

Revised Framework for distribution of contributions to Running Costs from the Rotating Fund.

1. Not-for-profit Status

Species 2000 and many of the supplier database and partner organisations are legally not-for-profit organisations barred by their articles of association from returning surplus as profit to directors or to members. However, Species 2000, and also the majority of supplier and partner organisations are in reality under-resourced for the basic ongoing operation of their activity in contributing to the Catalogue of Life. It is in this context that funds received as contributions will be i) treated as a contribution to Running Costs, and ii) placed in the Species 2000 Rotating Fund for division between Species 2000 Running Costs and the Running Costs of suppliers, as already specified in Clause 3.1 of Schedule 2 in the Access Documents.

2. Reporting expenditure from the Rotating Fund

It has become established practice for the Directors to append the Species 2000 Project Accounts to the Statutory Accounts required by law, and distributed for adoption by the members at the AGM each year. One of these accounts shows clearly the funds received and distributed using the Rotating Fund by the Directors.

3. Revised Framework for distribution from the Rotating Fund

Clause 3 of Schedule 2 of the Access Documents requires the Directors to propose a Framework for division and distribution of contribution to Running Costs between Species 2000 Running Costs and the Running Costs of SDCs.

The Revised Framework proposed is as follows:

i) Minimal Establishment Secured

In financial years when the minimal establishment of Species 2000 is secured, the Directors shall arrange to distribute these funds in the ratio 20: 80 between Species 2000 Running Costs and the Running Costs of Supplier Database Custodians (SDCs). Above a certain level of funds to distribute (upper level scenario), the Directors will offer a contribution to all SDCs. Below a certain level of funds to distribute (lower level scenario), the Directors will seek and evaluate a number of particularly needy cases.

Upper level scenario

At present the level above which contributions would be offered to all SDCs (referred to as Threshold A) is proposed to be $(N \times 1,000 \text{ GBP}) \times 1.25$, where N = the number of SDCs supplying to the Catalogue of Life. For instance, with 52 SDCs supplying the CoL during 2008, this action might have been triggered by contributions reaching 65,000 GBP, that is $52,000 \times 1.25$, providing the possibility of distributing 1,000 GBP to each of the 52 SDCs, and 13,000 GBP for central running costs of Sp2000. This is based on the arbitrary notion that distributing a small contribution to all SDCs only becomes worthwhile if the total for each exceeds 1,000 GBP. Note that this scenario has not so far ever been reached, and may not be reached, as N , the number of SDCs is rising possibly more rapidly than the total of contributions.

Lower Level Scenario

In a year in which the contributions total less than Threshold A, it is proposed that the Directors will seek bids from particularly needy cases among the SDCs, and after evaluating these bids, will make a distribution which will be reported to the next AGM. These distributed amounts are likely to be in the order of 1,000 – 5,000 GBP to one or more SDCs, with 20% of the total supporting Species 2000.

ii) Minimal Establishment Not Secured

In financial years when the minimal establishment of Species 2000 is not secured and there is a shortage of funds to operate the Programme, the Directors shall report this fact to the AGM and use a proportion, which may be up to 100% of the funds to secure the minimal establishment of Species 2000. Where this leaves a residual amount, the remainder will be treated as under i) above.

iii) Funds required for the Minimal Establishment of Species 2000

The Directors shall report to the AGM the figure that was considered necessary to secure the minimal establishment of Species 2000 during the year in question referred to as Threshold B. The figure reported is based on what is considered to be the absolute minimum steady state of 3.5 employees to secure operations, plus the costs of two Directors Meetings per year:

- Executive Editor (presently Dr Roskov at the Reading Secretariat)
- Systems Manager (presently a vacancy) at the Reading Secretariat)
- Research Assistant/Database Compiler (presently Ms Paglinawan at the Philippines Office)
- Administrative Assistant (50%) (presently Becky Mann at the Reading Secretariat)

4. Worked Example for 2008

For 2008, Threshold A = 65,000 GBP, Threshold B = 144,000 GBP.

Contributions to the Rotating Fund in 2008 totalled 17,682, GBP, that is, less than Threshold A.

Species 2000 funds in 2008 (Turnover of Sp2000 (excluding Rotating Fund) + other sources, eg Grants to University of Reading = 68,064 – 17,682 = 50,382 GBP), that is less than Threshold B.

On this basis the Directors contributed 100% of the Rotating Fund to assist Species 2000 minimal establishment in 2008, and did not make a distribution to SDCs at either the upper or lower level scenario.

As a hypothetical example – had the same contributions been made in a future year when the minimal establishment is secured by the EC 4D4Life funds, the sum of 17,682 might be distributed as three contributions to SDCs of about 4,000 – 5,000 GBP plus 3,536 (20%) to Sp2000 Running Costs under the lower level scenario.

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