Drupal Association

2009 Budget
June 16th, 2009

Mission

The Drupal Association is dedicated to helping the open-source Drupal CMS project flourish. The Drupal Association supports and assists the Drupal community by maintaining the hardware and software infrastructure of *.drupal.org, protecting the Drupal trademark and GPLed source code of the Drupal project, contributed modules and themes, organizing the semi-annual Drupalcon, marketing the Drupal project, and other supporting activities.

2009 Goals and funding priorities

In accordance with the Association's mission statement the Association has outlined the following goals and funding priorities.

1. Completion of Drupal.org redesign
2. Capacity upgrades to the infrastructure of *.drupal.org
3. Board Insurance
4. Resolving Drupal trademark
5. Bi-annual Drupalcon
6. Legal contract reviews for Drupal store, Drupalcon, and Trademark
7. Reserve for GPL/CC/Trademark/Wordmark enforcement
8. Drupalcamp assistance
9. Upgrades to drupal.org
10. Legal reserve for the protection of core and contributed code/themes/documentation
11. Maintenance and upgrades to *.drupal.org's infrastructure
12. Marketing the Drupal project with four goals
    a. Strengthening and growing the Drupal community through the assistance of camps, meetups, sprints and other community events
    b. Increasing Drupal's usage
    c. Increasing the awareness of Drupal
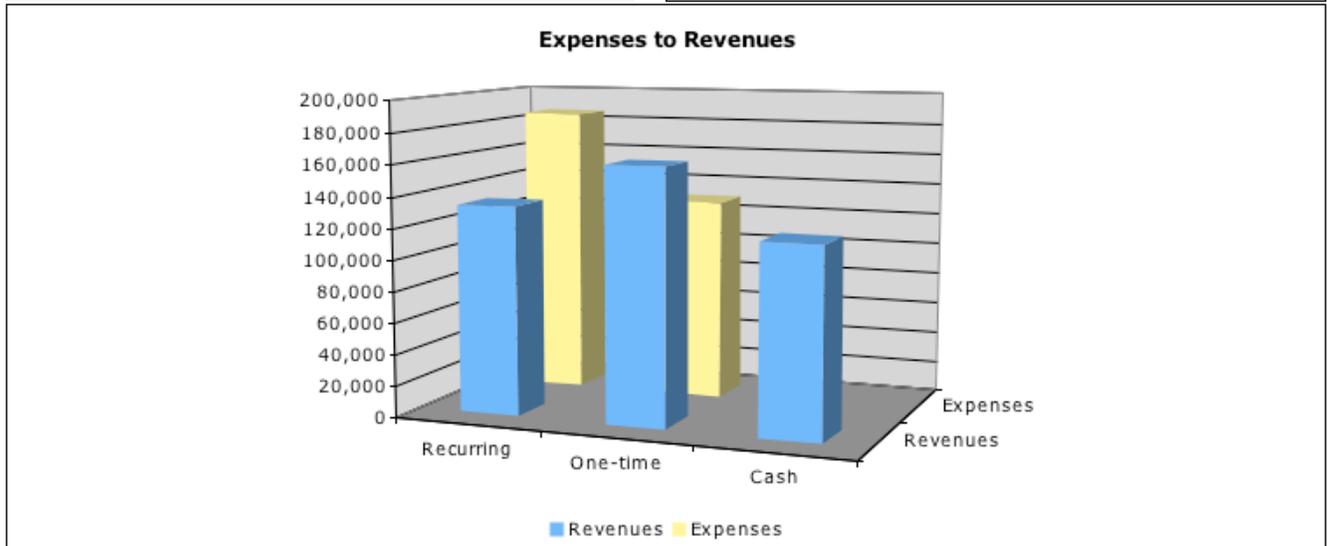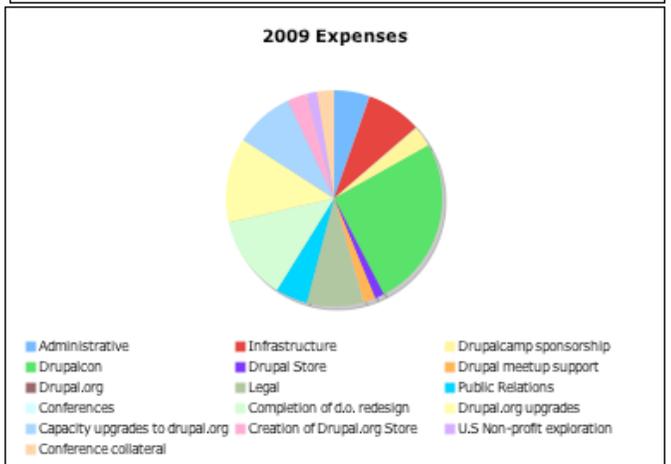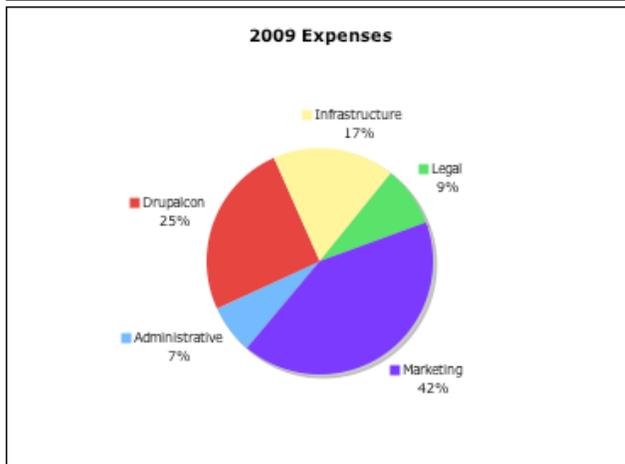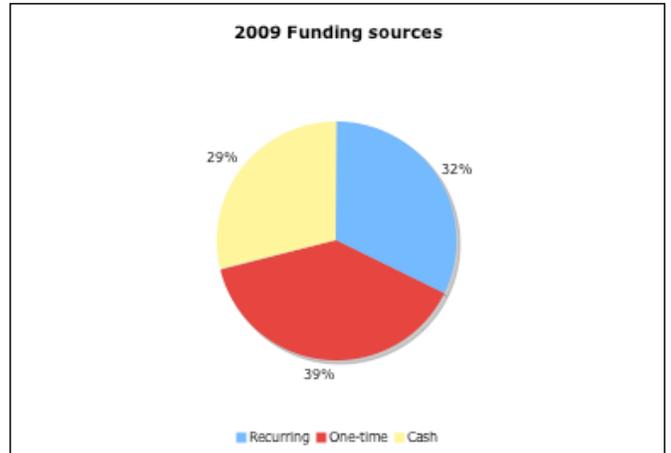   d. Enter emerging markets

Budget Overview

Projected Revenues		USD[1]	EURO	%
Revenue from ongoing activities				
Membership Fees		40,209	30,000	9.69%
Royalties		29,486	22,000	7.10%
Donations		26,806	20,000	6.46%
Drupalcon donations		26,806	20,000	6.46%
Drupalcamp donations		10,000	7,461	2.41%
Misc (interest, forex, etc.)		107	80	0.03%
Total Revenue for ongoing activities		**133,414**	**99,541**	**32.14%**
2009 one-time revenues				
Drupalcon donations		150,000	111,916	36.14%
Drupal.org development donations		11,875	8,940	2.86%
Total one-time Revenues		**161,875**	**120,776**	**39.00%**
Total 2009 Revenue		**295,289**	**220,317**	**71.14%**
Current Assets				
Cash[23]		119,798	89,382	28.86%
Total Current Assets		**119,798**	**89,382**	**28.86%**
Total Assets		**415,087**	**309,699**	**100%**
Expenses				
Expenses for ongoing activities				
Administrative	Administrative	16,892	12,604	5.36%
Infrastructure	Infrastructure	26,264	19,596	8.34%
Drupalcamp sponsorship	Marketing	10,400	7,760	3.30%
Drupalcon	Drupalcon	80,000	59,689	25.40%
Drupal store	Marketing	5,000	3,731	1.59%
Drupal meetup support	Marketing	5,000	3,731	1.59%
Legal	Legal	27,000	20,145	8.57%
Public Relations	Marketing	14,525	10,837	4.61%
Conferences	Marketing	400	298	.13%
Total ongoing expenses		**185,481**	**138,389**	**58.88%**
Expenses for 2009 activities				
Completion of d.o redesign	Marketing	39,337	29,349	12.49%
Drupal.org upgrades	Marketing	40,250	30,031	12.78%
Capacity upgrades to drupal.org	Infrastructure	28,200	21,040	8.95%
Creation of Drupal.org store	Marketing	8,500	6,342	2.70%
U.S Non-profit exploration	Administration	5,000	3,731	1.59%
Conference collateral	Marketing	8,254	6,158	2.62%
Total one-time expenses		**129,541**	**96,651**	**41.12%**
Total Expenses		**315,022**	**235,040**	**100%**
Total carryover(loss)		**13,289**	**9,915**	

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[1] USD to Euro exchange as of May 1st, 2009 was 1 USD = .7533 EUR
[2] KBC Bank balances as of December 31, 2008 totaled 32,641 EUR and 71,638 USD
[3] Paypal balances as of December 31, 2008 totaled 1,423 EUR 2,771 USD

Visual breakdown

2009 Funding sources

29%
10%
3%
7%
6%
6%
37%
2%
0%

- Membership Fees
- Royalties
- Donations
- Drupalcon donations
- Drupalcamp donations
- Misc (interest, forex, etc.)
- Drupalcon donations
- Drupal.org development donations
- Cash

2009 Funding sources

29%
32%
39%

- Recurring
- One-time
- Cash

2009 Expenses

Infrastructure 17%
Legal 9%
Drupalcon 25%
Administrative 7%
Marketing 42%

2009 Expenses

- Administrative
- Infrastructure
- Drupalcamp sponsorship
- Drupalcon
- Drupal Store
- Drupal meetup support
- Drupal.org
- Legal
- Public Relations
- Conferences
- Completion of d.o. redesign
- Drupal.org upgrades
- Capacity upgrades to drupal.org
- Creation of Drupal.org Store
- U.S Non-profit exploration
- Conference collateral

Expenses to Revenues

200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0

Recurring   One-time   Cash

Expenses
Revenues

- Revenues
- Expenses

Revenues by major category

Ongoing activities

Revenues from ongoing activities represent areas that the Association utilizes as a sustainable source of revenue. These activities include membership fees, royalties, and community donations but exclude extraordinary items such as large donations or unexpected revenue from activities. The purpose of this distinction is to make it clear how the organization sustains itself from year to year as well as to provide clear direction when taking on initiatives that may span over several years.

Membership Fees

Membership fees include both individual and organizational memberships. In 2007 fees totaled 9,427.50 (euros) and 2008 fees totaled 27,455 (euros). As of May 1st, 2009 192 individual and 126 organization memberships were paid for a net total of 13,400 (euros). Total 2009 membership income is estimated at 30,000 euros.

There are currently 736 members with 318 new members gained in 2009. A trend analysis would predict income at approximately 40,000 – 50,000 euros but with such a short history a more conservative number was chosen.

Royalties

In 2007 book companies began to provide the Drupal Association with a small royalty on the Drupal related books they sold. In 2007 royalties amounted to 14,080 euros and increased to 18,089 euros in 2008. The 2009 royalty income is estimated at 22,000 euros.

Donations

In addition to membership fees the Association accepts direct donations. In 2007 the community and sponsors graciously donated 18,056 Euros and in 2008 donations decreased slightly to approximately 17,000 euros. As of May 1st, 2009 year to date donations amounted to 14,029.26 euros from 329 donors. A large number of these donations happened before, during or slightly after Drupalcon D.C. In 2008 a large number of donations occurred before, during and slightly after Drupalcon Boston and a lower but steady donation trend for the remainder of the year.

Based upon the 2008 trend 2009 donations are estimated at 20,000 euros even though nearly 75% of this amount has already been received.

It should be noted that in 2008 recorded donations when nearly 90,000 Euros but this number included a 70,000K donation from Drupalcon Boston. Accounting methods

were modified to more actually reflect large donations coming from conferences and those coming the community.

Drupalcamp Donations

An initiative to be launched in 2009 is the use of micro-donations to Drupalcamps around the world. Many Drupalcamps have expressed difficulty in obtaining the upfront funds necessary to obtain a venue or other equipment necessary to host a Drupalcamp. Once a camp has been hosted donations generally exceed the amount needed to host the camp. The Association has decided to offer donations to these communities to seed their Drupalcamp with an expectation that the Association will receive a donation equal to or greater than the initial donation amount.

10,000 USD has been allotted for these donations. There is no expectation or requirement for a return donation to the Association. Many camps have already donated excess funds to the Association so we expect return donations to exceed the outgoing amount but a conservative estimate is break even on the outgoing donations for 2009.

One time revenues

One-time revenues compromise unexpected but highly welcomed revenues. These comprise large donations resulting from a well-received Drupalcon, donations to help fund specific development sprints or infrastructure purchases. The Association welcomes these donations but does not expect them to be ongoing or recurring donations.

Drupalcon donations

The biannual Drupalcon resulted in significant donations in 2008 and the most recent Drupalcon held in D.C is expected to provide a donation of approximately 183,000 USD. 30,000 is held in reserve for accounting and taxes with the remainder considered a donation.

Drupal.org development donations

In 2009 the Association will fund the development of several enhancements to http://drupal.org as outlined in the expenses section of this budget. Two of the items will attempt to be funded via a 50/50 collaboration with the community and sponsors. The Association will match donations from the community and sponsors. If donations fail to reach the 50% mark the Association may elect to fund the remaining amount. The full expense has been recorded and 50% of the expense marked as a revenue item.

It should be clear that this revenue item might not be received in full.

The two items to be funded and the amounts are

- 8,750 (4,375 Association, 4,375 donated) Install profiles packaged with both core and required contribs
- 15,000 (7,500 Association, 7,500 donated) Drupal downloads pre-bundled with language files

Expenses by major category

For consistency and clarify the expenses outlined in this section are represented in USD only. Amounts spent in Euros are also represented in their USD equivalent using the exchange rate noted at the beginning of this document.

Administrative

Overview

Recurring expenses

Expected bank fees	550
Accounting software	500
Reserve funds	2,800
Board Insurance	5,000
Accountant fees	8,000
Total	**16,850**

One-time expenses

U.S Non-profit organization creation	5,000
Total	**5,000**

Grand Total	**21,850**

Breakdown

The Association hires a Belgium accounting firm to maintain the accounting books as well as to final our quarterly and annual tax reports with the Belgium government.

Reserve funds include reimbursements for Association related business activities, possible hiring of a copy editor, travel reimbursements, and other expenses related to the running and maintaining of the Drupal Association.

The Association is exploring creating a U.S based non-profit to support Drupalcon North America as well as other Drupal activities for the North American community. This research is expected to cost approximately 5,000 USD to consult with lawyers, accountants, and tax specialists. The complexity of creating a U.S based non-profit that is connected to a Belgium non-profit and can perform activities in multiple countries around the world while reducing our short and long-term tax and administrative burden warrants the special attention and cost of specialists.

Accounting fees for 2008 were 4,000 Euros and an increase is expected to approximately 6,000 Euros in 2009 (8,000 USD).

As the Drupal Association has grown considerably and is now managing a budget nearing a half million dollars that is continuing to grow board insurance is necessary to legally protect the board members of the Association. Board members may be held personally liable for acts of the Association even if those acts are beyond their control.

Insurance protects the board members from lawsuits against the Association. This is a common and necessary expense.

Purpose

As a legal non-profit entity operating worldwide certain administrative expenses are necessary. In 2009 overhead amounts to an exceptional 5.5% meaning that 94.5% of every donated dollar goes directly to support the Drupal community.

Infrastructure

Overview

Recurring expenses

rsync.net backup	200
Wildcard SSL Cert	800
Panther CDN	8,264
OSUOSL Interns	10,000
Consulting fees	7,000
Total	**26,264**

One-time expenses

EC2 Testing infrastructure	500
3 replacement power supplies	1,200
New Web servers	2,500
New mail server	6,200
OSUOSL Donation	5,000
Replacement drives	400
Two new database servers	12,400
Total	**28,200**

Grand Total	**54,464**

Breakdown

Two new database servers are necessary to support the increased traffic of Drupal.org as well as a new mail server and an additional front-end web server. The traffic on Drupal.org has increased significantly over the past year and the current hardware is nearing capacity.

Oregon State University's Open Source Labs (OSUOSL) has generously donated the use of its data center and bandwidth for *.drupal.org. Bandwidth amounts to several terabytes every month. Moreover OSUOSL has assigned an intern to assist with any hardware modifications, installations, or other issues that require a physical presence at the data center. A donation of 5,000 USD plus and additional 10,000 for interns will help to support OSUOSL and ensure a long-term relationship with OSUOSL.

Metrics

The effectiveness of infrastructure spending is based upon several measures, which include:
- Server uptime
- Average response time
- Additional user capacity
- Additional email capacity

Purpose

As a primary initiative of the Drupal Association infrastructure spending helps to sustain the hardware, software, and human resources necessary to maintain the many *.drupal.org websites. Infrastructure spending supports the database, web server, email handling, external backups, CVS repository, file storage, and other items necessary to support the Drupal community. Modifications to the software on any of the *.drupal.org websites are not included in this category.

Upgrades to Drupal.org

Overview

One-time expenses

Redesign sprints for drupal.org	3,750
Funding initiatives to create a robust subscription server for drupal.org to remove the +1 subscribe posts	5,500
Extending the subscription server from the above line item to provide the ability to subscribe to comment threads anywhere on d.o. (forums, handbooks, etc.)	5,000
Theme development: GSoC-style mentored theme project	6,000
Funding the development of install profiles packaged with both core and required contribs	8,750
Funding the development of Drupal downloads pre-bundled with language files	15,000
Development sprints	8,000
Drupal.org re-design prior commitments (Phase 2)	27,586
Total	**79,586**

Breakdown

A redesign of drupal.org was approved in 2008 and is continuing in 2009. A final payment of 18,209 GBP (approx. 27,586 USD) to Mark Boulton (the contractor) was approved in 2008. The redesign will require several coding sprints to update the software on http://drupal.org to implement the new functionality and/or assist the theming process.

In 2007 and 2008 many attempts were made to recruit volunteers to develop new functionality for http://drupal.org. These attempts have failed to recruit the necessary volunteers largely due to the fact that the functionality request is highly specific to the *.drupal.org website leaving little incentive to the developer (i.e. no code reuse). It is apparent that these initiatives will have to be directly funded by the Association if they are to be accomplished.

The following two developments will launch a 50/50 donation campaign seeking sponsors and donations to fund half of the amount needed. These have been recorded as a full expense and as 50% revenue. The Association may fund the entire development if the 50% donation can be achieved.

- 8,750 (4,375 Association, 4,375 donated) Install profiles packaged with both core and required contribs
- 15,000 (7,500 Association, 7,500 donated) Drupal downloads pre-bundled with language files

Metrics

The effectiveness of modifications to *.drupal.org websites is measured through community satisfaction reported through periodic polls and surveys as well as monitoring of the use of the implemented features.

Purpose

The *.drupal.org websites are the primary collaboration point for members of the Drupal community. It is the mission of the Association to ensure that the community has the tools necessary to participate in, collaborate with, and contribute to the Drupal community. These expenditures work to improve the tools available to the community.

Drupal Camp sponsorships

Overview

Recurring expenses

Worldwide Seed funding	10,400
Total	**10,400**

Breakdown

Drupalcamps have been growing around the world. The growth of the camps has been great but it has provided a strain on the camp organizers, as they have to find bigger venues and use more equipment, which often require upfront payment. Camps are generally sustainable through community donations but these donations come just before or during the camp. A seed fund provides the organizer with the necessary upfront capital. Drupalcamps often provide a donation back to the Association allowing the Association to fund another camp. The net of the seed expenditures should be zero although a 70% return rate is used in revenue expectations.

Metrics

- Seed funding is measured by its effectiveness in sustaining existing Drupalcamps as well as encouraging new Drupalcamps

Purpose

Drupalcamps are a source of new Drupal communities members as well as a method for community member to interact, network and to collaborate on projects. Several new modules, themes and/or changes to core initially come from Drupalcamps. Encouraging Drupalcamps will help to grown and strengthen the Drupal community.

Drupal Store

Overview

Recurring expenses

Shop reserve funds	5,000
Total	**5,000**

One-time expenses

Merchandise re-design	1,500
Commerce Guys funding	7,000
Total	**8,500**

Grand Total	**13,500**

Breakdown

Members of the community have asked the Association if official Drupal gear could be purchased, for example a Drupalicon mug or T-shirt. To meet these requests as well as to create a new marketing channel the Association requested proposals from vendors. Commerce Guys was selected as the vendor to build an official Drupal online store. The expenditures amounts are to build the store and to establish an initial inventory.

Metrics

The Drupal store is a revenue generation initiative and is measured by its ROI.

Purpose

The build and support an online store for the purchase of official Drupal merchandise including T-Shirts, mugs, books, training DVDs, etc.

Drupal meetups

Overview
Recurring expenses

Worldwide support fund	5,000
Total	**5,000**

Breakdown

These funds would be used to encourage Drupal meetup groups by sending swag (buttons, cups, t-shirts, etc.) to the meetup organizer. Expenditures would include swag, postal materials, and postage.

Metrics

Effectiveness will be measured through the growth of meetup groups determined by periodic surveys and the growth rate on groups.drupal.org.

Purpose

The Drupal community drives the Drupal project forward by working and collaborating together on modules and projects. The IRC channels and online forums are a great place for the community to collaborate and meet one another but physical meetings are what really set the Drupal community apart from other open source communities. Drupal meetups have proven over again to create new connections, introduce developers to each other, increased collaboration and to strengthen the Drupal community. Combined the effect has been to push the Drupal project even further.

Legal Budget

Overview
Recurring expenses

Reserve for legal council	25,000
Incidentals & Misc.	2,000
Total	**27,000**

Breakdown

Legal council includes the hiring of a trademark, copyright and IPR lawyer to help protect the Drupal and Drupalcon trademark. Legal council is a minimum of 250 USD/hr thus providing approximately 100 hours of a lawyer's time.

Metrics

Measuring the effectiveness of a lawyer is difficult to do without existing litigation or the threat of litigation. The outcome of this expenditure is that of written documentation explaining Drupal's trademark and licensing requirements.

Purpose
The Drupal Association is tasked with protecting the Drupal and Drupalcon trademark, Drupal's GPLed source code, and the source code, documentation and other community contributions to the Drupal project. In the past attempts have been made to trademark the Drupal name or logo and non-Drupal sites have packaged and sold the Drupal source code under a different name without providing attribution nor source code. This budget is defend against these actions.

Conference collateral

Overview

One-time expenses

Conference booth and collateral design	750
Conference booth stall	2,500
Two events kits for use at conferences	5,000
Conference swag	400
Total	**8,650**

Breakdown
In order to support community members that have volunteered to man booths at various open-source and technology conference the Association will have two event kits designed and created as well as purchase a freestanding conference stall. This will give Drupal a more professional appearance at conference and provide a place for the conference attendees to learn more about the Drupal project.

Metrics
The number of conferences at which the Drupal community has an appearance at per year provides the initial measure for this expenditure. Additional metrics include watching for correlations between conference dates and drupal.org activity and possible increases in drupal.org user accounts and/or downloads resulting from the conference attendance.

Purpose
Members of the Drupal Community attend several open source conferences every year. These members have volunteered their time to staff a booth at the conference to promote the Drupal project and answer questions about how one might use Drupal and/or participate in the community, assistance from the Drupal Association will help reduce the barrier to participation, grant access to more conference and show the conference attendees the strength of the Drupal community.

Public Relations

Marketing materials design, one-sheet downloads for drupal.org, conference materials, etc.	4,525
Hiring of a Public relations firm	10,000
Total	**14,525**

Breakdown
To help promote the use of Drupal a small budget would be used to create conference one-sheets, downloadable marketing materials and conference materials (booth designs, banners, etc.). A public relations firm would be hired to help promote Drupal through traditional media including press releases. A press release was created for the release of Drupal 6 and the results seemed positive with a number of print journals picking up the release. The P.R form would be tasked with helping to publicize the upcoming Drupal 7 release as well as the redesign of drupal.org.

Metrics
Public relations, like most marketing related activities, is quite difficult to measure directly. The effectiveness of these efforts would be measured by a combination of the number of articles written about Drupal, growth in Drupal downloads and growth in the community. We can also measure effectiveness by judging a P.R campaigns reach into industry by evaluating the number of inquiries related to the campaign.

Purpose
To expand the reach of the Drupal project and to show that the Drupal system is a rock solid, steady and robust content management system with a strong community.

Drupalcon

Overview
Recurring expenses

Worldwide Drupalcon budget	80,000
Total	**80,000**

Breakdown
Drupalcon is the twice-annual conference for the Drupal community. It is currently held in the spring in North America and in the fall in Europe. Drupalcon is currently and projected to continue to be self-sufficient meaning that revenues exceed expenditures. In fact Drupalcon typically returns more money to the Association than is put into the conference. This expenditure is used to put down venue deposit, hire event

managers and other activities that occur and must be paid for before tickets go on sale or sponsorship funds are received. This budget is matched by an equal revenue line item.

Metrics

As Drupalcon is designed to be a self-sufficient activity the effectiveness is measured by its ability to raise enough money to return the initial investment allowing the next year's conference to be put on. The success of a Drupalcon, however, is not measured through an R.O.I as the purpose of the conference is not to make money but rather to support, encourage and bring the community together. Drupalcon's effectiveness is measured by asking the community for feedback through surveys, polls, in person interviews as well judging the online "buzz" about the conference (blog posts, twitter, IRC chat, etc.)

Purpose

Drupalcon! Do I need to say more? OK. Drupalcon!