



## 14. Report of the Financial Commission

Marie-José Lefevre-Fonollosa, Chair

The Financial Commission of ISPRS 2012-2016 is composed by:

Chairperson : **Marie-José LEFEVRE-FONOLLOSA**, French Space Agency, France

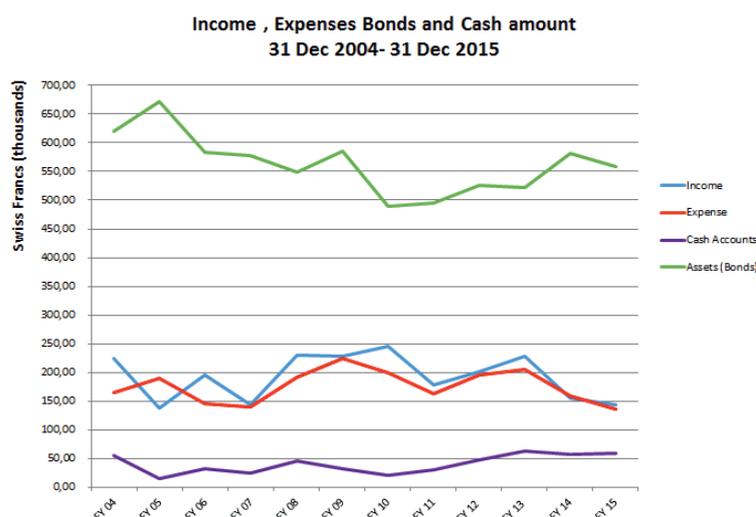
Member : **FULVIO DE RINAUDO**, Politecnico di Torino, Italy

Member: **OLGA PIEDAD RUDAS**, Directorio SELPER, Colombia

The Financial Commission of ISPRS examined accounts proposed each year by the Treasurer and submitted its findings to the council in four annually reports:

- March 23<sup>rd</sup>, 2013: Financial commission Comments 2013 (FY2012)
- May 23<sup>rd</sup>, 2014: Financial commission Comments 2014 (FY2013)
- May 2<sup>nd</sup>, 2015: Financial commission Comments 2015 (FY2014)
- April 10<sup>th</sup>, 2016: Financial commission Comments 2016 (FY2015)

At each fiscal year from 2012 to 2105, the Financial Commission examined with accuracy all accounts of the Society included in the Treasurer's report; for one part, incomes and expenditures, and at the other hand the evolution of the assets (bonds), dividends and cash accounts (see figure below).



**At first**, we validated the exactitude of the accounts. This was possible because Treasurer's reports were detailed, very well documented and easy to read. It provided in particular the tables of monthly statements which allowed a well understanding of the various flows at the different steps of the year, year by year. We would thanks Jon Mills and his team for their important work.

After a thorough check, the Financial Commission confirmed, that the 2012-to-2015 ISPRS accounts show no accounting errors.

**Secondly**, taking in consideration the Incomes, they were 717 685 CHF for the period (179 421CHF by year), with a specific increases in 2012 and in 2013 due to the Congress profits. Most important are the subscription's values. They were highest in 2012 (124 830 CHF) taking into account the Melbourne Congress effect, and then relatively stable during the following years (119 174 CHF in 2013, 113 901 CHF in 2014 and 118 065 CHF in 2015). This very remarkable stability was due to the permanent effort of the council in recovering the chronic non-payment of the fees from 22% of members.

**Thirdly**, the Expenditures amounts during this period are 698 403 CHF (in mean 174 600 CHF by year), systematically under the predicted values and below the incomes; such that authorizes to made a reasonable profit (~5500 CHF /year) which were invested this last three years .

This very good management allowed not opening the saving invested in different assets. The global value of the assets were 558 965 CHF at December 31<sup>st</sup>, 2015 and generates regular dividends (17 000 CHF during the four years period).

We need also to notice the value of 58 931CHF of cash account.

**In summary**, Treasurer's reports shows that the Society has a stable, well controlled and healthy management of its accounts, despite a financial erosion of 1%, principally due to money fluctuations between Euros, Swiss francs and Dollars during this period.

Given all these different factors, we considered that Treasurer's reports are fully consistent with Financial ISPRS policy.

Therefore, the Financial Commission Chair cosigned with the Treasurer the annual budget, statement of receipts and payments and balance sheet by the end of May of each year and reported directly to the Council through the Secretary General.

The dates of visas are given:

- Financial\_Report\_FY12\_Submit: approved March 23<sup>rd</sup>, 2013
- Financial\_Report\_FY13\_Submit: approved May 23<sup>rd</sup>, 2014
- Financial\_Report\_FY14\_Submit: approved May 2<sup>nd</sup>, 2015
- Financial\_Report\_FY15\_Submit : approved April 10<sup>th</sup>, 2016

The financial Commission advised the Council, giving some analysis and recommendations both on expenditures and on the size of the reserve that appears too high for a non-profit Society

In particular, we recommended:

**FY 2012 : Two main recommendation:**

***Travel expenditure management:***

It's essential that Council members and other supports travel for their mission of coordination. Given the important amount of travels expenditures we suggest that ISPRS adopts a policy about the class for flights, stars for hotels and possible maximum amount for meals per day.

***Scientific activities enhancement:***

This was related to the very low level of science activities in the Society. If efforts are correct with respect to international collaborations, the amount is zero for scientific initiatives. In other

part, the incomes for this activity is not so high, but the Society received dividends, royalties and sponsorships, so reserves exist. We suggested that part of the reserves or assets were committed to support science projects, for example through the creation of an annual call of tender.

### **FY 2015 : Increase aid to Developing Countries**

Thanks to its excellent management, the financial situation of ISPRS is very comfortable (assets ~700 000CHF, i.e. more than 4 times the annual budget) and is increasing each year. This situation protects the society from economic difficulties, at short and medium term. Nevertheless, 22% of members are behind in their dues and a solution must be found to solve this problem. . However, the resources of some of those societies are very low and, in fact, they cannot participate efficiently at ISPRS international activities.

Our recommendation at the ISPRS Council was to set up a special “Developing Country fund” that would allow members to be represented at the ISPRS congress, but also to elaborate some international collaboration including grants for young scientists.

The Financial Commission Chairperson, Marie-José Lefèvre-Fonollosa, was invited by the ISPRS Council once during its four-year term. This meeting was held in Antalya (Turkey) in November 2013 during the Laser Scanning week.

It was an occasion to discuss about recommendations we done, in particular for some spending, and also about some new directions which could conduct to change partially the financial policies in the next years.

The Financial Commission noted in particular the decision of the Council to invest in a call to scientific projects in 2014 and 2015. Even if a slight deficit appears and reduces reserves, in our opinion, such this initiative presents a good direction for a non-profit society like ISPRS. Indeed, the financial commission remarked the fact that the association was making profits year after year; this situation seemed abnormal for a non-profit society, and we have recommended to invest a part of these benefits particularly in science initiatives.

The Financial Commission’s members were unfortunately unable to meet over the 4 years of his mandate. But discussions by email helped us to provide a common coordinated policy that could summarize as follows:

a) *Reasonable reduction and/or diversification in Assets :*

However, we must ask us again the question of the bank investments of the ISPRS profits; and this not only because it is a non-profit learned society which has capitalized substantial profits during its history, but also because these bonds are entrusted to UBS bank is now in a complicated legal situation and perhaps even risky. May be, we should make an audit of the Bonds legal status? and / or diversify the vectors? These questions must be asked and/or seriously discuss in 2016.

b) *Best investment in scientific activities:*

This was set up from 2014, under the name of “Scientific Initiative”. We would thank the board to have remarkably led this project without having had any impact on the fiscal balance of the society.

c) *Help the mobility of young scientists from Developing Countries:*

Our recommendation at the ISPRS Council is to elaborate some international collaboration including grants for young scientists

d) *Reduce the problem of payment fees collection:*

A closer, targeted and more frequent connection with the members would allow being clear on memberships fees. Some financial aids should be necessary; for example s to set up a special fund” that would allow members to be represented at the ISPRS congress.