Overview of contents

- Reading the current statements
- Assumptions
- Some ways to categorize numbers
- Some financial models
- Discussion: PRO and CON of each option

Internet Society IETF Statement of Activity For the Month Ending August 31 2017					
Notes		**August Actuals**	**YTD Actual**	**YTD Budget**	**YTD Variance**	**Annual Budget**
	Revenue					
1	Registration Fees	$ -	$ 1,492,985	$ 1,666,500	$ (173,515)	$ 2,499,000
2	Meeting Sponsorships	-	663,333	660,000	3,333	990,000
3	InKind Sponsorships	8,917	210,100	187,336	22,764	281,000
4	Event Sponsorships	-	142,806	330,000	(187,194)	530,000
5	Bits-N-Bites	-	88,000	100,000	(12,000)	150,000
6	Hackathon	-	15,000	80,000	(65,000)	120,000
7	Hotel Commissions	-	109,425	115,000	(5,575)	180,000
8	Miscellaneous Revenue	-	50,539	51,050	(511)	119,075
	Total Revenue	$ 8,917	$ 2,772,188	$ 3,189,886	$ (417,698)	$ 4,869,075
	Expenses					
	Meeting Expenses					
9	Variable Managed Meeting Costs	749	746,443	788,135	41,692	1,275,488
10	IETF Secretariat (AMS)	21,541	324,346	324,346	-	486,521

Reading the current statements

$3.9M in cash and in-kind revenue
$2.1M from fees, $322K in-kind

$2.7M to run meetings
(includes in-kind donation of circuits)
For a "profit" of $1.2M...

Operating costs of $3.6M:
RFC editor ($1M), ISE (15K)
Secretariat ($1.4M,non-meeting costs)
IASA+IAD ($400K), Nomcom, etc.

$2.4M deficit that ISOC covers

Internet Society
IETF Statement of Activity
For the Month Ending December 31, 2016

	December Actuals	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Notes
Income						
IETF Registrations	$ -	$ 2,187,675	$ 2,364,000	$ (176,325)	$ 2,364,000	1
Sponsorships	10,000	796,194	990,000	(193,806)	990,000	2
InKind	107,076	322,485	255,000	67,485	255,000	3
Hotel Commission	-	125,058	140,000	(14,942)	140,000	4
Bits-N-Bites	-	140,500	210,000	(69,500)	210,000	5
Hack-a-thon	-	120,000	120,000	-	120,000	6
Event Revenue	-	179,000	150,000	29,000	150,000	7
Miscellaneous Revenue	-	54,589	107,000	(52,411)	107,000	8
Total Income	$ 117,076	$ 3,925,501	$ 4,336,000	$ (410,499)	$ 4,336,000	
Expenses						
Meeting Expenses						
Variable Managed Meeting Costs	5,704	931,286	988,000	56,714	988,000	9
IETF Secretariat Labor	21,187	475,852	475,816	(36)	475,816	10
Meeting Space	-	339,058	439,000	99,942	439,000	11
NOC Expenses	67,546	812,436	731,000	(81,436)	731,000	12
Other Meeting Expenses	104,286	233,605	301,000	67,395	301,000	13
Total Meeting Expenses	198,723	2,792,237	2,934,816	142,579	2,934,816	
Operating Expenses						
RFC Editor	$ 96,507	$ 1,097,308	$ 1,108,000	10,692	$ 1,108,000	14
IETF Secretariat & Meeting (AMS)	118,954	1,427,448	1,427,447	(1)	1,427,447	15
IASA Support (incl. IAD expenses & salary)	41,102	441,466	379,023	(62,443)	379,023	16
IETF Support	2,206	46,979	32,500	(14,479)	32,500	17
IAB Support	-	18,225	32,500	14,275	32,500	18
IRTF Support	1,358	5,646	10,000	4,354	10,000	19
InKind	2,913	35,000	35,000	-	35,000	20
Independent Submissions Editor	524	14,813	15,000	187	15,000	21
Special Projects	-	-	25,000	25,000	25,000	22
NomCom Support	-	2,123	8,000	5,877	8,000	23
VAT Recovery Expense	-	27,710	95,000	67,290	95,000	24
IT Maintenance	26,952	170,867	125,000	(45,867)	125,000	25
G&A/Governance (Indirect)	22,913	275,000	275,000	-	275,000	26
Total Operating Expenses	313,429	3,562,585	3,567,470	4,885	3,567,470	
Total Expenses	$ 512,152	$ 6,354,822	$ 6,502,286	$ 147,464	$ 6,502,286	
Internet Society						
Direct Contribution excl. development	$ (395,076)	$ (2,429,321)	$ (2,166,286)	$ (263,035)	$ (2,166,286)	27
IT Tools Development	82,535	144,843	200,000	55,157	200,000	28
Direct Contribution incl. development	$ (477,611)	$ (2,574,164)	$ (2,366,286)	$ (207,878)	$ (2,366,286)	29

Assumptions/Observations

- If we run no meetings, then we need to find an additional $1.5M in funding.
  - Each meeting is an event that helps us raise $500K towards operations
- Non-meeting Secretariat costs are hard to explain, but include things like: web site, datatracker (maint), accounting (since Sept.2017).
  - The secretariat advises that the estimate of meeting to non-meeting related time has been low, and in 2018 it goes from 25% (meeting) to 37%.
- ISOC's contribution has historically been shown as covering our deficit rather than as non-meeting related income. This is likely going to change.
- Yet, if we tried to run a meeting with no sponsors, it would appear that we would run $500K deficit over the year. Many sponsorships for the meeting are in-kind, and perhaps we would just do without.
- The 2016 numbers used an example include the "unprofitable" BA meeting, while 2015 looks better, the trend is generally downward.

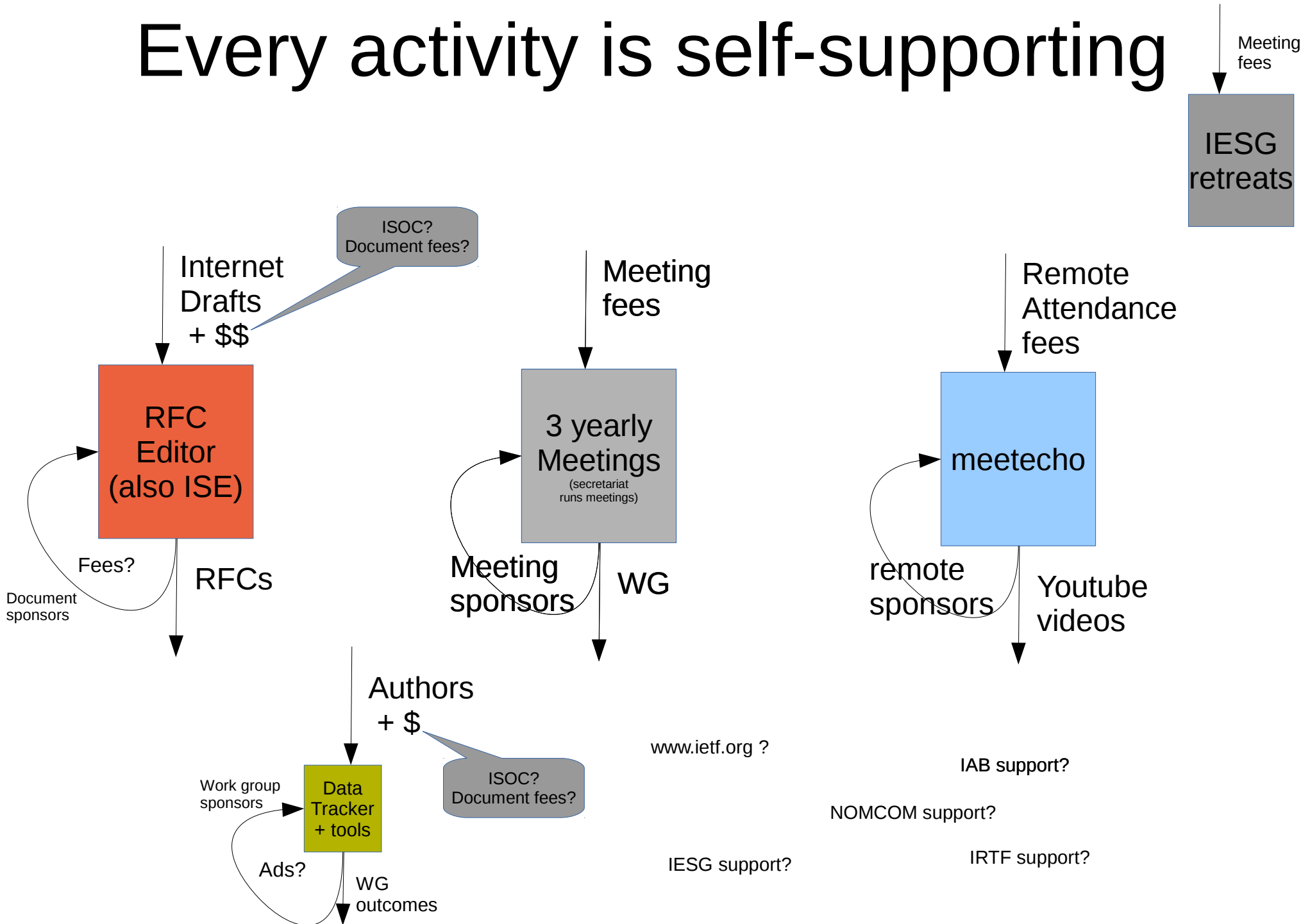# Some other ways to categorize the numbers

- Probably remove this slide.
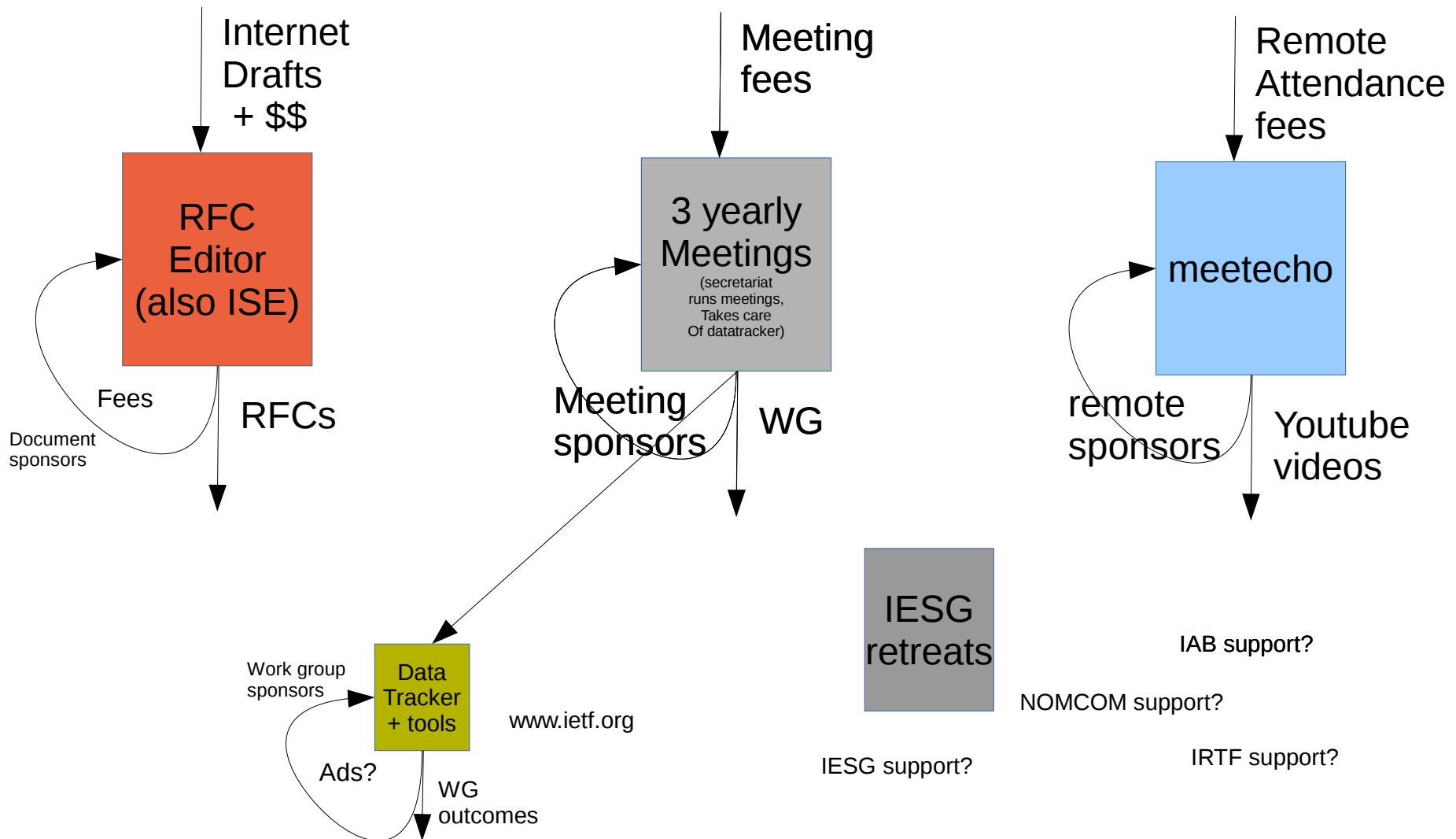
Some possible models

This document does not endorse any specific model!

- Every activity is self-supporting

- There is some cross-subsidy

- The meeting subsidizes some of the operations

- The operations/ISOC subsidizes some of the meeting

- Add yours here.

Every activity is self-supporting

Meeting fees

IESG retreats

Internet Drafts + $$

ISOC? Document fees?

RFC Editor (also ISE)

Fees?

Document sponsors

RFCs

Meeting fees

3 yearly Meetings
(secretariat runs meetings)

Meeting sponsors

WG

Remote Attendance fees

meetecho

remote sponsors

Youtube videos

Authors + $

ISOC? Document fees?

Work group sponsors

Data Tracker + tools

Ads?

WG outcomes

www.ietf.org ?

IAB support?

NOMCOM support?

IESG support?

IRTF support?

There is some cross-subsidy

Internet
Drafts
+ $$

RFC
Editor
(also ISE)

Fees

Document
sponsors

RFCs

Meeting
fees

3 yearly
Meetings
(secretariat
runs meetings,
Takes care
Of datatracker)

Meeting
sponsors

WG

Remote
Attendance
fees

meetecho

remote
sponsors

Youtube
videos

Work group
sponsors

Data
Tracker
+ tools

www.ietf.org

Ads?

WG
outcomes

IESG
retreats

IAB support?

NOMCOM support?

IRTF support?

IESG support?

meeting subsidizes some of the operations

Internet
Drafts
+ $$

Meeting
fees

Remote
Attendance
Fees???

RFC Editor (also ISE)

3 yearly Meetings
(secretariat runs meetings)

meetecho

RFCs

Meeting sponsors

WG

remote sponsors?

Youtube videos

Work group sponsors

Data Tracker + tools

www.ietf.org
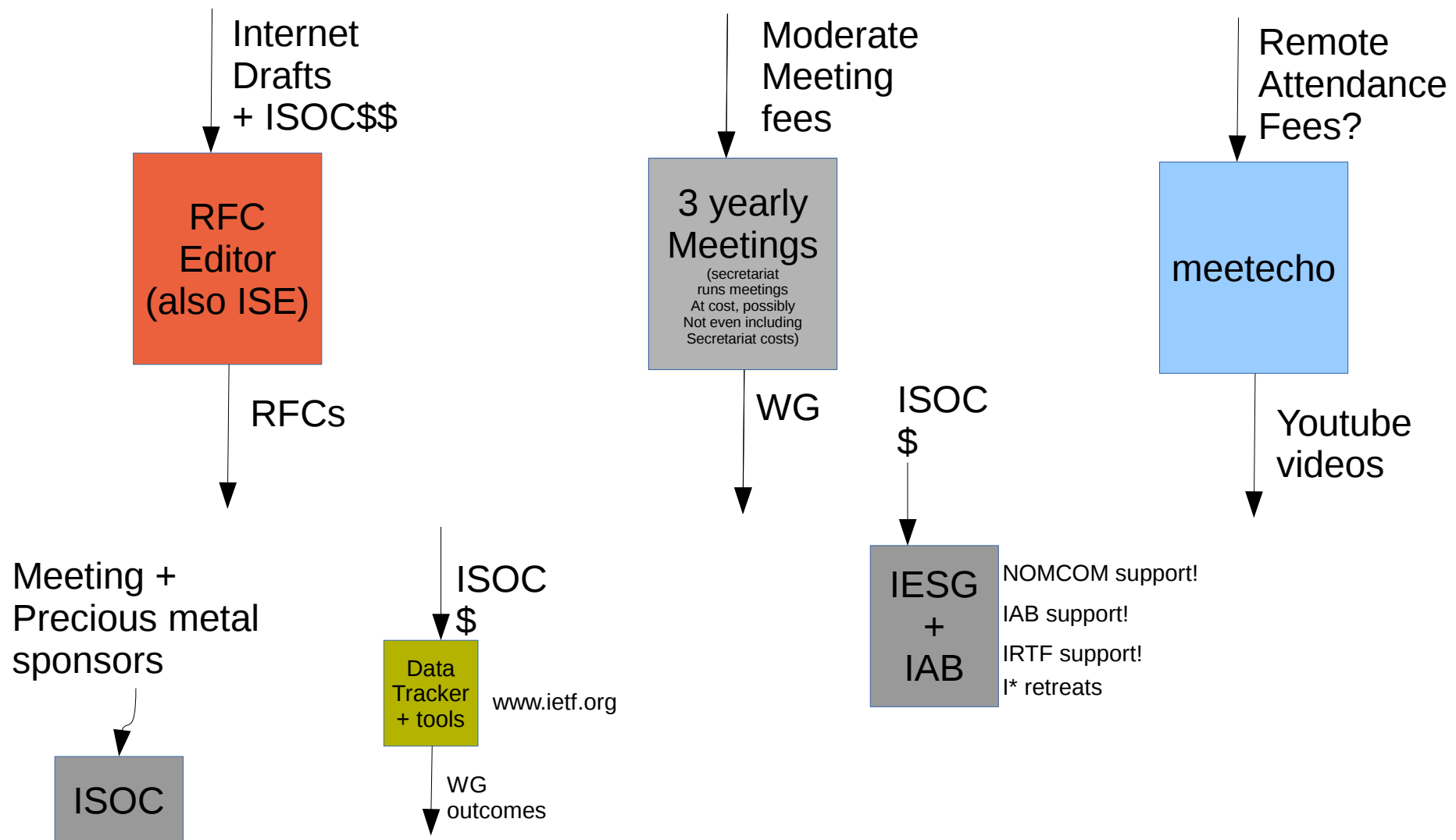
Ads?

WG outcomes

IESG + IAB

NOMCOM support!

IAB support!

IRTF support!

I* retreats

This is essentially today
With all $$ coming from
ISOC.

The operations/ISOC subsidizes some of the meeting costs

Internet
Drafts
+ ISOC$$

RFC
Editor
(also ISE)

RFCs

Moderate
Meeting
fees

3 yearly
Meetings
(secretariat
runs meetings
At cost, possibly
Not even including
Secretariat costs)

WG

Remote
Attendance
Fees?

meetecho

Youtube
videos

Meeting +
Precious metal
sponsors

ISOC

ISOC
$

Data
Tracker
+ tools

www.ietf.org

WG
outcomes

ISOC
$

IESG
+
IAB

NOMCOM support!

IAB support!

IRTF support!

I* retreats

Discussion: PRO and CON of each option
Everything is self-supporting

- ## PRO
  - Everyone knows why the cost of everything is what it is.
  - Less tragedy of commons
  - Possibly lower meeting fees
  - ISOC has to take on larger role to fund and coordinate
  - Transition from physical to remote attendance naturally scales each part without affecting other activities.

- ## CON
  - Some things have no obvious source of revenue
  - Each entity has to pay for accounting overhead
  - Dis-incentives to cooperate
  - Hard to take on new activities, requires ISOC to "VC" the effort.
  - Some activities which are free might have to collect some fee.

Discussion: PRO and CON of each option
There is some cross-subsidy

- **PRO**
  - Some "cost centers" now are funded.
  - Possibly lower meeting fees
  - Dis-incentives to cooperate can be dealt with by organizing cross-subsidy
  -

- **CON**
  - Which activity will be "taxed" to support cost centers is political.
  - Still can be hard to take on new activities
  -

Discussion: PRO and CON of each option meeting subsidizes some of the operations

- ## PRO
  - All cost centers are included in single budget.

  - No changes to arrangements

  - May be simplest to arrange for precious metal and other sponsorships

  -

- ## CON
  - Declining physical attendance reduces subsidy to operations
    - Increasing reliance on ISOC to take care of deficit

  - Seems too easy to take on new costs.

  - Hard to know how much things cost if they touch many things.

  - Hard for sponsors to know exactly what their money is being spent on.

Discussion: PRO and CON of each option
The operations/ISOC subsidizes some of the meeting costs

- PRO

  - Meeting fees cover meeting, and nothing more

  - All sponsorship goes to operations/ISOC

  - Refocuses activities to online (ML and virtual interim) and to activity of writing documents rather than discussing them.

- CON

  - Declining physical attendance now reduces meeting subsidy

    - Encourages online rather than discourages it

  - Meeting will become more barebones, maybe no NOC, fewer snacks, etc.

More discussion.

- ?