



INTERNATIONAL COTTON ADVISORY COMMITTEE

1629 K Street NW, Suite 702, Washington, DC 20006 USA
Telephone (202) 463-6660 • Fax (202) 463-6950 • e-mail secretariat@icac.org

Memorandum No. 759

To: Delegates to the Standing Committee, Coordinating Agencies, Members of the Private Sector Advisory Panel

From: Executive Director

Subject: Secretariat Budget Approved for 2004-05

Date: June 2, 2004

At the 473rd Meeting of the Standing Committee on May 18, 2004, the Chairman observed that the Subcommittee on Budget had forwarded the proposed budget and scale of assessments for 2004-05 to the Standing Committee unanimously. The proposed budget was distributed during the 472nd meeting of the Standing Committee in April, and as of May 18, no comments or questions had been communicated to the Secretariat. He observed that approval of the budget does not seem to be in doubt. Accordingly, the Chair suggested that if no objections to the proposed budget and scale of assessments were received prior to June 1, that the budget would be considered approved.

As of June 1, 2004, no comments or objections to the proposed budget had been received. Accordingly, the budget and scale of assessments for 2004-05 are considered approved.

Revised Calculation of Assessments for 2004-05

The budget submitted to the Standing Committee at its 472nd Meeting in April was estimated based on information available at that time. One of the assumptions used in calculating assessments was that two countries would be suspended from membership for non-payment of past assessments. However, one of the two countries in danger of suspension of membership has made a payment to the Secretariat. Therefore the revised calculation of assessments for 2004-05 is based on 41 members of the Committee as of July 1, 2004, rather than 40 members as previously assumed.

In the budget presented in April, receipts and expenditures for the current fiscal year were estimated. The Secretariat has revised estimates of assessments, publication sales and expenditures based on updated information. The net result of the new calculations is to lower assessments for 2004-05 by approximately \$4,000 in the aggregate. As a result of lower expenditures and an increase in the number of countries, the average assessment for 2004-05 will be approximately \$1,000 less than shown in the proposed budget presented to the Standing Committee in April.

A revised Secretariat Budget for 2004-05 and Scale of Assessments for 2004-05 based on current information follows. The Secretariat will send individual Letters of Assessment to each country prior to July 1.

Table 1

ICAC 2003-04 Actual and 2004-05 Requested Budgets

June 2, 2004

	03-04 Budget	03-04 Projected	04-05 Budget Proposed	Budget- Budget % chng.	Budget- Projected % chng.
	\$	\$	\$		
Receipts					
Contributions by member governments					
For current year	1,021,000	1,113,000	1,125,000	10.2%	1.1%
For prior years	375,000	387,000	390,000	4.0%	0.8%
For year in advance	70,000	35,000	35,000		0.0%
Total Contributions by Member Governments	1,466,000	1,535,000	1,550,000	5.7%	1.0%
Interest	6,000	4,000	5,000	-16.7%	25.0%
Sales of publications	67,000	86,500	70,000	4.5%	-19.1%
Observers' fees	35,000	11,250	15,000	-57.1%	33.3%
Travel reimbursement	13,000	13,136	10,000	-23.1%	-23.9%
Research associate reimbursement	3,000	1,525	3,000		
Other income (trade booths, coop research)	16,000	19,248	13,000	-18.8%	-32.5%
Total Receipts	1,606,000	1,670,659	1,666,000	3.7%	-0.3%
Disbursements					
Salaries	709,498	705,200	726,630	2.4%	3.0%
Benefits					
Benefit expenditures, total	435,139	444,205	440,936	1.3%	-0.7%
Income tax reimbursement from USA	-92,000	-114,467	-92,000	0.0%	-19.6%
Benefits, net cost to the Committee	343,139	329,738	348,936	1.7%	5.8%
Employee search	0	0	0		
Travel and subsistence	69,000	71,000	72,000	4.3%	1.4%
Occupancy	90,259	96,400	99,300	10.0%	3.0%
Training and support	40,000	37,800	41,000	2.5%	8.5%
Communications	47,140	45,750	46,700	-0.9%	2.1%
Office expense	82,534	91,700	76,600	-7.2%	-16.5%
Printing	40,186	37,725	38,500	-4.2%	2.1%
Language services	106,990	100,357	107,800	0.8%	7.4%
Disbursements linked to business plan	45,000	43,750	62,000	37.8%	41.7%
Total Disbursements	1,573,746	1,559,420	1,619,400	2.9%	3.8%
Receipts over Disbursements	32,254	111,239	46,600		

Table 1a

ICAC Budgeted Expenditures

June 2, 2004

	2001-02 Final	2002-03 Final	2003-04 Budget	2003-04 Projected 2-Jun-04	2004-05 Budget Proposed	Proposed- Budget % chng.	Proposed- Projected % chng.
Disbursements							
Total Salaries & Bonuses	637,542	669,985	704,498	704,000	725,630	3.0%	3.1%
Temps and RA's	4,885	4,911	5,000	1,200	1,000	-80.0%	-16.7%
New Employee Search		10,474	0	0	0		
Health Ins.	75,186	84,802	108,918	110,000	106,000	-2.7%	-3.6%
Life Ins.	7,050	8,315	8,600	7,900	8,216	-4.5%	4.0%
Disability Ins.	3,100	2,821	3,500	3,000	3,120	-10.9%	4.0%
Retirement	145,156	149,275	167,000	165,000	171,600	2.8%	4.0%
Taxes, net of USA reimbursement	51,035	78,364	55,120	43,838	60,000	8.9%	36.9%
Total Salaries and Benefits	923,954	1,008,947	1,052,636	1,034,938	1,075,566	2.2%	3.9%
Travel, regular	42,028	44,107	44,000	46,000	45,000	2.3%	-2.2%
Travel, Plenary	29,558	23,209	25,000	25,000	27,000	8.0%	8.0%
Total Travel	71,586	67,316	69,000	71,000	72,000	4.3%	1.4%
Research Associate Program	27,040	25,048	25,000	25,000	26,000	4.0%	4.0%
Regional Technical Seminar	9,468	9,782	10,000	8,000	10,000	0.0%	25.0%
Review Article		0	0		0		
Secretariat Training	4,227	4,937	5,000	4,800	5,000	0.0%	4.2%
Training and Support	40,735	39,767	40,000	37,800	41,000	2.5%	8.5%
Data Services	17,658	10,201	12,240	11,900	12,138	-0.8%	2.0%
Courier	635	631	816	800	816	0.0%	2.0%
Mailing the Review	1,340	1,474	1,530	1,400	1,428	-6.7%	2.0%
Mailing SCM documents	6,425	6,450	4,386	4,900	4,998	14.0%	2.0%
Postage Meter	773	816	832	900	918		2.0%
Mailing the Recorder	1,406	1,506	2,346	1,500	1,530	-34.8%	2.0%
Mailing Plenary documents	6,326	6,548	5,508	5,100	5,202	-5.6%	2.0%
Mailing Proceedings	660	800	510	750	765	50.0%	2.0%
Telephone	10,097	10,328	9,180	9,500	9,690	5.6%	2.0%
Fax	6,157	9,178	9,792	9,000	9,180	-6.3%	2.0%
Total Communications	51,477	47,932	47,140	45,750	46,665	-1.0%	2.0%
Audit & Legal	8,500	9,316	9,500	9,200	9,384	-1.2%	2.0%
Equipment Purchases	35,598	46,209	39,693	50,900	35,000	-11.8%	-31.2%
Furniture	847	2,040	2,081	2,000	2,040	-2.0%	2.0%
Insurance-office	860	2,548	1,530	2,000	2,040	33.3%	2.0%
Insurance-travel accident	1,560	0	0	0			
Insurance-worker's comp.	3,743	1,297	3,108	3,400	3,468	11.6%	2.0%
Representation	3,044	3,054	3,774	2,500	2,550	-32.4%	2.0%
Subscriptions	5,409	2,702	5,100	4,000	4,080	-20.0%	2.0%
Copying	3,627	3,780	4,080	4,000	4,080	0.0%	2.0%
Supplies	8,664	7,737	8,466	8,100	8,262	-2.4%	2.0%
Misc.	5,344	6,285	5,202	5,600	5,712	9.8%	2.0%
Total Office	77,196	84,968	82,534	91,700	76,616	-7.2%	-16.4%
Printing the Review	3,209	3,170	2,856	3,000	3,060	7.1%	2.0%
Printing Statistics	4,134	4,190	4,274	4,300	4,386	2.6%	2.0%
Printing the Recorder	2,700	2,325	3,366	2,500	2,550	-24.2%	2.0%
Printing SCM Docs.	3,957	4,440	4,590	4,200	4,284	-6.7%	2.0%
Printing Plenary Docs.	20,609	22,737	21,000	20,525	20,936	-0.3%	2.0%
Printing Proceedings	2,530	3,179	4,100	3,200	3,264	-20.4%	2.0%
Total Printing	37,139	40,041	40,186	37,725	38,480	-4.2%	2.0%
Language Services	48,540	46,590	49,980	49,000	50,960	2.0%	4.0%
Language Services Proceedings	6,248	6,876	7,010	6,557	6,819	-2.7%	4.0%
Plenary Mtg. Interpreters	49,696	33,432	50,000	44,800	50,000	0.0%	11.6%
Total Language Services	104,484	86,898	106,990	100,357	107,779	0.7%	7.4%

Occupancy	81,268	86,952	90,259	96,400	99,292	10.0%	3.0%
Disbursements from Established Sources	1,387,839	1,462,821	1,528,746	1,515,670	1,557,398	1.9%	2.8%
Travel Reimbursement	6,473	7,629	10,000	13,136	10,000	0.0%	-23.9%
Equipment	1,000	1,000	1,000	1,000	1,000	0.0%	0.0%
Marketing	527	371	8,000	1,000	1,000	-87.5%	0.0%
Expenditures under the BP	16,379	10,055	26,000	28,614	50,000	92.3%	74.7%
Total Disbursements under BP	24,379	19,055	45,000	43,750	62,000	37.8%	41.7%
FAO & CFC Special Projects	10,456	23,640					
Total Disbursements	1,422,674	1,505,516	1,573,746	1,559,420	1,619,398	2.9%	3.8%

Table 2

**ICAC Business Plan Revenue Projections
June 2, 2004**

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1. Pay-per-View	0	0	0	0	1,000	2,000
2. Subscription Sales, Regular Publications	75,997	59,434	57,342	44,500	50,000	56,000
3. Publication Sales, special				42,000	19,000	
3. Partnerships on the Web	0	5,000	0	0	0	0
4. Plenary Registration Fees	41,590	21,705	31,910	11,250	15,000	35,000
5. Travel Cost Recovery	15,407	2,493	7,629	13,136	10,000	10,000
6. CFC Travel Cost Recovery	1,514	3,980	0	0	0	0
7. Trade Booths	9,949	3,500	7,000	6,285	8,000	10,000
8. Research Ass. Program Tuition	3,500	2,400	0	1,525	3,000	2,000
9. Research Services	3,600	0	0	12,963	5,000	0
10. Seminar and other revenue			925			
Total Revenue	151,557	98,512	104,806	131,659	111,000	115,000
Less base Publication Sales	53,605	53,605	53,605	53,605	53,605	53,605
Less base Plenary Registration Fees	19,500	19,500	19,500	19,500	19,500	19,500
Less Travel cost Recovery (self-allocated)	16,921	6,473	7,629	13,136	10,000	10,000
Less Subscription equipment and software	7,000	1,000	1,000	1,000	1,000	1,000
Less Marketing Expenses	6,000	527	371	1,000	1,000	1,000
Plus carryover from previous year		32,152	39,504	33,591	27,009	904
Amount Available for Allocation	48,531	49,559	62,205	77,009	52,904	30,799

Expenditures Linked to Business Plan Initiatives

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Fiber Consumption Survey	0	0	460	15,000	10,000	0
World Cotton Research Conferences	1,909	0	0	0	4,000	6,000
Regional Networks	0	0	0	3,000	4,000	4,000
Membership Development -- SCM Travel	1,992	1,963	1,514	2,000	2,000	2,000
Education Programs, conferences, workshops	0	2,102	2,040	5,000	6,000	6,000
Expanded Recorder	2,000	2,000	2,000	3,000	4,000	4,000
Consultant, Cotton Promotion Activities			20,000	20,000	20,000	
Consultant, Database Development	10,478	3,990	2,600	2,000	2,000	2,000
Total Expenditures	16,379	10,055	28,614	50,000	52,000	24,000
Carryover to next year	32,152	39,504	33,591	27,009	904	6,799

Table 3

Projected Cash Flow

June 2, 2004

	2000-01	2001-02	2002-03	2003-04 Projected	2004-05 Proposed
Total funds beginning of period	368.166	605.486	467.597	319.742	430.981
Revenue from Business Plan Initiatives:					
Publications	75.997	59.434	57.342	86.500	70.000
Observer Fees	41.590	21.705	31.910	11.250	15.000
FAO & CFC Special Projects		10.456	23.640		
Other	33.970	17.373	15.555	33.909	26.000
Total	151.557	108.968	128.447	131.659	111.000
Other Non-Assessment Revenue:					
Interest Income	26.466	11.275	5.577	4.000	5.000
Assessment Income:					
Current Year	746.400	800.937	930.359	1,113.000	1,125.000
Past Years	323.009	343.705	293.278	387.000	390.000
Advance	136.350	19.900	0.000	35.000	35.000
Total receipts	1,383.782	1,284.785	1,357.661	1,670.659	1,666.000
Expenses (including Business Plan activities)	1,146.462	1,422.674	1,505.516	1,559.420	1,619.400
Total funds end of period	605.486	467.597	319.742	430.981	477.581
Reserve fund	379	379	367	367	367
Working fund	226	89	-47	64	111
Reserve fund % of Expenses	33.1%	27%	24%	24%	23%
Working fund % of Expenses	19.8%	6%	-3%	4%	7%
Calculation of Assessments:					
Expenses (including Business Plan activities)					1,619.400
Less revenue from the Business Plan					111.000
Less Interest Income					5.000
Plus: Shift to the Reserve Fund					0.000
Assessment	1,193.0	1,289.8	1,345.8	1,433.7	1,503.400

Table 4

Calculation of the Scale of Assessments for 2004-05

The calculation of assessments is made in accord with
Article II, Section 4 a, of the Rules and Regulations of the ICAC.

	Average Trade 1999/00-2002/03 000 Tons	Equal Contribution US\$	Prorata Assessment US\$	2004-05 Assessment* US\$	2003-04 Assessment* US\$
ARGENTINA	74	14,669	7,855	22,500	26,500
AUSTRALIA	696	14,669	73,881	88,600	89,200
BELGIUM	78	14,669	8,280	22,900	21,700
BENIN	146	14,669	15,498	30,200	21,000**
BRAZIL	243	14,669	25,795	40,500	41,400
BURKINA FASO	121	14,669	12,844	27,500	25,700
CAMEROON	80	14,669	8,492	23,200	21,900
CHAD	64	14,669	6,794	21,500	20,400
CHINA (TAIWAN)	285	14,669	30,253	44,900	44,500
COLOMBIA	58	14,669	6,157	20,800	19,800
COTE D'IVOIRE	126	14,669	13,375	28,000	28,300
EGYPT	119	14,669	12,632	27,300	24,700
FINLAND	0	14,669	0	14,700	13,700
FRANCE	99	14,669	10,509	25,200	25,300
GERMANY	142	14,669	15,073	29,700	29,200
GREECE	286	14,669	30,359	45,000	44,100
INDIA	383	14,669	40,656	55,300	46,700
IRAN	8	14,669	849	15,500	13,900
ISRAEL	23	14,669	2,441	17,100	16,800
ITALY	286	14,669	30,359	45,000	44,500
KOREA, REP.	331	14,669	35,136	49,800	48,400
MALI	155	14,669	16,453	31,100	31,200
NETHERLANDS	7	14,669	743	15,400	14,400
NIGERIA		0	0	0	17,500
PAKISTAN	222	14,669	23,565	38,200	38,200
PARAGUAY	69	14,669	7,324	22,000	20,900
PHILIPPINES	47	14,669	4,989	19,700	18,900
POLAND	61	14,669	6,475	21,100	20,100
RUSSIA	314	14,669	33,331	48,000	43,600
SOUTH AFRICA	40	14,669	4,246	18,900	17,600
SPAIN	64	14,669	6,794	21,500	21,700
SUDAN	56	14,669	5,944	20,600	18,900
SWITZERLAND	24	14,669	2,548	17,200	16,500
SYRIA	191	14,669	20,275	34,900	36,300
TANZANIA	41	14,669	4,352	19,000	17,200
TOGO	62	14,669	6,581	21,300	19,600
TURKEY	562	14,669	59,657	74,300	66,900
UGANDA	18	14,669	1,911	16,600	15,500
UNITED KINGDOM	2	14,669	212	14,900	14,000
USA	1,993	14,669	211,558	226,200	182,500
UZBEKISTAN	826	14,669	87,680	102,300	103,400
ZIMBABWE	97	14,669	10,297	25,000	24,100
Total of Above	8,499	601,448	902,172	1,503,400	1,433,700
Average Assessment				36,668	34,136

* Rounded to nearest \$100

** New Member, assessment for 2003-04 was for three quarters.