

2017 AFRINIC Budget

Haitham El Nakhal
Finance Committee Chair
Nairobi-Kenya, June 2017



Finance Committee Members

- Kris Seaburn
- Christian Bope
- Alan Barrett
- Haitham El Nakhal



Agenda

- Budget Determinants
- Financial Resources (Expected Income)
- Capital Expenses (CAPEX)
- Operational Expenses (OPEX)



Budget Determinants

- Using the previous year (2016) actuals (Revenues/Opex) to prepare the 2017 budget with a margin.
- Ensure operational viability while controlling costs
- Budget based on activities, aligned with the Strategic Plan.
- Exchange rate @ \$1 = 35.0 MUR

Towards a Service Excellence



Financial Resources (Income) Summary

Income			
	2016		2017
	Budget	Actual	Budget
Fees Income	\$4,114,200	\$4,444,000	\$4,555,000
Other Income	\$300,000	\$240,000	\$375,000
Total Income	\$4,414,200	\$4,684,000	\$4,930,000



Financial Resources for 2017

- Membership renewal fees still the main resource for AFRINIC income. (92%)
- Expected modest growth in new membership base. (~130)
- Resource allocations expected to increase due to the phase1 of “Soft Landing policy”
- Other incomes (Interests/Sponsorship)



CAPEX Summary

CAPEX	
IT & Engineering	\$81,750
HR & Administration	\$32,000
Capacity Building	\$5,400
Member Services	\$5,000
Finance & Accounting	\$2,600
Total 2017	\$126,750



CAPEX

- Capex budget for 2017 is higher than 2016. **(257%)**
- **65%** for IT & Engineering (New H/W).
- **25%** for HR & Administration (New Furniture)
- **Rest** for Member Services, Capacity building, Finance.



OPEX Summary

OPEX			
	2016		2017
	Budget	Actual	Budget
HR expenses	\$2,176,000	\$2,100,000	\$2,340,000
Administrative exp.	\$708,130	\$641,687	\$779,000
Total HR & Admin	\$2,884,130	\$2,741,687	\$3,119,000
Total Distribution exp.	\$1,305,200	\$1,184,500	\$1,488,000
Other Costs	\$30,000	\$20,000	\$30,000
Total OPEX	\$4,219,330	\$3,946,187	\$4,637,000



OPEX

- No major changes in core operation.
- HR costs **50.5%** of total OPEX budget (**SP ceiling 52%**) --- 54% in 2016.
- Increased in outreach initiatives to be undertaken during this year. (**152.5%**)
- Increased in Marketing & Comms (**614%**)



OPEX

- Travel costs remain constant as previous year.
- Increased in supporting funds to regional related organizations “**Community Support**” (74.7%).....(eg. NRO, AFRINIC treasure this year)
- Introduction of a new line for “**Contingency**” budget to be released upon income exceeding the OPEX budget and with the approval of Board.



Expected 2017 Surplus

Expected income	\$4,930,000
Total expected expenses	\$4,763,750
Surplus	\$166,250



ASANTE

