

**Finances of the Union**

**Updated position on unpaid membership contributions  
 (Document prepared by APPU Bureau)**

1. Subject	References/paragraphs
Informing the EC, via the Finance Committee, on:  - progress made since the 2018 Da Nang EC meeting on recovering unpaid contributions to the expenses of the Union	§§ 3.1 – 3.2
<b>2. Decisions expected</b>  The EC, via the Finance Committee, is asked to:  - <b>note</b> that the recovery of unpaid contributions has improved significantly since the 2018 Da Nang EC meeting, particularly during 2019 to date - <b>note</b> that since the Da Nang EC meeting: <ul style="list-style-type: none"> <li>• US\$7,600 out of a total owing of US\$24,400 for older debt (2013-2016) has been recovered</li> <li>• US\$2,150 out of a total owing of US\$12,900 for 2017 has been recovered</li> <li>• US\$7,950 out of a total owing of US\$21,200 for 2018 has been recovered</li> </ul> - <b>note</b> the overall value of unpaid contributions at 30 June 2019 was US\$40,800 with: <ul style="list-style-type: none"> <li>• commitments received for US\$30,700 of this to be paid in 2019</li> <li>• the balance of US\$10,100 being under discussion to see what options are available for clearing the debt</li> </ul> - <b>note</b> that the likely position for unpaid contributions for the period 2013-2018 at 31 December 2019 is US\$10,100 - <b>note</b> that the Bureau has identified how unpaid contributions might be better managed (i.e., prevented) and will implement processes immediately	§§ 3.1 – 3.3  Annex 1 Annex 1 Annex 1 Annex 1 Annex 1 § 3.4 § 3.1 § 4

**1. Background**

- 1.1 APPU Congress 2017 Doc 23 Rev 1 (Report of the Finance Committee) requested the APPU Bureau to find appropriate measures to deal with ageing accounts receivables on contribution shares that had accumulated between 2013 and 2016.
- 1.2 The Bureau reported on the Tehran Congress request at the 2018 Da Nang EC meeting (reference EC 2018 Doc 5.1 Rev 1). The Bureau report advised as follows.
- (i) The position regarding unpaid contributions for the period 2013-2017.

- (ii) A standard approach would be taken to recovering more recent unpaid contributions (i.e., 2017 onwards). For older debts (2013-2016), the Bureau would seek advice on options (other than a standard approach) for recovering these.

## 2. Current report

Although the Da Nang EC meeting did not call for a further report on this matter, in line with business management principles being developed between the Bureau and the Reform Consultant, an updated report on unpaid contributions is being tabled to demonstrate transparency regarding effort and financial results.

## 3. Updated position for unpaid contributions

- 3.1 The table at Annex 1 to this document details the position at 30 June 2019 for unpaid contributions. In summary, the situation is set out below (all figures in USD).

Timing	Total	2013	2014	2015	2016	2017	2018
Unpaid at 31 December 2017*	<b>43,450</b>	1,500	3,700	7,400	13,650	17,200	N/A
Unpaid at 31 December 2018	<b>58,500</b>	1,500	3,700	5,550	13,650	12,900	21,200
Improvement: December 2017 to December 2018	<b>-15,050</b>	0	0	1,850	0	4,300	-21,200
Unpaid at 30 June 2019	<b>40,800</b>	1,500	0	5,550	9,750	10,750	13,250
Improvement: December 2018 to June 2019	<b>17,700</b>	0	<b>3,700</b>	0	<b>3,900</b>	<b>2,150</b>	<b>7,950</b>
Overall improvement: December 2017 to June 2019	<b>2,650</b>	0	<b>3,700</b>	<b>1,850</b>	<b>3,900</b>	<b>6,450</b>	<b>-13,250</b>
Commitments to pay in 2019	<b>30,700</b>			3,700	7,800	8,600	10,600
Likely position for 2013-2018 at 31 December 2019	<b>10,100</b>						

\* Source: EC 2018 Doc 5.1 Rev 1, Annex 1

- 3.2 Looking at the figures for the key periods, the position is as follows.

Contribution Years	Unpaid as at Dec 2017 (US\$)	Unpaid as at Dec 2018 (US\$)	Unpaid as at June 2019 (US\$)	Improvement: December 2017 to June 2019
2013-2016	26,250	24,400	16,800	9,450
2017	17,200	12,900	10,750	6,450
2018	N/A	21,200	13,250	7,950
<b>Total</b>	<b>43,450</b>	<b>58,500</b>	<b>40,800</b>	<b>23,850</b>

- 3.3 Recovering US\$17,700 so far in 2019 and, taking into account commitments to pay a further US\$30,700 of unpaid contributions this year, this is considered to be a significant improvement in debt collection. The Bureau, with limited methods at its disposal, has worked very hard to achieve the outcome to date and will continue to do so on behalf of the members.

- 3.4 The remaining unpaid balance of US\$10,100 has been the subject of an approach to the Bureau (April 2019) to discuss options for dealing with the debt. There is no outcome from the discussions as at the time of preparing this report. The situation will be monitored and members updated as appropriate.

## 4. Improved management of payments

The Bureau has reviewed the way in which payments are managed and believes that more communication and potential problem-solving prior to invoicing through to the due date (1 January each year) is the best way of reducing unpaid contributions. An appropriate system of contact and monitoring will be implemented immediately.

Unpaid Contributions (as at 30 June 2019)							EC 2019 Doc 5.4 Annex 1		
	2013	2014	2015	2016	2017	2018	Total Unpaid at 31 Dec 2018	Total Unpaid at 30 Jun 2019	Comment
Fiji		3,700		3,900			7,600	Fully paid	
Malaysia					4,300				
Mongolia			3,700	3,900	4,300	5,300	17,200	17,200	Commitment to pay has been made
Nauru	1,500		1,850	1,950	2,150	2,650	10,100	10,100	Active communication taking place
Papua New Guinea				3,900	4,300	5,300	13,500	13,500	made
Solomon Islands					2,150	2,650	4,800	4,800	Fully paid
Tonga						5,300	5,300	5,300	Fully paid
Vanuatu			1,850						
<b>Total at 31 Dec 2018</b>	<b>1,500</b>	<b>3,700</b>	<b>5,550</b>	<b>13,650</b>	<b>12,900</b>	<b>21,200</b>	<b>58,500</b>		
<b>Total at 30 Jun 2019</b>	<b>1,500</b>	<b>-</b>	<b>5,550</b>	<b>9,750</b>	<b>10,750</b>	<b>13,250</b>		<b>40,800</b>	
		<b>Paid</b>							
		<b>Commitment to pay in 2019</b>							
<b>Assuming payment is made (Mongolia and Papua New Guinea), total unpaid reduces to</b>								<b>10,100</b>	