

National Budget for 2021

Introductory Note

This document outlines the budget for the financial year 2021, as proposed by the National Board. It includes an explanation regarding the purpose and allocated amount of each budget line. They are based on historical data from previous years and an estimation of the financial conditions of 2021 given the information currently available.

A Budget is a statement of the financial position of an administration (as of a nation) for a definite period of time based on estimates of expenditures during the period and proposals for financing them¹.

Usually the Budget should be constructed based on the Action Plan as a tool to accomplish what's proposed on the AP and to accomplish other objectives, the vision or the mission of who's proposing the Budget or for whom the Budget applies. But, on the other hand, while writing our AP we also need to pay attention if we have the resources for the objectives we want to set. After all, the Budget is basically the Action Plan explained in terms of costs and incomes.

As it will be perceptible on this document, we expect the current Covid-19 situation to prolong itself into the entire year of 2021, albeit with lesser consequences to day to day social life, it still will create restrictions to big events like the Spree Break.

Following the timelines set on our SOS, this document has to be drafted starting in July and as such all amounts taken for comparison from the past and used as guidelines will always be the numbers from 2019.

¹ "Budget." Merriam-Webster.com Dictionary, Merriam-Webster, <https://www.merriam-webster.com/dictionary/budget>. Accessed 25 Jun. 2020.

Income

Network

Membership Fees

Based on the SOS of ESN AISBL (ESN International), and SOS and procedures of ESN Deutschland e.V. (ESN Germany), the Sections pay a membership of 120€ for ESN International (value based on the predicted GDP for Germany) and 15€ for ESN Germany. Both amounts are collected together by ESN Germany. For 2021 we predict having 40 Sections paying membership fee. Of the full amount paid to ESN Germany, only 600€ are for the use of our National Network.

ESNcards

Having the mobility programs going back to a normal, but still suffering through 2021 will certainly affect the distribution of ESNcards by the Sections. On the other hand, Sections now can also distribute the cards online even to exchange students that did not manage to come for a physical exchange, but are doing their exchange online and as such are eligible for an ESNcard. Looking at the numbers of 2019 as a guideline, we assume that in 2021 the Sections will order the same amount of cards, having six more Sections eligible to order ESNcards compared to 2019, which will cover the reduced quantities ordered by the other Sections.

A practice that has now been changed from past years is that ESN Germany now has a National Stock of ESNcards. With this, new Sections that are accepted after the seasonal order is closed can still order and receive ESNcards immediately after being accepted instead of having to wait almost one year to receive their first ESNcards.

Merchandise

Due to a lack of available funds ESN Germany is unable to have a stock of Merchandise which would give us any revenue. Nonetheless spontaneous orders with “pre-sale” can be done during the year and will be shown on the Financial Report.

Shipment & Mail Costs

All the revenue on these two lines will simply be from passing these costs to the Sections when there is not the chance of giving the ESNcard orders at an NA or other event.

Public Funding

ESN Germany at the moment does not receive any sort of Public Funding as there are no operational grants the National Level can apply for nor we predict to have the HR capacity to organise projects that would allow us to apply for such.

Private Income

Sponsorships

Having most partners decided to move a system of Affiliated Marketing we now do not receive fixed sponsorships, but instead receive based on performance by advertising the partners and their advantages to the students in Germany and receiving a commission by registrations on a service that can be tracked to our country link.

Based on the experience and numbers from past years, from the various partnerships we have, Eurosender is usually the only one being advertised. Having in consideration the current situation with mobility we are predicting to receive only half the amount from 2019.

While we do still have a partnership with Wanderlust that pays us a fixed advertisement fee of 1.000€ before taxes per semester, looking into the current situation relative to travels we are making a strong prediction that this company will quite probably go out of business and because of that we are not counting with this income.

We do receive around 30€ before taxes per year from the program AmazonSmile.

Other Income

National Assemblies

This line is the one of the hardest ones to predict, as the income received from an NA varies wildly depending on the participation fees, number of participants, sponsorships and so on. This line is also the one with the second biggest impact on the amount of taxes that ESN Germany has to pay each year.

For the calculation of this line we assumed a generalised income of 70€ per participant (excluding NB, AB and CT) per event.



Spree Break

For 2021 we do not expect this event to happen. Nonetheless, this is a possibility not yet totally out of the table.

Income					
	Brutto		MwSt	Netto	Notes
1. Network					
Membership Fees	€ 5.400,00	0%	€ 5.400,00		40 Sections
ESNcards	€ 22.500,00	19%	€ 18.907,56		9000 cards, 2,5€/card
Merchandise	€ -	19%	€ -		
Shipment & Mail costs	€ 600,00	0%	€ 600,00		
Shipment & Mail costs	€ 100,00	19%	€ 84,03		
2. Public Funding					
3. Private Income					
Partnerships	€ 230,00	19%	€ 193,28		200 Eurosender + 30 AmazonSmile
3. Other Income					
National Assemblies	€ 18.480,00	7%	€ 17.271,03		3 NAs (88 participatns + 17) 70€
Spree Break	€ -		€ -		
Total	€ 47.310,00		€ 42.455,90		

Expenses

Network

Membership Fees ESN AISBL

See “Membership Fees” on the Income section.

Membership Fee VDSI

As a member of VDSI we pay a 300€ membership per year.

ESNcards

These are the costs that we have to pay for the ESNcards ordered by the Sections.

For the quantity predicted for 2021 please see “ESNcards” on the Income section.

Merchandise

Please see “Merchandise” on the Income section.

Shipment & Mail costs

Besides the expenses for eventual delivery of ESNcards to the Sections which is covered by the corresponding income, we do account also for other needs that the National Level has during the operational administration of the Network based on values from 2019.

Travel & Meetings

National Assemblies

As the National Board and the Audit Board have the duty of attending the statutory meetings of our National Network, their travel expenses are fully covered by the National budget, applying the good sense of being contained on these costs.

In 2019 the average travel cost per person per event was 50€ and so that’s the value we are having in consideration for 2021.

LPs (fees & travel)

Contrary to past years in which all members of the NB could attend the Local Platforms , for 2021 we are cutting to have only the person chairing the platform participating, which is usually an NB member.

While there is an assumption that the travel costs of the NB members at the LPs is close to none because they usually attend the LP on their own region, this is not the truth as not always each region has a Section with an NB member or depending on the region, Section organising the LP and Section of origin of the NB member these costs can be comparable to the ones of an NA. For the calculation of these costs we have in consideration the average costs of 2019.

GAs

The same way that the NB has the duty of being present at our NAs, ESN Germany has the duty of sending at least one representative to the statutory meetings of ESN International and as such this representative gets the full costs reimbursed, like at an NA.

While the GAs are a new event that we can not take a direct comparison from past years, it is supposed to be equivalent to a CNR in terms of costs.

EGM & WEP

While not being statutory meetings, ESN Germany still has the duty of arranging for a send a delegation leader that takes care of the German participants and delegation on various aspects, from preparation of the participants before the event to being the contact point and the person with direct contact to the OC during the event, being also the person writing the report after the event and taking care of any other pending subjects. As such this representative gets the full costs reimbursed, like at an NA.

The cost calculation for these two events were made taking into consideration the costs from 2019, with the small not for the participation fee of the EGM already being paid due to AGM 2020.

VDSI Congresses

Following the same logic of the aforementioned statutory events where ESN Germany has the duty of sending at least one representative, the same applies for the VDSI Congresses.

Organisational

PR

For 2021 we allocate 150€ for PR costs. This is the line where, among others, the costs of new flags go.

Office Material

These are all the costs that come with the bureaucratic administration of ESN Germany, like printing costs and other needs.

Accountant

The costs of our Accountant.

Bank

The current costs of managing our bank account.

Server

The costs for our server where all the websites are hosted.

Other Expenses

National Assemblies

Adding to the explanation already given in “National Assemblies” under Income, for the calculation of the expenses we generalised and tried to have an approximate calculation, but on this line including the expenses with NB, AB and CT.

IMPORTANT: This NA expenses are calculated assuming that the OC will give to the National Treasurer all the original invoices from the expenses with the event. If the OC simply sends an invoice with the total amount that ESN Germany has to transfer to the OC then we need to calculate circa 1.500€ more (if the year expenses with NA are circa 22.000€) in taxes that ESN Germany will not be able to deduct.

Spree Break

For 2021 we do not predict the realisation of thi event.

Expenses					
	Brutto		MwSt	Netto	Notes
1. Network					
Membership Fees ESN AISBL	€ 4.800,00	0%	€ 4.800,00		
Membership Fees VDSI	€ 300,00	0%	€ 300,00		
ESNcards	€ 13.500,00	0%	€ 13.500,00		
Merchandise	€ -		€ -		
Shipment & Mail costs	€ 700,00	0%	€ 700,00		
Shipment & Mail costs	€ 150,00	19%	€ 126,05		
2. Travel & Meetings					
National Assemblies (travel)	€ 2.250,00	19%	€ 1.890,76		15 people at 50€ travel
LPs (fees)	€ 200,00	0%	€ 200,00		
LPs (travel)	€ 300,00	19%	€ 252,10		5 people at 30€ each
GAs (fees & travel)	€ 400,00	0%	€ 400,00		
EGM (fee & travel)	€ 170,00	0%	€ 170,00		
WEP (fee & travel)	€ 200,00	0%	€ 200,00		
VDSI Congresses (fee)	€ 90,00	0%	€ 90,00		
VDSI Congresses (travel)	€ 100,00	19%	€ 84,03		
3. Organisational					
PR	€ 150,00	19%	€ 126,05		
Office Material	€ 50,00	19%	€ 42,02		
Accountant	€ 1.580,00	19%	€ 1.327,73		
Bank	€ 100,00	0%	€ 100,00		
Server	€ 300,00	19%	€ 252,10		
3. Other Expenses					
National Assemblies (accomodation)	€ 20.000,00	7%	€ 18.691,59		
National Assemblies (food & others)	€ 2.050,00	19%	€ 1.722,69		
Spree Break	€ -		€ -		
Total	€ 47.390,00		€ 44.975,12		

Results

Having in consideration our expected Incomes and Expenses for 2021, ESN Germany will end the year with a negative Result of 2.519€

Total before Taxes	-€	80,00
Total Taxes	€	2.439,22
Total after Taxes	-€	2.519,22

Final Considerations

For many it might seem that ESN Germany having more or less resources at its disposal it's irrelevant for the Sections and does not affect them as long as they don't need to pay for it.

But there are effects to the Sections. Most effects will be indirect. At least for most Sections.

First let's mention that our national Budget is not just missing this negative 2.500€, but missing the 17.000€ that would come from the Spree Break.

As mentioned during the BFC call on 16.08.2020, this will make us have to cut all the external representation of ESN Germany in events that require the presence of the NB or other national support structures.

While part of the discussion and engagement on the Communities and other Supporting Bodies happens in part online, the majority of the bigger discussions and decisions that do not require a vote at the GA happen on the various physical events. After all, a physical discussion is much more fruitful as it is easier for everyone to participate, share opinions, have parallel discussions and questions, and reach conclusions.

Most of the times, these events also include workshops to better inform and prepare the members present for the thematic being discussed, as well reports of what has been done to date, what went well or wrong.

The consequences for the Sections here is that their opinion will not be heard during the conceptualisation of new strategies and projects for ESN, neither will the NB members or other ESNers be able to receive training to better follow on their role or to later pass better working ideas and new knowledge to our Sections.

While events are a lot of fun and crucial for motivation and inspiration, they are also work, and a very central part of the NB work.

About the specific consequences of a negative Budget for next year, the main one will be the reduction of ESN Germany's own capital/financial reserves.

This does bring negative effects to the Sections. For some of them, there are direct negative consequences.

For the organisation of the Spree Break, various payments need to be made months in advance, especially the hostel (circa 20.000€ in July and 20.000€ in September). Last

year, thanks to our reserves, I managed to give the option to various Sections to join the Spree Break and only pay their part after selling their spots to the students. This required the use of all the money available on our bank account (and there was still the period of one week that we did not have the money to comply with our financial obligation on time).

With 2.500€ less on the bank account, this option will not be possible next time the Spree Break is organised. The next Treasurer will have to request that all Sections that want to participate pay the full amount until September. Meaning, only Sections that are rich/have financial reserves will be able to attend the Spree Break, leaving the other "poor" Sections without the possibility to participate.

This is the most direct example, but to this we can also add the realisation of NAs that ESN Germany will not be able to support on the organisation (many times it's needed for ESN Germany to pay the hostel in advance, or at least part).

Another possible consequence would be that NB members would have to finance their participation in events either themselves or would have to ask their own sections for financial support - which is not fair, neither to the individuals, nor to the affected sections.

This can even affect the next NB elections, possibly leading to some ESNers that do not have their own financial capacity or that do not have a Sections supporting their NB costs not applying at all for an NB position.

