

Presidential Task Force Report on SIG Overhead

Membership of Presidential Task Force on SIG Overhead

Ex officio: Cherri Pancake (Past President, PTF chair); Jens Palsberg (SGB Chair); Donna Cappo and Pat Ryan (ACM)

SIG representatives: Adrienne Decker (Chair, CSE); Falko Dressler (Vice Chair, MOBILE); Jeff Foster (Chair, PLAN); Andrew Kun (Treasurer, CHI); Brad Lawrence (Treasurer, GRAPH); Wei Wang (Chair, KDD); John West (Chair, HPC)

To cover the costs of administration, support, and governance incurred by ACM on behalf of the SIGs, each SIG pays overhead based on its expenses (both SIG governance and SIG-related conferences) over the course of the Fiscal Year. Since the previous method (from 2001) for assessing overhead has been failing to cover those costs, the ACM President convened a task force to study the problem and recommend a solution. The final decision on which method to use will rest with the SGB.

The task force recommends that the following be documented and put in place beginning with FY23.

SGB Policy on Overhead Assessment

MINIMUM OVERHEAD FEE: A minimum \$25,000 overhead will be assessed to each SIG annually.

OVERHEAD CALCULATION METHOD: Each SIG will be assessed an overhead fee, based on its total expenses (governance- plus conference-related) using a rate scale based on increments of XXXXX in expenses. [NOTE: To complete this section, the SGB will need to choose one of the two increment amounts described in the attachment so the appropriate text can be inserted here.]

OVERHEAD RESERVE FUND: The Overhead Reserve Fund (ORF) is used to "smooth" the year-to-year variation in the amount of overhead recovered based on SIG expenses.

- a) If the amount recovered in a given year exceeds ACM's SIG-related costs for the year, the excess will be credited to the ORF. If the ORF grows larger than half the maximum annual SIG-related costs over the prior 3 years, the excess will be distributed to the SIGs as a credit against the next year's overhead. The amount credited to each SIG will be proportional to what it paid in overhead over the 3-year period.
- b) If the amount falls short, the ORF will be used to cover the shortfall. The ORF cannot fall below zero. If necessary, the SGB-EC will choose whether to cover the shortfall from its own reserves or charge the SIGs additional overhead to make up the difference.

TRANSPARENCY: To improve transparency, at the end of each year ACM will inform the SGB of the total SIG-related costs and total overhead recovered. The report will also show the current state of the Overhead Reserve Fund. (The SGB operates under the assumption that the cost increase will be no more than 3 percent each year.) Since the overhead assessment method may need to be recalibrated at some point, we recommend that the ACM EC conduct a review at least every 5 years to determine whether the method or the minimum fee needs adjusting. Their findings will be reported to the ACM EC and the SGB EC.

Attachment: Calculation Methods under Consideration

Method #1 -- \$125K increments

- SIGs with <=97K in total expenses pay the minimum fee of \$25,000
- SIGs with expenses >97K and <=1.75M pay based on increments of 125K:

$$\text{Overhead} = [(125K \cdot R_1) + (125K \cdot R_2) \dots + (125K \cdot R_n)] + [\text{Total Expenses} - (125K \cdot n)] \cdot R_{(n+1)}$$

where n = highest integer dividing evenly into the total expenses, and R_n is the n th rate in the table below

- For SIGs with expenses >1.75M, the rate flattens at 8.6% on any amount over 1.75M

Method #2 -- \$250K increments

- SIGs with <=115K in total expenses pay the minimum fee of \$25,000
- SIGs with expenses >115K and <=3M pay based on increments of 250K:

$$\text{Overhead} = [(250K \cdot R_1) + (250K \cdot R_2) \dots + (250K \cdot R_n)] + [\text{Total Expenses} - (250K \cdot n)] \cdot R_{(n+1)}$$

where n = highest integer dividing evenly into the total expenses, and R_n is the n th rate in the table below

- For SIGs with expenses >3M, the rate flattens at 9.8% on any amount over 3M

Rate Tables

The rates for each increment are shown below, with Method 1 on the left and Method 2 on the right.

<i>Increment</i>	<i>Range</i>		<i>Rate (R_n)</i>	<i>Range</i>		<i>Rate (R_n)</i>
1	0	125,000	25.6%	0	250,000	21.3%
2	125,001	250,000	24.3%	250,001	500,000	20.2%
3	250,001	375,000	23.0%	500,001	750,000	19.2%
4	375,001	500,000	21.8%	750,001	1,000,000	18.1%
5	500,001	625,000	20.5%	1,000,001	1,250,000	17.0%
6	625,001	750,000	19.2%	1,250,001	1,500,000	16.0%
7	750,001	875,000	17.9%	1,500,001	1,750,000	14.9%
8	875,001	1,000,000	16.6%	1,750,001	2,000,000	13.8%
9	1,000,001	1,125,000	15.4%	2,000,001	2,250,000	12.8%
10	1,125,001	1,250,000	14.1%	2,250,001	2,500,000	12.2%
11	1,250,001	1,375,000	12.8%	2,500,001	2,750,000	11.4%
12	1,375,001	1,500,000	11.5%	2,751,001	3,000,000	10.6%
13	1,500,001	1,625,000	10.2%	3,000,001	<i>and above</i>	9.8%
14	1,625,001	1,750,000	9.0%			
	1,750,001	<i>and above</i>	8.6%			