

EARN EXECUTIVE

Proposed revision of 1990 budget

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	1990 PROPOSED EARN BUDGET June 89 update	Expenses KECU
Income		
KECU		
1.	PRESIDENT OFFICE	
1.1	*(1) Salaries (Secretary)	15
1.2	Travels	25

	TOTAL :	40
2.	EARN OFFICE	
2.1.1	Salaries /Manager	75
2.1.2	Secretary	30
2.2	Travels	20
2.3	Telephone	8
2.4	Space rental	8
2.99	Miscellaneous	8

		TOTAL :	149

3.	EARN STAFF		
3.1	Salaries (4 people)	200	
3.2	Travels	40	
3.99	Miscellaneous	8	

		TOTAL :	248

4.	OTHER EXPENSES		
4.7	RARE fee	1	
4.2	Travels		
4.2.1	EXEC meetings	31	
4.2.2	Other travels	32	
4.8	Printing	20	
4.9	Auditing	4	

		TOTAL :	88

5.	EARN INTERCONTINENTAL LINES		
5.6	Line MOP-CUNY	115	

6.	DEVELOPMENT		
6.6	X.25 Backbone (1 year)	200	

6.61	Collaboration with COSINE	500
6.11	Other developments' expenses	50

		750

7.	CONTINGENCY FUND (1990)	150

8.72	FUND ASSIGNED TO NEXT YEAR	148

9.6	INTERNATIONAL COUNTRIES LINES	1283

51.71	Countries' contributions	
796		
52.71	International countries lines	
1283		
53.71	Countries' backbones compensation	
67		
54.52	DEC contribution	
155		
55.61	COSINE contribution (OSI Migration)	
500		
58.52	DEC contribution	
22		
58.72	Carried over from last year	
148		

	T O T A L B U D G E T	2971
2971		

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*(1) 50% of secretary's salary to be paid by UNI-C

APPENDIX TO THE 1990 REVISED BUDGET (JUNE 89 UPDATE)
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1 Changes from BoD decisions during the last BoD.

1.1 Cancellation of the 2nd US line

- in 1989, thus saving 58 KECU
- in 1990, thus saving 115 KECU
- covering of the 1990 contingency fund (from 200 to 150 KECU) thus saving 50 KECU.

1.2 Payment in 1990 to EARN of the difference between the cost of 64 and 9.6 Kbs lines by backbone countries (this is the case for 1989). Thus the contributions decrease by 67 KECU.

In 1990, the countries' contributions will decrease as follows :

- 50 KECU (contingency)
- 115 KECU (cancellation of 2nd US line)
- 67 KECU (backbone countries' contributions)

232 KECU (Total decrease)

The countries contributions will therefore reach 796 KECU (1028 - 232)

2 Is any additional cut possible ?

2.1 Budget items 1 (President office), 2 (EARN office), 4 (Other central expenses), 5 (Intercontinental lines) cannot be reduced they represents the basic needs on which EARN is built.

2.2 Budget item 3 (EARN staff) :

in 1989, the BoD reckoned that EARN needed to have the full responsibility of its own tools; to achieve that, it either had to hire its own staff or subcontract tasks. This is what EARN did in 1989. Reducing the staff expenses would lead to a rapid degradation of service (no new nodes, no support of LISTSERV, NETSERV...) and a quick decline of EARN. This would be quite unrealistic to do and must be

avoided.

2.3 Budget item 6 (Development) :

the OSI migration costs are covered by the DEC grant and the compensation from countries on the backbone. Although it would be possible to reduce the other development expenses, this would prove quite detrimental to EARN. The future of EARN is in new applications which can be developed only with development funds.

2.4 Budget item 7 (Contingency fund) :

It would be very dangerous to reduce this fund, as full EARN expenses start in January (from 1990 onwards): many countries do not pay early enough, and EARN needs a significant contingency fund to be able to run smoothly.

As a conclusion, the only two items where, in principle, some saving might be done are "other development expenses" and "contingency fund". The EARN executive strongly requests the BoD not to do so, as it would mean either no new EARN applications or a high risk of breakdown on operations.