



# International Cotton Advisory Committee

**Attachment 6**

**Draft Budget 2020-21  
564<sup>th</sup> Meeting of the Standing Committee**

**16 April 2020  
Virtual Meeting on GoToMeeting  
<https://global.gotomeeting.com/join/237405149>**



**Attachment 6 to SC 564  
16 April 2020**

**For Discussion/Decision**

## **REVIEW OF BUDGET AND ASSESSMENT FEES FOR 2020/21**

### **Purpose**

The purpose of today's agenda item is to reach consensus on the following;

1. To recommend to the Standing Committee the budget for 2020/21.
2. To recommend the assessment fees for 2020/21 including membership for 2020/21.
3. To recommend the level of reserves for 2020/21

### **Introduction**

This note includes the recommendations of the Subcommittee on Budget, which met on Wednesday 8 April to consider the budget and assessment fees for 2020/21.

The agreed assessment fees for 2020/21 need to be circulated to ICAC members by the beginning of June and therefore the proposed ICAC budget and the resulting assessments need to be agreed upon by the Standing Committee before 1 June each year. The ICAC fiscal year is from 1 July – 30 June.

There are two main aspects to the budget setting process:

1. The setting of the operational budget which forms the base for the assessment fees.
2. The business plan: Here, disbursements are proposed against a proposed income figure, which is derived from income from private sector sources and is used to pay for travel to non-member countries (membership development) as well as to fund projects. This is consistent with the Standing Committee recommendation in 2012-13 that all revenue from the Business Plan be devoted to special projects, which was consistent with the original recommendation from the PSAP in 2001.

The assessment fee is directly linked to the total amount of the approved budget and is made up of two parts. A fixed amount, which represents 40% of the total amount divided by the number of Members and a variable amount linked to the remaining 60%. This 60% is linked to the average amount of cotton traded by each Member over the previous 4 years. At the Plenary Meeting in Brisbane in December, it was agreed to suspend Sudan and under the new rules, which require the Standing Committee to consider suspension of Members who are 2 years in arrears at their April Meeting, there are currently two Members who have not paid assessment fees for the last two years; Cameroon and Zimbabwe and a further two members who have only made a partial payment against one of the last two years; Brazil and Tanzania. Efforts are ongoing to encourage these members to pay at least one year's outstanding assessment fees. However, the impact of dividing the budget by 27 or even 25 Members instead of 29 to reach the fixed contribution cannot be underestimated.

Previously, I have explained that it would take three budgets to instill the sort of budget oversight and understanding to ensure that forecasted budget lines remain within +/- 5% of their agreed amounts. This budget is the third under the system of zero based budgeting



and builds on providing maximum transparency and understanding on how each budget line is achieved.

### **Budget Methodology**

In setting the budget for 2020/21 I have continued to adopt an approach that allows for budget transparency and enforces budget discipline. By ensuring budget transparency, questions can be raised about whether efficiencies can be achieved and whether budget lines have been tested for 'value added', i.e. whether services can be provided cheaper. However, a budget must reflect the needs of the organisation and its aims and objectives under the Strategic Plan.

The approach taken to this budget is often called 'Zero Based Budgeting'. Zero-Based Budgeting (ZBB) is a method of budgeting in which all expenses must be justified for each new period. The process of zero-based budgeting starts from a "zero base," and every function within an organization is analysed for its needs and costs. It does not mean zero growth. The key point to take away from this method is sometimes the budget will increase and sometimes it could decrease depending on the needs of the organisation and therefore there can be changes to the major cost lines each year.

The responsibility of the Budget Subcommittee is therefore to establish whether the costs have been tested thoroughly and are justified and in line with the Strategic Plan. Therefore, the aim **MUST NOT** be focused on a reduction of the budget year after year nor should it be focused on prohibiting increases but rather to ensure that the budget meets the needs of the organisation. ZBB needs to be part of a Balanced Scorecard approach and linked to the Key Performance Indicators (KPI) that have been agreed arising out of the Strategic Plan. When looking at the proposed budget for 2020/21 there are some key points that need to be taken into account;

- a) These are difficult times and some past performance on budget lines and even future budget lines have been affected by the Covid-19 pandemic. For example, all travel has been put on hold since February, yet many trips and hotels were paid for in advance and we are still waiting for refunds on a number of flights. All pre booked hotels have refunded any money paid in advance. Looking ahead, we still do not know when travel restrictions will be lifted and whether it will be feasible or even realistic to continue with planned travel for 20/21. The Plenary Meeting will however, be postponed until November 2021 which has meant a saving associated with Plenary Meeting budget lines which has significantly reduced the overall budget total.
- b) Income into the budget is simple – the assessment fees. For the operational budget, income is only derived from assessment fees and the equation is simple; budget = total assessment fees. The ICAC does however, receive other items of revenue derived from non Member sources and these are detailed in the Business Plan explained separately.
- c) The approach to unbudgeted or unplanned costs is that they will need to be approved by the Executive Director and reported to the Budget Subcommittee if minor, and costs over a certain amount need to be reported for approval to the Budget Subcommittee and Standing Committee for approval.
- d) There are only two expense lines where real savings could be made; salaries (and associated benefits) and travel which are covered in more detail below. The salaries are



closely linked to the amount of benefits the ICAC pays in terms of retirement benefits (22% of salary) and health related benefits (Health, disability, Accidental Death, Life) where ICAC pays 2/3 of the costs.

- e) All other budget lines associated with running the organisation are at the most cost efficient or, if further savings could be identified, those savings would be minimal and have no real impact on the overall budget.
- f) It is not possible to reduce the cost of occupancy as the organisation renewed its lease for a further 11 years in 2016. In fact, the organisation needs a bigger office space or to be more accurate a refurbished office space that accommodates increased numbers of staff. The current configuration doesn't allow for much if any staff expansion as detailed in the Strategic Plan.

## **Budget Overview**

### **Salaries and Benefits**

This cost centre is showing an increase of 6% compared to the projected outturn and an 8% increase on the 19/20 budget. This is an area where there is going to be some turnover in the next year with one Full Time Member of staff due to retire in December and a replacement required for him. I have also included provision for a Full Time Member of staff to cover textiles to join from 1 January 2021. In salary and benefit terms, the retirement of one Full Time Member of staff and the recruitment of two Full Time members of staff will result in an additional cost of about \$5-\$10K thanks largely due to the savings on benefits, the amounts of which are largely age related. In addition, one Part Time member of staff who replaced Carmen Leon last year has been made Full Time to handle increased workloads. The Secretariat now has a total of three Full Time administrators.

In addition, the salaries increase reflects a pay rise of 2.3% equating to the average CPI inflation rate over the past year in the Washington D.C. Metro area based upon the UN pay scales and local UN cost of living index figures. Therefore salaries continue to keep pace with inflation but have not been benchmarked to comparative salaries in other organisations. There have been no provisions for bonuses as outlined in the Reward Management Policy agreed by the Standing Committee as performance against the Strategic Plan will not be evaluated until December 2020. However, there has been an uplift of 1% in salaries to provide a small amount of bonuses in accordance with the Reward Management Policy. All members of staff have benefits associated with their salaries such as pension and health, life and disability insurance. Health insurance in particular is expensive in the United States and the ICAC health provider has already informed the organisation to expect a 17% increase from July. Providers of life, accidental death and disability insurance locked their rates until February 2020 but have now indicated that price rises will be 7% or 7.5%. So, whilst in the past we did not see much rise in rates over the last couple of years we are now going to experience large increases in prices.

Finally, there is a line titled 'taxes, net of USA reimbursement'. This line reflects the fact that the ICAC pays the federal and state taxes associated with its US taxpayers on the staff. The federal amount of these taxes are reimbursed by the US government at a later stage. This can take many months. The reimbursement equates to 60% of the amount of taxes paid by the organisation on behalf of US taxpayers on staff. The figure of \$53,347 in the budget equates to the difference between the amount paid out and the amount reimbursed. This 'cost' of 40% will increase as salaries increase and also if more US taxpayers are



salaried on the staff. In this case, Zane Rowland who is a US Citizen was made a Full Time member of staff and therefore entitled to receive tax rebates. This amounted to an additional cost in this area. Andrei Guitchounts will retire in December and from January 2021 onwards there will be a saving. Our accountants inform me that it is difficult to predict in advance people's tax liabilities as personal circumstances change as do tax rates etc. The figure of \$53,347 is considered to be conservative.

### **Travel**

The travel budget has been notoriously difficult to fully predict and even more so to keep within as there are usually a number of unplanned visits during the year and estimating the costs of future flights depends on the routes, the time of year and the airline. Consideration has been given into putting in a contingency in the budget to cover this but I prefer to monitor performance against budget and to seek approval for additional, unplanned trips as this leads to greater budget discipline.

The increase in the budget line reflects the fact that there has been great understanding and scrutiny of the costs and more awareness of the number of regular trips undertaken by staff. In this travel plan the number of trips to member countries has been reduced but still reflects the ICAC commitment to visit members at least once every three years. Trips to non-member countries (\$9,743) have been placed in the Business Plan. All figures for each travel line are actual costs for economy class travel obtained via sky scanner and also include hotel and subsistence costs at \$150 a day. An uplift amounting to 1/3 of the flight costs has been added to all international flights to account for an increase in costs at the time of booking, which will be several months ahead of the date when the quotations for these flights were obtained in preparing for this budget. Costs do not include any possible entitlements that may arise under the Travel Policy as they require the approval of the Executive Director who will consider performance against the travel budget.

### **Assessment Fees**

The agreed budget figure forms the basis of the assessment fees payable by members. Assessments for each member are based on a formula contained in Article II of the Rules and Regulations. Assessments for individual members will vary by the amounts of imports and exports of cotton lint during 2015/16 through 2018/19. As the assessment fees cover the operational costs of the organisation, income from assessment fees must equal the budgeted operational costs. Therefore, loss of members means that the share of the operational costs, i.e. the assessment fee, will increase for the remaining members. In addition, an increase in production of cotton resulting in increased exports will also result in an increase of the assessment fee.

Members who fail to pay their assessment fees or pay late, risk causing the organisation a cash flow problem and we have addressed the risk of including suspended members within the budgetary process by insisting that no member shall be two years in arrears at the time of agreeing the budget. Currently there are two members at risk of being suspended – Cameroon and Zimbabwe and two countries who have only made partial payments against one of the two years outstanding, Brazil and Tanzania. In all cases, I have been in contact with the relevant authority and assurances have been made that payments will be forthcoming.





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**It is recommended that notice be given to Zimbabwe and Cameroon of the intention to suspend and that the assessment calculations for 2020/21 exclude both these countries. Should payment be received by 31 May then the assessment fees will be re-calculated accordingly to reflect the increased membership.**

#### **Reserve Fund**

The Reserve Fund is money held separately to cover the costs of liquidating the organisation and includes salaries based on a month's net pay per year of service up to a maximum of 12 months pay, relocation costs and the rent liability.

What has become evident is that this figure can differ wildly each year as long serving staff members change and if staff are recruited from abroad. For example, the organisation needs to make 12 months salary provision for a staff member who has served over 12 years and also provide relocation expenses for staff recruited from abroad who need to return to their original country. So the resignation or retirement of long serving staff will significantly reduce this reserve fund figure.

Last year it was agreed to raise the amount in the Reserve Fund to cover then staff liabilities but to do this would have required an injection of capital of about \$200,000 which would have left the organisation with a cash flow problem. So this has still not been done and the staff liabilities under the Reserve Fund have increased again this year to \$528,000 but will significantly decrease from January next year as a long time member of staff retires.

The Subcommittee on Budget discussed options including having a reserve fund that was linked to operating costs only and they agreed that it was paramount that the Reserve Fund covered the costs of liquidating the organisation and covering the liabilities owed to members of staff. Should liabilities under the Reserve Fund decrease then money can be released back into the general fund. Discussion is still required as to how to fund any additional top up required in the Reserve Fund whilst not creating a cashflow problem.

The current level of reserves (\$237,013) equates to less than two months operational costs and it would therefore be prudent to agree an amount of money each year to gradually increase the Reserves to the required level and whether this should be included within the overall budget.

#### **Plenary Meeting**

The ICAC has received notice from the government of Spain to postpone the Plenary Meeting until November 2021. Article III of the ICAC Rules and Regulations outlines the terms and responsibilities of the Advisory Committee. The Advisory Committee would NORMALLY meet once a year during the Plenary Meeting and the Secretariat is drawing up plans to hold a short virtual meeting to also include reports from the Chair and Executive Director and updates from staff. At this meeting the Advisory Committee would normally confirm the Officers for the ensuing year, confirm the Technical and PSAP topics to be discussed at the next plenary and consider any changes to the Rules and Regulations or strategic issues.

The Subcommittee on Budget also suggested that consideration should also be given to holding a 1 – 1 ½ day meeting in Washington hosted by the United States of America. This would also incur additional costs surrounding translation of documents etc. which would need to be factored into the budget. The additional costs associated for this meeting would be \$15,500 for the written translation of the documents.



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However, according to Article 3 Section 3 of the Rules and Regulations, *“An invitation from a Member to the ICAC offering to host a meeting of the Advisory Committee shall be extended with the understanding that delegations from all Members are entitled to attend and participate in the meeting, if they so desire.”* This means that Interpretation might be required for non-English-speaking member unless the Standing Committee exercise article 10, section 2a to hold the meeting in English only. *“For meetings of the Advisory Committee, a) The Standing Committee shall decide what interpreting facilities the ICAC will provide. The ICAC shall not incur unbudgeted expenses in connection with these facilities.”* If interpretation is also required, the total expenses for 1 ½ day for the ICAC will be \$39,300.

### **Recommendations**

It is recommended that the budget for 2020/21 is agreed as set out in the attached papers. It is recommended that the Standing Committee agree the level of assessment fees as set out in the attached paper.

It is recommended that Zimbabwe and Cameroon be suspended from membership from 1 July 2020 unless payment of funds to cover at least one assessment year is received by 31 May 2020.

It is recommended that the Standing Committee agree on a figure to be placed into the Reserve Fund and whether this should be included in the overall budget for 2020/21.

**Kai Hughes  
Executive Director**

**8 April 2020**

**Table 1**  
**ICAC Expenditures**

	2017-18 Final	2018-19 Final	2019-20 Jul-Jun Budget	2019-20 Jul-Mar Expense	2019-20 Jul-Jun Estimate	2020-21 Budget Proposed	Proposed- Budget % chng.	Proposed- Projected % chng.	Monetary Change
<b>Disbursements</b>									
1 Total Salaries & Bonuses	681,710	774,037	751,845	567,028	767,729	814,877	8.4%	6.1%	63,032
2 Severance Pay and Relocation	0	0	0	9,462	9,462	30,000	---	217.1%	30,000
3 New Employee Search	38,862	0	0	0	0	0	---	---	0
4 Consultant	98,054	999	5,000	4,500	4,500	5,500	10.0%	22.2%	500
5 Health Ins.	132,214	151,635	139,587	83,446	112,230	148,267	6.2%	32.1%	8,680
6 Life Ins. and DA&D	5,563	6,590	5,810	6,806	9,072	8,154	40.4%	-10.1%	2,344
7 Disability Ins.	4,748	5,439	4,749	6,086	7,040	6,524	37.4%	-7.3%	1,775
8 Retirement	156,956	188,362	174,181	146,194	189,754	157,489	-9.6%	-17.0%	-16,692
9 Retirement Plan Administrators	3,038	5,000	8,500	5,000	8,500	8,500	0.0%	0.0%	0
10 Taxes, net of USA reimbursement	104,664	29,049	43,332	63,230	40,000	53,347	23.1%	33.4%	10,015
<b>Total Salaries and Benefits</b>	<b>1,225,809</b>	<b>1,161,111</b>	<b>1,133,004</b>	<b>891,753</b>	<b>1,148,287</b>	<b>1,232,659</b>	<b>8.8%</b>	<b>7.3%</b>	<b>99,655</b>
11 Travel, regular	146,079	70,624	61,540	51,099	51,099	81,890	33.1%	60.3%	20,350
12 Travel, Plenary	45,381	44,982	40,000	52,000	52,000	0	-100.0%	-100.0%	-40,000
<b>Total Travel</b>	<b>191,460</b>	<b>115,606</b>	<b>101,540</b>	<b>103,099</b>	<b>103,099</b>	<b>81,890</b>	<b>-19.4%</b>	<b>-20.6%</b>	<b>-19,650</b>
13 Research Associate Program	7,000	35,904	35,000	35,646	35,646	0	-100.0%	-100.0%	-35,000
14 World Cotton Research Conf./Regional Tech. Seminar	13,578	0	20,000	13,903	13,903	35,000	75.0%	151.7%	15,000
15 Review Article	0	0	0	0	0	0	---	---	0
16 Other	0	0	0	0	0	0	---	---	0
17 Secretariat Training	2,698	3,555	5,000	20	20	5,000	0.0%	24900.0%	0
<b>Training and Support</b>	<b>23,276</b>	<b>39,459</b>	<b>60,000</b>	<b>49,569</b>	<b>49,569</b>	<b>40,000</b>	<b>-33.3%</b>	<b>-19.3%</b>	<b>-20,000</b>
18 Data Services	3	564	7,339	5	5	12,309	67.7%	246080.0%	4,970
19 Courier	778	248	690	0	0	500	-27.5%	---	-190
20 Mailing the Review	2,431	860	1,200	323	673	1,200	0.0%	78.3%	0
21 Mailing SCM documents	1,460	1,330	0	158	158	0	---	-100.0%	0
22 Postage Meter	1,743	1,928	1,532	2,425	2,725	849	-44.6%	-13.3%	-683
23 Mailing the Recorder	811	1,221	1,000	479	979	1,000	0.0%	1049.4%	0
24 Mailing Plenary documents	5,814	910	2,200	87	87	0	-100.0%	-100.0%	-2,200
25 Telephone	15,752	13,346	4,360	4,787	6,300	7,565	73.5%	-30.8%	3,205
<b>Total Communications</b>	<b>28,792</b>	<b>20,407</b>	<b>18,321</b>	<b>8,263</b>	<b>10,927</b>	<b>23,423</b>	<b>27.8%</b>	<b>114.4%</b>	<b>5,102</b>
26 Audit and legal services	13,085	17,830	18,000	13,653	21,653	18,000	0.0%	-16.9%	0
27 IT Purchases & Software	18,074	13,515	10,540	4,683	7,000	7,200	-31.7%	2.9%	-3,340
28 IT Programming Assistance & Web Site	17,805	5,500	8,500	0	0	3,000	-64.7%	---	-5,500
29 IT Infrastructure Support	30,170	49,422	43,600	35,013	45,631	51,394	17.9%	12.6%	7,794
30 Accounting / Banking Fees	39,789	41,721	39,789	35,035	47,035	39,789	0.0%	-15.4%	0
31 Furniture	0	0	5,000	0	0	5,000	0.0%	---	0
32 Insurance-worker's comp.	2,889	-6,122	3,812	1,355	6,355	3,812	0.0%	-40.0%	0
33 Representation	616	7,217	3,000	5,266	5,266	5,000	66.7%	-5.1%	2,000
34 Subscriptions	7,230	6,564	3,667	8,289	8,289	3,627	-1.1%	-56.2%	-40
35 Copying	5,607	3,120	3,312	2,413	3,013	3,615	9.1%	20.0%	303
36 Supplies	6,210	5,548	3,700	4,511	5,511	4,503	21.7%	-18.3%	803
37 Plenary Meeting Supplies	0	4,001	3,340	787	787	0	-100.0%	-100.0%	-3,340
<b>Total Office</b>	<b>141,475</b>	<b>148,316</b>	<b>146,260</b>	<b>117,006</b>	<b>150,540</b>	<b>144,940</b>	<b>-0.9%</b>	<b>-3.7%</b>	<b>-1,320</b>
38 Printing the Review	1,098	1,836	1,730	548	948	1,782	3.0%	88.0%	52
39 Printing Other Statistical Reports	0	0	0	0	0	0	---	---	0
40 Printing the Recorder	1,978	3,479	2,200	859	1,659	2,266	3.0%	36.6%	66
41 Printing SCM Docs.	547	0	0	0	0	0	---	---	0
42 Printing Plenary Docs.	10,144	1,755	3,960	823	1,700	0	-100.0%	-100.0%	-3,960
43 Printing Proceedings	0	282	320	0	0	0	-100.0%	---	-320
<b>Total Printing</b>	<b>13,767</b>	<b>7,352</b>	<b>8,210</b>	<b>2,230</b>	<b>4,307</b>	<b>4,048</b>	<b>-50.7%</b>	<b>-6.0%</b>	<b>-4,162</b>
44 Language Services	70,963	53,788	62,700	27,593	36,790	51,453	-17.9%	39.9%	-11,247
45 Language Services Proceedings	1,088	5,223	8,200	13,007	13,007	0	-100.0%	-100.0%	-8,200
46 Plenary Mtg. Interpreters	63,129	69,762	62,144	60,034	60,034	0	-100.0%	-100.0%	-62,144
<b>Total Language Services</b>	<b>135,180</b>	<b>128,773</b>	<b>133,044</b>	<b>100,634</b>	<b>109,831</b>	<b>51,453</b>	<b>-61.3%</b>	<b>-53.2%</b>	<b>-81,591</b>
47 Occupancy	130,351	136,427	152,320	114,438	140,152	155,509	2.1%	11.0%	3,189
<b>Disbursements from Established Sources</b>	<b>1,890,110</b>	<b>1,757,451</b>	<b>1,752,699</b>	<b>1,386,992</b>	<b>1,716,712</b>	<b>1,733,922</b>	<b>-1.1%</b>	<b>1.0%</b>	<b>-18,777</b>
<b>Expenditures under the Bus. Plan</b>	<b>21,731</b>	<b>62,707</b>	<b>98,918</b>	<b>575,052</b>	<b>600,000</b>		<b>-100.0%</b>	<b>-100.0%</b>	
<b>Total Disbursements</b>	<b>1,911,841</b>	<b>1,820,158</b>	<b>1,851,617</b>	<b>1,962,044</b>	<b>2,316,712</b>	<b>1,733,922</b>	<b>-6.4%</b>	<b>-25.2%</b>	



## Remarks

- 1 KH: Loss of one FT member of staff in December due to retirement. Includes one FT member of staff to replace. Recruitent of Textile Economist. One PT member of staff made FT. Pay rise in line with inflation at 2.3% using UN pay scales. 1% added to guarantee staff bonuses law with approved Reward Management Policy.
- 2 KH: No planned redundancies. Allowing for relocation expenses for two new members of staff at \$15K each
- 3 KH: Replacement for AG to be handled through press releases and internal selection process.
- 4 KH: CT: Consultant for Strategic Away Day. Include provision for Strategic Away Day
- 5 KH: CT: 17% increase – Andei (6 months)+Kai+Keshav+Mike+Yana+Lorena+ Caroline+Lihan+Zane+Textile (6 months)+AG sucesor (9 months)
- 6 KH: CT: 7% increase – Andei (6 months)+Kai+Keshav+Mike+Yana+Lorena+ Caroline+Lihan+Zane+Textile (6 months)+ AG successor (9 months)
- 7 KH: CT: 7.5% increase – Andei (6 months)+Kai+Keshav+Mike+Yana+Lorena+ Caroline+Lihan+Zane+Textile (6 months)+ AG successor (9 months)
- 8 KH: Includes reduction of one member of staff in Dec, Addition of two staff from 1 Oct and 1 Jan and projected increase of 2.3% in salary
- 9 KH: Annual bill of \$3500 for Kai Nonce the plan administrator, \$5000 for Mary Anne Whitaker the pension advisor, \$2500 payable every 6 months (march and September)
- 10 KH: US Government reimburses federal tax pay outs but not State and may not be in this fiscal year. Reimbursement figure is 60% of tax paid out. Figures include 2.3% pay increase and include one extra US national
- 11 KH: Figures include actual flight details as at April 2020 at economy prices, uber costs to airport, hotel costs at \$100 a day and subsistence costs at \$50 a day. An additional uplift of 1/3 has been added to account for fare changes.
- 12 KH: PM postponed
- 13 KH: No Research Assoicate Programme held when WCRC is held
- 14 KH: Regional Technical Seminars planned for July (Uzbekistan) and August (Peru). Regional seminars held every two years
- 15 KH: No article planned
- 16 Obsolete
- 17 KH: Training allowing for \$500 per person based on 10 persons ( recruiting additional member of staff later in 2019)
- 18 LR: Research data TDM (\$3,500) & (\$3000), Geopolitical futures (\$89), PCI Wood Mackenzie Ltd Chemical Fibre Report (\$5,720 previously under the business plan)
- 19 KH: QMS (Quick Messenger Service) and general mailing based on last year + fedex and UPS
- 20 CT: Based on 3 issues with 20 pages each and a 32 page issue for the PM issue (20% more for the languages). No postage increase projected.
- 21 KH: We don't mail SCM papers out anymore unless specifically asked to do so.
- 22 KH: Lease \$283 per quarter. Postage to mail invitation cards/letters (\$0). The lease is locked in for 3 years starting 2018 ending Feb 2021
- 23 CT: Based on 4 issues of the Recorder of 24 pages each for english (20% more for the languages). No postage increase projected.
- 24 CT: We are no longer shipping boxes for the Plenary. The cost of carrying the 2 suitcases will be computed in Plenary Travels (2 ways)
- 25 CT: LR Skype for business for 12,5 stations (\$5325); Annual International calls (\$500 ) through OSibeyond, Kai's Cellphone (\$120 monthly basic plan + \$25 Monthly International calls)
- 26 KH: Audit fees \$7K. Out turn includes projected legal fees of \$5000 to renew our tax free status and fees to register IP.
- 27 CT: Tableau data analitical and visualisation tool (\$840), 3 laptops (docking system) at \$2100 each, Power adapters (5'80), other supplies (cables, adpaters, flash drives) \$500
- 28 CT: Additional work on the website. New WCD website
- 29 CT: (\$35,412) OSibeyond + (\$7,800) Cognent— 50Mb Internet +( \$2558) Microsoft Azure –Web hosting + (\$144) AWS Amazon + \$180 TopoicBox + (\$5,000) IT Emergency
- 30 KH: Accounting fees \$33,000 annually or \$2750 monthly. Banking fees \$6789 last year + \$199 payroll check (fee from quickbooks). Extra cost required if move to accruals.
- 31 KH: ED needs a new Chair and office table chairs plus new desk for additional staff
- 32 KH: Annual payment in July. Workers compensation operates on a formula against total payroll. Estimating \$2612. Office Insurance \$1200
- 33 KH: Local hospitality, gifts, meals, coffee for office, local uber etc
- 34 YP: GoToMeeting (\$348), CNCotton (\$1000), EcoTextile (\$243), Stock Photos (\$100), MailChimp (\$1091), Quickbooks (\$845)
- 35 CT: For Cannon printer lease \$151.23 pcm plus monthly average usage of \$150 (20% increase in the number of copies if we have 2,5 more staff)
- 36 CT: Staples/Amazon \$2000+ Quench water \$988+ Kastle security \$1,215 +SirSpeedy business card (\$300)
- 37 CT: \$200 for PM invitation envelopes + \$500 Printer for badges (cannon IP 100) and cartridges + \$500 Misc IT equipment
- 38 CT: 3% printing increase is projected in March 2020: 3 issues with 20 pages + 32 pages for the PM issue. Copy General (\$1730)
- 39
- 40 CT: Figure based on 3 issues with 20 pages each and a 32 pages for the PM issue (20% more for the languages). A paper increase of 3% is expected in March 2020. Copy General Copy General (\$2200)
- 41 CT: ICAC doesn't print copies of SCM attachements for the delegates any longer.
- 42 CT: PM postponed
- 43 CT: ICAC doesn't print copies
- 44 CT: Includes all languages (French, Arabic, Russian and Spanish). No increase of the translation rate per word is projected.
- 45 CT Includes translations in French and Spanish plus the Final Statement in 4 languages. No increase of the translation rate per word is projected.
- 46 YP:PM Postponed
- 47 KH: In accordance with lease agreement. 2020-21 = \$155,509. Lease expires March 31 2017. Provision available for base rent to increase 3% each year. Need to include utilities

**Table 4.1: Calculation of the Scale of Assessments for 2020/21 in US\$**

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

	Average Trade 15/16 - 18/19 000 Tons	Equal Contribution US\$	Prorata Assessment US\$	2020-21 Assessment US\$	2019-20 Assessment US\$	2018 - 19 Assessment US\$	2017 - 18 Assessment US\$	2016-17 Assessment US\$	2015-16 Assessment US\$	2014-15 Assessment US\$	2013-14 Assessment US\$	2012-13 Assessment US\$	2011-12 Assessment US\$	2010-11 Assessment US\$	2009-10 Assessment US\$	2008-09 Assessment US\$	2007-08 Assessment US\$	2006-07 Assessment US\$	2005-06 Assessment US\$	2004-05 Assessment US\$
1 ARGENTINA	68	25,688	6,120	31,800	30,800	31,300	29,100	30,900	25,600	24,900	23,300	22,800	22,900	21,300	21,600	20,900	20,100	21,400	22,600	22,500
2 AUSTRALIA	782	25,688	70,377	96,100	91,200	100,400	105,000	120,400	113,200	106,600	81,500	62,800	58,900	57,200	62,100	66,500	66,400	71,600	85,300	88,600
3 BANGLADESH	1,502	25,688	135,174	160,900	157,900	152,200	133,300													
4 BRAZIL	996	25,688	89,636	115,300	104,900	99,600	99,200	108,000	93,700	98,600	93,800	80,200	74,000	67,300	62,200	56,400	50,000	45,900	41,600	40,500
5 BURKINA FASO	239	25,688	21,509	47,200	49,000	51,100	46,600	45,800	38,100	36,200	35,200	36,600	42,100	40,600	42,100	41,400	35,600	33,700	31,600	27,500
6 CHAD	41	25,688	3,690	29,400	29,800	29,500	27,400	27,300	21,600	21,100	20,200	20,700	22,300	21,400	22,700	22,300	21,400	22,300	22,500	21,500
7 CÔTE D'IVOIRE	160	25,688	14,399	40,100	40,200	41,900	38,300	38,900	28,900	28,000	25,300	23,900	25,100	23,000	26,000	28,000	27,000	30,000	29,900	28,000
8 EGYPT	352	25,688	13,079	39,400	39,400	37,100	33,300	35,200	30,100	33,400	33,400	35,200	38,400	36,900	35,300	38,200	33,000	29,200	29,200	27,300
9 EUROPEAN UNION	1,699	25,688	35,908	61,600	62,200	65,100	61,700													
10 INDIA	1,429	25,688	128,604	154,300	160,500	185,600	179,800	216,400	202,700	201,300	185,600	165,200	155,900	122,500	113,100	79,300	58,300	53,200	58,300	55,300
11 KAZAKHSTAN	45	25,688	4,050	29,700	28,700	29,800	28,300	29,000	24,100	24,300	25,000	27,000	29,700	28,800	30,900	30,200	28,300			
12 KENYA	1	25,688	90	25,800	25,100	25,200	23,600	23,800	18,700	18,300	17,800	18,000	19,000	18,400	18,800	17,700	28,300			
13 KOREA, REP.	213	25,688	19,169	44,900	47,800	51,600	49,100	51,800	44,100	44,300	43,400	42,600	43,000	38,700	41,200	41,900	42,400	48,800	50,200	49,800
14 MALI	266	25,688	23,939	49,600	48,400	46,600	41,400	40,500	33,000	31,300	29,200	29,000	32,600	33,100	38,200	41,200	38,200	37,900	34,700	31,100
15 MOZAMBIQUE	26	25,688	2,340	28,000	27,200	27,300	25,300	27,500	22,200	19,200	19,300	20,000	21,300	14,700						
16 NIGERIA	30	25,688	2,700	28,400		9,469	27,697			22,200	21,700	21,800	21,100	21,700	20,400	19,000	19,400			
17 PAKISTAN	666	25,688	59,037	84,700	76,300	70,500	64,000	70,800	65,600	68,500	70,900	84,800	87,000	77,100	76,600	63,700	53,500	51,800	46,200	38,200
18 RUSSIA	43	25,688	3,870	29,600	29,600	31,500	29,600	29,900	25,300	29,100	34,500	38,400	43,600	42,000	45,000	45,200	44,100	47,100	49,800	48,000
19 SOUTH AFRICA	31	25,688	2,730	29,700	27,700	27,600	25,600	26,200	22,500	22,500	21,400	21,500	21,800	20,900	21,000	19,800	20,400	20,900	20,900	20,000
20 SWITZERLAND	2	25,688	180	25,900	25,200	25,300	23,800	24,000	19,000	18,900	18,800	17,900	18,600	17,200	17,900	16,800	18,000	17,900	17,700	17,000
21 TAIWAN	143	25,688	12,869	38,600	39,600	41,800	40,400	42,300	37,000	38,900	38,800	39,700	42,200	38,700	42,200	41,600	40,100	44,700	44,100	44,900
22 TANZANIA	32	25,688	2,880	28,600	28,900	28,800	27,300	28,300	23,200	23,300	22,800	22,700	23,400	21,800	22,900	22,100	21,700	19,900	19,000	19,000
23 TOGO	40	25,688	3,600	29,300	28,500	28,500	26,800	27,400	21,600	21,000	19,700	19,300	20,600	19,500	20,900	21,400	21,500	23,300	23,000	21,300
24 TURKEY	914	25,688	82,256	107,900	110,800	116,700	107,300	114,400	93,200	101,400	98,300	106,900	110,500	94,500	97,800	92,400	81,200	83,900	76,000	74,300
25 UGANDA	28	25,688	2,520	28,200	27,300	27,000	25,000	25,700	20,800	20,900	20,100	19,600	20,300	18,800	19,500	18,400	17,400	18,100	17,600	16,600
26 USA	2,979	25,688	268,098	293,800	287,700	275,000	244,300	276,300	280,600	312,700	331,500	351,200	334,600	330,900	337,900	339,700	321,000	309,200	274,600	226,200
27 UZBEKISTAN	343	25,688	30,869	56,600	67,300	76,900	78,800	85,000	78,200	87,400	91,300	103,300	110,700	103,200	110,900	104,700	95,800	97,600	99,000	102,300
TOTAL CURRENT MEMBE	11,560		1,040,353	1,734,200	1,752,600	1,815,400	1,700,900	1,630,900	1,435,800	1,507,700	1,473,500	1,483,200	1,493,300	1,377,400	1,403,900	1,341,100	1,251,900	1,206,000	1,168,500	1,087,800

Assesment total	1,733,922	Per 1000 tons	90.00
Number of members	27	Avq trade	428

ICAC PROJECTED TRAVEL FOR FISCAL YEAR 2020-2021							Remarks
STAFF MEMBER	DESTINATION	DATES	Number of Hotel Nights	PURPOSE	ESTIMATED COST	BUDGET SOURCE	
JULY							
Kai Hughes/Keshav	Angola, Mozambique, Tanzania	TBD	3,3,3	Member/potential member countries visit	\$12,900	Regular Travel	
AUGUST							
Kai Hughes/Andrei Guitchounts	Kazakhstan/Russia/Azerbaijan/Uzbekistan		3,3,3,3	Member countries visit	\$7,820	Regular Travel	
LR	Lubbock, Texas	TBC	2	International Cotton School	\$668	BP - ITCS pays for hotel	
SEPTEMBER							
SK/KK/KH/LR/Sean	India			Pests and Diseases shooting		GIZ	
KH/LR	Bahia, Brazil		3	ANEA Meeting	\$3,800	Business Plan	
OCTOBER							
LR	TBC	October	3	Polyester Conference	\$2,650	Business Plan	
MM, KH, KK, LR	Sharm el-Shiekh, Egypt	1-8 October	7	WCRC and World Cotton Day	\$14,640	Regular Travel	
Kai Hughes	Seoul, Korea	20-Oct	5	ITMF Conference	\$2,900	Regular Travel	
Kai Hughes	Singapore	28-Oct	3	ICA Dinner	\$2,550	Regular Travel	
NOVEMBER							
LR	Dublin, Ireland	3-6 Nov	4	Sustainable Textile Exchange Conference 2020	\$2,590	Regular Travel	
Lihan Wei	France		3	AFCOT	\$1,900	Regular Travel	
Kai Hughes	Geneva, Sitzerland		2	WTO	\$1,700	Regular Travel	
DECEMBER							
JANUARY							
LR	New Orleans	5-7 Jan	3	Beltwide Cotton Conference	\$1,625	Business Plan	
Kai Hughes/Keshav Kranthi	Togo/Nigeria/Senegal		3,3,3	Member/potential member countries visit	\$4,750	Regular Travel	
FEBRUARY							
Cotton team (AG, LW, LR, KH, KK)	Arlington, VA	18-Feb	2	USDA Agricultural Outlook Forum	\$960	Regular Travel	
MARCH							
Lorena Ruiz	Paris, France			OECD/FAO Agricultural Outlook	\$2,300	Regular Travel	
MM,LR,KK,YP	Bremen, Germany	TBD	5	Bremen Int'l cotton conference	\$9,800	Regular Travel	
LR	Lisbon, Portugal	2-4 March	3	BCI Cotton Conference	\$2,300	Regular Travel	
APRIL							
Lorena Ruiz + Keshav Kranthi	Argentina		5	Member Countries Visit	\$3,180	Travel (Hotel+food expenses paid by organisers)	
Lihan Wei	West Africa		5	African Cotton Association/PR-PICA	\$1,900		
May							
Kai Hughes (Executive Director)		TBD	2	ACSA	\$1,000	Business Plan	
JUNE							
Kai Hughes	Geneva, Sitzerland	TBD	2	WTO	\$1,000	Regular Travel	
Other trips							
Trips to the office	Mike McCue			6 SC Meetings, Away Day and Christmas Party (\$800 each)	\$6,400	Travel	

Key:

Red - Top Priority (Some red priority trips numbers oing can be reduced from two to one)

Amber - Can postpone to the fiollowing year

Green - Can postpone with minimum impact

TOTAL (minus Plenary)	\$89,333
Regular Travel Budget Total	\$79,590
Business Plan Travel Budget Total	\$9,743
Plenary Meeting Travel Budget Total	\$0