



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

Purpose

The purpose of this policy is to outline the review of CAB 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 Corporate Advisory Board (CAB) members.

Definitions

INCOSE Inflation Index (III) is the term used for a three (3) 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.

Membership Fee Increase Frequency

CAB Membership fees shall be reviewed for potential increase every three to five 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 CAB 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.

CAB Membership Fee Increase Calculation

The CAB Membership fee is comprised of two components – an Initiation Fee and the Current Fees. At the discretion of the BoD, the Current Fees shall be increased by ten percent (10%) with the actual new fee rounded up/down to the nearest \$100 USD. The initiation fee can be reviewed in the same time frame as reviewing the current fee. The initiation fee can be increased by up to 10% but doesn't necessarily need to be increased every 3 to 5 years. The need to increase can be reviewed based on administration costs, inflation, and any other considerations. In summary, the initiation fee *may* increase in the 3-5 years timeframe while the current fee *will* increase in the 3-5 year timeframe.



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 CAB membership fee percentage increase; and
4. Round up/down the actual new CAB membership fee to the nearest \$100 USD.

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

- $NMF = (100+III) \% \times \text{current membership fee}$, or
- $NMF = 110\% \times \text{current membership fee}$

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

The CAB Membership Price List shall be updated accordingly, at the time the new CAB membership fee is communicated to CAB members.

Related Policies

CAB-100 Corporate Advisory Board

LST-101 INCOSE Membership Price List

LST-104 INCOSE Inflation Index

SUPERSEDES: CAB-101 dated 15 July 2021

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

POLICY OWNER (RACI Responsible R): CAB Chair

MAINTAINED BY (RACI Accountable A): Treasurer