

Strategic View Of The 2009 Budget

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The 2009 IEEE IT Society budget is in the process of being formed. I have incorporated the officer's discussions so far, and have taken a closer look at it to help the BOG as a whole understand what is going on. As you know, we are at the mercy of the IEEE for a great many financial inputs. Most of our revenue is out of our hands:

Xplore revenue from Transactions	700K
Xplore revenue from Conference papers	200K

These two are mostly in the hands of the IEEE. The conference number is at risk since it comes from our being the beneficiaries of a completely outdated the formula. The fair number for that would be closer to 80K. We have a slight input into the Transactions revenue since it is apportioned depending on how many PDFs are downloaded from people who are *not* signed in using their member number or any other official IEEE account. Basically, this is papers downloaded through Xplore from institutional subscribers. Last year, each such click brought us 70 cents. This means that we are helped by papers getting into Transactions in a timely fashion and are somewhat hurt by long-lived preprints on the web.

We have some minor control over the following sources of revenue in that we can set the prices. The following assumes that we buck the IEEE's recommendations and do not raise prices.

Nonmember and other subscriptions to transactions	280K
Membership fees	80K

Following the recommended price-hike would increase the subscription revenue by about 40K.

Whether it is worth increasing membership depends on whether we believe that a member is likely over the course of the year to shift ~50 PDF downloads onto their member number and away from their institution. At that point, we probably lose money. The best case is of course members who only download PDFs through their institution.

The total budgeted non-conference income comes to **1260K**.

Now let us start including the expenses that we have. We start with the big terms that we have no to little control of.

Tribute (officially Administration) paid to our IEEE overlords	-335.2K
Transactions creation expenses (partially a function of our page budget)	-554K
Transactions printing expenses (mostly a function of the page budget)	-160K

So far, we are at -1049.2K in expenses.

But there are some more expenses that we want to have to serve the members:

Newsletter	-40K
Student committee	-15K
Awards Luncheon, Awards, and BOG meetings	-50K

At this point, the total expenses have risen to 1154.2K. This leaves us with a structural surplus of **105.8K**. It is good to keep in mind that this is not enough to cover a possible (and fair!) diminishment by 120K of our conference paper revenue from Xplore.

Let us carry over some initiatives that seem likely to continue into the next year.

Summer school for students	-20K
Online innovations (website, Pareja, etc.)	-100K

At this point, we are into the red by about **14K**. We are permitted to have a net negative budget. The limit of our net negative is 3% of our reserves. That would permit us to go till roughly -75K.

At this point, we should bring into consideration the main income/expense that we actually have control over: conferences. Currently, we have an ISIT approved for 2009. The budgeted surplus is:

ISIT 2009	40K
ITW 2009	5K

This results in a budget that is net positive by 30.8K.

This means that we have approximately 100K available for further initiatives if we want to run as negative a budget as we can. To put this in context, this could mean:

Student travel grants (waiving ISIT reg)	About 300 students
Student travel grants (including 1K in travel)	About 75 students
Bug bounties to help speed up IT reviews (could pay in the form of student travel grants)	About \$17 per published page. Maybe \$50 per nontrivial bug?
Distinguished lecturer support (\$2K per trip)	About 50 trips
IT-society distinguished postdoc fellowship	About 1 position

I recommend a net-negative budget under conservative assumptions with the idea that we should run closer to zero if the conferences do very well.

With BOG guidance, I will prepare a starting budget for the society by modifying IEEE's suggested budget. Course corrections will be possible as we proceed as long as we do not miss our overall targets.