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# Report of the CIC Treasurer

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## 2021 Fiscal Year (Jan–Dec)

### Executive Summary

The Chemical Institute of Canada (CIC) serves as an umbrella organization for chemical professionals and students in Canada, and beyond. Its constituent societies include the Canadian Society for Chemistry (CSC) and the Canadian Society for Chemical Engineering (CSChE). To effectively manage the operations of these societies, the CIC employs a National Team (NT) of professionals with a range of valuable skills including marketing and communications, event planning, and accounting.

The costs that the CIC incurs, which are associated with maintaining the NT and other ancillary services, are charged to each constituent society as a “Management Fee”. This Management Fee is calculated based on a formula accounting for the total membership of each society and the allocation of time spent by the NT on activities for the benefit of each society.

A result of this structure is that the CIC will present an annual financial report with no surplus or deficit. The CIC is not a profit center and is mandated to present a balanced budget to its board each year. Any changes in the budgeted costs of the CIC are necessarily passed to the constituent societies via their respective Management Fees. This structure informs the lens through which the finances of the CIC should be viewed.

The 2021 fiscal year could generally be characterized as a year of rebuilding after a challenging 2020. Though not specifically because of the pandemic, several significant structural changes with budgetary implications have been implemented this year. These include (but are not limited to) the amalgamation of the Canadian Society of Chemical Technologists (CSCT) with the CSC and the onboarding of a new executive director of the CIC.

In summary, the CIC realized revenues of \$1.12M in 2021, 80% of which comes from the society management fees. Other significant revenue streams for 2021 include the Canada Emergency Wage Subsidy (CEWS) program (\$76,000) and online advertising (\$21,000), which is a new initiative in 2021.

Expenses are largely defined by NT salaries and benefits (71%), with the remainder spread over a relatively large number of ancillary items.

I would encourage interested readers to review the audited financial statements for additional details.

## Budgetary Highlights

• The operating budget of the CIC for 2021 was \$1.12M, this compares with an operating budget of \$1.03M for 2020.

○ **Revenue features:**

- ✦ Management Fees for services, received from the Canadian Society for Chemistry (CSC) and Canadian Society for Chemical Engineering (CSChE) accounted for 80% of the \$1.12M operating budget.
- ✦ Revenue from online advertising rose sharply in 2021 (from \$500 to \$21,000) due to the implementation of a job board.
- ✦ The marketing allowance from our affinity programs (TD Meloche and Manulife) continues to steadily decline
- ✦ Received \$76,000 from the Canadian Employment Wage Subsidy (CEWS) program, which lowered the costs of the Management Fees passed on to the Societies

○ **Expenditure features:**

- ✦ Expenses were lower than anticipated due mostly to
  - Decreased hiring costs
  - Decreased overall salary costs, relative to budget