

PROPOSED 2021-2023 Budget

International Council of Management Consulting Institutes (CMC-Global)

21 September 2021

Submitted for Approval

Reema Nasser
Executive Director

Table of Content

1. Background
2. Strategic Positioning
3. Budget 2020-2022 with Comparisons
4. Draft Budget proposal 2022-2023
5. Notes to The Proposed Budget



CMC - GLOBAL

OFFICERS

Chairman
Dwight Mihalicz CMC
Canada
dwight.mihalicz@cmc-global.org

Secretary
Jeremy Webster CMC
United Kingdom
jeremy.webster@cmc-global.org

Treasurer
Jan Willem Kradolfer CMC
The Netherlands
JW.Kradolfer@cmc-global.org

DIRECTORS OF THE BOARD

Robert Bodenstein CMC
Austria
rob.Bodenstein@cmc-global.org

Kyeong Seok HAN CMC
Korea
kyeong.seok.han@cmc-global.org

Zhang Yanyan CMC
China
Zhang.yanyan@cmc-global.org

Gergana Mantarkova
Bulgaria
Gergana.mantarkova@cmc-global.org

Jehona Lluka CMC
Kosovo
jehona.lluka@cmc-global.org

Immediate past Chair
Sorin Caian CMC
Romania
sorin.caian@cmc-global.org

Reema Nasser
Executive Director
Jordan
reema.nasser@cmc-global.org

Secretariat: C/O Maurer & Stager AG
Fraumünsterstrasse 17/Postfach 318
CH – 8024 Zurich

W: www.cmc-global.org E: cmc-global@cmc-global.org

1. BACKGROUND

The FY 2021-2022 budget proposal was approved last year at the first ICMCI virtual Annual Meeting of Delegates.

This year we are presenting the FY 2022-2023 budget proposal which is prepared based on the 2016-2017 work of the Strategic Funding Taskforce for the membership fee calculation. Once again, we are pleased to announce that there is no increase in membership fees.

While maintaining the same membership fees, it is important to highlight that although we have the same number of members as last year, we have many institutes who are behind on payments as shown in the Treasurer's AR Report. Should we lose a member at any time, that will place an increased share on all members. As we hope, when new members join us, then the share is likewise reduced for all members.

We would also notice that expenditure for FY 2020-2021 was below budget, and some savings were made as a result.

Though we are still going through the unusual times with the fourth wave of COVID hitting the world, we will not treat this as a 'pause' year in the budget as we did last year. We are in a position to provide a rebate to IMCs from income that was not required in the last fiscal year, mainly core revenues vs. core expenditure related to travel of the board, the secretariat, and assessors.

In the FY 2022-2023 proposed budget we will follow the same philosophy of relying on variable revenue from our strategic initiatives. We intend to maintain core Secretariat expenses at their current level, and we will build growth through the flexible revenue part of our budget.

There are new items in our budget related to the new service, ISO/IEC 17024:2012 Authorisation, which is provided by our Quality Assurance Committee. This activity is shown in both the revenue and expenditure sections of the budget. The service was launched last year and already covered some of its related expenses, as last year it included both the direct cost of holding the audit as well as the basic expense of the ISO 17011:2017 assessment that we had to undertake to gain the self-declaration. We expect to be in a net revenue position in FY 2022-23 and thereafter.

2. STRATEGIC POSITIONING

Our approved strategic plan was part of the papers presented last year, where the plan focused on main objectives and goals that meet with the vision of our organization as well as highlighting its mission. The document also emphasizes the KPIs for the duration of the implementation phase that address the agreed upon 10 strategic goals.

With your approval of the FY 2022-2023 budget proposal, we would do our best, regardless of the pandemic, to implement many aspects of the services and programmes envisioned.

3. BUDGET 2020-2022 WITH COMPARISONS

On the following pages, we present:

- The approved FY 2020-2021 Budget
- The actual FY 2020-2021 Revenue and Expenses
- The approved FY 2021-2022 budget (approved at the 2020-2021 virtual Meeting of Delegates).

The budget is presented in the format we have been using for the past several years, with a separate section for Fixed Revenue; Flexible Revenue; Core Costs; and Variable, Non-core Expenditures for ease of comparison.

Important note: the auditors included the cost of conducting the audit as an accrued expense for the FY 2020-2021. Therefore, below retained earnings would be for the total of €21023.0 instead of €25024.0. after deducting the fee. This will be reflected in our accounting system after auditor report is accepted.

ICMCI Budget 2020/2021 - 2021/2022 Actual & Approved

In Euros			
	Actual 2020-21	Approved 2020-21	Approved 2021-22
Fixed Revenues			
Application Fees	0	4,500	4,500
Membership Fees	135,050	142,700	142,700
Total Annual Membership Dues	135,050	147,200	147,200
Miscellaneous Revenue			
Contribution Congress / Conference	0	10,000	10,000
Pin Sales and signed CMC Certificates	1,715	2,000	2,000
Miscellaneous Revenue	1,668	1,000	1,000
Total Miscellaneous Revenue	3,383	13,000	13,000
Interest Revenue	0	-	-
Total Fixed Revenues	138,433	160,200	160,200
Flexible Revenues			
ICMCI Projects			
CMC-Firm	4,700	7,500	7,500
CMC-Registry	1,380	10,000	10,000
ISO 20700 licenses and training	11,035	20,000	20,000
Initial Authorization 17024:2012 Conformity Audit	1,000		
Authorization 17024:2012 Conformity Audit	1,960		
Re-Authorization 17024:2012 Conformity Audit	2,800		
ICMCI Brokered Projects (Micro site)	0	-	-
AMCC	0		
Secretariat Services	9,000	9,000	9,000
Total ICMCI Projects	31,875	46,500	46,500
Total Flexible Revenues	31,875	46,500	46,500
TOTAL REVENUES	170,308	206,700	206,700

	Actual 2020-21	Approved 2020-21	Approved 2021-22
Core Expenditures			
Core Secretariat Expenses			
Salary & Benefits	92,736	96,500	96,500
Travel & Accommodation costs	-	8,000	8,000
Dues & Subscriptions	1,836	1,500	1,500
Postage and Delivery costs	-	150	150
Stationary - Purchase	-	500	500
Printing and Reproduction (Pins)	-	1,000	1,000
Telephone & Fax	-	150	150
Other	-	150	150
Total Secretariat Expenses	94,572	107,950	107,950
Core Board and Governance Expenses			
Chairperson's Costs	-	10,000	10,000
Face-to-face Board Meeting	-	6,000	6,000
Total Board and Governance Expenses	-	16,000	16,000
Core Assessment & Re-assessment Expenses			
Assessment Expenses (Assessor Travel Expenses- Provisional applications)	-	2,000	2,000
Re-assessment Expenses (Assessor Travel Expenses)	278	8,000	8,000
Total Re-assessment Costs	278	10,000	10,000
Core Marketing & Communications			
M&C General costs	-	4,000	4,000
Newsletter	-	1,200	1,200
Other Marketing Expenses	-	500	500
Total Marketing & Communications	-	5,700	5,700
Core Internet/Website			
Development cost	-	-	-
Annual Maintenance Support	2,187	2,300	2,300
Operational Maintenance (including Hosting)	-	5,000	5,000
Total Internet/Website	2,187	7,300	7,300
Core Treasury Expenses			
Bank & Credit Card Costs	2,136	1,500	1,500
Monthly Service Charge - Online Payment	122	250	250
Swiss Lawyer/Tax Expert/Insurance	3,879	5,000	5,000
Other Professional Support	-	1,000	1,000
Annual Audit	2,125	2,500	2,500
Swiss VAT	4,165	3,000	3,000
Total Treasury Expenses	12,426	13,250	13,250
Total Core Expenditure	109,462	160,200	160,200
Variable, non-core Expenditures			
CMC Directory	-	1,000	1,000
CMC Directory: Co-Sharing Credit to IMCs	240	2,500	2,500
Global Status (Consulting report)	-	2,000	2,000
CMC Firm	-	1,000	1,000
CMC-Firm: Co-Sharing Credit to IMCs	-	2,000	2,000
AMCC	-	2,000	2,000
Outreach	6,200	10,000	10,000
ISO Development Costs	2,843	5,000	5,000
Admin Support	2,657	6,000	6,000
Trademarks	14,263	10,000	10,000
17011 Internal Audit and 17024:2012 Audit Expenses	9,365		
Other Expenditures (cost of sales)	78	500	500
Total Non-Core Expenditure	35,647	42,000	42,000
TOTAL EXPENDITURES	145,109	202,200	202,200
RETAINED NET REVENUE			
From Fixed Revenue - Core Expenses	28,971	-	-
From Flexible Revenue - Non-Core Expenses	(3,772)	4,500	4,500
Bad Debts	175	-	-
TOTAL NET REVENUE	25,024	4,500	4,500

4. DRAFT BUDGET PROPOSAL FY 2022-2023

The FY 2022 – 2023 budget is presented in the format we have been using for the past several years, with a separate section for Fixed Revenue; Flexible Revenue; Core Costs; and Variable, Non-core Expenditures for ease of comparison.

The proposed budget is presented separate of the previous comparison table as you would notice changes in placement of some budget items, and this will be covered in the notes following.

ICMCI Draft Budget 2022/2023	
In Euros	
	Proposed 2022-23
Fixed Revenues	
Application Fees	3,000
Membership Fees	142,700
Total Annual Membership Dues	145,700
Miscellaneous Revenue	
Contribution Congress / Conference	10,000
Pin Sales and signed CMC Certificates	2,000
Miscellaneous Revenue (bank transfer fees surplus)	1,000
Total Miscellaneous Revenue	13,000
Interest Revenue	-
Total Fixed Revenues	158,700
Flexible Revenues	
ICMCI Projects	
CMC-Firm	5,000
CMC-Registry	5,000
ISO 20700 licenses and training	10,000
Initial Authorization 17024:2012 Conformity Audit	2,000
Authorization 17024:2012 Conformity Audit	4,000
Re-Authorization 17024:2012 Conformity Audit	5,000
ICMCI Brokered Projects (Micro site)	-
AMCC	1,500
Secretariat Services	9,000
Total ICMCI Projects	41,500
Total Flexible Revenues	41,500
TOTAL REVENUES	200,200

	Proposed 2022-23
Core Expenditures	
Core Secretariat Expenses	
Salary & Benefits	96,500
Travel & Accommodation costs	4,000
Outreach and annual report	10,000
Dues & Subscriptions	2,100
Postage and Delivery costs	150
Stationary - Purchase	500
Printing and Reproduction (Pins)	1,000
Telephone & Fax	150
Other	150
Total Secretariat Expenses	114,550
Core Board and Governance Expenses	
Chairperson's Costs	5,000
Face-to-face Board Meeting	6,000
Total Board and Governance Expenses	11,000
Core Assessment & Re-assessment Expenses	
Assessment Expenses (Assessor Travel Expenses- Provisional applications)	1,200
Re-assessment Expenses (Assessor Travel Expenses)	5,000
Total Re-assessment Costs	6,200
Core Marketing & Communications	
M&C General costs	4,000
Newsletter	1,200
Other Marketing Expenses	500
Total Marketing & Communications	5,700
Core Internet/Website	
Development cost	-
Annual Maintenance Support (to include Hosting and domain)	3,000
Total Internet/Website	3,000
Core Treasury Expenses	
Bank & Credit Card Costs	2,000
Monthly Service Charge - Online Payment	250
Swiss Lawyer/Tax Expert/Insurance	5,000
Other Professional Support (CBCO)	2,000
Annual Audit	4,000
Swiss VAT	5,000
Total Treasury Expenses	18,250
Total Core Expenditure	158,700
Variable, non-core Expenditures	
Business Process Automation	10,000
17011 Internal Audit and 17024:2012 Audit Expenses	6,000
CMC Directory	1,000
CMC Directory: Co-Sharing Credit to IMCs	2,000
Global Status (Consulting report)	2,000
CMC Firm	1,000
CMC-Firm: Co-Sharing Credit to IMCs	2,000
AMCC	1,000
ISO Development Costs	2,500
Admin Support	3,500
Trademarks	5,000
Other Expenditures (cost of sales)	100
Total Non-Core Expenditure	36,100
TOTAL EXPENDITURES	194,800
RETAINED NET REVENUE	
From Fixed Revenue - Core Expenses	-
From Flexible Revenue - Non-Core Expenses	5,400
Bad Debts	-
TOTAL NET REVENUE	5,400

5. NOTES TO THE PROPOSED BUDGET

1. Revenue

Fixed Revenue: We continue to follow the recommendations of the taskforce in establishing the approach of fixed revenue covering fixed costs. This was applied for the proposed budget for FY 2022-2023 with no increase in Membership fees, even though last year we did not meet that target, with a deficit of Euro 3772. The retained revenue continued to be healthy because of the strict spending from the core expenses.

It is important to note that fee invoices between institutes will vary depending on the number of IMCs, as well as the numbers of CMCs, and ACPs for each country as provided in the membership survey according to the taskforce recommendations. However, same as last year, those who have grown will pay a bit more, those who lost members will pay a bit less. On the whole we are making sure to cover core expenses from core revenue, and if revenue from events does not materialize, we will make sure to make up for that with less expenses.

In the fixed revenue section, the assessment and re-assessment fees are combined with the membership fees to mirror the report of the auditors. In our accounting systems we record the assessments and re-assessments in separate accounts taking all the different adjustments into consideration for full reporting during the year. Looking at our accounting system, you will note that there are:

- a. Membership fees: €108,029.67
- b. Provisional Application fees, and those cover the provisional assessment: €0
- c. Full membership application fees, those cover the full membership assessment: €0
- d. Re-assessment fees: *€32,779.98, but this figure also include the revenue from the ISO/IEC 17024 audit for the total of €5,760, and this leaves the re-assessment fees at €27,019.98.

*The total of €32,779.98 reflects the auditor's report, however, we will be dedicating accounts for the ISO/IEC 17024 audit starting next year, and we will have them itemized properly in the flexible revenue (as highlighted in red in the above comparison) and will follow the auditor's recommendation for establishing the correct accounts in our system.

Flexible Revenue: the approved budgets to meet the approved strategic plan focus on the four main activities, and the same will apply for FY 2022-2023 budget until a new plan is established and approved.

- The CMC-Firm: unlike last year, we had two new CMC-Firms this year, this is encouraging us to expand the marketing efforts during the current year and hoping we would report even better numbers at year end.
- The CMC-Global Directory: the directory grew from 60+ members last year to 100+ this year, so the growth is somewhat steady, but again, more marketing would need to be dedicated. The regular meeting of the directory members is assisting in enhancing the

knowledge of benefits and how the directory could be used to build the networking among its members.

- The ISO 20700: two more online trainings took place in 2020-2021, and the authorized IMCs to deliver the training reached 30, an increase of 3 IMCs since last year. A public training will be announced for IMCs seeking authorisation later 2021.
- Secretariat Services: this covers the revenue generated from delivering our secretariat services to the Global Institute. This service is based on a service agreement renewed annually.
- As advised earlier, the ISO/IEC 17024 audit is reflected in the flexible revenue in the budget and the same will apply to our accounting system starting next year.

2. Expenditure

Core Expenses: this section focuses on our global operational expenses which cover the secretariat, board, treasury, and marketing efforts.

The Secretariat now consists of an executive director, an executive secretary, and an admin support that was contracted end of 2019 but who's expenses show in the variable expenses. The secretariat has a fund for travel as well as costs related to operations. Previously the fund only covered the ED travel expenses. In 2019-2020 we proposed to increase that to cover the travel expense of the ES to the annual events. No increases to this budget will be added in the proposed budget for FY 2022-2023. Keeping in mind that part of our secretariat services is being recovered through the provision of services to the Global Institute.

In the FY 2022-2023 proposed budget you would notice that the Outreach and annual report expense is now part of the core secretariat expenses instead of the variable since this is the third year in a row that we have produced our designed annual report. This budget line also covers any events that we might hold for promoting or celebrating our services, similar to the event in 2018 celebrating our ISO 20700:2017 one-year anniversary.

Dues and subscriptions cover the virtual conferencing platform, QuickBooks subscription, Mailchimp, and the ICMCI Full membership with CoNGO, which reflects our association with the United Nations.

The governance and board expenses still cover the Chair travel expenses and the face-to-face board meetings but at a lesser budget than that of FY 2021-2022. This may be under budget due to the constraints on travel because of the current situation worldwide but we feel it is better to plan for some travel when an ease on restrictions is introduced.

This year, all the assessments that took place followed the procedures and are reported accordingly, with none of the assessments conducted on-site.

Bad debts are reported in the budget as they reflect on the retained revenue but are not part of the budget itself. Those are also reported in the treasurer's report and the audited statements.

This year no bad debts were provisioned, as we expect that all the member IMCs meet their financial commitments and that we will maintain our 48 member institutes.

Core Marketing and Communications is an important part of the budget, and we maintain the same amounts for FY 2022-2023. We are planning on increased activity in promoting our services which will also help to increase flexible revenue.

Core Internet / Website activities include the maintenance and operational costs as all development has been finalized. Any future development costs will be charged to the services that would be launched via the website included in the non-core section. This is what we were able to do this year since we maintained the cost-effective deal with our providers since 2019-2020. As this is the third year this expense is stable, we restricted it to only include the Annual Maintenance Support (to include Hosting and domain) and decreased its budget to reflect an average of the actual. We have also added an item in the variable section to cover the Business Process Automation project that we introduced this year and are investigating.

Core Treasury Expenses are straight forward and reflected the requirements of activity in the 2020-2021 budget. However, we have added an amount of €2000 to cover the costs of the to be appointed Chief Banking Compliance Officer (CBCO) to meet our banking requirements and manage the banking relationship. We are also taking into account the increased VAT expense of increasing the budget for this item in FY 2022-2023. We have also increased the budget for the annual audit to reflect the actual expense that we will be covering this year for the 2020-2021 audit.

Variable Expenses: due to the maturity of some of the variable products, we have reflected them in our budget for variable expenses to be at just over €36k as follows:

- Business Process Automation is the new item on this budget to reflect the research and analysis we have been doing during the past year. This item will address the automation costs that will support our continued growth in an efficient way.
- The ISO 17011 Internal Audit and ISO/IEC 17024 Audit Expenses are also introduced in the variable expenses to meet the cost of the delivery of the audits that are required to support the revenue from this activity. ICMCI is required to maintain its status under the ISO 17011 to be able to deliver the audit to the IMCs under ISO 17024, which in itself incurs direct expenses per project.
- CMC-Directory and the related co-sharing: These budget lines cover expenses for the continued implementation of the CMC-Directory to cover expenses from its growth and any needed future support for platform maintenance.
- Consulting Report (NCI): This budget line covers expenses directed towards the consulting report which was launched in June for the second year. The budget was not used in FY 2020-2021; however, it is maintained in FY 2022-2023 proposed budget for the purpose of purchasing data when needed.
- The CMC-Firm: the allocated budget will cover the maintenance of the platform and any incurred expenses with growth. A budget line reflects the co-sharing scheme which we will

see next year since the application phase is not included in the co-sharing, but the annual renewal is.


- The Outreach budget line now includes the annual report and is part of the fixed expenditure and will be reported on accordingly starting next year.
- ISO 20700: this service proved to be a successful service for ICMCI, and ICMCI are looking into addressing further needs to satisfy consulting firms as well. This budget line addresses any expenses that might arise from the business proposal being prepared by the taskforce, as it went on hold since it intersects with the business automation project which is now in the budget.
- Admin Support: this was a new budget line in the approved 2020-2021 budget. We consider this a variable expense, as it addresses contracting an admin support to cover the increase in secretariat work based on the increased number of hours needed to address the several revenue generating services inquiries.
An admin support was contracted in November 2019 and will continue during this year however in the FY 2022-2023 budget it is at a decreased amount since we now know it is a stable expense.
- Trademarks: we launched the project for protecting our CMC trademark and were able to establish the registration since then in Switzerland and a few other countries. It is a process that takes time and has many stages, and we hope that in FY 2021-2022 we will have maintained the steady registrations. Therefore, we budgeted for less in FY 2022-2023 as by then we would be at the final stages of the process.

3. Net Revenue

We have budgeted for a modest €5400 of Net revenue to stay in line with the previous years in order to continue to build our reserves. However, like last year, our proposed FY 2022-2023 budget will rely on the flexible revenue to build this reserve in order to assure fixed revenue covers all core expenses even with the challenges faced by our Members that also reflect as challenges on the ICMCI.

In the FY 2020-2021 actuals the retained revenue was approximately €25K, As noted above, these are savings from reduced travel. The ICMCI board has decided that approximately €20K will be rebated to IMCs during the FY 2021-2022 membership fee invoicing process.

Submitted 21 September 2021



Reema Nasser

Executive Director, CMC-Global