AFRINIC Budget 2019 – Approved by the Board 31 Dec 2018

Operating Expenses (OPEX)

	34.00	MUR/USD exchange rate	34.00	
2018			**2019**	**% change from 2018 budgets**
Estimate Actual	**Budget**	**Administrative expenses**	**US$**	
2,550,000	2,676,100	HR	$2,982,000	11%
60,000	63,900	Telecommunications	$68,800	8%
90,000	109,000	Computer expenses	$161,000	48%
256,000	256,100	Office Expenses	$269,500	5%
4,500	4,500	Motor vehicle expenses	$5,000	11%
32,721	30,100	Insurance	$36,500	21%
23,000	25,000	Printing, posts & Subsc	$38,800	55%
62,000	60,000	Bank charges	$65,000	8%
13,100	13,100	Professional Fees	$13,700	5%
95,000	108,100	Depreciation	$130,000	20%
80,000	90,400	Consultancy Fees	$115,500	28%
3,266,321	3,436,300	**Total Administrative expenses**	$3,885,800	
		Distribution expenses		
30,000	46,000	Marketing & Comms expenses	$58,200	27%
44,000	44,000	Bad debts	$50,000	14%
275,000	380,000	Meeting expenses	$290,000	-24%
90,000	110,400	Members Training & Capacity Building	$113,100	2%
490,000	490,000	Travel expenses	$490,000	0%
5,000	5,000	Research & Development	$35,000	600%
75,000	81,700	Oureach Initiatives	$95,000	16%
187,000	187,500	Community Support	$194,000	3%
45,000	45,000	NRO Shared Costs	$45,000	0%
60,000	61,000	Contributions to ICANN	$61,000	0%
17,000	20,100	Remote Sites Operations Costs	$30,500	52%
1,318,000	1,470,700	**Total Distribution expenses**	$1,461,800	
40,000	$50,000	Other Costs	$0	-100%
-	$70,000	Contingency	$170,000	143%
4,624,321	5,027,000	**Total Operating expenses**	$5,517,600	10%
		REVENUE		
$5,300,000	$5,021,700	Fees Income	$5,325,700	6%
$150,000	$435,000	Other Income	$375,000	-14%
$5,450,000	$5,456,700	**TOTAL REVENUE**	$5,700,700	4%
$825,679	$429,700	Budgeted Surplus	$183,100	

The 2019 Operations budgets focus on continuous delivery of excellent services. The main organization objective axes on three main focus:
- Provide Excellent Service
- Improve stakeholders engagement
- Improve internal processes

The 2019 Operating Costs Budgets followed a similar approach as in 2018:

- Total operating costs for 2019 was pegged at the same level as the 2018 total revenue.

  o Total revenue for 2018 is estimated at $5.450M

  o Total budgeted expenses for 2019 (excluding the "Contingency" line) is estimated at $5.348M; marginally lower than the estimated revenue for 2018.

  o The budgeted revenue for 2019 is $5,701M, which is made up of:

    ▪ Fee Revenue - $ 5,326M

    ▪ Other Income - $ 375K

- Fee Revenue for budgeting purposes assumes a slow growth of 130 new members. For operational purposes, we aim for a higher target of 10% growth in membership. The revised fee structure is scheduled to be implemented as from 1st July 2019; as such shall have very marginal impact on revenue numbers because only new members shall be affected as from July 2019 and with the second phase of the soft landing expected to be reached during the first or second Quarter, IPv4 address blocks released shall be no larger than /22's.

- Overall, total operation costs budgeted for 2019 is 10% higher than what was budgeted in 2018.

- Staff costs remains the highest single costs line item, accounting for 54% of total operating costs. Recruitments have been kept to a minimum, with provisions made for staff replacements and 4 new positions. Staff benefits have been kept within policies and a marginal increase in staff training.

  o Computer Expenses includes renewal of existing licences and some new software Licences, including a new accounting system (NetSuite), provision for a new events management system, other infrastructure licences, computer hardware and accessories.

o Increase effort in the translation of various marketing and communications materials is reflected in Marketing & Communications Costs.

o "Members Training & Capacity Building" reflects a change in approach from our traditional face to face trainings to webinars and an increased emphasis on IPv6 deployment initiatives. More e-learning and Deployathons.

O Business Travel Expenses have been maintained at same level as 2018.

o Our Research & Innovation efforts are being further reinforced with provision for increased research on Internet measurements initiatives, in collaboration with African academic institutions.

o Our continued efforts in increasing our proximity with members and the community is reflected under the Outreach Initiatives and Community Support budget lines.

o In 2019, AFRINIC shall be exploring a third site to host our remote infrastructure (in addition to Johannesburg & Cape Town) to increase resilience and to provide improved services to members and the community.

Capital Expenditure Budget (CAPEX)

Communications & PR			
Assets/Equipments			**$ 21,300**
HR & Administration			
Assets/Equipments			**$ 17,000**
Member Services			
Assets/Equipments			**$ 10,300**
Capacity Building			
Assets/Equipments			**$ 4,000**
Applications Unit			
Assets/Equipments			**$ 6,600**
CEO Office			
Assets/Equipments			**$ 6,000**
Infrastructure Unit			
Assets/Equipments			**$ 171,300**
TOTAL	**TOTAL**		**$ 236,500**

- Infrastructure Unit CAPEX includes tech refresh for our Johannesburg remote site ($ 91K), new remote site equipment ($30K), workstation replacements and provision for new staff ($20K), and renewed Access Control system ($15K)

- Communications & PR CAPEX includes renewal and strengthen current video and audio streaming equipment.

Budget by Main Activity

The following table shows an allocation of expenses to 14 main activities in 4 groups.

			OPEX	CAPEX
M100	**Serving Members:**		**$ 2,129,800**	**$ 167,600**
M101	1. Registration Services	*IP Management, maintenance & databases*	$ 214,600	$ -
M102	2. Member Services	*Member Liaison, membership Development, Billing, MyAfrinic, bank fees*	$ 300,500	$ 10,300
M103	3. Technical Infrastructure	*Infrastructure services, Whois, public website, DNS, remote sites, internet backbone*	$ 1,060,800	$ 153,300
M104	4. Members Training	*Training & Workshop, webinars, Engineering assistance*	$ 553,900	$ 4,000
R100	**Regional Development & Outreach:**		**$ 1,312,900**	**$ 24,300**
R101	5. AFRINIC conferences	*AFRINIC meetings, PDP meetings, Regional meetings*	$ 688,300	$ 24,300
R102	6. Regional Technical Development	*Policy Development, IPV6, Fellowships, IRR, Regional research*	$ 333,600	$ -
R103	7. Regional Community Engagement	*Government liaison, Regional IGF, Af*, FIRE program*	$ 291,000	$ -
G100	**Global Collaboration:**		**$ 186,300**	**$ -**
G101	8. Global Technical Community	*NRO, RIR collaboration, ICANN, IANA, IETF, ISOC*	$ 169,700	$ -
G102	9. Global Internet Governance	*IGF, ITU, inter-governmental liaison*	$ 16,600	$ -
G103	10. Global Research	*Global research initiatives*	$ -	$ -
C100	**Corporate:**		**$ 1,888,600**	**$ 44,600**
C101	11. Human Resources Management	*Staff Management, Development, Recruitment & other HR related expenses*	$ 744,700	$ -
C102	12. Finance & Administration	*Finance Unit, Admin & Travel administration, Systems*	$ 517,300	$ 38,600
C103	13. Legal & Governance	*Board, Member surveys, legal Audit, ISO & Taxation*	$ 357,100	$ 6,000
C104	14. Facilities	*Building, Office facilities, logistics*	$ 269,500	$ -
			$ 5,517,600	**$ 236,500**