

**2007/FIN.02**  
**(Original: English)**

ICOM Finance & Resources Committee Meeting  
16 August 2007, 9:00-12:30 / 14:00-17:30  
At Vienna University, Dr. Karl-Leuger-Ring 1,  
Room HS48, 2<sup>nd</sup> Floor  
Vienna, Austria

Present: Robert Spickler, President  
Bernard Blache  
Christine Boël, President of ICOM Foundation  
David Fleming  
Kristin Kelly  
Albert A. J. Scheffers

Ex-officio: Nancy Hushion, ICOM Treasurer  
Piet Pouw, Interim Secretary General

Apologies : Marie-Christine Van der Sman  
Dominique Ferriot  
Llewellyn Gill,

Guests : Cristina Menegazzi, Recording Secretary  
Sylvie Delice  
Jennifer Thevenot

## **1. Welcome to New Members**

The President welcomed Mrs. Christine Boël who was appointed to the Finance & Resources Committee by ICOM President this spring.

### **5 b) Human Resources Audit**

The President suggested, prior to approving the agenda to immediately address item 5b: Human Resources Audit, in order to benefit from the presence of the Chair of the Working group on ICOM Secretariat, Martin R. Schaerer.

This item was discussed in camera session.

<b>ACTION:</b> It was agreed that the President would report to the Executive Council, the committee's discussion on this matter.
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## **2. Approval of Agenda**

The agenda is approved with the following added items:

- Policy on the use of the reserve funds investment returns.
- Date of the committee next meeting (item 16)

- Management Book on ICOM Policies (item 16)

### 3. Approval of the Minutes of 28 February 2007 Meeting

The minutes were approved. It was noted that the minutes should clearly outline the actions deriving from the committee decisions as well as identifying the person responsible for such required action.

### 4. Standing Committee on Finance and Resources 3 year-Report

The president has been requested by the Executive Council to prepare a 3-year activity report to be presented to the General Assembly. The report is included in ICOM Triennial Activity Report 2004-2007. He noted that the report was sent to the committee members for their comments and corrections.

The report needs now to be formally endorsed by the committee.

The committee approved the report and thanked Robert Spickler and Nancy Hushion for their work.

It is noted that paragraph 4.3 of the report is, per se, a working plan for the next years and that these issues should be taken in consideration, and in relation to ICOM 2008-2010 Strategic Plan to be approved by the General Assembly.

**ACTION:** Finance and Resources committee to study a 3-year plan reflecting ICOM Strategic Plan objectives.

### 5. Items arising

#### 5 a) Report on the International Heritage House Project

Piet Pouw confirmed that the project to move all of ICOM Secretariat and services under one roof was still an objective. However, the terms of reference established for the project, as he found them, were not well formulated. It has been redone with a view to describing the project in the most appealing means to attract interest from the French authorities. A list of ICOM space requirements has also been prepared.

However circumstantial considerations have to be taken into account in the evolution of the project.

- While it is the wish of the Executive Council that a new space (rented or acquired) be found, ICOM is still tied to a 3-year lease for its present office space.
- Soliciting any support or collaboration might not receive any attention before May 2008, after the municipal elections.  
Piet Pouw noted that the Executive Council had asked for a study on different alternatives for the location of ICOM offices and services and on the availabilities of the market.

After discussion, members are of the opinion that:

- ICOM should start immediately a search for spaces that would meet its requirements.
- While ICOM existing offices might not be ideal, the committee cautioned the Secretary General on the risk of creating extraordinary expenses in considering any attempt of moving the Secretariat before the end of the existing lease, which would entail the full payment of the lease until 2010.

**ACTION:** Secretary General to provide the Committee with a progress report at the next meeting.

## 6. Report on ICOM Reserve and Working Capital

Piet Pouw and Sylvie Delice had sent to all members, prior to the meeting, information on the value of both the working capital and the reserve fund as well as on the nature of the investment (short term) of the funds.

The President noted that while the figures are accurate, this report is merely descriptive and does not provide information on the quality and the efficiency of our investments.

The upcoming discussion on ICOM investment policy and on strategic decision to better invest the funds are the necessary steps to fulfill the committee's previous decision on the need of a sound investment policy for ICOM funds.

## 7. Revision to the Reserve Funds Policy

The Treasurer has provided the members with a revised document which has been amended to reflect the legal opinion of Delsol Associés on ICOM capacity to invest its funds.

The President noted that the edited version requires additional corrections as well as a revised presentation format. He offered to complete the work with the Treasurer.

He also noted that, while the policy clearly stated the process for drawing resources from the reserve funds, it needed clarification on the use of the investment returns. In principle, such returns should be reinvested in the reserve unless otherwise decided by the Executive Council.

The Committee agreed with the amendment to the Reserve Funds policy.

**ACTION:** President, along with Treasurer, recommend to the Executive Council the approval of amendments to the Reserve Funds policy.  
President and Treasurer: To complete revision and format of the Reserve Funds policy Document. To send to and to table the policy at the next Finance and Resources Committee meeting.

A discussion also ensued on the issue of managing ICOM financial resources with two currencies: Euro and US dollars. While it has been decided that all ICOM financial management and budgeting are done in Euro, there is a need for sound financial management to make the most advantageous conversion US dollars into Euro.

It is decided to incorporate the US-Euro currencies issue as part of ICOM investment strategy and to not make any transfer of currency before the next meeting.

It is acknowledged that the Secretariat might need to draw Euros from the Reserve funds for operating and cash flow purposes. Such mechanism is acceptable provided that the reserve fund is reimbursed in US dollars at the exchange rate of the date of such draw.

<b>ACTION:</b> Treasurer, Secretary General, President: To seek advice from investment advisors on how to best maximize ICOM US currencies asset.
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## 8. 2006 Budget Actuals

### 8.1 Request for the use of 2006 Operating Surplus

The Secretary General referred to the following documents.

1. Budget Comparisons with 2005 Actual and 2006 Budget
2. A Memorandum by the Treasurer on the 2006 Surplus.

The Secretary General indicated that the purpose of this item on the agenda is to request the use of 2005 and 2006 surplus for specific projects.

It was noted that the indicated surpluses for 2005 and 2006 need to be clarified considering that the Executive Council had approved extraordinary expenditures from the 2005 surplus in celebration of ICOM's 60<sup>th</sup> Anniversary totaling some 220,000 euros ; any remainder was to be transferred into the reserve funds.

Nancy Hushion's memorandum clarifies the use of operating surpluses which, subject to its use for non recurrent projects, approved by the Executive Council, all other surpluses must be reverted to the Reserve Funds.

The committee reiterated its approval of this policy.

Request for special projects:

- o Membership Database
- o Documentation Centre
- o Mentoring Program

Piet Pouw informed the members of discussions held with the Executive Council concerning the need to complete ICOM membership database, the hiring of an archivist to work on ICOM archives as well as resources approved by the Executive Council for the mentoring program.

Considering Executive Council approval, the Committee supported the decision. With respect to the membership database project, the committee supported Albert Scheffers remarks, and recommended to the Executive Council the urgent need for a comprehensive Information technology audit for ICOM. It was noted that in the previous years, ICOM has been investing resources incrementally to address IT issues without having at hand a comprehensive plan.

<b>ACTION:</b> President: To recommend to the Executive Council a comprehensive IT audit for ICOM.
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## 9. Revised Budget 2007

While the committee was informed of the present state of the 2007 budget, the Treasurer noted that the financial information have been presented to her before being tabled to the Finance and Resources Committee in order for her to be able to provide a complete overview of ICOM financial position to the Committee.

<b>ACTION:</b> Secretary General: To send all the current financial information (ex. revised budget, recent monthly statement, report on investments) ahead of time of the Finance and Resources Committee meeting.
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The Secretary General provided the Committee with information on specific budgetary items.

## 10. Strategic Plan 2008-2010

The strategic plan 2008-2010 which will be distributed to all participants of the General Conference will be presented by the Chair of the SP Working Group both to the Advisory Committee and, for approval, to the general assembly.

## 11. 2008-2010 Budget Projections

The committee expressed its appreciation to the Treasurer for having developed a budget format which helps in establishing clear budget projections aligned with ICOM Strategic Plan objectives. This approach, similar to a project management budget will enable both the Secretariat, the Treasurer and the Finance & Resources committee to better evaluate the allocation of resources and to monitor results. It was noted that the budget projections tabled are preliminary. A more comprehensive document will be tabled at the next Finance & Resources committee meeting.

It is noted that such document should also include financial evaluation of special projects arising from the SP objectives.

<b>ACTION:</b> Secretary general and Treasurer: To complete the 2008-2010 Budget Projections for ICOM.
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## 12. Investment Policy

The President referred to the decision of the Finance and Resources committee meeting held 28 February 2007 and tabled a proposal for ICOM Investment Policy for its reserve funds.

After discussion, the underlying principle of the policy is approved with a request to add to the policy a statement which would affirm ICOM's concern for investing its funds under ethical principles.

<b>ACTION:</b> David Fleming: To seek information on language typically used to affirming ethic concerns in investment products. President: To recommend to Executive Council the approval of Investment policy as amended.
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### 13. Recommendations for Investment Consultant

The Committee approved the nomination of Michel Boucher, from Canada, as investment consultant to the Finance & Resources committee. The President indicated that the search for a second consultant from France was underway and would hopefully be selected soon in order that both consultants be invited to attend the next meeting.

<b>ACTION:</b> President and Treasurer: To complete search of an investment advisor from France.
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### 14. Selection Criteria for ICOM Director General

The President informed the committee of this meeting with Rick West, Chair of the Search Committee and shared with members the process followed for the selection of the Director General.

The Finance & Resources committee, invited to provide advice to the Search committee on the profile for the position of the Director General, submitted the following four components to be included to the job description profile:

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|----------------|---|
| An ambassador: | communicate ICOM mission and vision with passion.   |
| A Facilitator: | develop, expand and manage services to the membership and ICOM committees.                  |
| An Advocate:   | develop, maintain, solicit and cultivate potential donors to increase ICOM earned revenues. |
| A Leader:      | provide leadership and direction to staff and manage a highly professionalized secretariat. |

<b>ACTION:</b> President: to present the committee's suggestions to the Executive Council.
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### 15. Development/Fundraising Strategies

The committee felt that any discussion on ICOM fundraising capacity and strategy is premature and should resume after the appointment of the Director General.

### 16. Varia

- **Management Book on ICOM Policies**

The committee reiterated the need to creating a policy book in order to provide both the Secretariat and the standing committees with a reference tool to improve management as well as to insure an effective transition process for Standing Committee new members.

<b>ACTION:</b> Secretary General to produce ICOM policy book.
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- Date of next meeting

The committee agreed on 9 November 2007 for its next meeting which will take place in Paris.

<b>ACTION:</b> Secretary General, Treasurer and President of the Finance & Resources committee to Draft agenda for the approval of members.
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There being no other issues to transact, the meeting ended at 16:15.

Robert Spickler  
President  
ICOM Finance & Resources Committee