



## Financial report

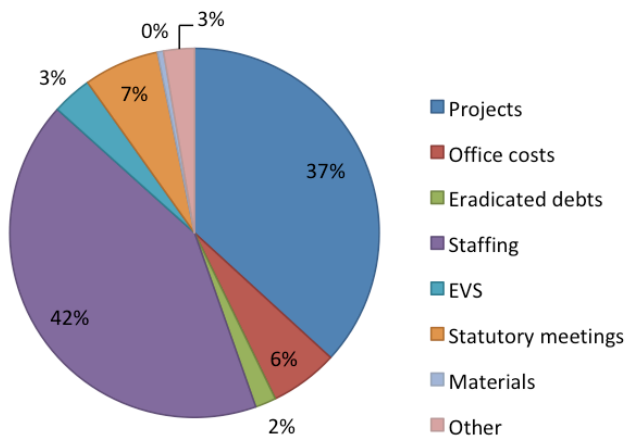
### Balance 2017

The 2017 audit took place in February 2018 and the accounts for 2017 were signed off in March 2018 by the Control Commission. The balance of 2017 shows a profit of 1,422.91€. A figure of 4,416€ was wiped out from expelled members' debts (project and membership fees).

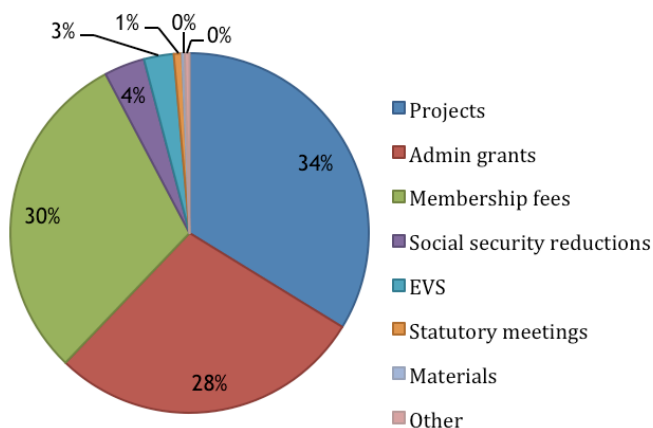
### Reserves at end of 2017

IFM-SEI had **unrestricted reserves** of 84,487.33€ at the end of 2017 (70,092.42€ at the end of 2016). The higher amount is explained by leftover budget for On The Move that will be spent in early 2018. Reserves of 28,000€ are restricted as social reserve in case IFM-SEI needs to close down its operations. In reality, the current unrestricted reserves would allow IFM-SEI to operate for nine months and it is advised by the auditor to consider increasing these reserves.

### Expenditure 2017



### Income 2017





Expenditure 2017					
	Budget 2017	Actuals 2017	Difference to budget	Actuals 2016	% change (2016>17)
Salaries/staff	100,250€	101,752€	-1,502€	96,447€	+5.5%
Office rent	10,000€	9,402€	-598€	8,046€	+16.9%
Office equipment/furniture	1,100€	1,214€	+114€	1,823€	-33.4%
Office costs other	3,760€	3,856€	+96€	6,524€	-40.9%
Presidium	7,000€	8,181€	+1,181	11,932€	-31.4%
Control Commission	1,200€	1,183€	-17€	773€	+53.0%
IFM-SEI Committee	6,000€	6,615€	+615€	9,977€	-33.7%
On The Move project	62,030€	48,826€	-13,204€	39,070€	+25.0%
I Act project	23,500€	22,469€	-1,031€	-	-
Children on the Move	2,000€	2,442€	+442€	758€	+222.2%
PES activity	11,000€	0€	-11,000€	-	-
YO!Fest 2017	0€	1,300€	+1,300	-	-
European Voluntary Service	11,000€	8,470€	-2,530€	10,735€	-21.1%
Promotional materials	1,000€	1,270€	+270€	3,654€	-65.2%
Eradicated debts	0€	4,416€	+4,416€	2,520€	+75.2%
Secretariat/Pres travel	3,400€	2,456€	-944€	1,715€	+43.2%
Auditor fees	1,500€	1,713€	+213€	1,686€	+1.6%
YFJ membership fee	1,595€	1,571€	-24€	1,615€	-2.7%
Other*	450€	783€	+333€	477€	+64.2%
Willy Brandt Conference	0.00€	13,840€	+13,840€	-	-
Let's Talk About Sex	0.00€	188€	+188€	-	-
<b>Total</b>	<b>246,785€</b>	<b>241,927€</b>	<b>-4,858€</b>		

\* bank fees, taxes





Income 2017					
	Budget 2017	Actuals 2017	Difference to budget	Actuals 2016	% change (2016>17)
Membership fees	67,000€	73,280€	+6,280€	68,240€	+7.4%
EC operating grant	50,000€	50,000€	0€	50,000€	0.0%
EYF structural grant	19,063€	19,063€	0€	19,063€	0.0%
On The Move project	59,530€	45,692€	-13,838€	39,070€	+17.0%
I Act project	15,050€	20,419€	+5,369€	-	-
Children on the Move	2,000€	2,264€	+264€	-	-
PES activity	11,000€	0€	-11,000€	-	-
Group Matters	4,070€	0€	-4,070€	17,801€	-100%
Social security reductions	8,000€	8,885€	+885€	9,500€	-6.5%
European Voluntary Service	7,200€	6,541€	-659€	6,703€	-2.4%
International Committee	2,500€	1788€	-712€	5,159€	-65.3%
IFM-SEI materials	1,500€	591€	-909€	5,026€	-88.2%
Donations/gifts	0.00€	526€	+526€	2,139€	-75.4%
Other*	550€	510€	-40€	1,687€	-69.8%
Willy Brandt Conference	0.00€	13,811€	+13,811€	-	-
<b>Total</b>	<b>247,463€</b>	<b>243,370€</b>	<b>-4,093€</b>		

\* expert fees, bank interest, repayments, interest

### Operational costs 2017 - budget lines to note

- **Salaries and staff:** The office secretary works part-time at 50% time. The Secretary General works full-time and receives a basic salary as well as per diems for international travel up to a fixed amount. A Project Officer was employed part-time at 80% time from March onwards, therefore the budget reflects a four-day per week salary for 10 months. The general staff costs include holiday and end-of-year allowances and social security contributions. The 5.5% increase in costs compared to the previous year is accounted by the Project Officer position.



- **Rent:** IFM-SEI rents its offices from the Erasmus Student Network (ESN) and moved into the office at the end of August 2016. Previously, we rented an office from the Party of European Socialists (PES). We will save around 3,000€ per year on the new office compared to the previous office (10,000€ compared to 13,000€). Many invoices from 2016 and 2017 were only sent in 2018, so this price may increase in future years.
- **Secretariat and Presidium travel:** The travel and accommodation costs for the Secretariat and Presidium was increased by about 1,700€ compared to 2016, as a strategic decision to put more funding into visiting member organisations and representation. However, the majority of travel costs for representation were reimbursed by other organisations in 2017.
- **Presidium:** The presidium meets three times per year, with one meeting being held at the International Committee meeting or Congress. Member organisations are expected to pay the travel costs to the meeting at International Committee or Congress, but the other two meetings are fully reimbursed. One meeting for 2017 was paid for by the funders of the Willy Brandt Conference, which decreased the Presidium expenditure by around 50% for 2017. However, there is still an overspend largely due to tickets being bought at last minute by Presidium members.
- **Control Commission:** The Control Commission meets twice per year in Brussels. The increase when compared to 2016 is because the sending organisation used to pay for the travel to Control Commission meetings in the last mandate, therefore only one meeting was paid for by IFM-SEI in 2016. In 2017, only the two European Control Commission members attended the meetings. The reason for the high cost with this factor in mind is that IFM-SEI paid for the flight tickets for the non-European Control Commission member to attend both meetings, but neither flight was used.
- **Eradicated debts:** A high amount was eradicated after the International Committee 2017 after member organisations were expelled. This is largely down to one former member organisation that had a large membership fee debt in addition to a project debt. Eradicated debts are not foreseen in the profit and loss.
- **Other costs:** the higher than budgeted other costs are largely down to high bank transfer fees due to many international transfers being made, especially as part of the On The Move project.



### Operational income 2017 - budget lines to note

- **Membership fees:** 2017 was the first year of the new membership fee system and the income has exceeded the budgeted amount. If 100% of the membership fees that were invoiced were paid in 2017, the income would have been 74,840€. However only 65,000€ income was forecasted for 2017 in order to lower the risk with the new system, with an additional 2,000€ forecast for previous year's membership fees accrued. There was a 73,280€ income from membership fees in 2017 - 1,150€ from previous years' debts - 96.4% of the actual amount was paid.
- **Social security reductions:** In Belgium, organisations have to pay relatively high social security contributions up-front with the general staff costs. Based on the real costs per quarter, some of these costs are then reimbursed to the organisation. The amount depends on the nature of staff employed by the organisation. In 2017, the reductions were higher than previous years - with the exception of 2016 where there was a high staff turnover - because of the employment of two new, young staff members (Secretary General and Project Officer) and because of employing an older staff member (Office Manager).
- **IFM-SEI materials:** IFM-SEI did not produce a new line of merchandise in 2017, therefore the income from materials was lower than projected. A large order of IFM-SEI flags - red and rainbow - was made, therefore the expenditure for IFM-SEI materials is still around what was forecast. A new merchandise line is planned for 2018.

### Projects 2017 - budget lines to note

The majority of projects in 2017 were funded by the European Commission's Erasmus+ programme, the Youth Department of the Council of Europe or the Youth Department of the Council of Europe. These grants require co-funding of 20-30%. These come from participation fees (individual participants or participating organisations), donations and/or from IFM-SEI's own resources.

- **On The Move:** Three of the six face-to-face activities from On The Move took place in 2017. The expenditure and income for On The Move is relatively similar for On The Move because the funds were given to IFM-SEI in 2016 but carried over year-on-year, so the final balance will be visible in the 2018 accounts. There is an underspend in 2017 of approximately 13,500€ as there was a low participation level for two reasons - the first being visa rejections, the second being some organisations pulling out of the project partway thorough. Despite this, there is an overspend on many of the travel tickets due



to participating organisations spending over the travel reference price, often due to late booking.

- **I Act project:** The income for the I Act project is higher than projected because the final instalment of the grant was not budgeted in 2017, but it was allocated to 2017 (even though it arrived in early 2018).
- **European Voluntary Service:** the secretariat usually hosts one young volunteer in the office in Brussels for 12 months to support the team in running activities. Bet Bayó finished her end of August, however the person due to take over was supposed to start at the beginning of August to give one month's crossover, meaning the budget showed 13 months income and expenditure. The volunteer who was due to start in August had to cancel at last minute, therefore there was a 1.5 month gap until the replacement could begin, hence the decrease in income and expenditure. The volunteers receive a top-up from IFM-SEI as compared to the grant amount.
- **PES activity:** the PES activity that was granted annually starting in 2017 could not be organised in time due to planning issues, so was proposed to be moved to early 2018. This took place in March 2018 in the end. Therefore there was no income or expenditure in 2017 for this budget line.
- **Group Matters:** The Group Matters project final instalment of 4,070€ was allocated to 2016 rather than 2017, so this was an error in budgeting (although it arrived in early 2017).
- **YO!Fest 2017:** The expenditure that was not forecast was made because the reimbursement couldn't be processed by the European Youth Forum because the participants did not submit the majority of their receipts, including for travel. This means there was a loss of 1,300€ in total.
- **Willy Brandt Conference:** This activity was not foreseen during the budget setting process, therefore the expenditure and income needed to be added at a later date. IFM-SEI bought travel tickets up front for all non-Europeans and were refunded by LO (Norwegian trade union), the organisation that was funding the activity.





## Future concerns

- **Council of Europe structural grant:** IFM-SEI has historically received structural grants from the Youth Foundation of the Council of Europe, which work on a two-year cycle. The amount of the grant depends on the quality of IFM-SEI's work programme as well as the number of European member organisations and was around 19,000€ per year in 2016-17. Due to budgetary issues in the Council of Europe, IFM-SEI will only receive approximately 15,00€ per year for 2018-19. If the budgetary crisis is resolved, this could increase again in 2019 but this is looking increasingly less likely. Some organisations have been hit with a 50% decrease, therefore IFM-SEI is still in a fairly strong position comparatively.
- **European Youth Foundation projects:** due to the budgetary issue highlighted above, there will be a noticeable decrease in funding for European Youth Foundation projects, which funds our work plans and international activities. The study sessions funded by the Youth Department of the Council of Europe may also be affected.





Funding applications since International Committee 2017			
Project	Funder	Outcome	Regions
Study session: Be The Change	European Youth Foundation	Granted	Europe, Middle East
Structural grant 2018-19	European Youth Foundation	Granted	All
Work plan: Let's Talk About Sex	European Youth Foundation	Granted	Europe
EFN 2018: The Future of Europe	Erasmus+ Mobility of Youth Workers	Reserve list - rejected	Europe
Reach Out: Global to Local	Erasmus+ Youth Exchange	Granted	Europe
Structured dialogue - child participant in decision-making	Erasmus+ Structured Dialogue	Rejected	Europe
Prevention of sexual and gender based violence in developing countries	Europe Aid	Rejected	Africa, Latin America, Southern Caucasus
Operating grant 2018-2021	Erasmus+ Support for Policy Reform	TBA	All
Training for Trainers for Gender Educators and Advocates	UN Development Fund	TBA	Africa, Asia, Latin America
European Voluntary Service 2018-19	Erasmus+ Volunteering	Granted	Europe
EFN 2018: The Future of Europe	Erasmus+ Mobility of Youth Workers	Reserve list - rejected	Europe
Building Bridges: Youth Work for Peace and Dialogue	Erasmus+ Capacity Building	TBA	Asia, Africa, Latin America
I Act - Exploring Masculinities	European Youth Foundation	TBA	Europe
Peers 2.0 - Peer Education for Democratic Citizenship	Council of Europe Youth Department	TBA	Europe

