

International Network for Engineering Education and Research (iNEER)
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Summary of iNEER Secretariat Financial Operations

1. Background

This document summarizes and reiterates the evolving policy on the financial operations of the International Network for Engineering Education and Research (iNEER), informally at the beginning when iNEER was first established and formalized through various updates of the By-Laws.

The iNEER Secretariat is headquartered at two locations: The New Jersey (NJ) Secretariat is housed at the New Jersey Institute of Technology (NJIT), Newark, New Jersey, and the Maryland (MD) Secretariat located in Potomac, Maryland. The NJ Secretariat, being a part of a public university, already has tax-free status. The MD Secretariat has been recognized as a non-profit, tax-free, 501(c)3 organization since 2002. Incomes, including sponsorship fees and incomes from iNEER conferences and publications, are deposited at financial accounts maintained by these two Secretariat offices.

The Secretary-General is responsible for implementing the policies of iNEER under the direction of the iNEER Board. The iNEER Board, comprised of individuals representing sponsoring organizations, is the policy setting body. The iNEER Finance Committee, comprising of members appointed by the iNEER Board, acts on behalf of the Board in setting policy and overseeing the financial operations of iNEER. In addition, an Independent Auditor, selected by the iNEER Board, provides independent oversight, and submits a report to the Board annually.

The By-Laws provide an option for the Secretary-General to request funds from the NJ Secretariat if that is necessary to fund the MD Secretariat, but this is not a requirement, and the option has never been exercised.

2. Direct Disbursement of iNEER Funds by Secretary-General

Since 2003, the iNEER Board has allowed the Secretary-General to expend funds from the MD Secretariat by writing checks. This practice was formalized through an explicit provision in the By-Laws when they were updated in 2006; please see: http://www.ineer.org/iNEERInfo/iNEER_By-Laws_5-4-06.pdf

Paragraph K.1 of the By-Laws states, in part, that the Secretary-General...

...shall be authorized to expend iNEER funds, including writing checks to pay for such assistance, as well as for associated travels, meals and entertainment, office expenses and costs of maintaining an office, scholarship support for students, and other related expenses.

Paragraph K.3 states:

Depending on where iNEER funds are deposited, the expenses of the Secretariat shall be paid through reimbursement to or direct disbursement by the Secretary-General from either (a) an iNEER account set up at NJIT, or (b) an independent iNEER account set up by the Maryland Secretariat at a commercial bank.

Pareagraph K.3 further states:

The Secretariat shall have the option of withdrawing funds from the NJIT account for deposit in the independent iNEER account stated in (b), subject to approval of a budget by a Finance Committee appointed by the iNEER Board. The Committee shall comprise of two members. Under this procedure, the Secretary-General shall submit a budget request approximately once every four months to the Committee.

3. Reimbursement to Secretary-General of iNEER Expenses

When the Secretary-General incurs out-of-pocket expenses on behalf of iNEER, he is reimbursed for such expenses. He may request reimbursement from either the NJ Secretariat or the MD Secretariat. Each request usually consists of original receipts categorized by major categories such as office expenses, business-related meal, travels expenses, etc., together with an expenditure summary sheet.

From 2001 – 2003, the MD Secretariat did not have the funds to pay expenses; hence, all reimbursements were processed at the NJ Secretariat. These reimbursement requests were supported by original receipts. Since 2004, his reimbursements have been paid from incomes received at the MD Secretariat. The Finance Committee reviews these MD reimbursement records and has approved all reimbursement requests submitted to date, certifying that these expenses were consistent with the By-Laws.

For each calendar year, the MD reimbursement records typically comprise an Account Summary listing the summary expenses for each quarter of the year supported by original receipts. These records are first submitted to the Independent Auditor who prepares an Auditor's Report for the iNEER Board. The Secretary-General then submits the audited financial report along with the associated original receipts (in the case of expenditures of the MD Secretariat), to the iNEER Finance Committee during a meeting that is usually held in conjunction with one of the iNEER-sponsored conferences. The meeting usually takes place in the summer of the year following the year of the financial report.

An iNEER Financial Report was also a part of every Annual Report published by iNEER since 2001. Each annual report has been posted on the iNEER website as shown below: <http://www.ineer.org/iNEERInfo/Welcome.htm>

In its approval, the Finance Committee is mindful of the following factors:


- (1) The importance of social networking in continuing the expansion of the iNEER Network, and recognizing the differing environment (economic and technology and their implications for a virtual organization such as iNEER) in which iNEER works, an environment with close to 36,000 members in 98 countries (as of today), none paying a membership fee.
- (2) The extensive and pervasive use, as the MD Secretariat, of the residence of the Secretary-General free of all rents, for which four computers, three printers, two

fax machines, various furniture and file cabinets, iNEER book inventory, and other equipment and accessories (some of which are donated by the Secretary-General) are housed in approximately 50% of the available space in the premises;

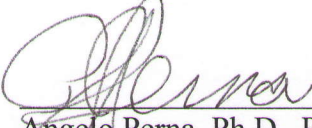
- (3) The extensive amount of time he spends on iNEER work;
- (4) The need to provide him with hired help to allow him to carry out his duties, including the hiring of Robert Aung (as of April 2006: BPM Software Consulting, Inc., paid through the NJ Secretariat) for technology consulting including work related to website, book editing and publishing, e-mail communication; and Annie Aung for general administrative support services for the MD Secretariat including e-mails, bank accounts, ledgers, paper formatting, etc. (The Committee notes that the hiring of Robert Aung and Annie Aung has been explicitly approved by the iNEER Board.
- (5) The importance of providing scholarships for students as a tool for future recruitment of hired help and as possible local country representatives for spearheading the expansion of the iNEER global network, particularly in developing countries where iNEER contacts are lacking at present. The Committee notes that some of the students have started working for iNEER.

Reviewed and approved:

iNEER Finance Committee:

 6/13/08

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 6/13/08

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