

<b>Charter Question #8</b>	What aspects should be considered to determine an appropriate level of overhead that supports the principles outlined in this charter?
<b>Initial Responses (summary – for full responses, see <a href="#">here</a>)</b>	<ul style="list-style-type: none"> <li>• As small as possible. And not based on % commission of the grants disbursed but on the real work to be performed by the agency. If the ICANN internal option is taken, then IMO a few additional staff, 3 to 5 (fixed cost) would be needed.</li> <li>• Clearly some benchmark would be useful.</li> <li>• As almost no agencies fund core expenses anymore, % is a common way to charge for administration/indirect costs. If the program was to operate without a % as a base, but for “work done” as suggested above, then a definition of what is allowed to include needs to be done. As the costs vary country by country and every organization operates under a different logistics, it is difficult to be “competitive” in a bid if a % is not provided. For example, an organization that pays rent of their premises might have higher costs, that one that operates in a university or owns their space. But that does not reflect the organizational capacity to administer the funds. Percentages between 15% and 20% are what is widely accepted in the international development community. Some universities might charge over 40% overheads. Lower overheads might be submitted, but if that is the case then the projects might be requesting funds for expenses that other organizations are including as part of their percentage. If looking for a bench-mark, a wide net should be cast, to see what overheads are charged around the world. I think that some of the funding might be requested for organizations that need support for their core services (not project funds) so a percentage there will not apply.</li> <li>• Ideally there should be no new overhead incurred other than just an appropriate overhead-fee (5% – 10 %) for the non-profit work in the subgranting organizations.</li> <li>• Once a system is set up for distribution, the cost of administering the distribution of the funds will naturally come out of the auction proceeds. As a point of departure, the nominal goal for the overhead is no more than 5%.</li> </ul>
<b>Order in which this question should be dealt with</b>	
<b>Sub-questions or clarifications needed</b>	Responses appear to deal both with overhead for framework / mechanism as well as project applications. Are both expected to be addressed in response to this question?
<b>(External) Expertise required?</b>	Legal and fiduciary requirements.