



Brussels, 4 May 2011

## Ballot on IFNS status: report

Dear Councillors,

We hereby inform you on the response and outcome of the two ballots concerning the IFNS status as an organization. We realize that information on objectives was rather limited but we wanted to start a discussion and make some progress on the matter since the last meeting at the Congress in Brisbane where all councillors provide us green light to further explore the possibilities for an official status for IFNS and finalizing the statutes.

**A first ballot** was sent to you on 22 December 2009 with the following options:

- (1) we keep IFNS as it is, non-incorporated and without accepted statutes,
- (2) we keep IFNS as it is but rectify the draft of the statutes so that it can be accepted by all,
- (3) we go for a legal status (incorporated) with tax-exempt status and demanded for cooperation either a) as a US citizen volunteering to help IFNS in this matter or b) change the domicile for IFNS to another country than USA; hereby (WD) was willing to help if this option would be elected,
- (4) IFNS does not choose to incorporate but goes for copyright of the name IFNS under the law on trademark protection.

**The number of respondents was very low (less than 25%) but had as positive outcome the proposal of R. Rodríguez-Kábana (US citizen) to help IFNS to obtain a legal status.**

Upon a demand by Safia Siddiqi for **renewal of the IFNS website**, the provider asked for proof that IFNS existed as a society even though IFNS has a well established website. The existence had to be proven by a letter with IFNS heading from the president. This event convinced us to go for a legal status of IFNS. Rosa, Rod and my self discussed the matter at the ONTA meeting in Quito, Ecuador and Rod promised us to contact a layer for more information.

Based on the information obtained by Dr Rodríguez-Kábana, we launched a **second ballot** on 10 January 2011 and a reminder on 25 February 2011. This time the **number of respondent societies was high** (13); for those societies which could not have a discussion of their board, the councillor gave his personnel opinion. The ballot asked for an opinion on the following proposals:

1. *We proceed to incorporate IFNS and become a C3 (= tax exempt) organization registered in the US. It would help IFNS to establish a way of obtain some funding for realizations in between congresses.*

**Results** (13 on a total of 14 Soc):

**Yes:** 5 + 1 agreement in principle

**No:** 3 (no need for such action) and 2 (too costly go for alternative)

**No opinion:** 1 because of lack of knowledge on the legal system

**Go for registration in Europe:** 1 unless majority is in favour of keeping registration in US

- One of the **NO** voters mentioned that if the main purpose for a legal status is to receive financial support from governments and companies, and also to keep it until the next congress, a detailed insight is needed on how IFNS would establish, keep and spend funds they would obtain since otherwise the cost of US\$ 4000-5000 seems not reasonable. Remark: However, this cost is only once and for registration.
- Other **No** voters mentioned that many societies do not have funds available for expenses and that so far IFNS never had funds and so at this stage they doubt whether it is really necessary to have funds. If necessary, less costly alternatives would be preferred.

1.1. *If yes, who will pay for the legal costs? Divided over the societies? How?*

- The larger societies (ESN, SON e.g.) presume that they will have to take most of the costs for their account. In that case more information on the exact amount of money required, especially the annual costs to maintain the status, annual costs for the bank account and other costs which might come up. So more insight in the financial aspects is needed.
- Several societies mentioned that they do not have funds
- Two societies provided as option to use the remaining funds raised for the congress meetings, if any, or to charge equally the societies for the remaining quota or from companies. Other societies suggested that the amount should be shared by member societies on the basis of developing and developed countries and the rest from societies that can help IFNS or costs shared on the basis of membership numbers.

(3) We create a non-profit organization or a 501c3 organization via an application to the Internal Revenue Service of the U.S. government.

- Two societies chose this options, several others commented on this cheaper possibility but a yearly report has to be presented and also involves costs.
- Suggestions included: the election of one member society who will be responsible for the submission of the yearly report to the Internal Revenue Service of the US government or equivalent administration for a period of 1-3 years or it could be the task of the President

**To summarize**, the main disadvantage to go for an incorporate association would be high because of the high setting up costs (I was informed that this was similarly high for ESN in The Netherlands) as well as the high yearly costs (very low for ESN) while at current status the advantages would be slight since IFNS does not have funds, no employed personnel and no real estates owned.

If we would decide on an unincorporated association, it is still required to draw up internal regulations that determine the rights and obligations of its members. Over the years, the board has already discussed several times the draft of the statutes of IFNS but so far did not come to an agreement to accept it.

I hereby, thank you all very much for your cooperation, and we invite you to send us your comments/suggestions for future action.

Sincerely yours,

Your Vice-president and president,

R. Manzanilla and W. Decraemer