

Item 14.1: Proposed Budget for 2006-7

Item 14.2: National Subscriptions for 2006-7

Budget Proposal and National Subscription 2006-2007

As you have seen in the Treasurer's Review and the Report of the Finance Committee, the financial situation of IUPAC is still strong. However there are serious potential problems. Publication income continues to be under pressure from the long-term decline in institutional subscriptions while some NAOs continue to have difficulty in paying their National Subscriptions. The following pages contain the proposed budget, the proposed Division and Standing Committee allocations, and the calculated National Subscriptions based on the proposed budget. The National Subscriptions are shown in national currencies according to the method approved at Ottawa by Council. National Subscriptions were calculated in USD using the standard formula relating chemical turnover and National Subscription; these were converted to national currencies using the exchange rates for the first quarter of 2005. Certain NAOs have requested billing in USD due to foreign exchange control regulations in effect in their countries.

The format of the budget is the same as that used at Brisbane and Ottawa. This format emphasizes the sources of the Union's funds and the uses of those funds. The categories used should be self-explanatory. The category Division Operations is 25 % of the total Division allocations for the previous biennium and 30 % for the current biennium, while the category Projects (Commitments) is 75 % and 70 % of the Division allocations for the two biennia respectively, plus the Division Reserve and the Project Reserve. The Project Reserve is used by the Project Committee to fund projects that are too large for a Division to fund while the Division Reserve is used by the Treasurer and Secretary General to fund projects when the Division has committed its Project Budget.

Due to the moderate OECD inflation of <3% we are proposing an increase of only 1 % per annum for the total National Subscription. The subscriptions of individual NAOs will depend on changes in the chemical turnover since the last Council. As in the past, the chemical turnover values have been taken from latest CEFIC and UNIDO figures.

We think that with the new way of operation IUPAC shows a positive attitude to change. For sustainability of our operations, we are asking for your support, commitment and enthusiasm. IUPAC has the intention to give to all its members a great value for money. It is therefore important that we can count on your financial support and help.

Significant changes from the 2004-5 budget are described below.

1. *National Subscriptions*: Total National Subscription has been increased by 1 % each year.
2. *Division Budgets*: These have been held constant except for those of Division IV, which has been increased by USD 5000, and Division II, which has been increased by USD 2000. The increase in Division Operations expense and the Decrease in Projects are due to the change in the proportion of the total Division Budgets allocated to these categories as noted above.
3. *General Assembly*: The budget includes USD 80 000 to fund the support for Council delegates approved by the Bureau in 2003.
4. *Administrative*: An allowance for Foreign Exchange differences of USD 60 000 has been included to take into account the billing of National Subscriptions in

Item 14.1: Proposed Budget for 2006-7

Item 14.2: National Subscriptions for 2006-7

national currencies. The Secretariat component in the Administrative category is unchanged from the 2004-5 budget. The Secretariat will be at its authorized staffing level for the coming biennium.

5. *General*: The General category includes Governance expense, the *IUPAC Handbook*, the cost of *CI* for Fellows and Members, as well the cost of the IUPAC Prize and cost of IUPAC representatives to other organizations. The budgets for *CI* for Fellows and Members have been increased to account for the increase in the number of Members and Fellows. Governance Expense has been increased to account for greater travel by the officers. The budget for the *Handbook* has been decreased by USD 40 000 in line with the recommendation of the Finance Committee and the Executive Committee to no longer publish a *Handbook* and instead publish the list of members of IUPAC bodies in *CI* and rely on the web for the other information in the Handbook.
6. *AMP: & CI*: The increased cost of *CI* is due to both the change to full color and the greater number of complimentary copies provided to IUPAC sponsored conferences for distribution to conference participants.
7. *Publications*: Revenue from *PAC* is expected to increase due to an increase in the subscription rate for institutional subscriptions. Costs for Printing & Editing are expected to increase due to increased costs from the printer. The net result is a slight increase in budgeted income for Publications.
8. *Projects*: The Project Reserve has been set at USD 110 000; the Divisional Reserve is USD 97 400
9. *Dividends & Interest*: This item has increased due to the greater proportion of the Union's portfolio invested in fixed income securities rather than in equities.

Sources and Uses Analysis of 2006-7 Budget

	Budget 2004-5	Budget 2006-7	Change Increase/ (Decrease)
National Subscriptions	\$1,420.3	\$1,448.8	\$28.5
Dividends & Interest	\$260.0	\$368.0	\$108.0
Other Income	\$28.9	\$40.0	\$11.1
Publications	\$873.5	\$890.0	\$16.5
Total Income	<u>\$2,582.7</u>	<u>\$2,746.8</u>	<u>\$164.1</u>
AMP and CI	\$41.5	\$119.0	\$77.5
Administrative	\$930.0	\$914.0	(\$16.0)
General	\$364.5	\$433.0	\$68.5
General Assembly	\$320.0	\$350.0	\$30.0
Advisory Standing Committees	\$121.5	\$121.5	\$0.0
Operating Standing Committees (Operations)	\$67.6	\$67.6	\$0.0
Division Operations	\$121.8	\$148.3	\$26.5
Projects (Commitments)	\$615.8	\$593.4	(\$22.4)
Total Expense	<u>\$2,582.7</u>	<u>\$2,746.8</u>	<u>\$164.1</u>
Net Income/(Expense)	<u>\$0.0</u>	<u>\$0.0</u>	<u>(\$0.0)</u>

Amounts in thousands of USD

	Budget	Projects	Operations
	2006-7	2006-7	2006-7
Division Allocations			
I Physical	65.3	45.7	19.6
II Inorganic	53.2	35.8	17.4
III Organic	60.4	42.3	18.1
IV Macromolecular	52.5	33.3	19.3
V Analytical	56.6	39.6	17.0
VI Chemistry & the Environment	68.0	47.6	20.4
VII Chemistry & Human Health	58.3	40.8	17.5
VIII Chemical Nomenclature and Structure Representatic	80.0	56.0	24.0
Divisional Reserve	97.4	97.4	-
Total Divisions	<u>591.7</u>	<u>438.5</u>	<u>153.2</u>
Project Reserve		110.0	
Standing Committee Allocations			
Executive	35.3	-	35.3
Bureau	40.5	-	40.5
CHEMRAWN	29.3	-	29.3
CPEP	16.4	-	16.4
CCE	38.3	20.0	18.3
COCI	40.0	20.0	20.0
FC	13.3	-	13.3
Evaluation Committee	8.0	-	8.0
ICTNS	8.0	-	8.0
Total Standing Committees	<u>229.1</u>	<u>40.0</u>	<u>189.1</u>

IUPAC NATIONAL SUBSCRIPTIONS FOR 2006-7

NAO	Currency	2005	2006	2007
Argentina	ARS	13.0	11.0	12.0
Australia	AUD	17.7	12.7	12.9
Austria	EUR	5.5	4.5	4.5
Bangladesh	USD	1.0	1.0	1.0
Belgium	EUR	19.4	17.3	17.4
Brazil	BRL	86.0	62.4	62.9
Bulgaria	BGN	2.9	2.2	2.2
Canada	CAD	24.0	20.9	21.1
Chile	CLP	2,800.0	2,700.0	2,700.0
China/Beijing	CNY	335.0	368.0	372.0
China/Taipei	TWD	530.0	516.0	523.0
Croatia	USD	1.0	1.0	1.0
Czech Republic	CZK	120.0	90.0	90.0
Denmark	DKK	45.0	41.0	41.0
Egypt	EGP	23.0	23.0	24.0
Finland	EUR	5.4	4.5	4.5
France	EUR	35.1	28.8	29.1
Germany	EUR	49.7	39.7	40.1
Greece	EUR	3.5	2.7	2.7
Hungary	HUF	860.0	730.0	750.0
India	USD	945.0	20.0	20.0
Ireland	EUR	12.5	13.5	13.7
Israel	ILS	24.0	20.0	20.0
Italy	EUR	30.1	24.0	24.2
Japan	JPY	8,550.0	7,230.0	7,310.0
Korea, Republic	KRW	28,000.0	23,300.0	23,500.0
Kuwait	KWD	0.3	0.3	0.3
Netherlands	EUR	18.1	15.1	15.3
New Zealand	NZD	7.8	5.9	6.0
Norway	NOK	35.0	33.0	33.0
Pakistan	PKR	180.0	180.0	180.0
Poland	PLN	27.0	22.0	22.0
Portugal	EUR	4.8	3.6	3.6
Puerto Rico	USD	16.4	16.0	16.1
Russia	USD	10.3	9.2	9.2
Serbia & Monter	USD	1.0	1.0	1.0
Slovakia	SKK	110.0	120.0	120.0
Slovenia	SIT	730.0	680.0	700.0
South Africa	ZAR	67.0	47.0	47.0
Spain	EUR	20.4	16.5	16.6
Sweden	SEK	80.0	71.0	72.0
Switzerland	CHF	23.5	26.4	26.6
Turkey	TRL	15,000,000.0	14,600,000.0	14,800,000.0
UK	GBP	18.0	15.0	15.0
USA	USD	112.3	112.0	113.1

