

Special Report: Budget

THE SIGCHI BUDGET FOR DUMMIES OR, WHAT HAPPENED TO THE COFFEE BREAKS AT CHI 2002?

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As SIGCHI's new vice chair for finance, I'd like to use this opportunity to share what I've learned about how our budget works and what's happening with it this year. We are currently planning our fiscal year 2003 budget, which begins on July 1, 2003, and it is shown here.

SIGCHI (the organization) has a variety of functions, one of which is to run our annual CHI conference. Our organization budget, excluding the conference, is about \$300K per year. Your dues are about \$200K, and income from other subscriptions, sales, and interest add another \$100K. But, while our annual operational budget is about \$300K, we sponsor a \$2500K event every year (the CHI conference). So even a small, 10 or 20% perturbation in the CHI conference finances could wipe out its parent organization (SIGCHI).

Because of this, we maintain a substantial insurance fund. ACM requires us to maintain about \$700K in it, but we have reached about twice that amount recently. Until the last year or so, this fund had been growing steadily, as each year's CHI conference added part of its surplus to the fund. This year, however, attendance was down considerably and it looks like the conference will lose a significant amount of money. Without our insurance fund, a loss like that could have bankrupted us, but we can draw on the fund to cover it. In the past, maintaining this fund sometimes seemed unnecessarily conservative, but now it suddenly seems like a very good idea!

Why did the conference lose money? Attendance was down considerably from recent years, most likely due to the recession in the technology world. Why couldn't we do anything about it? Conference planning is very asymmetrical with respect to income and expenses. You must commit to most of your expenses years in advance, but you don't know your income (attendance) until a few weeks before the conference. For example, convention centers are typically booked 5 years in advance; contracts for professional services must be signed before the work begins, often a year or two ahead for CHI. For CHI 2002, at the time we were planning these things a couple of years ago, the prospects looked very bright; by the time we saw the downturn, many of our expenses were already contracted. Food is one of the only expense items that can be altered at the last minute, once you know the actual attendance. That's why the coffee breaks were scaled back for CHI 2002, it's the largest expense item that wasn't already committed.

In response to this, the CHI 2003 committee is trying to cut back its budgeted expenses, though even now some of its contracts and commitments are already in place. Our FY 03 budget, shown here, includes the expected surplus or loss from CHI 2002. At the time we submitted it to ACM, we made the conservative assumption that CHI 2002 would not be able to cut its budget at the last minute, hence the \$500K loss. In fact deleting the food from the coffee breaks and other last minute changes has reduced that figure, but we don't have the final total yet.

The upshot is that SIGCHI has just weathered a significant financial storm. Our past conservatism in building up our insurance fund has paid off. We are still in solid financial shape -- but this is not a good time to propose expensive new initiatives!

SIGCHI FY03 Budget Summary

Income

SIG dues	189,648
Non member subscriptions	8,000
Member Value Plus Packages	12,095
Other subscription income	13,613
Proceedings sales	15,960
Interest income	55,396
Expedited service	2,005
2002 confs net income/loss	-554,423
Total Income:	-257,707

Expenses

Interactions	132,000
SIGCHI Bulletin	13,000
ACM and SIGBoard Allocs	50,550
VC Local SIGS	25,000
VC Publications / Pubs Board	26,230
VC Operations	1,000
VC Conferences / CMC	61,000
VC Communications	500
Chair	28,650
EEC Meetings	20,300
Awards	10,000
Total Expenses:	368,230

Fund Balance

Annual surplus/deficit:	-625937
Fund balance, start FY03	1,476,617
Project balance, end FY03	850,680
Min required fund balance	671,396
Projected excess fund balance	179,285