

Inter-American Institute for Global Change Research (IAI)

IAI CORE BUDGET REQUEST FOR FISCAL YEAR 1999/2000 (Draft as at May 9, 1999)

I) SUMMARY

1.1) For 1998/99 actual expenditures are projected at \$ 722.946 (\$ 78.401 less than the approved request for the last year).

1.2) For the fiscal year 1999/2000 the IAI Core budget Request is for \$ 790.625. This represents a decrease of approximately 1.3 % over the approved request of \$ 801.347 for 1998/99.

1.3) Under these conditions, the IAI expects to have at the end of the Fiscal Year 1999/2000, an operate surplus at \$ 39.375 and a balance of cash available of approximately \$ 294.500 if all member countries provide IAI with the committed voluntary contributions (\$ 820.000), as approved in CoP IV Argentina, 1997.

However if the total of the voluntary contributions is bellow this approved amount, the fiscal year 1999/2000 might end with an operating deficit and the balance of cash available will be lower than \$ 294.500. Some figures are presented in this document to illustrate potential situations.

II) FISCAL YEAR 1998/99 EXPENDITURES

Overall, the projected actual expenditures will be \$ 78.401 bellow the approved request of \$ 801.347.

Table 1: Approved Request and Projected Actual Expenditures for FY 1998/99

Category	1998/99 Approved Request	1998/99 Projected Actual	Difference
Personnel	\$ 518.547	\$ 430.449	- \$ 88.098
Travel	\$ 120.000	\$ 120.000	-
Other Costs	\$ 162.800	\$ 172.497	\$ 9.697
TOTAL :	\$ 801.347	\$ 722.946	- \$ 78.401

The reasons for the under-expenditure were as follows:

Personnel:

- There were savings on salaries and benefits due to the fact that the requested included allowances for cost of living and merit increase that were not used during the year.

- The DIS Coordinator budgeted to start in June 1998 did not start until February 1999 and at annual cost below the one budgeted for the fiscal year 1998/99.
- The Financial Officer resigned as to January 21, 1999 and yet no replacement is on position, and should not be before the start of fiscal year 1999/2000.

Table 2:

Allowances for merit increases and cost of living of Director, SO, FO, PO.	- \$ 8.122
Late starting of DIS Coordinator	- \$ 32.800
Resignation of Financial Officer	- \$ 47.176
TOTAL OF SAVINGS :	- \$ 88.098

Travels:

We do not anticipate major differences.

Other Costs:

The anticipated increase of \$ 9.697 is due to increase in postage costs, and exchange loss in the contributions and in the conversion of US\$ into R\$.

III) 1999/2000 REQUEST BUDGET

3.1) Overview

The IAI Core Budget is developed around 3 major categories: Personnel (Salaries and Benefits), Travel and Other Costs:

Table 3: Requested Core Budget for FY 1999/2000 and Approved Request for FY 1998/99

Category	1998/99 Approved Request (1)	1999/2000 Request (2)	Difference (2) – (1)
Personnel	\$ 518.547	\$ 503.625	- \$ 14.922
Travel	\$ 120.000	\$ 128.500	\$ 8.500
Other Costs	\$ 162.800	\$ 158.500	- \$ 4.300
TOTAL :	\$ 801.347	\$ 790.625	- \$ 10.722

3.2) The major changes in the Core Budget Request for Fiscal Year 1999/2000 are next highlighted:

Personnel:

Overall personnel costs are expected to decrease in \$ 14.922 as compared with these requested for 1998/99.

- Reduction in potential merit increase of \$ 4.988 (2.5% for FY 1999/2000 versus 5% for FY 1998/99)
- Reduction in benefits to international staff (\$ 9.695)
- The DIS Coordinator has been hired at \$ 5.000 /year less than the projected in the previous year budget.
- There is a complement of \$ 5.000/year for the accountant assistant.
- The overall package of salary and benefits for the Administrative Officer is \$ 24.190 bellow the salary and benefits perceived by the former Financial Officer
- Provisions need to be made for Director and Scientific Officer Home Leave. (\$ 450 and \$ 8.500 respectively)

# Merit Increase provisioned to Director, Scientific Officer and Project Officer.	- \$ 4.988
# Benefits provisioned	- \$ 9.695
# DIS Coordinator Salary	- \$ 5.000
Accountant Assistant Salary Complement	\$ 5.000
A.O. Salary # F.O. Salary	- \$ 24.190
A.O. Moving Expenses	\$ 15.000
Director and S.O. Home Leave Travel	\$ 8.950
TOTAL	- \$ 14.922

Travel:

An increase of \$ 8.500 in travels is budgeted to account for some additional travels of the Director and travels of the DIS Coordinator.

Other Costs:

A total reduction of \$ 4.300 is predicted due to savings in External Audit and Annual Report costs and in some administrative costs. However a 10% increase in the amount available for Director Special Funds has been budgeted.

3.3) The proposed expenditures for the Fiscal Year 1999/2000 are next presented in table 4.

Table 4: Proposed Expenditure for Fiscal Year 1999/2000.

<u>IAI CORE BUDGET 1999/2000</u> (Year 5)	1998/1999 Approved Request US\$	1999/2000 Request US\$

<u>Personnel Costs</u>		
Salary and Benefits	\$ 518.547	\$ 503.625
<u>Travel and Per Diems</u>		
Director, SO, AO, CO, DIS	\$ 72.000	\$ 87.000
EC Chair to Directorate		\$ 2.500
SAC Meetings	\$ 36.000	\$ 33.000
Support Personnel	\$ 12.000	\$ 6.000
<u>Total of Travel and Per Diems</u>	\$ 120.000	\$ 128.500
<u>Other Costs</u>		
Director Special Funds	\$ 20.000	\$ 22.000
Newsletter	\$ 52.800	\$ 52.500
External Audit	\$ 25.000	\$ 22.000
Annual Report	\$ 30.000	\$ 28.000
Administration	\$ 35.000	\$ 34.000
<u>Total of Other Costs</u>	\$ 162.800	\$ 158.500
<u>TOTAL EXPENSES</u>	\$ 801.347	\$ 790.625

3.4) Estimated Cash Balance

The IAI expects to have a surplus (Revenue – Expenses) of \$ 39.375 and a balance of cash available of \$ 294.591 at the end of FY 1999/2000 if countries contributions total \$ 820.000 (Table 5-A).

However if countries contributions total only \$ 700.000, the IAI expects to have a deficit of \$ 80.625 and a balance of cash available of \$ 174.591 at the end of FY 1999/2000 (Table 5-B).

Table 5: Estimated Cash Balance as at June 30th 2000 with incomes of \$ 820.000 (Table 5-A) and \$ 700.000 (Table 5-B).

Table 5-A

CASH BALANCE AS AT 31 ST MARCH, 1999		\$ 278.169
(–) Expected Deficit for the period of April/99 – June/99		\$ 10.413
(–) Payment of accounts and funds		\$ 40.505
(+) Receiving accounts		\$ 27.965
(+) Expected Surplus for the fiscal year 1999/2000		\$ 39.375
ESTIMATED CASH BALANCE AS AT 30 TH JUNE, 2000		\$ 294.591

Table 5-B

CASH BALANCE AS AT 31 ST MARCH, 1999		\$ 278.169
(–) Expected Deficit for the period of April/99 – June/99		\$ 10.413
(–) Payment of accounts and funds		\$ 40.505
(+) Receiving accounts		\$ 27.965
(–) Expected Deficit for the fiscal year 1999/2000		\$ 80.625
ESTIMATED CASH BALANCE AS AT 30 TH JUNE, 2000		\$ 174.591

IV) REVENUES

Table 6 summarizes:

- a) Estimated contributions according to the decision taken at CoP IV in Buenos Aires, to fix Member Country Contribution for the 3 years form 1997/98 to 1999/2000. (Column A)
- b) Contributions expected to be received based on communications from the countries and agreements reached between Directorate and the individual countries, where time will be needed to move to agreed option in full. (Column B)
- c) Contributions estimated to be received for the 1998/99 FY. (Column C)

Table 6: Estimated contributions as per CoP IV decision (A), Agreed Contributions (B) and Contributions estimated to be received for FY 1998/99 (C).

	1999/2000	1998/99	1998/99
	TOTAL	AGREED	TOTAL
	ESTIMATE	CONTRIB.	ESTIMATE
	(A)	(B)	(C)
COUNTRY CONTRS			
Argentina	35.000,00	35.000,00	20.000,00
Brazil	70.000,00	70.000,00	70.000,00
Canada	100.000,00	100.000,00	100.000,00
Chile	5.000,00	5.000,00	5.000,00
Colombia	5.000,00	5.000,00	5.000,00
Costa Rica	5.000,00	5.000,00	
Cuba	5.000,00	5.000,00	5.000,00
Dom. Republic	5.000,00	5.000,00	
Ecuador	5.000,00	5.000,00	
Guatemala	5.000,00		
Jamaica	5.000,00	5.000,00	5.000,00
Mexico	45.000,00	20.000,00	20.000,00
Panama	5.000,00	5.000,00	5.000,00
Paraguay	5.000,00	5.000,00	
Peru	5.000,00	5.000,00	3.000,00
Uruguay	5.000,00	5.000,00	
USA	485.000,00	485.000,00	485.000,00
Venezuela	25.000,00	20.000,00	8.960,57
TOTAL OF CONTRIBUTIONS	820.000,00	785.000,00	731.960,57
BANK Interest	10.000,00	5.000,00	12.460,57

TOTAL REVENUE

830.000,00

790.000,00

744.421,14