



MBR-101: Periodic Update of Membership Fees – 14 October 2021

Purpose

The purpose of this policy is to outline the review of membership fees and the recommended practice for determining the frequency for introducing an increase and the increase value itself.

Applicability

This policy applies to INCOSE individual members, including Regular, Senior and Student, across all Purchasing Power Parity (PPP) bands. It does not include Corporate Advisory Board (CAB) membership fees.

Definitions

INCOSE Inflation Index (III) is the term used for a three-five year cumulative average inflation percentage of the countries represented by the Chapters of INCOSE. It is calculated as part of the regular membership analysis and reported in LST-104

Purchasing Power Parity (PPP) is based on the per capita Gross National Income for each country based on the World Bank's World Development Indicators database. The list, by country, is reported in LST-103

Membership Fee Increase Frequency

Membership fees shall be reviewed for potential increase every three (3) years by the Board of Directors (BoD).

An increase in membership fees may be deferred by one (1) year, up to two (2) times, i.e. the membership fees are to be increased within five (5) years of the introduction of the current membership fees, with the first review or decision to defer no later than the three (3) year point.

Notification to members of the membership fee increase shall be in accordance with policy MBR-100. The President shall be responsible for communicating the new membership fees.

The three (3) year review cycle shall be reset on the year the new membership fees take effect.

Membership Fee Increase Calculation

At the discretion of the BoD, the membership fee shall be either



(1) increased based on assessment of the INCOSE Inflation Index (III) over the three-five year period, or

(2) increased by ten percent (10%)

The actual new membership fee shall be rounded up/down to the nearest \$5 USD.

The BoD shall have the option to modify the percentage increase at their discretion. Modification shall be based on the following, in order of execution:

1. Calculate the III for the past three years (see Definitions).
2. Extrapolate the percentage amount for the next three (3) years based on the calculated III and forecast projections;
3. Take into consideration other factors in addition to inflation, in particular any INCOSE investment initiatives to determine the membership fee percentage increase; and
4. Round up/down the actual new membership fee to the nearest \$5 USD.

The percentage increase shall be applied across all three (3) PPP bands shown in LST-103.

The new membership fee for Senior members shall be calculated at 55% of the new membership fee for Regular members, rounded up/down to the nearest \$5 USD. This maintains the same discount level offered by INCOSE for Senior members.

The new membership fee for Student members shall be calculated at 30% of the new membership fee for Regular members, rounded up/down to the nearest \$5 USD. This maintains the same discount level offered by INCOSE for Student members.

The new membership fee for Student members and CAB Associates transitioning to regular membership status shall maintain the same discounted rate as described in policy MBR-100 and detailed in the Membership Price List.

Should a new membership fee come into effect during the two-year transition period, the calculated reduced membership fee will be based on the new membership fee. This maintains the same discount level offered by INCOSE for Student members and CAB Associates transitioning to regular membership status.

In summary the calculations of the new membership fees (NMF) are as follows –

- $NMF \text{ for Regular member} = (100+III) \% \times \text{current membership fee}$ or $110\% \times \text{current membership fee}$
- $NMF \text{ for Senior member} = 55\% \times NMF$
- $NMF \text{ for Student member} = 30\% \times NMF$



There shall be no adjustment for three (3) year or five (5) year membership fees which overlap with a membership fee increase period. The member shall pay the membership fee amount current at the time of the payment year.

LST-101 INCOSE Membership Price List shall be updated accordingly, at the time the new membership fee is communicated to members.

Related Policies

MBR-100: Membership

LST-101 INCOSE Membership Price List

LST-103 Purchasing Power Parity (PPP)

LST-104 INCOSE Inflation Index (III)

SUPERSEDES: MBR-101 dated 26 October 2018

APPROVED BY: INCOSE Board of Directors, Virtual, 14 October 2021

POLICY OWNER (RACI Responsible R): Sector Directors

MAINTAINED BY (RACI Accountable A): Secretary