

Who are the Incentive Federation's members?

The Incentive Federation is the only organization whose membership and leadership includes all the industry's national trade associations, as well as individual industry companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), the Recognition Professionals International (RPI) and Society for Incentive Travel Excellence (SITE) are discussed, nurtured and advanced.

Some Perspective

% of U.S. businesses using non-cash rewards

1996 – 26%

2015 – 84%

\$\$ in Incentive Marketplace

1996 - \$27 billion

2015 - \$90 billion

Additional 25 Percent Tariffs Proposed on Expanded List of Chinese Products

PPB Newslink, PPAI's e-newsletter, reported this week the U.S. Trade Representative (USTR) has posted a notice to the Federal Register announcing the beginning of the process for a proposed List Four of Chinese imports upon which tariffs will be levied. PPAI has reported on the impact that tariffs imposed in 2018 has had on the costs of promotional products in many categories.

The proposed 25 percent tariffs cover approximately \$300 billion in additional products, representing almost all imports from China not already covered under the previous tariff lists. The USTR will hold a public hearing on the tariffs on June 17. President Trump is set to meet with China's President Xi at the G-20 Summit at the end of June. A final decision on the List Four tariffs is not expected before then.

The Incentive Federation's legal counsel, George Delta, Esq., has prepared a summary of the purpose and reasoning behind tariffs and how they may impact companies in the broad promotional merchandise industry.

"When trying to understand how tariffs work, writes Delta, "perhaps the first question that would arise is who is responsible for paying them? Logically, it might seem that either the foreign government or a company that sells the foreign goods in the United States would be liable for tariffs. When the U.S. government imposes a tariff on foreign goods, however, neither the foreign government nor the company selling the goods in the U.S. is technically responsible for the paying the tariff."

"Tariffs are usually paid by companies that import goods here. Most American importers do not handle the paperwork on imported products themselves. They retain the services of entities commonly known as an importer of record. These companies navigate the process of importing goods into the United States, a complicated process as evidenced by a 211-page publication from the U.S. Customs and Border Protection (CBP) titled *Importing into the United States A Guide for Commercial Importers* (last revised in 2006.) The importer of record has experience in dealing with CBP and its system for inspecting imports and levying any duties on them. (Broadly speaking, "duties" are a tax or fee placed on an import. Tariffs are a form of duty.) Thus, when imported goods first enter the U.S. in a port of entry, the importer of record receives the initial bill for the tariff."

“This is where the question of who ultimately bears the cost of tariffs becomes a bit more complex. An importer of record is little more than a middleman that provides a service, and its business model would not survive the cost of paying tariffs. Service providers nearly always pass on costs to their customers. Therefore, a company that contracts with an importer to bring goods into the United States will almost always see the costs of that contract rise after a tariff has been imposed on goods it imports. For example, as a result of the tariffs, the importer of record might wind up paying between 10 and 25 percent more to bring in the exact same product it imported before the tariffs. Those costs are passed on to the company that intends to sell the goods in the United States, which means the selling company faces a choice regarding those additional costs.”

For the complete text of the Spring Washington Update prepared exclusively for the IFI by George Delta, Esq., the IFI’s Legal Counsel, visit [here](#).

The IFI Appoints Committee on Standards Development

The Incentive Federation Committee on Standards Development has been appointed and is comprised of one representative from each of the organizations that to date has pledged additional financial support for the IFI’s standards initiative. Support from other organizations and companies will be solicited, too, as the initiative proceeds.

The Committee will assist in reviewing the applications being made to the American National Standards Institute (ANSI) and the International Organization for Standardization (ISO) for the IFI to become an Accredited Standards Developer for the incentives, recognition and rewards industry. The Committee is currently editing the proposals that will be submitted to ANSI and the ISO for their review and approval. Once these proposals are approved by ANSI and ISO, the IFI will begin recruiting US and global experts to participate on standard development projects.

The Committee is being asked to ensure the language, terminology and descriptions used in the applications reflect what and how the practitioners and solution providers in the industry describe and understand the programs and solutions provided to business clients and their customers and employees. At this stage it is crucial that the language used in the applications is clearly understood by individuals who may not have any familiarity with the industry but who are tasked with approving the applications.

Once the applications are submitted and approved the Committee will be engaged to assist in forming, crafting and developing standards for approval.

Committee members are:

Donna Chrobak - Representing the Incentive Marketing Association

VP Sales & Marketing
Summit Recognition Solutions

Patrick M. Delaney - Representing the Society for Incentive Travel Excellence

Managing Partner at [SoolNua](#)

Mike Donnelly, CPIM - Representing Hinda Incentives

President
Hinda Incentives

Paul A. Kiewiet, MAS - Representing the Promotional Products Association International

Executive Director
Michigan Promotional Products Association

Melissa Van Dyke - Representing the Incentive Research Foundation

President
The Incentive Research Foundation

Resource

IFI Standards Consultant

Lee Webster

Director, Standards Development
Secretary, ISO Technical Committee 304
Secretary, US TAG for TC 304 and American National Standards in Healthcare Administration
Healthcare Management Institute (HMI)
University of Texas Medical Branch

Incentive Research Foundation Held Webinar on IRF's Top Performer Study: Technology Sector

If you missed the IRF's Webinar on the Top Performer Study – Technology Sector on May 1, 2019, you can still access it. Find out what truly successful technology companies are doing differently regarding human capital investments during this IRF webinar. On this webinar, we discuss benchmarks and key findings reported in The IRF Top Performers Study: Technology Sector. Executives at top-performing technology firms were twice as likely as executives at average technology firms to support non-cash rewards and recognition programs – we take a closer look at how these top-performing companies are designing, implementing, and measuring their programs. [Click here](#) to access the full research study. [Click here](#) to access this recording via Soundcloud.

The IRF Voice of the Market Study Webinar Scheduled in Two Weeks

The Incentive Research Foundation will hold its next webinar focusing on the Voice of the Market Study on Wednesday, May 29, 2019 from 1:00-1:30 PM EDT. For more details about the study and the webinar logon to www.theirf.org, and to register for the webinar [click here](#).

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Managing Director - **Steve Slagle**, CAE.

If you have questions, advice for the Board, or want to raise issues for the Board to think about, please contact Steve Slagle at steves3309@gmail.com or 864-710-6739.