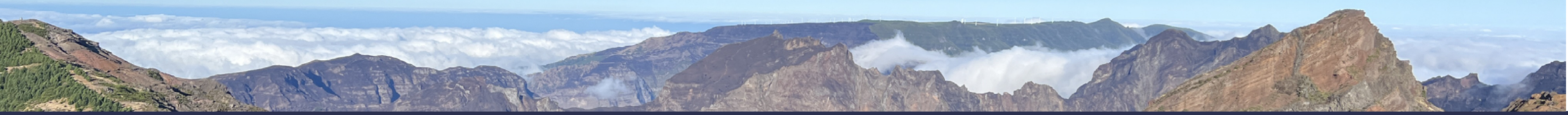

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IAVS 2024 Council Meeting – Finances: review and projections.

Minutes

Date: July 23, 2024, 11:00 UTC

Location: online (Zoom)

Participants

Members present: Susan Wiser (President), David Zelený (Secretary), Irena Axmanová (Vice-president), Martin Diekmann (Vice-president), Alessandra Fidelis (Vice-president), Peter Minchin (Vice-president), Alicia Acosta, Idoia Biurrun, Gianmaria Bonari, Helge Bruelheide, Andraž Čarni, Milan Chytrý, Alessandro Chiarucci, Guillaume Decocq, Jürgen Dengler, Gabriella Damasceno, Felícia Fischer, Riccardo Guarino, Tomáš Herben, Florian Jansen, Anna Kuzemko, Flavia Landucci, Jonathan Lenoir, Javier Loidi, Ladislav Mucina, Alireza Naqinezhad, Meelis Pärtel, Ricarda Pätsch, Robert Peet, Valério Pillar, Francesco Sabatini, Marta Gaia Sperandii, Lubomír Tichý, Peter Török, Viktoria Wagner, Manuela Winkler, Wolfgang Willner, Florencia Yannelli = 38 VOTES

Members excused: Francesco de Bello, Reginald Guuroh, Monika Janišová, Borja Jiménez-Alfaro (Vice-president), Zdenka Lososová, Joop H.J. Schaminée (6 members)

Invited Guests: Manuele Bazzichetto, Teresa Cunha (MCI), Helena Streit, Jean-Paul Theurillat

Welcome (Wiser)

Wiser welcomed all the council members and guests, and outlined the agenda for the session which included the final financial accounting for 2023, the financial projection for 2024, and the proposed financial projection for 2025.

1. Review the final accounting statement for 2023 – Financial Statement for 2023

Wiser provided the final financial accounting for 2023 to the auditors, Florian Jansen and Tomáš Herben, for review. Jansen reported that there were delays in receiving the necessary documents, which impacted the auditing process. However, a preliminary review was conducted, and no errors were identified. This was confirmed by an in-depth examination. Herben concurred with Jansen's assessment.

Wiser confirmed that there have been no significant changes since the 2023 presentation to the Council. The following key points were noted:

- Income:
    - Budget line 2. Wiley's income – a decrease was observed, which was anticipated. This is due to the accounting method, where income is recorded based on the receipt of funds rather than estimates - IAVS receives an estimate from Wiley (John Wiley & Sons, Inc.) for the current year and the remaining payment from the previous year.
- Expenses:
    - Budget line 4. Honoraria - Expenses were lower than expected as fewer eligible recipients attended the symposium.
    - Budget line 6. Bank expenses - Bank charges exceeded projections, particularly with the U.S. bank, resulting in higher expenses than anticipated – Wiser reported that efforts are ongoing to address this issue.
    - Budget line 9. Business Office – a slight increase in expenses was reported due to inflation.
    - Budget line 10. Business Office: travel to Symposium - Travel costs were higher than anticipated due to international flights and late bookings.
    - Budget line 14. Working Groups - Expenditures were lower than expected as fewer project applications were received.
    - Regarding budget line 15. Publications - A negative balance was reported due to Wiley's over-invoicing, which will be corrected in 2024 when the funds are reimbursed.

The overall financial outcome showed a loss of 23.115,41 EUR, which was substantially lower than the September 2023 projection of a 39.965,27 EUR loss.

Questions/comments:

Pillar suggested exploring Wise for financial transfers. Wiser responded that while Wise might be suitable for personal use, it is less viable for organizational banking due to the lack of customer service and other risks. Wiser mentioned a discussion with the Vice-President of Bank of America, who confirmed that the issue had been addressed, but high bank charges persisted. Pillar noted that Wise offers various options and suggested further exploration. Zelený added that Wise does not cover all currencies and countries. Wiser explained that the IAVS currently uses Bill.com, where payments are submitted by Teresa Cunha (MCI) and approved by Wiser, a process that would also be required with Wise.

Note: upon queries to Bank of America, Wiser found these are charges for receiving payments via credit card. This is from a separate merchant account service, not Bank of America. So IAVS is not being charged excessively for international bank transfers.

Vote to approve the 2023 financial statements: 39 in favour, none against = 39 votes

The vote was online only, available for all Council members either directly at the Zoom meeting or via Google Forms in the two-week period after the meeting.

2. Review the revised financial projection for 2024, including any amendments suggested by the Council before or during the online meeting – Financial Projection for 2024

Wiser presented the revised financial projection for 2024. Before the meeting, Wiser sent an email to the council indicating that Minchin had received estimates from Wiley for 2024 and 2025. Still, Wiser had not been copied on the communication, resulting in the income figures (budget line 2) not reflecting Wiley's latest estimates.

Wiser highlighted that:

- Income
  - o Regarding the budget line 1. Dividends and Interest income - IAVS now has a certificate of deposit and the anticipated interest is 17.095,00 USD (approx.. 15.081,00 EUR).
  - o Budget line 2. Wiley - A decrease in Wiley's income was noted. The 2024 estimate, based on the previous year's figures, shows a difference of 7.666,74 EUR.
  - o Budget line 3. Membership Dues - Membership income was overestimated, as it did not account for members who renew on a three-year cycle (many of whom renewed in 2023), resulting in a lower-than-expected annual income.
  - o Budget line 3a. Annual symposium profit - Although initially expected to generate profit based on the Local Organizing Committee's figures, a higher number of registrations led to a venue change, potentially eliminating the profit.
  - o Budget line 3b. Workshops - No profit is anticipated from workshops this year.

Comments/questions:

Zelený asked why Wiley's income is decreasing despite an increase in Open Access (OA) papers. Minchin responded that this is unclear, as more institutions are subscribing each year. Minchin will contact Wiley for clarification.

Naqinezhad noted the absence of information on a donation received for the EDGG Virtual Account. Wiser explained that the EDGG account is not typically included in IAVS income but will be added to the projections for transparency.

- Expenses:
  - o Budget line 4. Honoraria - Adjustments were made for Chief Editors and the Governing Board due to reduced anticipated attendance.
  - o Regarding budget line 7. Taxes and filing (US & Netherlands) - A slight decrease in taxes is expected, primarily related to profits earned during the COVID-19 period. Taxes are paid two years after the fact.
  - o Budget line 9. Business Office - Increased costs due to inflation and additional charges from MCI US for managing the Bank of America account (500,00 USD/month), as a US resident is required to handle the account. Additionally, MCI US plays a role in the transfer of funds to pay our invoices. Jeroen van Liempd (MCI Brussels) worked to reduce the cost, as the service price was initially higher. Wiser argued strongly against these fees as this is still costly and Wiser explored other options to not use MCI US – at the moment, there are no other workable solutions. Wiser and MCI US manager will meet at the end of the year to assess the situation.
  - o Budget line 13. Awards and grants – lower than expected spending.
  - o Budget line 14. Working Groups – higher than anticipated due to VAT (21%) on PhytoS, which was missed from the previous projection, and additional travel requests from Working Group (WG) Chairs. Further information about the WGs can be read in the comment section.
  - o Budget line 16. Miscellaneous – increased costs due to inflation.

The projection indicates a loss of 24,216.95 EUR, approximately 9,000 EUR more than projected at the last Council meeting. With the revised Wiley income estimate, the loss is projected to be 31,883.69 EUR. While a loss was anticipated, the amount is higher than hoped.

Comments/questions:

Pillar said that occasional losses are acceptable given the association's bank reserves, provided they are not systematic. Pillar also noted that the 2025 projection appears more balanced.

Streit requested additional travel support for WG Chairs, specifically for the Young Scientists WG. An additional 1,000.00 EUR will be added to the 2024 financial projections.

Naqinezhad commented about the omission of EDGG virtual account expenses, specifically the transfer of grants to Ukrainian grantees. Wiser confirmed that the EDGG virtual account will be added to the projection for completeness.

Bruelheide thanked Wiser and Governing Board members for putting the documents together. Bruelheide added that the projection is balanced, there are reserves in the bank, and highlighted the prudent and strategic use of IAVS reserves.

Kuzemko expressed gratitude for the support given to Ukrainian scientists, noting that it significantly aids their participation in IAVS activities. Kuzemko also raised several issues regarding the transfer of funds to Ukrainian grantees. Currently, it has been decided, in agreement with Cunha and Wiser, that Kuzemko will receive the funds and attempt to transfer them to Ukrainian members.

Kuzemko is uncertain why some transfers to colleagues are failing, although this has not been the case for Kuzemko personally.

Kuzemko proposed informing the Local Organizing Committees of IAVS activities about the financial support IAVS provides to Ukrainian members.

Kuzemko's third point concerned the travel grants awarded for the Annual Symposium. Kuzemko noted that while the total allocated amount (40,000.00 EUR) remains the same, it is insufficient because the number of applicants increases each year. This year, Kuzemko was disappointed but accepted that there was no opportunity to receive a travel grant, a situation also faced by ten other Ukrainian participants (only one received a travel grant). Nonetheless, Kuzemko understands that under the current circumstances, this is challenging, but it might be necessary to explore additional sources of income for the future.

Wiser explained that communication with the LOC could be improved. The next organizer, who will attend the Madeira Symposium, can be informed when they meet in Madeira, and this can be kept as a reminder. One of the challenges this year was that conference organizers allowed registration only after payment, which is not the usual practice and exacerbated the problem.

Regarding the transfer of funds, Diekmann explained that IAVS has been trying to understand the issue with these transfers. A year ago, transfers were successful, but this year, after a few weeks, payments are bouncing back. The bank in the Netherlands suggested the problem lies with the Ukrainian bank, though all necessary information, such as the recipients' private addresses, was provided. While some transfers have been successful, the issue remains unclear. Another concern is that the Dutch bank has become suspicious of IAVS transactions, questioning IAVS activities and potentially putting IAVS at risk of having issues in the Netherlands. Wiser added that caution is necessary because it is not uncommon for some European banks to decide they no longer wish to provide services to non-profits, which can lead to account closures. Therefore, IAVS must proceed with caution when our activities are questioned. Regarding the first topic, Zelený suggested using a failed transaction as a case study and investigating the issue from both sides.

Wiser added that the third point, increasing travel grants, will be addressed during the 2025 projections.

Pillar noted it was good to see the deposit account for the US bank account but inquired about what had happened in previous years. Wiser explained that this had not been suggested to them and, during a period of low interest rates, it was not a priority. Unfortunately, it was not suggested by either MCI or FASEB, and it was only set up recently. The deposit should be a renewing term deposit, but this will be verified. Note: Wiser recently met a Bank of America Vice President and a clear system of notification is in place to ensure we continue to use long-term deposits to achieve the highest possible interest rates.

Naqinezhad raised the issue that bank transfer problems can also occur in other countries with sanctions. Wiser agreed, stating that these situations need to be analyzed on a case-by-case basis and addressed as they arise.

Naqinezhad stated that providing more support in advance, such as covering registration fees, travel arrangements, and accommodation should be considered. Currently, IAVS covers registration fees as part of its policy. Wiser clarified that this can be discussed at the in-person Council meeting.

Theurillat provided an update on the PhytoS project, which is progressing well but not as expected at this point in the year. The challenge is that expectations, budget, and time do not always align. Theurillat anticipates that additional funds will likely be necessary to complete the project, although the exact amount is uncertain as Michel is working more hours than originally budgeted. Wiser suggested that Theurillat write a proposal for the Governing Board to consider, after which it can be discussed and brought to the Council.

Changes that have been proposed to the 2024 financial projection are the addition of travel expenses for another WG Chair, an update of Wiley income estimates, and the inclusion of EDGG virtual account figures.

Vote to approve the 2024 financial projection: 39 in favour, none against = 39 votes

Damasceno, following up on the discussion about travel grant criteria raised by Kuzemko, expressed willingness to receive suggestions for new rules, noting that the current criteria are quite old and in need of revision. Fidelis suggested that this can be discussed at the in-person Council meeting in Madeira this year. Damasceno will prepare a draft for this.

3. Review the financial projection for 2025, including any amendments suggested by the Council before or during the online meeting – [Financial Projection for 2025]

Wiser presented the 2025 projection.

- Income:
  - Based on the 2024 projection, income from Wiley's (budget line 2.) is expected to decrease by approximately 11,000.00 EUR. Although there was a potential profit predicted for VCS, it was decided to take a conservative approach and set the income at 0.
- Expenses:
  - Since a Governing Board member has proposed hosting the 2026 Annual Symposium, his travel expenses for the 2025 Annual Symposium (budget line 17.1) will be covered, leading to a decrease in the Honoraria for Governing Board members (budget line 5).
  - The budget line for bank expenses (line 6) was kept high.
  - It is expected that there won't be any tax liability next year (budget line 7).
  - Due to increasing inflation, there was a 5% increase in budget lines 10, 11.1, and 11.2.
  - A von Humboldt award is anticipated in 2025, which will require covering the travel expenses of the winner (budget line 13.1). The amount for line 13.3 remained the same as in 2024, although this reflects an increase compared to pre-COVID times when the annual value was 30,000 EUR. The same applies to line 13.4. A new budget line was added to support members from Oceania attending the Annual Symposium, as the profit made in Coffs Harbour was allocated for travel support for people from Oceania by request of the Local Organizer Committee of Coffs Harbour.
  - Budget 14.1 Financial support of working groups - anticipated requests of 500,00 EUR from 4 WGs and special project requests of 3.000,00 EUR from 3 groups.
  - Suggested increase of budget line 14.2. Travel support for working group chairs to attend the symposium) - to 5,000.00 EUR for 5 WG Chairs.
  - Budget line 15.1 VCS subsidy – it was agreed not to subsidize this year, and the editors are satisfied with keeping this in place for 2025.
  - Other budget lines (15.3 to 17.1) pertain to standard expenses based on 2024 amounts, with a 5% inflation increase added to specific miscellaneous lines.

Wiser explained that the initial draft of the 2025 financial projection showed a breakeven, but based on updated information from Wiley, a loss is now expected next year.

Comments/questions:

Naqinezhad inquired about budget line 14.1., asking whether the Asian Regional Section was considered, as the start-up meeting was postponed to 2025 and the expenses would be 5.000,00 EUR. Wiser explained that this is a projection and that we can anticipate such costs, though in the past, allocated funds often exceeded actual spending. Naqinezhad noted that 3.000,00 EUR would not suffice for a start-up, as they plan to use 500,00 EUR for a one-day workshop in November but are planning a full start-up meeting next year. Wiser suggested discussing this at the strategic meeting, noting that when the financial support document for WG was discussed, 5.000,00 EUR was suggested for a start-up meeting. To be fair to older WGs, they could apply for this in special circumstances. The challenge is that there hasn't been a clear explanation of what a start-up meeting's goal should be, which has been part of the problem with the Asian group. The council needs to define the goals clearly, making it easier to decide on fund allocation. Wiser reminded the councillors that this is a projection, and the numbers can be adjusted as needed.

Dengler agreed that it would be good to increase the budget already, given the plans for the Asian meeting. Diekmann agreed with a slight increase for special WG projects, as it is unclear whether the meeting will take place, and the meeting's objectives need further discussion.

The projected loss is 12.131,00 EUR. Fidelis and Zelený agreed that the travel grants for the Annual Symposium should remain at 40.000,00 EUR.

Damasceno raised the issue of whether PhytoS would need further budgeting. Theurillat explained that the budget is projected to be completed in 2024. For 2025, we need to determine if extra expenses will be incurred or if it will extend into 2025.

Chiarucci commented on the travel grant support, suggesting that the 40.000,00 EUR figure should be maintained without increasing it, considering the society's financial sustainability.

Pillar expressed comfort with the 2025 projection, noting that there is a reserve in place for caution. Pillar questioned the decrease in income from Wiley. Minchin clarified that no explanation was provided, but this will be discussed at the publication meeting, where Wiley representatives will be present, and councillors are invited to ask questions.

Willner suggested that it would be helpful to have figures on the long-term expenses and income of IAVS at the strategic in-person Council meeting, as it would be interesting to see the trend over the last 10 years, which would inform decisions.

Zelený added that for the Madeira meeting, we need to determine how much internal funding will be required when JVS and AVS go Open Access (OA) and how to support authors who cannot pay the APC. He suggested that savings be maintained in anticipation of supporting authors once OA is implemented. This issue should be discussed further.

Pätsch agreed that an overview of the last 10 years would be beneficial, especially since many new council members might not be familiar with the finances.

Wiser acknowledged that while there are some timing challenges with FASEB and its financial reporting; however, high-level trend analysis over a longer period can certainly be done.

Vote to approve the 2025 financial projection: 38 in favour, none against = 38 votes

Wiser thanked all the council members for their participation and invited them to select a date on the Doodle poll for the publications council meeting and to provide input for the strategic in-person Council meeting in Madeira.

Excursion along Levada, Madeira.