Executive Board. I recommend that the authority of Christopher Nobbs to operate the ICOM Australia bank accounts be revoked.
- 3.2 As the ICOM subscription year is drawing to a close. It is necessary to decide the Australian dues for 2009. Attachment 3 sets out the issues and I recommend that the dues be set at the same levels as for 2008.

- 3.3 Given that some people are still applying for or renewing memberships and the year is almost over, I recommend that our policy of applying any subscriptions received after 30 September to membership for 2009 should continue, unless the member requests 2008 renewal (for example, because of travelling abroad before 31 December).
- 3.4 The use of credit cards for payment of dues has been popular with members. The service costs us around \$500-\$600 a year and we seek to recover it with a 3% surcharge. However, the application of the 3% surcharge seems to have caused difficulty (often mathematical) for many members, and that has led to much time being spent in getting the correct amount approved. I propose that we adopt a flat charge of \$3.00 per credit card transaction, regardless of category, to simplify the process. While this may be seen as inequitable to student and retired members (who currently pay a surcharge of \$1.35 and \$1.80 respectively) it needs to be remembered that student members are subsidised by several dollars a year (and there are relatively few of them) while retired members can usually send a cheque to avoid the surcharge.
- 3.5 The \$50,000 Debenture with Esanda Investments was reinvested at 8.14% and is now due to mature on 1 July 2009.

4. Attachments

1. Payments made since 3 June 2008 (when the last approval was sought) are set out in Attachment 1. Ratification of them is requested. There are no outstanding payments to be made at this stage, other than the transfer of some late membership subscriptions to Paris.
2. The Operating Statement to end August 2008 is at Attachment 2, for noting. An update to end September will be circulated when the Bank Statement for September received,
3. An analysis of subscriptions payable and the consequences of exchange rate changes is at Attachment 3. It is recommended that subscriptions for 2009 be at the same rates as for 2008.
4. A provisional budget for 2009 is at Attachment 4, for noting.

ATTACHMENT 1

List of payments made since 3 June 2008, for ratification by Executive Board

Cheque No	Payee	\$
001283	Toadshow, for website redevelopment	3,272.50
001284	UHY Haines Norton, for 2007 Audit	1,925.00
001285	Joe Corponi, for document transfer expenses	539.85
001286	Swire Shipping, for IAMPP Fiji project	1,650.00
001287	Stage & Screen, for IAMPP Solomons project	1,466.53
001288	Penny Engineering, for IAMPP Solomons project	2,737.81
001289	Farnell Electronics, for IAMPP Solomons project	119.24
001290	Stage & Screen, for IAMPP Solomons project	92.00
001291	Paul Monaghan, for IAMPP Solomons project	2,508.00
001292	Paul Monaghan, for IAMPP Solomons project	530.00
001293	ACT Office of Regulatory Services, for Change of C'ttee	31.00
001294	Angeletto Leggio, advance for ICOM scholarship	3,373.00 ¹
001295	Collections Council of Australia, for Blue Shield	220.00
001296	Australian Museum, for IAMPP Solomons project	3,101.54
001297	Penny Engineering, for IAMPP Solomons project	802.00
001298	Swire Shipping, for IAMPP Fiji project	4,497.70
001299	Paul Monaghan, for IAMPP Solomons project	2,103.78
001300	Canberra Rubber Stamps, for new Seal and stamp	58.15
001391	Joe Corponi, for mail re-direct charge (less refund)	<u>169.00</u>
Total Cheques		<u>28,197.10</u>

Electronic Transfer from ANZ Bank

5 Sept 2008	ICOM, payment of bulk of 2008 dues	<u>52,866.97</u>
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¹ \$3,339.21 subsequently recouped from ICOM Paris – difference is due to buying and selling exchange rates

ATTACHMENT 2

Operating Statement (Year to end August)

INCOME	\$
Subscriptions	61,576.95
Donations	31.00
IAMPP (Grant from National Museum)	14,949.00
Interest – Cash Management Account	3,517.23
Interest – Fixed term Deposit Account	2,941.56
Interest - Esanda debenture	1,632.50 ²
Other –	<u>4,126.26</u> ³
Total Income	<u>88,774.50</u>
EXPENDITURE	
Subscriptions to Paris	nil ⁴
Advance of ICOM Grant to A Leggio	3,373.00
Bank Charges	512.18
Audit Fee	1,925.00
GST paid to ATO	6,389.00
Newsletter printing, stationery, postage	367.18
Website development	3,272.50
Website Administration	720.79
IAMPP project supplies/costs/administration	<u>14,803.58</u> ⁵
Total Expenditure	<u>31,363.23</u>

² Additional Payment of c \$800 due this year

³ Repayment of unspent ICOM Grant from K Selling & payment by ICOM of Grant for A Leggio

⁴ Paid in September 2008 – cost \$52,866.97

⁵ Additional payments of c \$10,500 made in September 2008

ATTACHMENT 3

PROPOSAL RE 2009 ICOM AUSTRALIA MEMBERSHIP DUES

The Executive Council of ICOM decided, at its June 2008 meeting, to leave the membership subscription rates unchanged for 2009 from those applying in 2008. These rates, and the equivalent rates adopted by ICOM Australia for 2008, were as follows:

	€	AUD
Regular Individual	58	120
Retired Individual	29	60
Student	29	45
Institution A	288	500
Institution B	428	850
Institution C	586	1,450

The cost to us of paying the dues to Paris depends on the exchange rate of the Australian Dollar against the Euro, which has been fluctuating wildly in recent weeks. Over the last several years, the rate has hovered around AUD1.00 = €0.6 but recently it dropped to 0.55. The difference is significant as indicated in the following table.

	Exchange Rate 0.6	Exchange Rate 0.55
	AUD	AUD
€58	96.67	105.45
€29	48.33	52.72
€288	480	523.63
€428	713.33	778.18
€586	976.66	1,065.45

There can be no certainty about what the Euro will be worth when we have to pay our 2009 membership dues to Paris (April and June 2009) but it would be unwise to assume an exchange rate much greater than 0.55. In that event, we would retain less than \$15 per Regular Individual and less than \$6 per Retired Individual member, while we would be losing money on Student members and Institutions Category A (those with 1-5 staff). However, there are relatively few Student and Institution Category A members and these groups probably deserve to be assisted to become or remain members of ICOM.

We are fortunate that our invested funds have been returning about \$8,000 - \$9,000 a year in interest, which enables us to keep operating at our present level of activity but interest rates seem likely to fall somewhat in the year ahead (see Attachment 4 – provisional budget for 2009). The budget forecasts a small profit result. Nevertheless, the budget is conservative and we may obtain a better result than it indicates.

While it may seem timely to increase subscription rates to avoid the possibility of trading at a loss, given that ICOM Paris has seen fit not to change its subscription rates, I propose that we too should adopt the same Australian subscription rates for 2009. We have sufficient reserves to sustain any losses that might arise if the exchange rate drops below 0.55 or if interest earnings fall significantly.

Don McMichael
Treasurer
3 October 2008

ATTACHMENT 4

ICOM AUSTRALIA PROVISIONAL BUDGET FOR 2009

Prepared by Don McMichael, 1 October 2008

This provisional budget is predicated on the following: ⁶

- That the 2009 Australian subscriptions will remain unchanged from those for 2008;
- That all subscriptions to ICOM Paris will be transferred in Euros at an exchange rate of 0.55 (i.e. AUD 1.00 = € 0.55);
- That the number of members paying in 2009 equals the number that paid in 2008;
- That interest rates on deposits will be slightly less than in 2008;
- That the costs of maintaining the website are comparable with 2008 and that no major website redesign or upgrading is required;
- That no major unanticipated expenditures arise during the next FY;
- That some expenditure will be required for meetings in association with the MA Conference in Newcastle NSW in May 2009;
- That no further expenditure on the ICOM 98 Proceedings will be required;
- That the auditor's fee for the 2008 Audit will not exceed \$1000;

It is a conservative budget and we may well do better than this – for example, expenditure on a Newcastle ICOM event may not be substantial, while the cost of transmitting subscriptions to Paris will depend on the exchange rate with the Euro. It may well be above 0.55 which will reduce the cost to us.

⁶ IAMPP Grant receipts and expenditures are excluded from these estimates

INCOME	2009	(2008) ⁷
	\$	\$
Membership subscriptions & donations ⁸	62,000	c.62,000
Interest ⁹	<u>8,000</u>	c. <u>11,000</u>
Total Income	<u>70,000</u>	c. <u>73,000</u>
EXPENDITURE		
Subscriptions transferred to Paris ¹⁰	55,000	c.53,000
Bank charges	1,000	c.1,100
GST ¹¹	5,630	c.7,000
Website admin costs ¹²	2,000	c.5,000
ICOM AGM Newcastle	2,500	nil
Auditor	1,000	1,925
Miscellaneous admin costs/contingencies	<u>1,000</u>	c.1,500 ¹³
Total Expenditure	<u>68,130</u>	<u>69,525</u>
Surplus for year	<u>1,870</u>	c. <u>3,475</u>

⁷ 2008 Figures are estimates based on reasonable expectations of income & expenses for balance of this year.

⁸ Based on 2008 subscription as follows: 7 Institutions A at \$120 = \$840; 4 Institutions B at \$500 = \$2000; 20 Institutions C at \$1450 = \$29,000; 220 Regular Individuals at \$120 = \$26,400; 62 Retired Individuals at \$60 = \$3720; 8 Students at \$40 = \$320.

⁹ Interest from Cash Management Acct = c \$5000; from Term Deposit Acct = c \$3000; from Esanda Debenture = c \$3000. 2008 Interest includes a proportion earned on IAMPP monies (which accrues to IAMPP), and a lesser rate can be expected in 2009, so have reduced 2009 interest by \$3,000.

¹⁰ Assumes c €30,000 membership dues transferred at an exchange rate of 0.55.

¹¹ One eleventh of membership income; it may be possible to reduce this liability as bulk of funds are sent to Paris

¹² 2008 costs include \$3200 for website redesign

¹³ Includes c \$600 associated with transfer of Treasurer functions and documents to Canberra