



General Assembly 2023 *document* de l'Assemblée Générale 2023

Item 13

Topic / Thème: **Treasurer's report 2019–2023 / Rapport du Trésorier 2019–2023**

Rapporteur: **Thomas Schulz, Secretary-General / Secrétaire général**

Date: **1 August 2023**

General remarks

After eight years in office, my predecessor, Mr. László Zentai, handed over all relevant current financial documents and instruments to me in February 2020. The takeover took quite some time since the Tokyo General Assembly in August 2019, as a lot of paperwork had to be done for this change, and the ICA bank needed time to transfer the authority to me, check my identity and read the Minutes from the General Assembly and finally issue new bank cards as well as access to the accounts. This process was finally completed in February 2020, with effect at 28 February, and László Zentai and I met in Zurich to hand over cards, access rights for the Online Banking as well as the ICA cash deposit, both in EUR and USD. Since 1 March 2020, I was fully and solely responsible for managing the accounts and cash assets of ICA.

What I found as documentation, was in extremely good order and I thank my predecessor wholeheartedly for this – as well his intense introduction into the business and the continued help during the transfer period and any time after. László was always available to me for any question throughout the term, and this helped me a lot to learn and get into the oftentimes complicated processes of managing and accounting the ICA budget, from strategical questions to making payments, declaring revenues for tax authorities etc.

I fully adopted and continued the financial procedures of the ICA from my predecessor, which are described in the report of the accounting company. Furthermore, the current President and I set up internal guidelines for any office expenses in the office of the Secretary-General, especially on all travel reimbursements, as the term commenced, which were subsequently adopted and applied transparently for every expense occurred. All expenses handled by the Secretary-General and the President himself were done on a four-eyes-principle. Every fiduciary action had review, approval and sign-off by the Secretary-General and Treasurer with the President of the ICA.

Auditing, Accounting company, Taxes

At the beginning of the term, I contracted the same professional Hungarian accounting company (Qlicons), who fully controlled me during the term and checked each of the around 200 annual bookings carefully. They wrote annual reports, which were presented to the EC each year, and a final report for the financial term of 2019–2023, which was also forwarded to the ICA Honorary Auditors as basis for their work. The report found no errors or unclear, undescribed bookings in the over 800 account entries for expenses and revenues which occurred during this term. The report released the Treasurer in all aspects.

The elected ICA Honorary Auditors received all financial documents digitally at the end of the financial period (31 May 2023), and they had the right to check all financial documents any time. Unfortunately, Bengt Rystedt resigned from his position in spring 2023 due to health issues. The Auditing was hence conducted by the remaining Auditor, Hal Moellering, in July 2023. The report, duly signed by Hal, was received on 27 July 2023, and is available to all delegates of the ICA General Assembly in Cape Town. As with the report of the accounting company, the report found no errors in my handling of the ICA finances and released me in all aspects for the tasks performed.

In addition, annual tax declarations have been provided – until 2021 to the Swedish Tax Authorities in Gävle, with the help of our Swedish member. Since 2022, ICA moved its financial business to Switzerland (see later). Hence, the 2022 tax declaration was done in spring 2023 at the Canton of Fribourg, where ICA has its papers and tax ID as an idealistic society, accompanied by the annual balance of assets, revenues and expenditures. In the last years, thanks to the relatively low income from professional activities, there were no taxes to pay. Given the Swiss tax laws, which do not classify ICA as an enterprise, this is also expected for 2022. To date, the final tax statement has not yet arrived.

The ICA Executive Committee discussed the financial status of the organisation at every and each of the 16 meetings during the term. The Treasurer explained all expenses and payments since the last EC meeting and responded to all possible questions. The EC approved, in accordance with the ICA Statutes, all suggested payments to ICA officers during the term (Website editors ICA News editor, IJC editors, office management in Switzerland). All these engagements were made and documented transparently through contracts which the Treasurer set up and signed with the engaged staff. Every expense for ICA Commissions, Working Groups, international membership fees above 500€ as well as all scholarships offer to young scientist during the term were not only discusses and reviewed with the President, but brought to decision with the EC and individually approved by the ICA EC during their meetings.

Budget available 2019–2023

The 18th General Assembly of ICA on 15 July 2019 approved the below budget for this term (all items in EUR, as ICA calculates principally in EUR since the 2000s), which was the basis of all my work as Treasurer for this term. I return with pleasurer the unused budget in an orderly manner to the 19th General Assembly, as indicated in the net profits further below:

Although the Working Group on the International Map Year was closed, the planned book on «Mapping for a Sustainable World» was only finished during this term, under the auspices

of Past-President Menno-Jan Kraak. Thus, the 18th General Assembly also approved an additional 22'000 EUR «from the funds» (outside the general operational budget) in order to be used for the publishing (mainly printing costs) of the book between 2019–2023. This is documented in the last line of the budget table.

cotisations des membres nationaux	145'000	national members fees
cotisations des membres affiliés	60'000	affiliate members fees
vente de publications	40'000	sales of publications
intérêts sur les investissements	0	interests on investments
divers	0	miscellaneous
Recettes	245'000	Revenue
secrétariat & voyages	90'000	office and travel
gestion du site web	30'000	website management
cotisations aux organisations intern.	5'000	membership fees in intern. Organisations
commissions & working groups	53'000	commissions & working groups
publications	35'000	publications
Fonds de solidarité	30'000	Solidarity Fund
divers	2'000	miscellaneous
Dépenses	245.000	Expenses
fonds - publication avec l'ONU	22.000	from the funds – publication with the UN

Detailed financial results 2019–2023

The following table shows in detail all revenues and expenses for each of the budget categories for each year within the whole term. All amounts are given in EUR, the principal currency of ICA. The financial term started on 1 June 2019 and ended on 31 May 2023, thus covering a period of exactly 4 years. Thus, expenses for large events, such the ICC 2019 and ICC 2021 are within these results, however most expenses for the ICC in Cape Town will be credited to the next term, as they occurred after May 2023.

INCOME	Budget	2019	2020	2021	2022	2023	TOTAL	%
<i>national members fees</i>	145'000	4583	2845	37128	25003	13345	108'513	74.84%
<i>affiliate members fees</i>	60'000	13563	18127	8574	4906	6695	51'866	86.44%
<i>sales of publications</i>	40'000	1016	8368	8899	10184	10320	38'786	96.97%
<i>interests on investments</i>	0	0	1	-123	-520	0	-641	0.00%
<i>miscellaneous</i>	0	1297	9151	0	2871	0	13'319	100.00%
TOTAL	245'000	20459	64102	54478	42444	30360	211'843	86.47%
EXPENDITURES	Budget	2019	2020	2021	2022	2023	TOTAL	%
<i>offices and travel</i>	90'000	10183	8353	14448	27877	20088	80'948	89.94%
<i>website management</i>	30'000	4363	4709	4339	4404	4960	22'775	75.92%
<i>membership fees int.org.</i>	5'000	0	2509	2435	2633	0	7'577	151.53%
<i>commissions & wgs</i>	53'000	11408	2337	1665	6063	100	21'574	40.71%
<i>publications</i>	35'000	5016	4320	4060	8345	961	22'701	64.86%
<i>Solidarity Fund</i>	30'000	10100	0	14580	14323	500	39'503	131.68%
<i>miscellaneous</i>	2'000	0	0	0	0	1998	1'998	99.89%
TOTAL	245'000	41070	22227	41528	63645	28606	197'075	80.44%
<i>from the funds</i>	22'000	0	0	8036	6130	0	14'166	64.39%

Income – detailed explanations

Income from operational tasks (actual to 31 May 2023: € 211'843; budgeted: € 245'000)

- Membership fees: Most of our national members can be considered as »in good standing«, and we are grateful to those countries that have paid on a regular basis, even – in some cases – in advance for years ahead. The Treasurer is especially grateful to those smaller and less affluent countries who made a huge effort during the last term to update their subscription and pay outstanding membership fees – in spite of their oftentimes difficult economic situation. However, there is a handful of members nations, that have consequently not paid their subscriptions over many years, although the Treasurer permanently reminds them. I sent out regular notifications on arrears, together with the new invoices. Those countries are suggested to the General Assembly for withdrawal of voting rights and subsequently for withdrawal of membership, as a continued membership within ICA without paying cannot be accepted any more for reasons of fairness and justice with other members. We continue to receive subscriptions from our generous affiliate members, normally at a slightly higher percentage than from national members. These funds, especially from very large companies, support the work of the ICA tremendously. In general, the income from membership fees is lower than expected in the budget proposal. The reason for this is very simple: with the uncertain situation in the banking relation and the shift from the bank in the Netherlands to Switzerland in September 2022, the sending out of invoices was very much delayed in 2021 and 2022. The 2023 membership invoices were only sent out in July 2023, shortly before the General Assembly. Thus, the income numbers reflect more or less only 3 years and not 4 budget years. This said, due to the arrears, we can expect a higher income in the next term, when all the membership fees for 2023 have been paid – in addition to the fees from 2024–2027 (5 years).
- Publication revenue: The balance on this item is extremely positive and fully in line with expectations. The income from publications constitutes now almost 20% of the general income of the Association every year. This is largely owed to revenue from Taylor and Francis paid for our successful journal (International Journal of Cartography). Part of this revenue is on the other hand paid to our editors, so this item appears in both, the expenditure and income side. It can be concluded that the IJC is fully self-sufficient. We are no longer publishing our proceedings at Springer; we have a new contract with Copernicus to publish our proceedings and commission workshop papers. Other royalties from previous book sales with Esri, Elsevier, Springer are stable and arrive regularly, however it is less predictable, how much we will receive every year.
- Interest in investments: When the budget was defined in 2019, it was assumed, that the interest from our funds (savings account) would be zero in this period, given the interest rates valid in 2019. However, the situation went worse and our Dutch banked asked for negative interest rates, both on the EUR and USD deposits, for a long period from 2021 and 2022. This decision was not in our hands and could by no means be avoided. Since the summer of 2022, with the general hike in interest rates set by central banks, there are no more negative interest rates to pay. In fact, from 2023 on, we can expect income from interest again. This explains, why we made a small loss in this item compared with the budget.

- Miscellaneous: The largest surprise on the income side happened in this budget item. Unexpected, but with the efforts of the Treasurer, we received a substantial income this term from revenues of the big conferences, namely the ICC in Tokyo 2019 and the ICC in Florence 2021, who transferred the agreed 2% levy on the conference income. In addition, we profited from some income gained by Commissions, e.g. on presentations or publications or from workshop fees. This is much appreciated.

Expenses – detailed explanations

Expenses from operational tasks (actual to 31 May 2023: € 197'075; budgeted: € 245'000)

- Office costs: include accounting costs, translation fees, expenses related to the ICA bank, postage and printing costs, and the costs of assisting with the ICA conferences. In addition, travel costs for the main office holders (President, Secretary-General) as well as EC members and/or other officers representing ICA officially fall into the «office and travel» category as well. In general, the expenses for this budget item ended 10% below budget due to several reasons: with the pandemic arriving all of a sudden in February 2020, official travel stopped within ICA for a year and a half. Travel only picked up again with the preparations of the ICC in Florence in late 2021. Thus, there are almost no travel costs for 2020 and 2021 credited to the budget. In addition, whenever possible, we relied on invitations by members, and often travel costs were actually paid by the inviting institution. Furthermore: all translations were done by the Secretary-General and/or our French national member whom we thank very much. Many logistical costs, e.g. printing and shipping expenses, were paid by the Swiss Statistical office and other institutions. We have increased activities and outreach with international scientific bodies, especially in the International Science Council (ISC), in the UN GGIM and in Board Meetings with the IHO and IGU for Marine Cartography. This has led to higher travel costs for those activities related. Given this positive result, the Treasurer warns the General Assembly and the next Executive Committee, that this has not been a typical term. The low travel costs and the low cost for the administration of the society cannot be taken for granted and will increase again in the next term. Furthermore, as recommended by the Auditors and the Accounting company, the Secretary-General and Treasurer needs daily (paid) administrative support in order to meet the ever more complex requirements of the banking situation and the membership management in the future, as well as an actual office to be rented permanently for ICA. Thus, the budget proposal for this item for the next term is substantially higher and rather oriented at previous, «normal» periods.
- Website management: costs were quite predictable, as we have a contract with the two experts (Manuela Schmidt and Felix Ortag), which was renewed at the beginning of the term. However, the fee for the last half year (2023 first part) will be paid only in July 2023 and then be credit to the next term (as it is common practice). This item also includes the website hosting and domain name registration costs, which slightly increase from year to year. During the term, an extra 5,000€ were reserved for the redesign and relaunch of the ICA website, which will result in a data-based website managements and a new frontend with a mobile-friendly, responsive design. 90% of this

task were completed at the time of this report, and the new website will be launched in autumn this year.

- *International membership*: costs were 50% higher than budgeted. In 2021 the Executive Committee, based on a proposal from the Commissions on SDIs, joined the Open Geospatial Consortium (OGC) as member. The consecutive membership fees were of course not discussed and foreseen in the budget proposal accepted by the General Assembly in Tokyo. However, it was in line with previous periods, and we regret that the budget for this item was reduced without necessity during this term. A higher budget would have given us more leeway to act on international memberships. The yearly subscription of ISC, which is based on the membership income of the organisation, has remained stable during the term and is quite predictable. A revision of the ISC subscriptions is still delayed, but given the size and income of our organisation, we do not expect a substantial increase in the next term. Furthermore, thanks to negotiations by President Trainor, also the OGC membership fee will remain stable and thus frozen over the coming years. ICA is seen as a major contributor to OGC, and the OGC does not want to increase our fees to what they would actual be according to their new scheme.
- *Commissions and Working Groups*: Of the budgeted €53 000, only 40% were actually used by Commissions and Working Groups during the term. This is even much lower than the 65% in the previous term. In fact, this was much expected by the current President and Treasurer, as well as by some national delegates who made remarks to this budget item already during the last General Assembly. They have proven to be right. Generally, Commissions profit in their activities from (free) third-party support (mainly host institutions), workshop fees and free contributions by members. They do not need such a high budget only for logistical support during a term. This is why we have adapted the budget proposal substantially for the next term. However, the magnitude of the gap between budget and expenses in this term stems from the fact, that the during the pandemic, many activities were halted and no money needed to support workshops or publications. Generally, only 13 Commissions and Working Groups (40% of all) required support from the Treasurer at all. The only sad factor is, that, in spite of several calls by the Treasurer, almost all expenses for the pre-ICC 2023 workshops will be paid after 31 May 2023. Hardly any Commission reacted in time and paid and reimbursed the costs already. This will limit the financial flexibility of the Commissions in the next term. The ICA Executive Committee decided again not to allocate certain budget to each commission, but all commissions could apply for support for their projects. This was also communicated with the commission chairs during a first meeting in Ghent, Belgium, in November 2019. Projects were evaluated on the quality and on a «first-come-first-serve» principle. Given the very low number of requests and the amount of budget available, the Treasurer and the Executive Committee have not refused any requests.
- *Publications' expenses*: see also the income section. These costs mainly include the small financial support for the IJC editors and the ICA News editor. The last General Assembly decided to restart the printing of the ICA News, which the Secretary-General and the ICA News editor executed. All 8 issues and some past issues, that were not printed any more due to a decision of the previous EC, were printed again during this term, and will be distributed to our members after the ICC in Cape Town. The costs for

printing and distribution could be kept rather low (below 1,500€) for the whole term. This is thanks to logistical support from the Statistical Office in Switzerland, where the printing is done, and because the Secretary-General distributes almost all mail and parcels from Germany, which has amongst the lowest postal tariffs in Europe. Any travel costs were paid by the SG himself.

- Solidarity fund (ICA Scholarship): This budget item was intentionally overspent by 30%, with the decisions of the Executive Committee for the scholarships during the term. The maintenance of the ICA Research Scholarship (which was re-structured as ICA Scholarship during the last period) scheme is a vital part of ICA activity. The current EC considers it even a crucial part, an essential investment in the future of our discipline and our Association. We saw this immediately, when, caused during the pandemic, the registration numbers for the ICC in Florence dropped and many young people contacted us in order to receive financial help, as flight prices picked up and support from employers dropped equally, so that they could not afford to come otherwise. We took action and intentionally awarded much more participants than in the previous term. For example, for the ICC 2021, we awarded 25 young scientist, i.e. 10% of all participants who came in-person to Florence. The number of awards in this term was 84 in total!

Year	#	Conference
2019	19	ICC Tokyo
2020	0	
2021	25	ICC Florence
2022	39	EuroCarto, AutoCarto
2023	1	Commission workshop

The scholarships for the ICC in Cape Town will be credited on the next term, as they will only be paid on-site in August 2023.

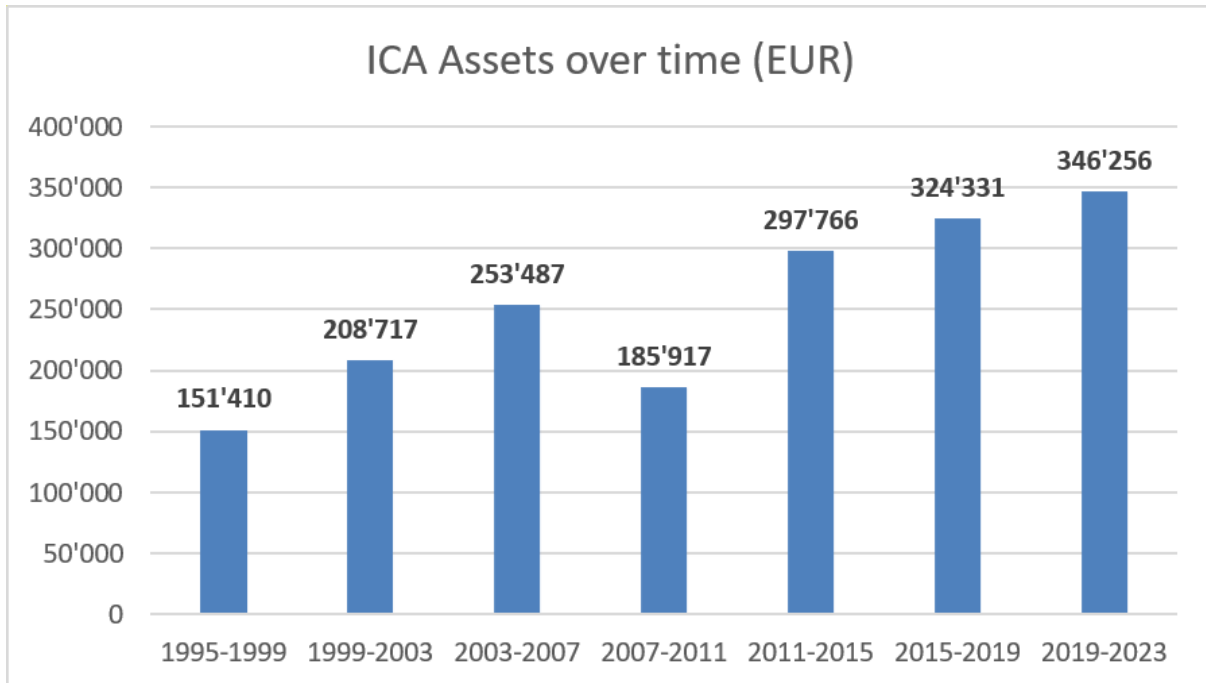
- Miscellaneous: constitutes of very few unclassifiable expenditures (which is really difficult to predict in advance). During this term this counted only for one expense in 2023: the renting of a booth for promotional purposes during the Geospatial World Forum (Rotterdam), where we advertised the ICC 2023 and other ICA activities. We could gain new members there.

Net results from operations and projects

Based on the above explained activities, the ICA closes the financial period of this term with a net gain (I) of 14'468€. To this, must be added gains of changing currency exchange rates which resulted mainly in profits from the USD account. Due to the increased value of the USD against the EUR and the fact, that all expenses for ICA are almost all in EUR, while a substantial amount of income is still received in USD, we gained another 21'323 EUR in exchange differences. This adds to a **net gain (I) of 36'091€**. To be deduced from this amount are the costs for the printing of the book «Mapping for a Sustainable World», as explained before, which was successfully launched during this term. For three print runs in the Netherlands, in Italy and finally in the U.S., we paid altogether 14'166€ for this one-time prestige project of ICA. This finally results in a **net gain (II) of 21'925€**, which will be returned to the funds as assets.

Asset development

With a return of 21'925€ as operational surplus for the term 2019–2023 the ICA assets have further grown compared to the last term. ICA currently has assets, mainly in the accounts and the cash deposit, worth 346'256€ as of 31 May 2023. The following table gives an overview of the development of assets since 1999:



Conclusions, Summary

After reviewing the summary table of expenses and income, and given the above explanations on the development of the net profit, it is clear, and I can declare with much pride to the General Assembly, that the ICA is today in a very healthy financial position. This does not mean, that we should reduce any care for the spending of our assets – the Executive Committee and the Treasurer will assure prudent spending policies also in the future; but it means, that we are in a healthy position to not only fulfil our operations according to the Statutes, but to also launch certain projects from the funds, which enhance the Association's outreach to members and the scientific community. This said, the ICA Treasurer wishes to express his gratitude to all members, who paid their subscriptions in time or even ahead, to the people involved in the production of the International Journal of Cartography and to anyone else who supported the Association financially or helped to cut costs on the other side. It is through them, that we are in this excellent position.

Finally, given the financial situation and the sufficient assets we currently have for operational tasks and assets, the Executive Committee has not suggested an increase of the subscription rate for the next period (except slight adjustment of the subscription of few countries). It has to be seen, after the next term, if the currently high inflation rates decrease again, or if they will lead to an increase in expenses which demand a higher subscription rate. Currently, we have no indications in this direction, but carefully watch the situation.

Change of bank relation from the Netherlands to Switzerland

Finally, I have to report on a major issue, which occurred during the term and which, looking back four years, I never expected to happen. Already, the transfer process from my predecessor to me took an enormous time with our bank in the Netherlands, as they needed a number of documents, declarations and forms to be sent. But then, 10 months after I took over the accounts from my predecessor, and without pre-warning, our long-time bank in the Netherlands (ABN Amro) sent us a termination note for all our accounts in January 2021. They wished to close the accounts within 6 months. Main reasons were stricter banking and transparency rules within the Netherlands and the EU, and the fact, that we no longer had any relation with the Netherlands, but also the fact, that ABN Amro apparently didn't make much profit with a medium-sized Association like ICA. The bank manager told us, that we cost them too much in order for them to operate in compliance with the regulations. Although the President and Secretary-General started immediate negotiations with them, the termination proved to be final. However, after several pleas, we could reach a longer transition period, which finally lasted until September 2022, when we eventually could establish new accounts. During this period, ABN Amro did not only ask for negative interest rates, but also increased their banking fees step by step to up to 200€ per month in order to push us to move our accounts as soon as possible.

Finding a new reliable banking relation for ICA proved everything else than easy. In fact, I entered a nightmare of research and long discussions with different banks, with many setbacks, which lasted for over a year. After one year of negotiations and inquiries and many learnings, I could say, that ICA was not at all prepared for such a situation, and our Statutes did not provide much help to the Treasurer to simply «move» accounts somewhere else. We were certainly not «choosy», but apparently banks are not interested particular in Associations like ours. But there were also facts and requirements, which are essential in today's banking landscape, that we could not meet. For example, provision of a domicile is accounted for in the Statutes by action taken during each General Assembly («The domicile of the Association is determined by the General Assembly», Art. 15 of the ICA Statutes). However, the General Assembly never decided on the domicile. The domicile is nowhere mentioned, and the last domicile was registered with former President Bengt Rystedt under his private name and address in Sweden. Soon, when I started inquiries for a new bank – and I did this almost on a worldwide scale – a major difficulty rested with the omission of the location of the domicile which was no were written down. This was further complicated by the fact that ICA has no physical address for the society. We cannot receive letters from a bank, unless I give my private address. Thirdly, the fact, that the Treasurer operates in Switzerland, that the Society is registered in Sweden, that the President lives in the United States, and the accounts were in the Netherlands, made it almost impossible to get out of this difficult situation. And fourthly, this construct changes every 4 years with new elections at the General Assembly, i.e. the office currently «moves around» with the Secretary-General term by term. We were trapped in an almost unsolvable situation. Whoever I explained this construct (above), immediately denied a bank account for us. «Too complicated, too risky, to unstable, no long-term perspectives for the bank ... » these were still the polite answers I received from bank managers.

As the President writes in his report: «In today's climate of strict banking and tax laws with transparent, compliant rules that cover banking worldwide, having no address for the society and moving around the office every four years is simply no longer tenable». The

President and I contacted also various sister societies to learn of their experience – only with the result, that no one had an ideal solution so far. Many are in the same situation as ICA and try to solve this problem by either nominating a fixed person for the bank relations within the society, or by establishing an office, an address and thus a permanent «hub» to the society. There is no other way than to finally «settle down» somewhere and give up our nomads' behaviour of moving the Association around every four years. The EC had many discussions on this situation during the term, and I reported to them on a regular basis. This finally also led to several proposals for changes in the Statutes concerning this situation (see item #17 of the General Assembly agenda and the related documents).

At the completion of much research and contacts with various banks worldwide, which included an unsuccessful trip to Sweden (I tried to establish the accounts where we previously had the fiscal seat of ICA), I could finally secure a workable solution by registering the ICA at its founding location – Switzerland. This was of course approved by the Executive Committee. Switzerland was the only place, due to the current location of the ICA office, where banks would accept us for an account. But it was a requirement from all banks I contacted to first register the Association also in Switzerland. With the office in Switzerland, a registration and tax number from a Swiss canton in my hands, I finally managed to open new accounts in September 2022 with Postfinance AG. There are three accounts – in CHF, in EUR, and in USD – that give our members choices in which currency they want to pay. The account in CHF is also needed to execute some payments within Switzerland without paying large fees. But generally, the monthly fees that Postfinance asks for (5€ per month) as well as all transaction fees are much lower than ABN Amro's fees. So, we do save also a substantial amount of costs for the ICA office every year with this new solution. Furthermore, in October 2022, I opened a Paypal account in the name of ICA, which gives members yet another possibility to pay their subscriptions (e.g. by credit card). This is much appreciated and also reflected in the new templates for the invoices.

To conclude, mastering this challenge was of paramount importance as the society must have a way to accept and disperse funds. Without a bank, this is not possible. I kindly ask the General Assembly to approve this temporary solution by confirming the seat of ICA in Switzerland and by allowing the next Executive Committee to also establish a physical office with a permanent address for ICA in Switzerland. If this would not be approved, we will soon lose our banking relation again – and possibly for ever, as the above described nightmare would start again from zero.

Sugiez, 1 August 2023