



CMC - GLOBAL

PROPOSED 2023-2025 Budget

International Council of Management Consulting Institutes

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Submitted for Approval

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1. BACKGROUND

The FY 2023-2024 budget proposal was approved last year during the ICMCI virtual Annual Meeting of Delegates.

This year we are presenting the FY 2024-2025 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 might lose one member this year 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. In FY 2022-2023 the Finance Committee took such facts into consideration and addressed those in the FY 2023-2024 recommendations for the budget proposal. This year, the recommendation concluded that there will be no change in membership fees calculation.

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 notice that even though expenditure for FY 2022-2023 was below budget, income was below budget as well, and therefore that did not affect our net earnings negatively.

Though we are still going through the unusual repercussions of COVID and the war on Ukraine, we will not propose any amendments to the approved budget for FY 2023-2024. However, we need to be forward looking and ensure that the FY 2024-2025 budget is more realistic while maintaining the same philosophy of relying on variable revenue from our strategic initiatives.

2. STRATEGIC POSITIONING

Our approved strategic priorities were part of the papers presented last year, where priorities focused on main objectives and goals that meet with the vision of our organization as well as highlighting its mission, the priorities are based on three pillars that address the ethics and standards, knowledge sharing and development, as well as the representation and visibility.

With your approval of the FY 2024-2025 budget proposal, we would do our best, regardless of the continuation of the current global situation, to implement many aspects of the initiatives.

3. BUDGET 2023-2025 WITH COMPARISONS

On the following pages, we present:

- The actual FY 2022-2023 Revenue and Expenses
- The approved FY 2022-2023 budget
- The approved FY 2023-2024 Budget
- The proposed 2024-2025 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: any recommendations by the auditors regarding bad debts and provisions, if any, will be reflected in our accounting system as of 30.06.2023 and might affect the below 2022-2023 actual numbers.

ICMCI Draft Budget 2023/2025

In Euros

	Actual 2022-23	Approved 2022-23	Approved 2023-24	Proposed 2024-25
Fixed Revenues				
Application Fees	0	3,000	3,000	3,000
Membership Fees	140,179	142,700	145,000	145,000
Total Annual Membership Dues	140,179	145,700	148,000	148,000
Miscellaneous Revenue				
Contribution Congress / Conference	0	10,000	10,000	5,000
Pin Sales and signed CMC Certificates	1,285	2,000	2,000	1,500
Miscellaneous Revenue (bank transfer fees surplus)	1,296	1,000	1,000	1,500
Total Miscellaneous Revenue	2,581	13,000	13,000	8,000
Interest Revenue	-	-	-	-
Total Fixed Revenues	142,759	158,700	161,000	156,000
Flexible Revenues				
ICMCI Projects				
CMC-Firm	3,140	5,000	3,000	3,500
CMC-Registry	0	5,000	0	2,500
ISO 20700 licenses and training	935	10,000	10,000	2,000
Initial Authorization 17024:2012 Conformity Audit	-	2,000	1,000	1,000
Authorization 17024:2012 Conformity Audit	-	4,000	2,500	2,500
Re-Authorization 17024:2012 Conformity Audit (including Surveillance)	4,340	5,000	6,500	5,000
ICMCI Brokered Projects (UNIDO)	3,000	-	3,000	5,000
AMCC	-	1,500	-	-
Secretariat Services	9,000	9,000	9,000	9,000
Total ICMCI Projects	20,415	41,500	35,000	30,500
Total Flexible Revenues	20,415	41,500	35,000	30,500
TOTAL REVENUES	163,174	200,200	196,000	186,500
Core Expenditures				
Core Secretariat Expenses				
Salary & Benefits	95,444	96,500	98,800	98,800
Travel & Accommodation costs	2,288	4,000	6,000	4,000
Outreach and annual report	8,850	10,000	8,000	8,000
Dues & Subscriptions	2,293	2,100	2,500	2,500
Postage and Delivery costs	77	150	150	100
Stationary - Purchase	-	500	500	200
Printing and Reproduction (Pins and cost of sales)	457	1,000	500	450
Telephone & Fax	-	150	-	-
Other	-	150	-	-
Total Secretariat Expenses	109,408	114,550	116,450	114,050
Core Board and Governance Expenses				
Chairperson's Costs	-	5,000	5,000	5,000
Face-to-face Board Meeting	2,300	6,000	5,000	5,000
Total Board and Governance Expenses	2,300	11,000	10,000	10,000
Core Assessment & Re-assessment Expenses				
Assessment Expenses (Assessor Travel Expenses- Provisional applications)	-	1,200	1,200	1,200
Re-assessment Expenses (Assessor Travel Expenses)	-	5,000	5,000	10,000
Total Re-assessment Costs	-	6,200	6,200	11,200
Core Marketing & Communications				
M&C General costs (Events Marketing Expenses)	1,939	4,000	6,000	4,000
Newsletter and social media	-	1,200	3,000	3,000
Other Marketing Expenses	-	500	1,000	1,000
Total Marketing & Communications	1,939	5,700	10,000	8,000

	Actual 2022-23	Approved 2022-23	Approved 2023-24	Proposed 2024-25
Core Internet/Website				
Development cost	-	-	-	-
Annual Maintenance Support (to include Hosting and domain)	1,617	3,000	3,000	2,500
Total Internet/Website	1,617	3,000	3,000	2,500
Core Treasury Expenses				
Bank & Credit Card Costs	1,257	2,000	2,000	1,500
Monthly Service Charge - Online Payment	-	250	-	-
Swiss Lawyer/Tax Expert/Insurance	6,036	5,000	5,000	6,000
Other Professional Support (BCO)	2,097	2,000	2,250	2,100
Annual Audit	4,000	4,000	4,000	4,000
Swiss VAT	3,421	5,000	5,000	3,500
Total Treasury Expenses	16,811	18,250	18,250	17,100
Total Core Expenditure	132,075	158,700	163,900	162,850
Variable, non-core Expenditures				
Business Process Automation	5,783	10,000	5,000	5,000
17011 Internal Audit and 17024:2012 Audit Expenses	3,410	6,000	6,000	3,500
CMC Directory	-	1,000	-	-
CMC Directory: Co-Sharing Credit to IMCs	-	2,000	-	500
Global Status (Consulting report)	1,260	2,000	2,500	2,500
CMC Firm	-	1,000	-	-
CMC-Firm: Co-Sharing Credit to IMCs	-	2,000	500	500
AMCC	-	1,000	-	-
ISO Development Costs	610	2,500	2,500	1,500
Admin Support	250	3,500	3,500	3,500
Trademarks	4,690	5,000	5,000	2,000
Other Expenditures (cost of UNIDO project)	1,724	100	3,000	1,500
Total Non-Core Expenditure	17,727	36,100	28,000	20,500
TOTAL EXPENDITURES	149,802	194,800	191,900	183,350
RETAINED NET EARNINGS				
From Fixed Revenue - Core Expenses	10,684	-	(2,900)	(6,850)
From Flexible Revenue - Non-Core Expenses	2,688	5,400	7,000	10,000
Bad Debts	1,425	-	-	-
Expected Credit Loss (provision for bad debt)				
TOTAL NET EARNINGS	11,947	5,400	4,100	3,150

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 2024-2025 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 2022-2023 our net revenue was almost 12K and we continue to be a healthy organisation with net assets of €188.345, 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.

The Miscellaneous Revenue covers the revenue of the conferences, pin sales and certificates. The revenue from the conference and events have been agreed to be included as fixed revenues for the past 4 years. However, as this year will be the first in-person event since COVID, this item will be revised at the end of FY 2023-2024 depending on actual FY 2023-2024 numbers.

Flexible Revenues: the approved budgets to meet the approved strategic plan focus on the four main activities, and the same will apply for FY 2024-2025 budget as the strategic priorities document presented at the last annual meeting will highlight the focus and the activities around Ethics and Standards, Knowledge Sharing and Development, and Representation.

- CMC-Firm: this year we did not have any new applications, but we had two re-appraisals for two CMC-Firms. The promotion for the CMC-Firm will be reflected in the representation pillar through the communication and marketing campaigns. Those will be based on the marketing plan that will be provided by the board.
- CMC-Global Directory: the directory grew from almost 180 members last year to 210 this year, we continue to offer the directory as a free service till the end of this calendar year.
- The ISO 20700:2017: no train the trainer sessions took place this year, as the taskforce dedicated this year to update the material. The first training session will take place during our October annual events.
- ICMCI Brokered Projects: The brokered projects continue to be in our budget but each year they result in zero revenue. In 2022-2023 we realized income from our collaboration with UNDO, which was budgeted for 2023-2024 as the full agreement will be finalized end of this calendar year. We expect to make further income from this collaboration, and we included that in our proposed budget for FY 2024-2025.
- As advised earlier, the ISO/IEC 17024 audit (Conformity, Authorisation, and Re-authorisation) is reflected in the flexible revenues in the budget, and we were able to conduct surveillance audits for three institutes during FY 2022-2023.
- 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.

2. Expenditures

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

- Salary & Benefits: The Secretariat now consists of an executive director (ED), and an executive secretary (ES), and this item in the proposed FY 2024-2025 budget will be revised at the end of FY 2023-2024 depending on actual FY 2023-2024 numbers.
- Travel & Accommodation costs: the secretariat has a fund for travel and a decrease to this budget is reflected in the proposed budget for FY 2024-2025 to keep the expense closer to actuals from previous years. We need to keep in mind that part of the secretariat services costs is being recovered through the provision of services to the Global Institute.
- Outreach and annual report: in the FY 2024-2025 proposed budget you will notice that this expense continues to be part of the core secretariat expenses as per the decision two years

ago. This budget line covers any events that we might hold for promoting or celebrating our services, or expenses related to expanding our business.

- Dues and subscriptions: this line covers the virtual conferencing platform, QuickBooks subscription, and the ICMCI Full membership with CoNGO, which reflects our association with the United Nations. However, this year we stopped our Mailchimp subscription since we rely on Zoho for all our communication, and during FY 2023-2024 we will add a subscription for Mentimeter which would provide us with conferencing tools for in-person events like live polls and comments. This will be first used at our October conference. 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 and the budget for FY 2024-2025 is at the same rate as FY 2023-2024 approved budget.
- Core Assessment & Re-assessment Expenses: in FY 2023-2024, the IQA will make sure to hold on-site assessments to cover for the past period. This expense is already included in the annual membership invoicing.
- Core Marketing and Communication: since representation is a main pillar of our strategic priorities it is an important part of the budget as well, however, we decreased the amounts for FY 2024-2025 marketing expenses as those related to a specific projects would be addressed in the expense line of that project. However, we are planning on increased activity and dedicated campaigns this year as included in the current year budget to promote our services, which will also help to increase flexible revenues.
- Core Internet / Website: these activities include the maintenance and operational costs only and future development costs will be tabled to the services that would be launched via the website and included in the non-core section. This year we again maintained the cost-effective agreement with our providers which we had since FY 2019-2020.
- 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, and 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, but the taxes and VAT were reduced to reflect the current year actuals.

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 20k as follows:

- Business Process Automation is for the same budget amount as last year to reflect the expense for the customisation of the CRM system. Which will be finalized in phases, and that is why this item will be revised at the end of FY 2023-2024 depending on actual FY 2023-2024 numbers.
- 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. 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 project.
- 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 was not relevant since service was provided for free. However, the co-sharing budget line for FY

2024-2025 is at €500.00 as the annual renewal will start in mid-2024 and therefore is reflected in the budget.

- Consulting Report (NCI): This budget line covers expenses directed towards the consulting report which was launched in June for the fourth year. The budget was used last year for purchasing data sets and we allocated a higher budget to this item in both FY 2023-2024 and FY 2024-2025 for covering more data to support our report findings.
- The CMC-Firm: 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 since the application phase is not included in the co-sharing, but the annual renewal is and will be reflected when current CMC-Firms renew.
- ISO 20700 development: this service proved to be successful for ICMCI, and ICMCI are looking into addressing consulting firms as well. The current costs for FY 2022-2023 reflect the cost of the licenses for the 17011 and 17024 audits, and starting this year, those will be included in the ISO 17011 Internal Audit and ISO/IEC 17024 Audit Expenses since those budget lines were added last year.

However, 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. Also, this year we updated the training material, and all current accredited trainers would need to attend the training.

- AMCC: this budget line will be removed next year and that is why it does not have any proposed budget for FY 2024-2025.
- Admin Support: We consider this a variable expense as it addresses contracting admin support to cover project based increased deliverables of the secretariat.
- 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 and 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. Last year bad debts were provisioned and continue to be so, as some IMCs did not meet our MGS policies, and again, this year, we may face losing one IMC from our membership.

3. Net Earnings

We have budgeted for a modest €3K of Net Earnings to stay in line with the previous years in order to continue to build our reserves. However, like last year, our proposed FY 2024-2025 budget will rely on the flexible revenues to build this reserve to ensure fixed revenues cover all core expenses that are increasing due to the worldwide circumstances.

In the FY 2022-2023 actuals, the net earnings were a bit shy of €12K, while we had budgeted for €5,400.

Submitted on 19 September 2023



Reema Nasser
Executive Director