

Introduction of a policy for lower fee-paying national members

January 2007

Background

National membership fees are IFACCA's primary source of income, and help cover the costs of maintaining a secretariat and delivering core services such as ACORNS and IFACCA's research. Membership payments, regardless how small, are seen as an essential part of commitment to the aims of the Federation. In order for all members to be confident that the membership fee structure is fair and transparent, it is important that we require members to pay the recommended contributions.

National membership fees are set on a sliding scale using the United Nations (UN) scale of assessments, the method used by the UN to set its own membership fees. The scale adopts a formula based on the GDP per capita of each country. IFACCA's own formula multiplies the UN scale (for 2001) by 20,000, then rounds it according to size, to arrive at a fee expressed in Australian dollars (AUD). There is a ceiling of \$100,000 and a floor of \$100.

IFACCA's national members can be thought of as falling into two groups:

- 1) 'higher' fee-paying members, whose suggested contribution is \$1,000 or more per annum; and
- 2) 'lower' fee-paying members, whose suggested contribution is less than \$1,000 per annum.

In 2006, IFACCA had 25 higher fee-paying members, who accounted for 99 percent of revenue from national members, and 31 lower fee-paying members, who accounted for the remainder. All of the higher fee members paid their agreed membership fees in 2006. Most of the 31 lower fee-paying members have paid one or more year's membership fees since joining. However, seven of the lower-fee paying members have never paid a membership contribution.

Issues

At its meetings in 2006, the IFACCA board discussed a number of issues relating to lower fee-paying members. Three issues in particular arose from the discussions:

- 1) The inequity created by a few members not paying their membership fees.
- 2) The high cost of administration of membership payments at the low end of the scale relative to the level of the contribution. This may act as a barrier to payment for some of the agencies involved.
- 3) Concerns that the lowest contribution rate of \$100 is too low in relation to the benefits of membership and the fees charged by other international networks.

Response

With regard to issue 1) the board would prefer, in the spirit of inclusiveness, to retain members if possible. However, in fairness to members who pay their fees, the board is proposing to restrict membership benefits for those members that are 'non-financial'. This action would be consistent with section 14 of the constitution, which allows for the board to debar members from privileges of membership if subscriptions are unpaid for six months and the Secretary has sent a notice of default.

To address issue 2) the board has decided to introduce three-year memberships (with payment in advance) for lower fee-paying members from January 2007 onward.

Issue 3) will be explored in 2007 and adjustments may be implemented in the future.

IFACCA's policy for lower-fee paying members

Aims

- To manage inequities created by members who do not pay their membership fees
- To reduce administrative costs for lower fee-paying members and for IFACCA.

Definitions

- 'Lower fee paying national members' are those national agencies whose suggested annual contribution is below \$A1,000 per annum.
- A member will be considered 'non-financial' if its membership fee remains unpaid for a period of at least six calendar months after it becomes due, and has been sent a notice of default by the Secretary, and has been declared 'non-financial' by the board.
- 'Membership benefits' that may be withdrawn from non-financial members include free or discounted registration for World Summits, mini-summits and other IFACCA events, financial assistance to attend IFACCA events, and discounted or free copies of publications or other information resources.

Process

- Every three years, lower fee-paying members will be sent an invoice equivalent to three years' IFACCA membership. The first such multi-year invoices will be distributed in January 2007, covering memberships for 2007, 2008 and 2009.
- Once paid, the next membership invoice will not be sent until the December at the end of the three-year cycle.
- If a membership payment is not received within approximately six months, a reminder notice will be sent to the member.
- If the membership payment is not received within 12 months (i.e. during 2007), a 'notice of default' will be sent.
- If the membership fee remains unpaid, the board will consider making the member 'non-financial'. If this occurs, the member will be notified that it will not be eligible to receive the full range of membership benefits.
- The member will become a 'financial' member and its membership benefits be reinstated on receipt of the outstanding membership fee.
- Payment within the three-year period will be taken to cover membership for those three years. For example, if an invoice is issued in January 2007 and payment is received in March 2008 the fee will still be taken as payment for 2007 to 2009.
- New members in the lower fee-paying category will be invoiced for three years in advance. For example, if a member wishes to join in 2009 it will be invoiced for 2009, 2010 and 2011. The agency will be considered non-financial until payment is received for all three years in advance.
- If any agency experiences difficulties in remitting its three-year membership fee, the board will consider its request for an alternative arrangement or exemption.

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