

12/12/62

FOURTH DRAFT - DECEMBER 7, 1962

THE INSTITUTE OF
ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED

OPERATING BUDGET - 1963

	<u>Third Draft</u>	<u>Fourth Draft</u>
<u>INCOME:</u>		
<u>ADVERTISING</u>	\$1,800,000	
<u>MEMBERSHIP DUES</u>		
Entrance fees	20,000	
Current year dues	1,693,000	
Prior year dues	2,000	
	1,715,000	
<i>student (and other) competitive factors have withdrawn.</i>		
<u>SUBSCRIPTIONS</u>	37,000	
<i>18th non member subscription for IRE Proceedings</i>		
<i>13th Member and Library subscription "</i>		
<i>1st Back issues "</i>		
<u>SALES ITEMS</u>		
Binders	12,000	
Emblems and Diplomas	30,000	
Preprints and Reprints	150,000	
Standards (Note 1)	35,000	
Miscellaneous	3,000	
	230,000	
<u>CONVENTION SALES (Note 2)</u>	926,000	
<u>CONVENTION RECORD SALES</u>	75,000	
<i>WESECON does not plan to have Convention Record because papers do not then get into permanent Proceedings as PTG Transaction</i>		
<u>INVESTMENTS INCOME</u>	114,000	
<u>OVERHEAD ALLOWANCE, NSF GRANT</u>	25,000	
<u>TECHNICAL CONFERENCE INCOME</u>	110,000	
<u>MISCELLANEOUS</u>	4,000	
<u>TOTAL INCOME</u>	\$5,336,000	\$5,336,000

Note 1: Predicated on no publication of any IEEE Standard in any IEEE periodical.

Note 2: Includes \$10,000, equal to 10 per cent of anticipated gross sales, 1963 IEEE Winter General Meeting, as per agreement with Reber-Friel, Inc.

2.11.127

CONFIDENTIAL IEEE OPERATING BUDGET - 1963 FOURTH DRAFT, DEC. 7, 1962

EXPENSES:

12/12/62
85 AIEE
221 IRE
306

Third Draft

Revisions -
Fourth Draft

SALARIES

At end of 3 months to review people
& Wages based on "rating" by supervisor
(20 people over 10,000)

Represents 306 total
\$1,369,500

\$1,319,500

ADVERTISING SALES

Commission

450,000

Promotion

90,000

Discount

36,000

576,000

PRINTING COSTS

Editorial

620,000

Advertising

476,000

Subscriptions (Transactions)

124,000

1,220,000

SALES ITEMS

Binders

10,000

Emblems and Diplomas

17,000

Preprints and Reprints

106,000

Standards

24,000

157,000

FIELD ITEMS

Rebates - Sections and Subsections

214,000

217,400

Rebates - PTG Chapters

17,000

Technical Conference Expense

90,000

PTG Subsidy

104,000

PTG Expense

8,000

Bimonthlies Subsidy

40,000 (Erroneously
incl. salaries)

20,000

TG Expense

10,000

TOC Field Expense

7,000

Miscellaneous Printing

15,000

505,000

488,400

STUDENTS

Rebates - Branches

18,000

Rebates - Memberships

23,000

Subsidy - PIRE/TIRE

25,000

15,000

Subsidy - EE/Bimonthlies

12,700

11,500

Student publication

75,000

Travel - Counselors/Students

23,000

TIRE to Branch Chairmen

5,000

none

181,700

165,500

TOTAL EXPENSE CARRIED FORWARD

\$4,009,200

\$3,926,400

CONFIDENTIAL IEEE OPERATING BUDGET - 1963 FOURTH DRAFT, DEC. 7, 1962

<u>EXPENSES</u> (continued)	<u>Third Draft</u>	<u>Revisions - Fourth Draft</u>
<u>TOTAL CARRIED FORWARD</u>	\$4, 009, 200	\$3, 926, 400
<u>BUILDING OPERATIONS</u>	164, 500	
<u>OPERATIONS</u>		
Audit	11, 700	
Computer Rental	49, 000	
Insurance	25, 600	
JTAC	9, 000	4, 000
Medals and Awards	11, 500	
Memberships in Other Organizations	10, 200	
Public Relations and Member Campaigns	21, 000	
Office Equipment - Expendable	4, 000	
Postage and Express	130, 000	
Repairs and Service to Equipment	18, 000	
Stationery and Supplies	90, 000	
Telephone and Telegraph	37, 500	36, 500
	<u>417, 500</u>	411, 500
<u>SOCIAL SECURITY AND D.I. TAXES</u>	45, 500	
<u>TRAVEL</u>		
Directors	30, 000	
Directors - Regional	4, 000	
Directors - International	3, 000	
President	10, 000	
Staff (including General Manager)	24, 000	27, 000
Field Travel - Regional Committees	8, 500	
	<u>79, 500</u>	82, 500
<u>NATIONAL CONVENTION</u>	760, 000	720, 000
<u>CONVENTION RECORD</u>	40, 000	
<u>FISCAL OPERATIONS</u>	3, 000	
<u>LEGAL</u>	17, 000	
<u>ENG. SOC. LIBRARY ASSESSMENT</u>	30, 000	
<u>ECPD</u>	18, 500	15, 700
<u>EJC</u>	16, 500	
<u>IEEE PENSION PLAN</u> (IEEE and IRE) about 6% of payroll	<u>86, 000</u>	
<u>TOTAL EXPENSE CARRIED FORWARD</u>	\$5, 687, 200	\$5, 558, 600

<u>EXPENSES</u> (continued)	<u>Third Draft</u>	<u>Revisions - Fourth Draft</u>
<u>TOTAL CARRIED FORWARD</u>	\$5,687,200	\$5,558,600
<u>PROVISION FOR BYLAW 403.10.e. (note 3)</u> <i>45,872 PG members who belong to chapters</i> <i>To be reviewed before end of June 1963 via computer study</i>	12,500	12,500 <i>omit to be determined</i>
<u>MISCELLANEOUS EXPENSE</u>	23,000	9,500
<u>TOTAL EXPENSE, LESS DEPRECIATION RESERVE</u>	\$5,722,700	\$5,568,100
<u>RESERVE FOR DEPRECIATION</u>	57,000	
<u>TOTAL EXPENSES</u>	\$5,779,700	\$5,625,100
<u>TOTAL INCOME</u> (From sheet 1)	5,336,000	
<u>NET OPERATING DEFICIT</u>	\$ 443,700 <i>289,100</i> <i>154,600</i>	\$ 289,100

Note 3: Bylaw 403.10.e. states that there may be a per capita allowance for each Professional Technical Group Chapter member residing in a Section, in an amount to be specified, at some future time, by the IEEE Executive Committee. The amount provided in the budget would cover such an allowance, at 25 cents per capita.

NOTE: Merger expense, chargeable against surplus in 1963, is estimated as follows:

Moving expense, staff relocation	\$6,000	
Equipment relocation	2,000	
Total	\$8,000	- income from badges should balance out

No provision for this expense is made in the operating budget for 1963.

1964 \$ 140,000 in red
1965 \$ 16,000 in black) *Plus Change Estimated 12/13/62*

December 11, 1962

MEMORANDUM TO: Members and Observers, Joint Merger Committee

FROM: Donald G. Fink, Secretary

SUBJECT: Explanations of Revisions in IEEE 1963 Operating Budget, Fourth Draft, December 7, 1962.

1. Income. No sources of increased income have been identified, except "Sales Items - Emblems and Diplomas". This will be the subject of a separate report to be presented to the Merger Committee on December 12, following receipt of bids from the badge suppliers.

2. Expenses - Salaries. Discussions with the various Staff Chiefs have indicated that a saving in salary costs of \$50,000 can be achieved by consolidation of staff not contemplated in previous reports. The sum of \$22,000 has been identified by Mr. Herrmann; \$10,000 by Mr. Buckley, and \$18,000 by Miss Sirjane and Mr. Gannett. This is a preliminary figure.

3. Field Items - Rebates - Sections and Subsections. The formula for Section Rebates, as outlined in the minutes of the Seventh Meeting, has been reviewed by the two staffs. Mr. Herrmann believes that an additional sum of \$3,400 will be required to cover the AIEE Sections under this formula. *To be reviewed via computer study before end June 1963*

4. Field Items - Bi-Monthlies Subsidy. The Third Draft figure of \$40,000 inadvertently included salaries which were already included in the Salaries item of the budget. The net cost of bi-monthlies in 1962 is estimated at \$27,000. The new figure of \$20,000 is believed adequate for this purpose.

5. Students - Subsidy - PIRE/TIRE. Dr. Bailey reports that the number of Students electing to subscribe to the PROCEEDINGS at the subsidized rate of \$4.00 per year has very rapidly dropped off in recent weeks. The Third Draft figure presumed that half of the Students would require this subsidy. The revised figure is thirty per cent.

6. Students - Subsidy - EE/Bi-Monthlies. The staff recommends that the sum of \$1,200, to provide an extra subscription to ELECTRICAL ENGINEERING and to the Bi-Monthlies for each Student Counsellor, be removed from the Budget, as a necessary economy in this deficit year. *most libraries have copies*

7. Students - TIRE to Branch Chairman. The staff recommends that the Budget provision for sending IRE TRANSACTIONS to Branch Chairmen be eliminated, on the same basis as Item 6 above.

8. Operations - JTAC. The Third Draft figure of \$9,000 included the sum of \$5,000 to subsidize the publication of the JTAC book "Radio Spectrum Conservation - Second Edition". It now appears that this book cannot be published before 1964 and there will, therefore, be no need to spend this money in the calendar year 1963. Accordingly, this item is reduced by \$5,000. This amount must be provided for in the 1964 Operating Budget.

9. Operations - Telephone and Telegraph. The Third Draft figure included approximately \$1,000 for relocation and reconnection of telephone instruments. This amount has been removed from the Operating Budget and transferred to 1963 Merger Expense, chargeable against Surplus, in accordance with the note at the end of the Operating Budget.

10. Travel - Staff. The travel budget for the Staff has been increased \$3,000, in part to provide for the travel of the General Manager which had not previously been included.

11. National Convention. Dr. Bailey has revised his estimate of the cost of the 1963 International Convention and Show, as indicated by more up-to-date estimates than previously available. This item, accordingly, has been reduced to \$720,000.

12. ECPD. This item has been reduced by \$2,800, in accordance with the actual assessment to be levied by ECPD. The ECPD has decided to reduce the assessments for all member bodies by a total of approximately \$8,000, the difference being taken from their surplus. The difference in the Budget item represents the IEEE share of this reduction. *ECPD surplus up to top.*

13. Provision for Bylaw 403.10.e. In view of the heavy deficit incurred in the fiscal year 1963, the staff urgently recommends that the permissive per capita allowance of this Bylaw be removed from the 1963 Budget.

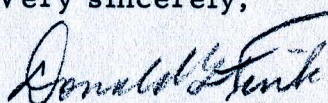
14. Miscellaneous Expense. The Third Draft figure of \$23,000 has been checked in detail by the combined staff, and a reduction of \$13,500 has been achieved as follows. Allowance for overtime meals has been eliminated; the fund for contingencies for the Finance Committee (AIEE) of \$5,000 has been eliminated; the cost of advertising for help has been reduced by approximately \$3,000; the cost of mail bag delivery has been reduced by approximately \$500; the cost for Presidential Christmas Cards of approximately \$100 has been eliminated. An item for bottled water for \$1600 has been eliminated; the Secretary's miscellaneous account has been reduced from \$750 to \$250; approximately \$1,000 of Miscellaneous Committee Expense, otherwise provided for in the Budget, has been eliminated; and a number of smaller items make up the total reduction of \$13,500.

15. Merger Expense, Chargeable Against Surplus.

The staff wishes to draw the attention of the Committee to the fact that some Merger Expense will extend over into 1963, and should be identified as chargeable against Surplus. This includes moving expense for staff relocation, \$6,000; equipment relocation and reconnection, including the telephone and telegraph item previously noted, \$2,000.

16. Net Reduction in Operating Deficit. As a result of the above revisions, the Third Draft Net Operating Deficit of \$443,700 has been reduced to a Fourth Draft figure of \$289,100, for a net reduction of \$154,600. It is anticipated that a further reduction in the deficit may be achieved as a result of increasing the income from the sale of emblems and diplomas, as per the separate report on this subject.

Very sincerely,



Donald G. Fink
Secretary

Att.