



CMC - GLOBAL

PROPOSED 2024-2026 Budget

International Council of Management Consulting Institutes

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Submitted for Approval

Reema Nasser
Executive Director

Table of Content

1. Background
2. Strategic Positioning
3. Budget 2024-2026 with Comparisons
4. Notes to The Proposed Budget

OFFICERS

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

Secretary
Nick Warn CMC®
United Kingdom
nick.warn@cmc-global.org

Treasurer
Tamara Abdel-Jaber CMC®
Jordan
tamara.abdeljaber@cmc-
global.org

DIRECTORS OF THE BOARD
Gergana Mantarkova CMC®
Bulgaria
gergana.mantarkova@cmc-
global.org

Aleksandra Hristov CMC®
Serbia
Aleksandra.Hristove@cmc-
global.org

Alan Blackman CMC®
Australia
alan.blackman@cmc-global.org

Ruggero Huesler CMC®
Switzerland
ruggero.huesler@cmc-
global.org

Norma Shorey CMC®
Caribbean
norma.shorey@cmc-global.org

Immediate past Chair
Dwight Mihalicz CMC®
Canada
dwight.mihalicz@cmc-
global.org

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

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

W: <http://www.cmc-global.org> E: cmc-global@cmc-global.org

1. BACKGROUND

The FY 2024-2025 budget proposal was approved last year during the ICMCI Annual Meeting of Delegates in Amman-Jordan.

This year we are presenting the FY 2025-2026 budget proposal which is prepared based on the recommendations of the Finance Committee for the membership fee calculation.

It is important to highlight that our membership base stands now at 47 members, and like last year, we still might lose one member due to being Members not in Good Standing. Furthermore, we have many institutes who are behind on payments as shown in the Treasurer's Accounts Receivable Report. Even when taking the above into consideration, the Finance Committee recommendation concluded that there will be no change in membership fees calculation this year as well.

The membership invoices issued annually are based on a Net 30 term for payment, and IMCs are kindly requested to commit to the payment terms. This is important for the cash flow planning and sustainability at ICMCI. If an IMC foresees that they are unable to commit to this term, we urge you to immediately contact our Treasurer to request a change to the payment date for us to consider that they have an agreement with the Treasurer and plan our cash flow accordingly.

We would also note that even though expenditure for FY 2023-2024 was a bit above budget due to the fact that ICMCI directly managed its annual events, income was around 22K above budget as well, and therefore that affected our net earnings positively.

Though the world is going through turbulent times with geopolitical tensions and conflicts in many parts, we will not propose any amendments to the approved budget for FY 2024-2025. However, we need to ensure that the FY 2025-2026 budget maintains the same philosophy of relying on variable revenue from our strategic initiatives, noting that a key assumption for this budget is that our members will pay their dues in a timely manner.

2. STRATEGIC POSITIONING

Our approved strategic priorities remain the same, where priorities still focus on main objectives and goals that meet with the vision of our organization as well as highlighting its mission. The priorities are based on the three pillars that address the ethics and standards, knowledge sharing and development, as well as the representation and visibility. Furthermore, this year we added our Aspirations 2030 that will help us collectively in reaching our goals in a better focused and planned manner.

With your approval of the FY 2025-2026 budget proposal, we would do our best, regardless of the continuation of the current global challenges, to implement many aspects of the initiatives.

3. BUDGET 2024-2026 WITH COMPARISONS

On the following pages, we present:

- The actual FY 2023-2024 revenue and expenses.

- The approved FY 2023-2024 budget.
- The approved FY 2024-2025 budget.
- The proposed FY 2025-2026 budget.

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

Important note: recommendations by the auditors regarding bad debts and provisions, if any, will be reflected in our accounting system as of 30.06.2024 and might affect the below actual numbers for 2023-2024.

ICMCI Draft Budget 2024/2026

In Euros

| | Actual 2023-24 | Approved 2023-24 | Approved 2024-25 | Proposed 2025-26 |
|---|-------------------|---------------------|---------------------|---------------------|
| Fixed Revenues | | | | |
| Application Fees | - | 3,000 | 3,000 | 3,000 |
| Membership Fees | 145,917 | 145,000 | 145,000 | 145,000 |
| Observer Status - New | - | - | - | 1,000 |
| Total Annual Membership Dues | 145,917 | 148,000 | 148,000 | 149,000 |
| Miscellaneous Revenue | | | | |
| Contribution Congress / Conference | 43,401 | 10,000 | 5,000 | 5,000 |
| Pin Sales and signed CMC Certificates | 1,990 | 2,000 | 1,500 | 2,000 |
| Miscellaneous Revenue (bank transfer fees surplus) | 2,383 | 1,000 | 1,500 | 2,300 |
| Total Miscellaneous Revenue | 47,774 | 13,000 | 8,000 | 9,300 |
| Interest Revenue | - | - | - | - |
| Total Fixed Revenues | 193,691 | 161,000 | 156,000 | 158,300 |
| Flexible Revenues | | | | |
| ICMCI Projects | | | | |
| CMC-Firm | 3,000 | 3,000 | 3,500 | 3,500 |
| CMC-Registry | - | - | 2,500 | 2,500 |
| ISO 20700 licenses and training | 2,328 | 10,000 | 2,000 | 2,500 |
| Initial Authorization 17024:2012 Conformity Audit | - | 1,000 | 1,000 | 2,000 |
| Authorization 17024:2012 Conformity Audit | - | 2,500 | 2,500 | - |
| Re-Authorization 17024:2012 Conformity Audit (including Surveillance) | 5,600 | 6,500 | 5,000 | 6,000 |
| ICMCI Brokered Projects (UNIDO) | 4,400 | 3,000 | 5,000 | 5,000 |
| Secretariat Services | 9,000 | 9,000 | 9,000 | 9,000 |
| Total ICMCI Projects | 24,328 | 35,000 | 30,500 | 30,500 |
| Total Flexible Revenues | 24,328 | 35,000 | 30,500 | 30,500 |
| TOTAL REVENUES | 218,019 | 196,000 | 186,500 | 188,800 |
| Core Expenditures | | | | |
| Core Secretariat Expenses | | | | |
| Salary & Benefits | 98,736 | 98,800 | 98,800 | 98,800 |
| Travel & Accommodation costs | 2,913 | 6,000 | 4,000 | 4,000 |
| Outreach and annual report | 2,901 | 8,000 | 8,000 | 4,000 |
| Dues & Subscriptions | 2,110 | 2,500 | 2,500 | 2,500 |
| Postage and Delivery costs | - | 150 | 100 | 100 |
| Stationary - Purchase | 820 | 500 | 200 | 200 |
| Printing and Reproduction (Pins and cost of sales) | 26 | 500 | 450 | 400 |
| Telephone & Fax | - | - | - | - |
| Other | - | - | - | - |
| Total Secretariat Expenses | 107,507 | 116,450 | 114,050 | 110,000 |
| Core Board and Governance Expenses | | | | |
| Chairperson's Costs | - | 5,000 | 5,000 | 5,000 |
| Face-to-face Board Meeting | 4,125 | 5,000 | 5,000 | 4,500 |
| Total Board and Governance Expenses | 4,125 | 10,000 | 10,000 | 9,500 |

| | Actual 2023-24 | Approved 2023-24 | Approved 2024-25 | Proposed 2025-26 |
|--|-------------------|---------------------|---------------------|---------------------|
| Core Assessment & Re-assessment Expenses | | | | |
| Assessment Expenses (Assessor Travel Expenses- Provisional applications) | - | 1,200 | 1,200 | 1,000 |
| Re-assessment Expenses (Assessor Travel Expenses) | - | 5,000 | 10,000 | 10,000 |
| Total Re-assessment Costs | - | 6,200 | 11,200 | 11,000 |
| Core Marketing & Communications | | | | |
| M&C General costs | 41,407 | 6,000 | 4,000 | 3,000 |
| Newsletter and social media | - | 3,000 | 3,000 | 1,000 |
| Other Marketing Expenses | 1,297 | 1,000 | 1,000 | 1,000 |
| Total Marketing & Communications | 42,704 | 10,000 | 8,000 | 5,000 |
| Core Internet/Website | | | | |
| Development cost | - | - | - | - |
| Annual Maintenance Support (to include Hosting and domain) | 4,580 | 3,000 | 2,500 | 2,500 |
| Total Internet/Website | 4,580 | 3,000 | 2,500 | 2,500 |
| Core Treasury Expenses | | | | |
| Bank & Credit Card Costs | 2,908 | 2,000 | 1,500 | 2,500 |
| Monthly Service Charge - Online Payment | - | - | - | - |
| Swiss Lawyer/Tax Expert/Insurance | 5,652 | 5,000 | 6,000 | 6,000 |
| Other Professional Support (BCO) | 2,087 | 2,250 | 2,100 | 2,100 |
| Annual Audit | 4,000 | 4,000 | 4,000 | 4,000 |
| Swiss VAT | 5,543 | 5,000 | 3,500 | 3,500 |
| Total Treasury Expenses | 20,190 | 18,250 | 17,100 | 18,100 |
| Total Core Expenditure | 179,105 | 163,900 | 162,850 | 156,100 |
| Variable, non-core Expenditures | | | | |
| Business Process Automation | - | 5,000 | 5,000 | 2,500 |
| 17011 Internal Audit and 17024:2012 Audit Expenses | 5,055 | 6,000 | 3,500 | 3,500 |
| CMC Directory | - | - | - | - |
| CMC Directory: Co-Sharing Credit to IMCs | - | - | 500 | - |
| Global Status (NCI Consulting report) | 2,348 | 2,500 | 2,500 | 2,500 |
| CMC Firm | - | - | - | - |
| CMC-Firm: Co-Sharing Credit to IMCs | - | 500 | 500 | 500 |
| ISO Development Costs | 1,255 | 2,500 | 1,500 | 1,350 |
| Admin Support | - | 3,500 | 3,500 | 9,600 |
| Trademarks | 2,251 | 5,000 | 2,000 | 2,000 |
| Other Expenditures | 3,000 | 3,000 | 1,500 | 1,000 |
| Total Non-Core Expenditure | 13,909 | 28,000 | 20,500 | 22,950 |
| TOTAL EXPENDITURES | 193,014 | 191,900 | 183,350 | 179,050 |
| RETAINED NET EARNINGS | | | | |
| From Fixed Revenue - Core Expenses | 14,586 | (2,900) | (6,850) | 2,200 |
| From Flexible Revenue - Non-Core Expenses | 10,418 | 7,000 | 10,000 | 7,550 |
| Bad Debts | - | - | - | - |
| Expected Credit Loss (provision for bad debt) | - | - | - | - |
| TOTAL NET EARNINGS | 25,004 | 4,100 | 3,150 | 9,750 |

4. NOTES TO THE PROPOSED BUDGET

1. Revenues

Fixed Revenues: We continue to follow the recommendations of the taskforce in establishing the approach of fixed revenues covering our fixed costs. This was applied for the proposed budget for FY 2025-2026 with no increase in membership fees from last year. It is important to note here that fee invoices between institutes will vary depending on the number of Member IMCs which might affect the invoiced basic fee, 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 might pay a bit more, those who lost members might pay a bit less. Overall, we continue to make sure to cover core expenses from core revenues. In

FY 2023-2024 our net earnings exceeded the budget at 25K and we continue to be a healthy organisation with net assets of € 213,376, due to the strict spending on core expenses.

In the fixed revenues 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 fees in separate accounts taking all the different adjustments into consideration for full reporting during the year.

This year, the fee for Observer Status is not reflected in the actuals section as our new Observer settled the fees in July, however, this is added as a budget line going forward.

The Miscellaneous Revenue covers the revenue of the conferences, pin sales and certificates. Revenue from our conference in Jordan is included there and reflected in the expenditure section as well.

Flexible Revenues: the approved budgets to meet the approved strategic plan focus on the four main activities, Ethics and Standards, Knowledge Sharing and Development, and Representation and the same will apply for FY 2025-2026 budget.

- CMC-Firm: this year we did not have any new applications, we had one re-appraisal. All CMC-Firms settled the annual fee.
- CMC-Global Directory: the directory remained at the same number as last year of around 200 subscribers, and we continue to offer the directory as a free service till the end of this calendar year until we address the online payment matter.
- The ISO 20700:2017: One train-the-trainer session took place this year during the events in Amman and it was based on the new updated material.
- ICMCI Brokered Projects: In 2023-2024 we finalized one project with UNIDO for the total of 4400 Euros, and we are expecting another project for FY 2024-2025.
- As advised earlier, the ISO/IEC 17024 audit (Conformity, and Re-Authorisation) is reflected in the flexible revenues in the budget, and we were able to conduct Surveillance and Re-Authorisation audits for three institutes during FY 2023-2024 with no new initial conformity audits. You will notice that there is a repetition in the lines (*Initial Authorisation 17024:2012 Conformity Audit* and *Authorization 17024:2012 Conformity Audit*), once we finalize the budget this year, the second line will be taken out.
- Secretariat Services: this covers the revenue generated from delivering our secretariat services to the CMC-Global Institute. This service is based on a service agreement renewed annually.

2. Expenditures

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

- Salary and Benefits: The Secretariat consists of an executive director (ED), and an executive secretary (ES).

- **Travel and Accommodation Costs:** the secretariat has a fund for travel and FY2025-2026 will remain at the same amount as approved for FY 2024-2025 budget. It is noted that part of the secretariat costs is being recovered through the provision of services to CMC-Global Institute.
- **Outreach and Annual Report:** in the FY 2025-2026 proposed budget you will notice that this expense continues to be part of the core secretariat expenses but now proposed at only 4K to keep it within a range of the actual expense over the past few years. This budget line covers any events that we might hold to promote or celebrate our services, or expenses related to expanding our business as well as the annual report to delegates.
- **Dues and Subscriptions:** this line covers the virtual conferencing platform, accounting software, CRM, and events voting application subscriptions, as well as the ICMCI Full membership with CoNGO, which reflects our association with the United Nations. Other expenses in different item lines related to office work and production of stationery and such are included for a minimum amount for each year.
- **Governance and Board Expenses:** this item covers the Chair travel expenses and the face-to-face board meetings. The budget for FY 2025-2026 is a little bit less to match the actuals for the board face-to-face meeting of FY 2023-2024 approved budget.
- **Core Assessment and Re-assessment Expenses:** in FY 2024-2025, the IQA will be holding around 7 on-site assessments as per their published plan. This expense is already included in the annual membership invoicing.
- **Core Marketing and Communication:** since representation is a main pillar of our strategic priorities this is an important part of the budget, however, like last year we decreased the amounts for FY 2025-2026 marketing expenses as those related to specific projects would be addressed in the expense line of that project. The expense in FY2023-2024 was mostly related to the events that took place in Jordan and that is why we cannot use it as a guideline for future budgeting.
- **Core Internet / Website:** these activities include the maintenance and operational costs only and future development costs will be tabled to the related services. For proposed budget FY 2025-2026 we again maintain the cost-effective agreement with our providers which we had since FY 2019-2020. The expense in FY 2023-2024 was a bit higher because we had to undergo a mail server change/upgrade with affected the expenditure.
- **Core Treasury Expenses:** this line is straight forward, and you will notice that this is a somewhat steady expense. This is disrupted when we either update our by-laws or we update our officers' list in our registry, in FY 2024-2025 this would need to happen as we will have a change in officers and that is why the budget was increased by 1K for the lawyer, and we maintain that for FY 2025-2026 as we will incur more changes in the board. In FY 2024-2025 the taxes and VAT were reduced to reflect the previous year's actuals while in FY2023-2024 actuals we incurred more taxes and VAT because of hosting the events ourselves, expenses related to this item line will be back to normal budget this year and were budgeted accordingly for FY2025-2026.

Variable Expenses: this section focuses on project-based expenses which cover the continued growth and maturity of our services as follows:

- **Business Process Automation** is at 2,500K budget as we would have finalized the customisation of the CRM in FY2024-2025. The amount budgeted for FY2025-2026 is for maintenance and new projects.

- The ISO 17011 Internal Audit and ISO/IEC 17024 Audit Expenses will meet the cost of the delivery of the audits that are required to support the revenue from this activity as well as the cost of owning the related standards. ICMCI is required to maintain its status under ISO 17011 to be able to deliver the audit to the IMCs under ISO 17024, which in itself incurs direct expenses per audit.
- CMC-Directory and the related co-sharing: These budget lines were at 0 for FY 2023-2024 as the expense for the directory is related to that of the ICMCI website and the co-sharing did not materialize since service was provided for free. The free service is extended till the end of December 2024 awaiting online payment availability. No budget for 2025-2026 as this is still unclear.
- Consulting Report (NCI): This budget line covers expenses directed towards the National Consulting Index (NCI) which was launched in June for the fifth year. The budget was used last year for purchasing data sets and we allocated the same for FY2025-2026.
- The CMC-Firm and the related co-sharing: there is no budget allocated for maintaining the directory as it is now part of the annual agreement with the provider. A budget line reflecting the co-sharing scheme is at €500.00 like last year to cover the IMCs share from annual renewal. This year the renewals were invoiced but entries to the co-sharing will take place once we issue the membership invoices for FY 2024-2025.
- ISO 20700 development: The current costs for FY 2023-2024 reflect the cost of the conducted ISO20700:2017 training. We will continue to show in years to come such an expense line as we should maintain providing the train the trainer training on the checklist until all IMCs are authorized to deliver the ISO 20700 Checklist Training.
- Admin Support: We consider this a variable expense as it addresses contracting admin support to cover project based increased deliverables of the secretariat. This year it is higher because we aim to seek the support of an IT professional on a part-time basis to support the secretariat with our CRM.
- Trademarks: we maintain this expense line for the watch service and renewals of the CMC and NCI trademark registrations in the future.
- Other Expenditures: This expense includes the cost of sales; in FY 2023-2024 it also included the cost of the UNIDO project.

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

3. Net Earnings

We have budgeted almost €10K of Net Earnings to stay in line with the previous year's actuals as this continues to build our reserves. However, as always, our proposed FY 2025-2026 budget will rely mainly on the flexible revenues to build this reserve.

In the FY 2023-2024 actuals, the net earnings were at €25,004, while we had budgeted for €4,100.

Submitted on 9 September 2024

Reema Nasser
Executive Director