



Association
of Registered
Interior Designers
of Ontario

ARIDO AND IDC

What is the history of the relationship between ARIDO and IDC?

ARIDO is one of nine provincial associations representing the interests of Canada's Interior Designers. Each of the provincial associations is a member of Interior Designers of Canada (IDC), our profession's national association.

Several years ago, to help clarify and define their roles, the provincial and national organizations explored the restructuring of functions so that the provincial regulatory bodies would focus on matters pertaining to the public's best interests (primarily regulatory) and IDC would focus solely on matters pertaining to the members' best interests (primarily member services and national advocacy services).

A proposal was presented to the ARIDO membership on March 12, 2009¹ and was approved in principle at a special members meeting². In October 2009, a detailed proposal was provided to all provinces for approval which outlined the proposed restructuring in more detail. It was subsequently approved by the ARIDO Board and implemented.

(For more on the complementary roles of ARIDO and IDC, see Frequently Asked Questions: Breaking down the role of a regulator.)

Provincial regulatory bodies focus on matters pertaining to the public's best interests (primarily regulatory) and IDC focuses solely on matters pertaining to the members' best interests (primarily member services and national advocacy services).

What was the purpose of the MOU between ARIDO and IDC?

There is currently no Memorandum of Understanding (MOU) in place between ARIDO and IDC. The last MOU expired in December 2016, having served its purpose of guiding the organizations in more clearly defining their respective roles.

The original MOU³, signed in July 2010 by both IDC and ARIDO, formalized the terms and conditions of the restructuring, including:

- Establishing the primary function and role for each organization
- Transitional funding also known as the “Transfer Payment”
- Lease of the ARIDO office space by IDC
- The transfer of ownership of the International Interior Design Exposition (IIDEX) from ARIDO to IDC

The 2010 MOU expired on December 31, 2013, at which time the ARIDO Board of Management signed a renewed MOU⁴ with IDC, which spanned from January 1, 2014 through to December 31, 2016. The subsequent MOU expired on December 31, 2016, except for the office rental agreement between ARIDO and IDC, which was up for renewal as of August 1, 2017. The two organizations are now working together on a new rental agreement.

What was the purpose of the transfer payment from ARIDO to IDC?

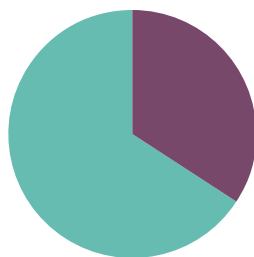
With the restructuring of 2010, nine ARIDO staff members were transitioned to IDC, where their duties focused on national advocacy, and programs and services for Interior Designers from coast to coast. This included communications, marketing, professional development and government relations. (For more information on advocacy and the differing roles between ARIDO and IDC, see Frequently Asked Questions: Breaking down the role of a regulator.)

Financial support in the form of a transfer payment from ARIDO was included in the 2010 MOU to cover the operational costs related to building a stronger national body with increased staff support for all provinces. The MOU recognized the need for transitional financial assistance for IDC during the reorganization period. At the end of the three-year term of the first MOU the organizations agreed to extend the transition period, drafting another three-year MOU, which concluded in 2016.

The transfer payment for the term of the 2010-2013 MOU totalled \$765,000, and the transfer payment for the term of the 2014-2016 MOU totalled \$690,000.

How was the transfer payment from ARIDO to IDC funded?

The transfer payment made by ARIDO to IDC was funded solely through ARIDO membership dues.



ARIDO MEMBERSHIP DUES – 2015
(excludes dues collected on behalf of IDC)

■ **\$230,000** – ARIDO member dues used to fund transfer payment to IDC

■ **\$438,623** – ARIDO member dues retained by ARIDO

Why did ARIDO decide to stop the annual transfer payment to IDC?

In the original MOU, terms stated that transfer payments would be in place for three years to support IDC through the transition period. In 2014 the ARIDO board elected to continue the transfer payments for three additional years to extend the transition period, with the agreement that both organizations would work toward the goal of IDC becoming self-sufficient by 2016.

The ARIDO board has been monitoring the overall financial impact to ARIDO of the transfer payments and other aspects of the restructuring, and decided to stop the transfer payments after six years.

The decision was not made as a result of any disdain between ARIDO and IDC. ARIDO remains in full support of our national organization. The decision made was related to the financial needs of the Ontario association and our ability to provide important services to our membership, backed by a sustainable financial model.

How is the portion of my dues that helped to fund the transfer payments to IDC being used now?

With the conclusion of our agreed-upon transfer payments in 2016, that portion of member dues can now be channeled toward replenishing our depleted Regulatory Fund, as well as funding the proactive work our members expect us to do on their behalf. That includes educating the industry and the general public about the role of registered Interior Designers in Ontario, and the unique value they can provide in a variety of contexts.

How did IIDEX, formerly owned by ARIDO, come to be owned by Informa?

Created by ARIDO in 1984, the International Interior Design Exposition (IIDEX) generated a stream of revenue that funded the Practice and Protection (P&P) Fund, now known as the Regulatory Fund, for many years. In 2010, with the restructuring of ARIDO and IDC, ownership of the show was transferred to IDC because the event plays primarily a “member services” function, which fell under IDC’s scope of responsibility. Furthermore, all parties agreed that this would allow the event to expand and become truly national in scope. The original MOU pertaining to the restructuring included terms surrounding the transition of ownership of the show and the sale of IIDEX to protect ARIDO’s 26-year investment.

In 2013 IDC pursued the sale of the show to Informa. Negotiations between ARIDO and IDC during that time ensured that sale proceeds were shared between both organizations. ARIDO’s negotiations were limited to those with IDC regarding the portion of sale proceeds owed to ARIDO (outlined in the 2014 MOU⁵). IDC negotiated the sale of IIDEX with Informa independently.

ARIDO's share of IIDEX sale proceeds was \$500,000 (paid in five annual instalments between 2013 and 2017). These funds have been directed to the Regulatory Fund each year.

How has the restructuring/realignment between ARIDO and IDC affected ARIDO's bottom line?

The restructuring and the transition of many member services functions over the past six years has had the following impacts on ARIDO's financial statements:

- Loss of industry membership. In 2009, prior to the 2010 restructuring, industry membership revenue for ARIDO was \$103,259.
- The transfer payment paid to IDC annually since 2010 was derived from ARIDO membership dues collected.
- The transfer of IIDEX has meant the loss of the revenue stream that was used for our Regulatory Fund. In 2009, for example, ARIDO generated \$205, 000 from IIDEX for the Regulatory Fund.
- The ARIDO Regulatory Fund has been decreasing since 2010, a result of the IDC transfer payment and loss of IIDEX revenue.

Who sets the amounts for my ARIDO dues and IDC dues, and why are they collected together?

ARIDO and IDC are two separately incorporated entities and as such, they function and operate as two separate organizations with regards to financial responsibilities. Each organization's annual membership dues are set by its board of directors.

At the same time, ARIDO and IDC work together through a carefully crafted relationship to provide a complete range of services for Interior Designers at both the provincial and national levels, including advocacy and regulatory support. Members of ARIDO are therefore automatically made members of IDC. (For more on the complementary roles of ARIDO and IDC, see Frequently Asked Questions: Breaking down the role of a regulator.)

Currently, ARIDO collects the annual dues for both ARIDO and IDC. ARIDO then transfers the annual dues collected on their behalf to IDC. This process is handled the same way by the eight other provincial associations across Canada.

FOR MORE INFORMATION

In the interest of transparency, we have included links to documents referenced in this section below:

- ¹ 2009 presentation made to the ARIDO membership
- ² 2009 special members meeting minutes
- ³ Original 2010 MOU
- ⁴ 2014 MOU