

INQAAHE Annual Reporting 2020: Treasurer's Report

General Assembly Meeting
26th of April, 2021

Dr. Deb Adair
INQAAHE Treasurer



INQAAHE Finances for 2020

- INQAAHE Financial Accounts
- INQAAHE Budget for 2021 and 2022



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General Information

- Transactions and balances for the financial year from January 1, 2020 until December 21, 2020
- New accounting software purchased in 2020
 - 2019's chart of accounts adapted and updated accordingly
 - Difficult/troublesome comparison with previous years



Statement of Financial Position

As of December 31, 2020

Significant profit if compared with the previous year.

- Substantial decrease in expenses:
 - Departure of the CEO
 - Forum held virtually
- Increase in revenue

	2020	2019
Bank Accounts	564,980	534,241
Accounts Receivable	135,536	63,356
Other Current Assets	7	—
Fixed Assets	1,511	3,661
TOTAL ASSETS	702,034	601,258
Accounts Payable	—	7,293
Other Current Liabilities	19,900	36,600
TOTAL LIABILITIES	19,900	43,893
Net Assets	557,366	630,961
Net Revenue	124,769	(73,595)
TOTAL EQUITY	682,134	557,366



Statement of Financial Position

As of December 31, 2020

The Network is in a good financial situation.

Given the economic difficulties derived from the global pandemic, the effort of collecting outstanding invoices during 2020 relaxed considerably – members who were in arrears for more than two years did not have their memberships discontinued.



INQAHE Annual Report 2020

	2020	2019
ASSETS		
Current Assets		
Bank Accounts		
Cash on hand - USD	520	520
Checking - EUR	21,124	7,240
Checking - USD	543,336	525,445
Due from card payments	—	1,036
Total Bank Accounts	564,980	534,241
Accounts Receivable		
Accounts Receivable (A/R)	181,541	85,238
Less Doubtful Accounts	(46,005)	(21,882)
Total Accounts Receivable (A/R)	135,536	63,356
Total Accounts Receivable	135,536	63,356
Other Current Assets		
Due from Agency	7	—
Total Other Current Assets	7	—
Total Current Assets	700,523	597,597
Fixed Assets		
Accumulated Depreciation	(322)	(1,807)
Accumulated Depreciation (IA)	(20,343)	(19,614)
Computer Hardware	1,104	3,024
Computer Software	21,071	19,614
Construction in Progress	0	2,444
Total Fixed Assets	1,511	3,661
TOTAL ASSETS	702,034	601,258

Statement of Financial Position

As of December 31, 2020

All liabilities are related to INQAAHE Funding Scheme grants (Capacity Building and Research and Innovation).

	2020	2019
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable (A/P)	—	7,293
Total Accounts Payable	—	7,293
Other Current Liabilities		
Grant Agreement Commitments		
Capacity Building Grants	9,900	34,600
Research and Innovation Grants	10,000	2,000
Total Grant Agreement Commitments	19,900	36,600
Total Other Current Liabilities	19,900	36,600
Total Current Liabilities	19,900	43,893
Total Liabilities	19,900	43,893
Equity		
Net Assets	557,366	630,961
Retained Earnings		
Net Revenue	124,769	(73,595)
Total Equity	682,134	557,366



Statement of Activity

From January to December of 2020

The method to estimate doubtful debtors was changed along with the rest of accounting updates.

It was estimated that 25% of all pending membership fees would not be successfully collected during 2021.

	2020	2019
Membership fees	269,101	229,861
GGP Alignment	67,500	24,000
Grants and Consultations	13,200	—
Events	23,583	33,604
Sponsorships	10,300	5,150
Other Revenue	37	—
TOTAL REVENUE	383,721	292,615
Employee Compensation and Benefits	79,676	88,569
Funding Scheme Grant Expenses - Commitments	11,000	79,376
Professional Fees	109,409	87,011
Office/General Administrative Expenditures	1,500	180
Event related Expenditures	500	8,988
Board & Committee related Expenditures	83	14,279
Travel and Entertainment - General	3,167	5,789
Other Expenses	53,444	84,786
TOTAL EXPENDITURES	258,778	368,978
Net Other Revenue	(175)	2,767
NET REVENUE	124,769	(73,596)



Statement of Activity

From January to December of 2020

The total 2020 income increased by 31% compared to 2019.

Aside from membership fees, which are the main revenue source of the network, new GGP Alignment procedures, external consultations and sponsorships significantly added to the total revenue.

	2020	2019
Revenue		
Membership fees	235,684	229,861
LIC/LDC annual membership fee	4,835	—
Regularised fees	21,882	—
Review fees	6,700	—
Total Membership fees	269,101	229,861
GGP Alignment		
GGP Review	67,500	24,000
Total GGP Alignment	67,500	24,000
Total Grants and Consultations	13,200	—
Events		
Forum	21,083	33,604
Training, courses, webinars	2,500	—
Total Events	23,583	33,604
Sponsorships		
Events	10,000	4,850
Newsletter	300	300
Total Sponsorships	10,300	5,150
Other Revenue		
Financial Income	37	—
Total Other Revenue	37	—
TOTAL REVENUE	383,721	292,615



Statement of Activity

From January to December of 2020

Employee Compensation and Benefits was included in 2019 because the position of Chief Executive Officer was filled.

It includes the CEO' salary, health insurance, workers compensation insurance, retirement contribution and other payroll expenses and taxes.

The expenses cover the period of January until July 2020, when the former INQAAHE CEO resigned. They represent 31% of the total expenditures.

	2020	2019
Expenditures		
Employee Compensation and Benefits		
Salaries	72,638	—
Payroll Expenses	506	—
Payroll taxes	1,116	—
Retirement contribution	5,417	—
Total Employee Compensation and Benefits	79,676	88,569
Funding Scheme Grant Expenses - Commitments		
Capacity Building	6,000	—
Research and Innovation	5,000	—
QA Programme	—	9,876
Total Funding Scheme Grant Expenses - Commitments	11,000	79,376



Statement of Activity

From January to December of 2020

In general, all categories of expenses have been reduced.

The increase of Professional Fees and Office/General Administrative Expenditures is mainly because of the additional work required to reorganize and validate the accounts after the introduction of the new accounting software.

	2020	2019
Professional Fees		
Accounting Services	3,439	—
Assessing Agency Alignment (GGP)	13,000	9,500
Audit related	7,884	—
IT programming and support	987	1,049
Journal "Quality in Higher Education"	18,066	9,754
Proof Reading/Editing Services	3,500	—
Secretariat costs (including travel)	62,533	66,708
Total Professional Fees	109,409	87,011
Office/General Administrative Expenditures		
Office Supplies & Software	647	—
Telecom and audiovisual	665	—
Web Design and Hosting	187	180
Total Office/General Administrative Expenditures	1,500	180



Statement of Activity

From January to December of 2020

Given the outbreak of the global pandemic during 2020, practically all in-person events were cancelled, postponed or virtually delivered, including INQAAHE Forum 2020. This is reflected in the significantly reduced expense for Board Directors and INQAAHE representation, compared with 2019.

	2020	2019
Event related Expenditures		
Speaker Fees	500	—
Event scholarships	—	8,988
Total Event related Expenditures	500	8,988
Board & Committee related Expenditures		
Board Travel expenses	83	14,279
Total Board & Committee related Expenditures	83	14,279
Travel and Entertainment - General		
Travel	3,167	5,789
Total Travel and Entertainment - General	3,167	5,789
Other Expenses		
Bad Debts	55,248	65,421
Bank Charges & Fees	6,081	6,342
Depreciation/Amortization	1,004	5,975
Gain/Loss on foreign exchange	(1,998)	—
Prior period corrections	(6,893)	—
Sundry expenses	—	7,048
Total Other Expenses	53,444	84,786
TOTAL EXPENDITURES	258,778	368,978



Statement of Activity

From January to December of 2020

Significant profit if compared with 2019,
which ended with a negative result.

	2020	2019
Net Operating Revenue	124,943	(76,363)
Other Expenditures		
Other Miscellaneous Expense	159	(2,767)
Reconciliation Discrepancies	15	—
Total Other Expenditures	175	(2,767)
Net Other Revenue	(175)	2,767
Net Revenue	124,769	(73,596)



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Projected Revenue

Both revenue and expenditures are expected to maintain similar figures in the upcoming years, with slight variations.

The category that is projected to increase the most is Employee Compensation and Benefits, as the Network plans to hire new staff.

	2021	2022
REVENUE		
4000 Membership fees	221,698.79	221,698.79
LIC/LDC annual membership fee	4,489.29	4,489.29
Regularised fees	—	—
Review fees	6,500.00	6,500.00
Total 4000	232,688.08	232,688.08
4100 GGP Alignment		
GGP Recognition	9,000.00	9,000.00
GGP Review	45,000.00	45,000.00
Total 4100	54,000.00	54,000.00
4200 Grants and Consultations	26,400.00	26,400.00
4300 Events		
Conference	19,475.00	—
Forum	—	38,295.00
Training, courses, webinars	966.50	1,000.00
Total 4300	20,441.50	39,295.00
4400 Sponsorships		
Events	—	—
Newsletter	1,200.00	1,200.00
Total 4400	1,200.00	1,200.00
4900 Other Revenue		
Financial Income	30.00	30.00
Total 4900	30.00	30.00
Total Revenue	334,759.58	353,613.08



Projected Expenditure

	2021	2022
EXPENDITURES		
5000 Employee Compensation and Benefits		
5001 Employee Compensation and Benefits:Salaries	28,125.00	84,375.00
Payroll Expenses	—	—
Payroll taxes	9,562.50	28,406.25
Retirement contribution	—	—
Total 5000	37,687.50	112,781.25
5100 Funding Scheme Grant Expenses - Commitments		
Capacity Building	17,900.00	10,000.00
QA Programme	5,000.00	5,000.00
Research and Innovation	10,000.00	2,500.00
Total 5100	32,900.00	17,500.00
5200 Professional Fees		
Accounting Services	3,750.00	5,000.00
Assessing Agency Alignment (GGP)	22,500.00	22,500.00
Audit related	—	—
Financial Audit/Review	2,000.00	8,000.00
IT programming and support	—	—
Journal "Quality in Higher Education"	6,582.00	6,582.00
Legal & Professional Services	6,000.00	—
Other Professional Expenses	6,500.00	4,000.00
Proof Reading/Editing Services	—	—
Secretariat costs (including travel)	50,579.75	29,159.00
Total 5200	97,911.75	75,241.00

	2021	2022
5300 Office/General Administrative Expenditures		
Liability/DNO Insurance	500.00	—
Office Supplies & Software	—	—
Printing	250.00	—
Telecom and audiovisual	1,000.00	1,000.00
Web Design and Hosting	2,500.00	2,500.00
Total 5300	4,250.00	3,500.00
5400 Event related Expenditures		
Event scholarships	—	10,000.00
Speaker Fees	—	—
Total 5400	—	10,000.00
5500 Board & Committee related Expenditures		
Board Travel expenses	22,500.00	18,000.00
Total 5500	22,500.00	18,000.00
5600 Travel and Entertainment - General		
Travel	—	2,000.00
Total 5600	—	2,000.00



Projected Expenditure

Profit is projected for the upcoming years, with a slight reduction in 2022.

	2021	2022
5900 Other Expenses		
Awards and Gifts	2,000.00	2,000.00
Bad Debts		
Doubtful debts	40,000.00	40,000.00
Unpaid membership fees	5,000.00	5,000.00
Total Bad Debts	45,000.00	45,000.00
Bank Charges & Fees	7,000.00	7,000.00
Depreciation/Amortization	1,000.00	1,000.00
Gain/Loss on foreign exchange	(1,000)	(1,000)
Prior period corrections	—	—
Total 5900	54,000.00	54,000.00
TOTAL EXPENDITURE	249,249.25	293,022.25
OTHER EXPENDITURE		
Other Miscellaneous Expense	—	—
Reconciliation Discrepancies	—	—
TOTAL OTHER EXPENDITURE	—	—
TOTAL NET INCOME	85,510.33	60,590.83

