

19th EUA GENERAL ASSEMBLY

Thursday, 6 April 2017

Item 6: Explanatory Note – EUA budgets 2017/2018

Action required: for discussion

Overview

1. The draft **2017 draft budget amounts to €5.087.000** and **the initial projection for 2018 is €5.100.000** (compared to the 2016 figure of €4.979.000). Thus, this year's budget shows a small increase of €108,000 while the initial 2018 draft budget is very similar to the 2017 draft. Hence EUA's budget remains stable.
2. The **expected results for 2017 and 2018** respectively show an estimated deficit of €206.900 and €332,900 respectively, to be drawn from project reserves established in 2016 as a result of the €700.000 budget surplus incurred in 2015 and €390.000¹ budget surplus in 2016. It was possible to establish this reserve due to the full repayment of outstanding project and membership dues over the last three years. These funds were assigned to a special project reserve by decision of the GA in 2016 with a view to developing a major initiative on teaching and learning, a topic of major importance for universities and policy makers Europe-wide and that required hiring additional staff. It should also be noted that there are far fewer EU funding opportunities open to European associations than in past years.
3. The **2017 budget is based on the assumption that overall membership numbers remain as at present**, and that we reach our target of 94% fee collection rate. This has been the case for 2013 and 2014 and also for 2015 and 2016. Thus, once more the situation is relatively stable in spite of potential challenges such as that of the Ukraine. EUA has a large Ukrainian membership but many institutions are experiencing great difficulties in paying membership fees given the situation.
4. Detailed information on membership (new members, resignations, exclusions, mergers) is provided separately.

Income

5. **Membership revenue** invoiced for 2017 amounts to **€3.629.000 compared to €3.485.000** in 2016, The difference is explained by an increase in the basic membership fee of 1.5%, corresponding to the inflation rate in the Euro zone, as approved by the EUA General Assembly, and a slight increase in the total number of EUA members. The 2017 membership revenue represents 71.34% of EUA income. The initial estimation for 2018 is **€3.679.000**.

¹ to be transferred to the reserve after approval of the 2016 annual accounts by the GA.

- 6. Project revenue** for 2017 amounts in total to **€1.368.000 compared to € 1.404.000** of which €731.000 comes from EC projects (which is lower than the amount received from the EC in 2016 €892.000), €262,000 from IEP (compared to € 217.000), and €375.000 from participation, as a partner, in projects managed by EUA members (2016 figure being € 295.000).

Expenses

7. **Salaries:** The overall salary budget for 2017 amounts to **€ 3.751.000**, with a slight increase estimated for 2018 (**€ 3.877.000**). The 2016 figure was € 3.579.000. EUA presently employs 35 persons on full time contracts, another 6 on limited duration contracts, and has 8 persons contracted as experts on specific projects.
8. **Office, travel and meeting costs:** Estimated annual office costs (€202,000) are slightly higher than in previous years given a decision taken to enhance the association's Swiss presence. Admin costs remain at the same level as previous years.

Brussels, 31 March 2017