

Conference Finances

Terry Martin

IES Treasurer

t.martin@ieee.org

Managing Conference Finances

https://www.ieee.org/conferences_events/conferences/organizers/managing_conference_finances.html

IEEE MCE Business Operations can help you to improve the financial outcome of your conference. They can provide step-by-step guidance as you navigate the conference compliance process.

Prior to the conference, all IEEE financially-sponsored events must:

- Submit a conference budget with approval from all IEEE financial sponsors
- Open a conference bank account (which will be closed at the end of the conference)
- Submit the [Principles of Business Conduct/Conflict of Interest form](#)
- Request a conference loan (only if needed)
- Comply with local and indirect tax regulations
- Submit a conference committee list

Conference Bank Account

All conferences must open a bank account to hold all conference funds and must provide IEEE Conference Business Operations with access to it. Conference Business Operations recommends an IEEE Concentration Banking Account for all US-based conferences.

- There are several different types of accounts:
 - Concentration Banking Account (recommended)
 - Local Bank Account
 - Third-Party Ledger Account

- All bank accounts must be closed when all conference activity is complete.

Concentration Banking account

Conference Finance Services recommends an IEEE Concentration Banking Account for all US-based conferences. This is an account set up through IEEE. It works just like a normal checking account. It not only meets IEEE financial requirements but lets you write unlimited checks and pays higher interest than most business accounts. These accounts are only available in US or Canadian dollars.

Local bank account

- If your conference opens a local bank account, you must:
- Open the account with the name "IEEE d/b/a (Conference Name)" (except where prohibited by local laws)
- Add the IEEE Senior Director of Financial Services as a signer on the bank account, if allowed by law. Contact Conference Finance Services for more information
- Tell Conference Finance Services the details: account name, account number, bank name, and address
- Provide a copy of the bank signature card.

Third-party ledger account

- If your conference uses a third-party ledger (such as a university account) or opens an account in a name other than IEEE, you must sign a Fiscal Agent MOU.

Submit the Principles of Business Conduct/Conflict of Interest Form

The Conference Chair and Treasurer and anyone making business or purchase decisions for all conferences that are financially sponsored by IEEE must submit the IEEE Principles of Business Conduct/Conflict of Interest (POBC/COI) form.

Request a Conference Loan

- IES can provide conference organizers with advance loans, to cover conference-related expenses, such as advance payments to conference centers, incurred before other sources of income (e.g., registration) are available.
- The loan must be later reimbursed to the Society, so it does not have any impact in the final financial results. However, if an advance loan is required, it must be included in the conference budget in two different places: the “Budget Checklist”, and the “Budget Worksheet” (in the second place, it has to be listed both as revenue and as expense).
- IES approval of a conference budget including a loan implies approval of the loan itself.
- In the case of conferences with several financial sponsors, the required loan must be provided by all sponsors according to their share.

Contracts

- Contracts with third parties (e.g., hotels or conference management companies) providing services to IES conferences for amounts over USD 5,000 (or its equivalent in other currency) must be submitted to IEEE for review before signature. No contract must be signed regarding IES MS conferences without the favorable opinion of IEEE and the approval of the Finance Chair of the conference and IES President or IES VP for Conference / Workshop Activities (depending on the conference).
- If contracts are signed with third parties, signers on behalf of the third parties must not have any direct relation to the conference.
- For conferences held in Europe, IEEE must be notified of the official name of the entity filing the VAT on behalf of the conference as well as the VAT ID number.
- Contracts with conference venues should include clauses allowing the amount of meeting space (as well as room block and minimum food and beverage expense, if applicable) to be reviewed and renegotiated at different points in time (IEEE recommendation is 1 year and 2 months before the conference).
- If the conference venue is a hotel and a room block has been committed, the contract must include a clause for the hotel to submit weekly reports on room block from 4 months before the conference on.

Budgets

- Budgets must be presented (using the IEEE template²) by conference organizers to IES C-C / AdCom at the three stages defined by IEEE:
 - Initial, with bidding materials (see Document #2).
 - Interim, between one and a half and one year before the conference, depending on the schedule of IES AdCom meetings.
 - Actual, after conference closing. Because of the long time it usually takes for conferences to be officially closed by IEEE, organizers are required to provide at least an accurate estimate of final figures at the first IES AdCom meeting held after the conference.
- In addition, a pre-conference budget forecast must be submitted to IES VP Conference / Workshop Activities (depending on the conference) and to IEEE one month before the conference.
- IEEE recommends conference budgets to achieve at least a 20% net / expense ratio. Since this is a recommendation, IES does not enforce it in budgets. However, a budget must be close to it to be approved. Organizers are allowed some flexibility in this regard if the budget seems reasonable.
- Audits must be conducted for IEEE conferences (those with at least 50% financial share from IEEE Organization Units)³. Audit costs have to be included in the budget.
- All conference income and expenses must be promptly executed targeting conference bank account closing and submission of surplus to IEEE within 6 months after the conference is finished.

Document Financial Transactions

Conferences must handle the collection of funds (registration fees, exhibitor fees, patronage funds, etc.) and payment of expenses (hotel rental, food and beverage, audio visual, speaker honoraria, etc.) in an organized fashion.

Conferences are expected to document all financial activity at a transaction level and produce a financial report in accordance with US generally accepted accounting principles (GAAP).

IEEE has selected NetSuite as the system to be used across the IEEE Enterprise (MGA, Standards & Conferences) to manage these financial reporting needs.

Meet local and indirect tax requirements

The country or local government where your conference is held may have specific tax requirements. Contact [IEEE Conference Business Operations at conference-finance@ieee.org](mailto:conference-finance@ieee.org) for guidance on tax requirements for your conference.

Each conference must comply with local taxes and indirect taxes, such as the Value Added Tax (VAT) and Goods and Services Tax (GST) in Canada.

US Conference Information

- In the United States, the IEEE is exempt from paying income taxes and is also exempt from paying federal and state income taxes on conference net surpluses.
- In addition, IEEE is exempt from paying state sales taxes on purchases in 17 states in the US, although there may be some restrictions in some of those states.
- For more information on sales tax exemptions and a copy of the state exemption certificates, see [US Sales Tax Exemptions](#).
- Please note that in general, conference fee revenue is normally exempt from state sales tax, but revenue received from the sale of books and other such items are subject to sales tax in most states.

Canadian Conference Information

- For information pertaining to Canadian Conferences please see [Tax Information for IEEE Conferences Held in Canada Page](#)

Non-US Conference Information (Not Including Canada)

- Outside of the US, there are other taxes that may be required to be collected by conferences, such as the Value Added Tax (VAT) and the Goods & Services Tax (GST) in Canada and Singapore.
- There are also exemptions from paying the VAT and GST taxes but the rules are unique by country.
- For more information regarding VAT/GST, please refer to [VAT & GST Information](#).
- Also, in most countries where the US has an Income Tax Treaty, IEEE is excluded from paying income taxes.
- For more information regarding income tax treaties, please refer to [Income Tax Treaty Information](#).

Contact Information

- Please contact the IEEE Tax Department for more tax information regarding IEEE conferences: tax-compliance@ieee.org.

Submit W-8 and W-9 Schedule of Tax Payments

- If your conference plans to make payments to individuals or companies other than for expense reimbursements, then you must obtain a W-8 or W-9 form before paying for their services.
- The W-8 form is required for non-US individuals and companies.
- The W-9 form is required for individuals and companies who have either a US social security number or a US employer identification number. This may include independent contractors.

Prizes and awards

- Prizes and Awards can be included in the gross income of the recipient unless they are for:
 - Religious
 - Charitable
 - Scientific
 - Educational
 - Artistic
 - Literary
 - Or civic achievement

- The payer issues the check in the name of a governmental unit or a charity at the recipient's request.

- When processing an IEEE award, it would be a good idea to notify the award recipient that his or her award will be taxable income unless he or she requests that payment be made to a governmental unit or a charity.

- IEEE is required to issue an IRS Form 1099MISC to individuals paid amounts representing a prize or award. 1099s are not required when the individuals assigns the payment of the prize or award to a charity or governmental unit.

Scholarships and fellowships

- In the United States, qualified scholarships and fellowships are tax-free to the recipient if used for "qualified tuition and related expenses," which include studies or research that would further the education and training of the recipient.
- The recipient must be a candidate for a degree at an accredited college or university.
- When paying an individual a qualified scholarship or fellowship, you must require in writing that the recipient use the funds for payment of "qualified tuition and related expenses" in pursuit of study or research at an accredited college or university.
- Room and board do not qualify as qualified tuition and related expenses.
- The IRS recommends that the recipient be formally advised in writing that "scholarships and fellowships are included in income to the extent that they exceed qualified tuition and related expenses."
- The recipient is responsible for determining whether the grant was used for those expenses.
- IEEE is not required to issue IRS Form 1099MISC for qualified Scholarships and Fellowships.

Travel grants

- Travel grants are taxable income to the recipient unless the recipient provides IEEE with original travel receipts that equal or exceed the grant amount.
- US recipients that do not provide travel receipts will receive Form 1099MISC.
- IEEE requires all travel grant recipients to complete either a W-8 or W-9 Form.

W-8 and W-9 forms

- Individuals receiving payment from IEEE must complete either a W-8 form or a W-9 form.
- Generally, a foreign person that is a beneficial owner of the income should give you a W-8 form.
- There are four new forms in the W-8 series.
- The form to use depends on the type of certification being made.
- The W-9 form is completed by individuals who have either a U.S. Social Security Number or a U.S. Employer Identification Number.
- Please use tax forms W-8 (individuals), W-8 (entities), and W-9.
 - [W-8 \(individuals\)](#)
 - [W-8 \(entities\)](#)
 - [W-9](#)

Gift receipt regulations

- In the US, a donor is not allowed to take a charitable deduction for a single donation of US\$250 or more, unless he or she has obtained a receipt from the charitable organization.
- Separate payments are regarded as independent contributions and are not combined for purposes of measuring the US\$250 threshold.
- IEEE is a charitable organization as described in Section 501(c)(3) of the Internal Revenue Code and must issue receipts (which can be in the form of a letter or postcard) when required. IEEE Letterhead is recommended, and the full legal name of the IEEE, "The Institute of Electrical and Electronics Engineers, Incorporated.", must be present.
- On the receipt, you must include:
 - The amount of cash contributed
 - A description of any property other than cash contributed (do not include the value of the property)
 - Whether any goods or services were provided in exchange for the contribution
 - A description and good faith estimate of the value of those goods or services.
- You should keep copies of all gift acknowledgments/receipts. In some cases, a donor may lose his or her receipt and request a copy. Also, should the IRS question a donor's contribution or audit the IEEE, these copies may have to be presented to the IRS.
- There are penalties imposed by the IRS on charities that do not provide required receipts and disclosure statements.

Joint activities with for-profit entities

- When IEEE co-sponsors a conference with a for-profit-entity, IEEE must ensure that:
- Its assets are being used to further its educational and scientific purposes
- All transactions with the for-profit-entity must be at arm's-length. In other words, the for-profit-entity must not receive any excess benefits. (It is acceptable for IEEE to receive excess benefits).
- Allocation of profit and loss must be in direct proportion to respective capital contributions.
- If IEEE is a financial co-sponsor, IEEE must have sufficient control (more control than the for-profit-entity).
- If IEEE is a technical co-sponsor, the benefits received by IEEE must meet or exceed the benefits that are received by the for-profit-entity as a result of IEEE's involvement. This must be calculated and documented. Is there an agreement with the for-profit-entity? If so, it should be reviewed by IEEE's attorney.

Hire independent contractors

- You may need to hire temporary staff to help run the conference. These may include conference-management services, staff from a temporary agency, or independent contractors.
- If your conference is held in the US or you plan to hire US people for a conference outside the US, you must get approval from IEEE to hire an independent contractor.

Obtain Conference Liability Insurance

- IEEE maintains general liability insurance to cover all conference committee members during their work on the conference, including injury, damage to rental equipment, and liability.
- The Finance Chair is responsible for submitting the Conference Committee list to Conference Business Operations. If you later have changes to the committee, submit an updated list so that everyone on the Conference Committee is covered.

Other Expenses

- Economy class tickets and accommodation during the conference, as well as a complimentary registration, may be offered to keynote speakers. Budget permitting, they should also be offered a token of appreciation. Keynote speakers may receive a stipend, but this is not the normal or required practice. Keynote speakers expenses must be explicitly included in the conference budget, and the budgeted amount cannot be exceeded without previous approval by either IES Conferences Committee or IES President.
- Tutorial lecturers should be offered a stipend in the range USD 500-1,000 (in year 2017 equivalent USD) per tutorial (not per speaker), depending on whether the tutorial is half- or full-day. They must not receive any other compensation related to the tutorial they are lecturing. Considering potential increases in cost of living over the years, the amount of the stipend may be increased in the future.
- The fee for exhibitors must at least cover the cost of setting up the booth and of one full registration that should be offered per exhibitor.
- Travel expenses of committee members charged to the conference budget must be kept to the strictly necessary minimum. Justification must be provided if such expenses are included in the budget.