

EARN EXECUTIVE

Proposal for EARN accounting mechanism. Update 3.

issued by
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Please note that codes in update of Budget 90 will be changed according to this paper.

Its purpose is:

1 to allow a simple and easy mechanism, and to automatically split all EARN expenses by category (this answers a BoD request to split travels by category: in fact it allows to split all expenses by category).

2 to present the EARN budget.

It takes into account the remarks made either in the EXEC subgroup on accounting codes, or during the last EXEC.

Now, here are a few remarks on the major comments I received.

Frode: It is really not possible to use only 4 indexes as you suggested: I kept five (the other proposals are proposing more that 5!).

Dennis: My proposal allows to achieve both objectives you give: these were my objectives (see above) when I made the proposal.

I think that having 2 completely different codes for budget and expenditures is not appropriate, as budget lines are either expenses or income. In particular, having systematically redundancy on some items (such as on travels) may easily lead to discrepancies, and longer checking to avoid them.

Regarding your proposal to come back to my first proposal, EXEC38, this is not possible, because this would mean an endless loop of update and, more important, because (and this is why EXEC38 has been changed) your proposed expenditure codes would not be unique:for example, today, COSINE appears under "liaison" and "development".

Avi: I think that I took into consideration all the items you included in your comments, but in different order, to adjust the first 3 indexes to budget items. However, I did not retain sub-index 1, which differentiates between incomes and expenses, to keep the number of indexes down to 5. This information is part of index 1.

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A composite index will be associated to all EARN expenses or income.

This index has 5 sub indexes numbered from 1 to 5
If a sub index is not used, a value of 0 is assigned.

1. Sub index 1 - Budget chapter (2 digits)
Index values 1 to 49 are expenses
Index values 51 to 99 are income

1. President office
2. EARN office
3. EARN staff
4. Other central expenses
5. Inter-continental lines
6. Development
7. Contingency fund
8. Funds assigned to next years
9. International lines (not including US lines and X.25 backbone). This is not an EARN central expense today, but directly spent by countries. This is for planning purpose, and possible future use.

51. Countries contribution to central EARN expenses
52. International lines (not including US lines and X.25 Backbone). This in not an actual income, but is used today to match the cost to countries of international lines.
53. International lines paid to EARN central budget (backbone compensation)
54. Manufacturers contribution
55. Organisations contribution
56. Donations
57. interests and other financial revenues
58. Carried over from previous years

2. Sub index 2 - Budget subchapter (2 digits)
Index values 1 to 49 are generally expenses
Index values 51 to 99 are generally income

1. Salaries
2. Travels
3. Telephone
4. Rental
5. Installation
6. Telecommunications lines
7. Membership fee
8. Printing
9. Auditing
10. Development expenses
11. Procurements
12. Meetings (other than travel)
13. Conferences
14. Funds
15. Loss on change
49. Miscellaneous

51. IBM
52. DEC
53. NT
59. Other manufacturers
61. COSINE

- 62. RARE
- 63. CEC
- 64. CEPT
- 69. Other organization
- 71. EARN countries
- 72. EARN international
- 81. BITNET
- 82. Other networks

3. Sub index 3 - Budget subchapter extension. (one digit)
This is a mere extension of sub index 2. It is not uniquely defined: this means that the same sub index 3 may have a different meaning, depending on sub index 2

4. Sub index 4 - Responsibility (one digit)

- 1. Operations
- 2. Information
- 3. Finance/administration
- 4. Development
- 5. Policy
- 6. Liaison
- 7. Users

5. Sub index 5 - Projects (2 digits)

- 1 Statistics
- 2 Security
- 3 RSCS Backbone
- 4 SNA
- 5 EARN tools
- 6 EARN brochure
- 7 EARN annual report
- 8 X.25
- 9 X.400
- 10 X.25/OSI/NJE
- 11 Users applications
- 12 Users services
- 13 Users meetings
- 99 Other