

10: Budget Proposal for 2024 and 2025

The budget proposal presented here has been approved by the Finance Committee at a meeting for this purpose on 25 May 2023.

IUPAC has had problems with meeting its prior obligations for projects, travel and related activities before the pandemic already, in part because we relied on a fortuitous balance between income for a given year and claims made in that same year, regardless of when the budget behind those claims had been allocated and which assumptions may govern next budgets, including fluctuating income. The result is that we do not have a clear overview of IUPAC's financial situation except after the fact, and therefore, we are not in a position to make sound estimates of how much funding would be available for new allocations. Therefore:

- Working with similar assumptions before would put us deeper into deficit and is not an option.
- The new governance structure must be reflected in the budget, even if the decision about the exact distribution between various bodies does not affect the budget's bottom line.
- Prior commitments tend to get paid from the current budget, i.e. commitments are made before we have received the corresponding income. In a time of fluctuating income, this may cause us to overcommit – therefore accrued liabilities must be made explicit in the new budget. Please note that this has no operational implications, except that the amounts that can be assigned to new projects is calculated after existing liabilities have been accounted for. The fourth tab of the budget file contains a worked example for a generic division to illustrate the presentation in the budget.
- The Treasurer and the Executive Director agree that it is their duty to present a balanced budget to the Finance Committee and to Council in order to safeguard the financial sustainability of the Union.

Further details:

- In previous budgets, assignment per Division/Committee had been made based on historical TM numbers. In this budget assignments are made according to current number of TMs. This would somewhat affect the calculation of accrued liabilities, as this has been made with the new TM assignment. The accrued liabilities themselves are averaged per TM across IUPAC, so the exact numbers for specific bodies/projects may be different.
- The bodies that will receive budget are the Divisions, and the following Committees: Committee on Chemistry Education, Committee on Ethics, Diversity, Equity and Inclusion (as decided by the Bureau in November 2022), Committee on Chemical Research Applied to World Needs, Committee on Chemistry and Industry, Committee on Publications and Cheminformatics Data Standards, Interdivisional Committee on Green Chemistry for Sustainable Development, Interdivisional Committee on Terminology, Nomenclature and Symbols, Project Committee, Science Board and the Executive Board.
 - The Science Board will receive 25% of the total budget available for projects in 2024 and 2025, as discussed by the Bureau in their November 2022 meeting in Frankfurt. The Science Board will not receive budget for their TMs.
 - In addition to their TM budget, the Project Committee and CPCDS will each receive 7.5% of the total available budget, for larger strategic projects and for investment in IUPAC's digital future, respectively.

- The Executive Board will receive budget for the six Elected Members.
- The Finance Committee will cease to receive budget, as they will be doing all their work via online meetings.
- The Centenary Endowment Board is not yet operational and will therefore receive no budget.
- The International Younger Chemists' Network will receive \$2000 operating budget over the biennium.

In the longer term, there will be a careful review of IUPAC's expenses to bring down operational costs. Another initiative will be to transition IUPAC's budget from the current pay-as-you-go model to a model where funds allocated in a given year is allocated against the current budget rather than against future budgets.