

## SIGCOMM Treasurer's Report

August, 2003

Dear SIGCOMM Colleagues,

Some of you may have noticed that my name started appearing in the inside of the front cover of CCR as Secretary/Treasurer in 2002, a position I assumed at the request of the most recent ex-officers (Partridge/Zhang/Delp). Although this term ended recently, I would like to take this opportunity to report to you on the state of SIG finances.

The past 18 months have seen a series of significant changes in the economy, many of which have affected our SIG as well. The challenges of this period, together with a conservative approach for the future, have resulted in some recent fiscal changes which are worth reviewing. Although the SIG experienced significant unexpected expenses in FY2002, recent budget changes bring us back to a more sustainable plan by FY04.

### **Budget Issues:**

In the July 2001 - June 2002 fiscal year (FY2002), deficit spending was over double what was planned. In FY03 the budget was modified to significantly reduce organization costs (nearly halved) and anticipated a reduction in conference expense coupled with an increase in conference revenue. The FY03 organization costs were kept close to budget, but additional conference losses, largely due to Sigcomm 02 but balanced by workshop income, resulted in a loss \$12K larger than expected. FY04 increases in dues help turn the organization deficit into a gain, and more conservative conference budgets should help eliminate the conference deficit. Overall, FY03 actual and FY04 planned represent steps in a fiscally viable direction. A summary of our budgets appears below:

	<b>BUDGET</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>FY 2004</b>	<b>FY 2003</b>	<b>FY 2003</b>	<b>FY 2002</b>	<b>FY 2001</b>
	7/03-6/04	7/02-6/03	7/02-6/03	7/01-6/02	7/00-6/01
<i>Organization</i>					
<i>Revenue</i>	\$111,628	\$78,882	\$75,060	\$106,364	\$119,362
<i>Expense</i>	\$89,188	\$122,746	\$119,871	\$210,189	\$201,240
<i>Net</i>	\$22,440	-\$43,864	-\$44,811	-\$103,825	-\$81,878
<i>Conferences</i>					
<i>Revenue</i>	\$276,936	\$275,630	\$268,022	\$228,165	\$302,175
<i>Expense</i>	\$272,111	\$287,855	\$267,178	\$307,141	\$257,308
<i>Net</i>	\$4,824	-\$12,225	\$844	-\$78,976	\$44,867
<i>Organization and Conferences</i>					
<i>Revenue</i>	\$388,564	\$354,512	\$343,082	\$334,528	\$421,538
<i>Expense</i>	\$361,299	\$410,600	\$387,049	\$517,329	\$458,549
<i>Net</i>	\$27,264	-\$56,089	-\$43,967	-\$182,801	-\$37,011
<i>Fund Balances</i>					
<i>Beginning</i>	\$217,867	\$273,956	\$273,956	\$456,756	\$493,767
<i>Ending</i>	\$245,131	\$217,867	\$229,989	\$273,956	\$456,756

These past two fiscal years were impacted by a number of challenges:

- One-time support of a National Academy of Science workshop to investigate the impact of 9/11.
- Seeding a number of new workshops (HotNets, Latin American, Internet Measurement), each permitted to operate at a small loss until established.
- A policy of distributing paper proceedings of these new seeded workshops to the entire SIG membership (a new cost exceeding 75% of registration fees).
- Conference/workshop losses, where the Latin American workshop came in at 50% over the expected 'seed' cost, and Sigcomm 02 conference lost \$37K – which was somewhat offset by revenues of the workshops. We were also impacted by the ratio of student to full member registrations, since student registrations are typically heavily subsidized.
- SIG taxing structure changes. In FY2003, ACM instituted an expense-based overhead tax, so we were taxed on what we spend, not on what we pull in as revenue (as was previously the case). This affects surplus spending, as that money was taxed when earned, and is now taxed again when spent. The SIG also lost expected interest revenue on its surplus, as a result of economic changes.

Our FY04 budget takes these issues into account, and is much more conservative, being based on a number of budget guidelines which have been recently recommended.

### **Dues Increases:**

SIGCOMM has increased its dues for FY04 to:

ACM member	\$25
ACM student member	\$15
non-ACM member	\$35

This increase reflects increases in the overall operating costs of the SIG, notably to cover increased publication costs. This is the first real increase for regular members since 1990, and restores both student and non-member rates to their 1990 levels.

### **New SIG Budget Guidelines:**

In order to continue to hold a number of conferences and workshops, ACM requires each SIG to hold a surplus related to a fraction of planned meeting budgets. Maintaining the SIG surplus is critical to the SIG continuing to sponsor these meetings.

In previous years this surplus was sufficiently large that we had the opportunity to utilize portions to support seeding new workshops and conferences, and supporting unique events for which corporate support would be difficult. Due to the change of the economic

climate, including the challenges of maintaining corporate support for our larger meetings (e.g., the Sigcomm Conference), a number of policies have been instituted to stabilize the SIG surplus as follows:

- *Balance unplanned costs by restructuring discretionary items.*  
Unforeseen events are (by definition) difficult to anticipate, but, where possible, support for such events will be balanced against planned investments for the coming year.
- *Workshop proceedings only to workshop participants and by direct purchase.*  
Although the distribution of proceedings of new workshops may significantly increase their impact, it is not feasible to distribute proceedings to all members out of either SIG revenue or surplus at this time. Proceedings will be distributed where the workshop raises supporting funds, typically via corporate sponsorship.
- *Student fees representative of per-person costs.*  
The SIG continues to encourage student participation in workshops and conferences. Again, due to the current economy, student fees are expected to increase substantially to eliminate the gap between per-person revenue and per-person costs.
- *Conferences budget for surplus.*  
Conferences are now expected to budget a modest surplus, both to reduce the liability to the surplus as well as to (hopefully) restock it.
- *Limit new 'seed' workshops.*  
The number of new 'seed' workshops per year has been reduced to 1; seedling workshops are expected to break-even by their third year. IMW-II and HotNets-I both showed profits in 2002. The Latin American workshop for Oct. 2003 is being monitored closely to avoid the overruns of 2001.

The above policies are augmented by codifying some of the more informal policies and procedures of conference budgeting, to streamline the budgeting process, unify policies across SIGCOMM sponsored meetings, and reduce exposure to unforeseen costs.

I hope this review has been helpful, and although my term has recently ended, I will continue to work with Martina Zitterbart, our new Secretary/Treasurer, as well as the entire SIGCOMM Executive Committee, to ensure the financial stability of the SIG well into the future.

I look forward to your comments and feedback.

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