# **REPORT OF THE TREASURER for the GA 2022**

Report prepared by Pieter de Vries, the current SEFI treasurer, with a mandate of 1st of October 2020 till the 1st of October 2022.

* In addition to the guidance of the regular financial activities, the goal of this term was to increase the transparency of the financial system and establish instruments to improve SEFI’s financial governance.

This report is about the financial developments and results of the fiscal year 2021/2022 (01.04.2021 to 01.04.2022).

## **Developments**

**Change of bookkeeper**

Grant Thornton (GT) is the new bookkeeper of SEFI since 2020. The process of integration is ongoing and has so far resulted in outsourcing the bookkeeping activities, an update of the categorization and an adapted reporting model. GT increasingly supports the exchange process with online facilities which are being tested for use by SEFI.

**Tool development to support the Governance of financial activities.**

**The following instruments are available and put in practice :**

* + SEFI expense and travel policy document
	+ Financial reporting documents
	+ Overview financial procedures (including involvement, and responsibilities)
	+ The financial agenda (most important financial actions throughout the year)
	+ The treasurer guidebook, to support the current process and the onboarding of the next treasurer.
	+ SEFI Treasurer transition memo
	+ Framework for the finance internal audit (role, plan, and report).

## **Financial Revenue and Expense overview and issues**

This report summarizes the most important financial issues for the fiscal year 2021/2022 (01.04.2021 to 01.04.2022). More detailed information is available for all members on request. With the improvement of the bookkeeping, it was possible to better align the finances with the SEFI strategy plan.

**INCOMES**

**Membership income**: for the membership 2021/2022 the amount was € 213.150,44, an increase of about 15% compared to a year earlier. A recurrent issue is that members not always transfer their contribution in time though, which is an issue to remember.

**EJEE**: this line refers to the amount paid annually by Taylor and Francis as royalties. The amount for this year shows a decrease. Negotiations are underway for a new contract to be signed by the end of the year. The SEFI community favours Open Access. This an important issue but with financial consequences.

**SEFI Annual Conference 2021**: the conference officially took place in Berlin, Germany and was completely online due to the pandemic. Nevertheless, the conference was very successful also in attracting people who had not been able to participate under normal circumstances.

**Special activities**: in 2021-2022 SEFI hardly participated in any special activities that needed extra expenses. Again, this might look attractive from a financial point of view, but the reality is that these activities are important for SEFI to stay well connected to the ‘engineering world’.

**Projects**: SEFI seems to be in a transition period regarding her participation in projects. Good work is being done with new initiatives but has not yet led to new assignments.

**EXPENSES**

The change of bookkeeping practices has led to a better-balanced financial process in the SEFI organisation, but the transition still needs work.

A few remarks here regarding the financial situation 2021-2022 and the budget proposal 2023-2024. Further details can be seen in the Reports on Income and Expenses 2021-2022-2022 and Total Revenues and Total Expenses.

**Personnel**: Due to some correction of the categorization of expenses like insurance and the illness of the SG during the last year, the expenses for personnel decreased. The pre-retirement of the Secretary General was made possible by a loan that will be repaid by December 2023.

**Office expenses**: SEFI moved to a comfortable, but smaller office. The rent was stabilized, but extra expenses were needed for the move and additional changes in the office. An inventory of the equipment showed that the IT-level for day-to-day operations urgently needs to be upgraded, which will add costs, which is reflected in the budget proposal for 2023-2024.

**EJEE**: An amount of € 3.000, - has been reserved for the provision of promotional expenses and travel. This amount was related to the increasing level of royalties so far. In addition, an amount of € 2.500, - is reserved for a new line of publications.

**General expenses**: The amount for external missions was reduced with € 1.000,-, but this certainly might change now the COVID-restrictions seem to play a less important role.

**Special activities**: The budget for special activities was slightly lowered. Due to the pandemic, it is still difficult to say what will be next, but we see the need to check on the added value for the SEFI organisation.

**CONCLUSION**
SEFI took the initiative to improve the financial process (bookkeeper, governance tools, stronger alignment of finances with the strategy plan). So far this has shown to be helpful for the improvement of the process and the overall well-being of the organisation. For the past year SEFI shows a balanced financial record, which is a good point of reference for:

* Establishing a negative reserve (invoices coming in late).
* A further upgrade of the SEFI reserve.
* The needed modernization of the IT-infrastructure.

These actions are all in line with the SEFI strategy plan.