



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, contributing modules and themes, organizing the semiannual Drupalcon, marketing the Drupal project, and supporting other 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. Resolving Drupal trademark
4. Biannual Drupalcon
5. Legal contract reviews for Drupal store, Drupalcon, and trademark
6. Reserve for GPL/CC/Trademark/Wordmark enforcement
7. Drupalcamp assistance
8. Upgrades to Drupal.org
9. Legal reserve for the protection of core and contributed code/themes/documentation
10. Maintenance and upgrades to *.drupal.org's infrastructure
11. Marketing the Drupal project with four goals
 - a. Strengthening and growing the Drupal community through the assistance of camps, meet-ups, sprints, and other community events
 - b. Increasing Drupal's usage
 - c. Increasing the awareness of Drupal
 - d. Entering emerging markets

Budget Overview

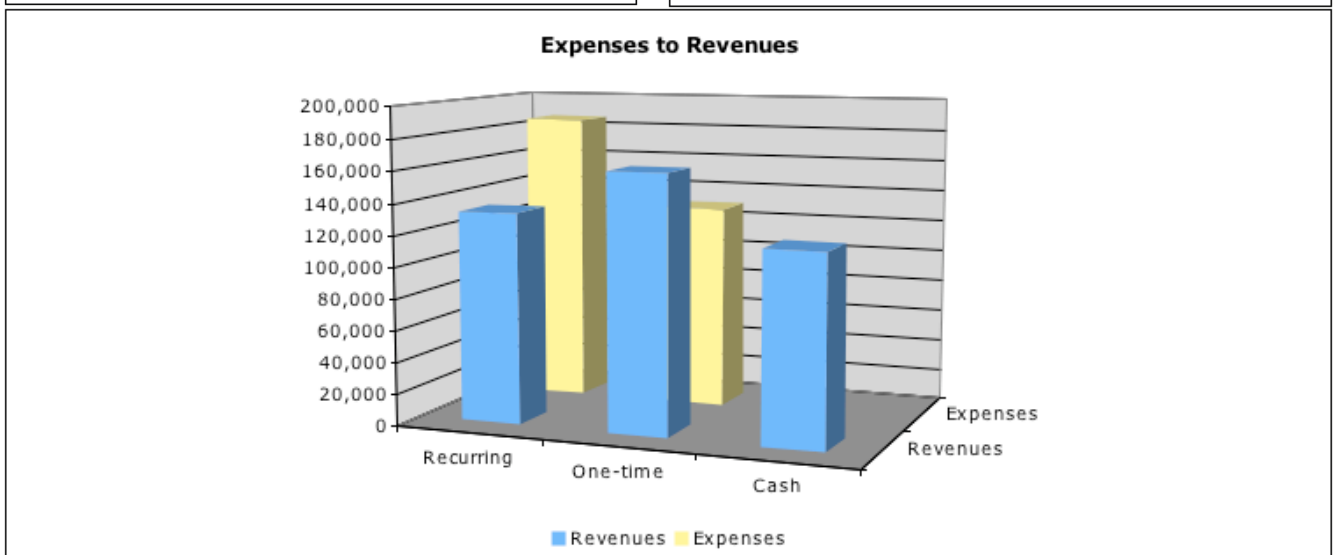
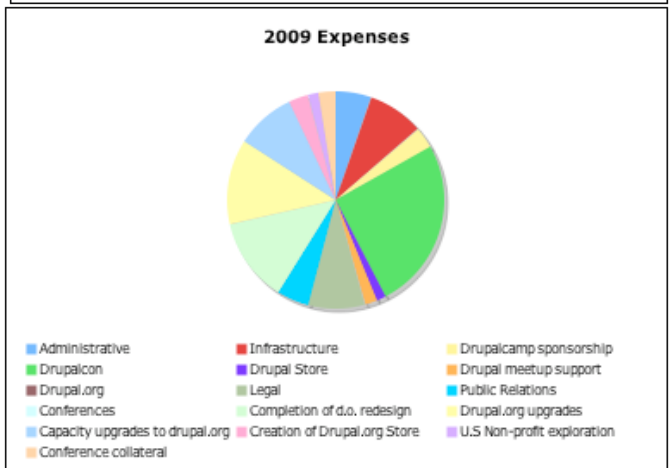
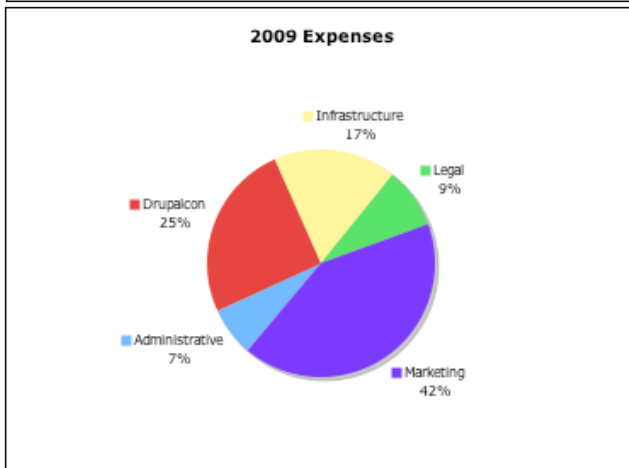
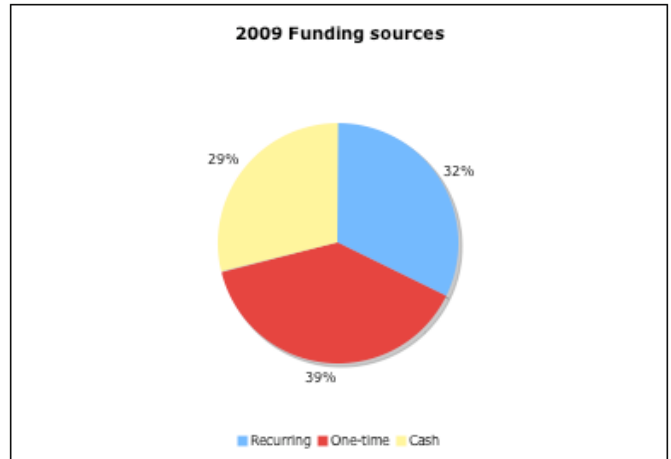
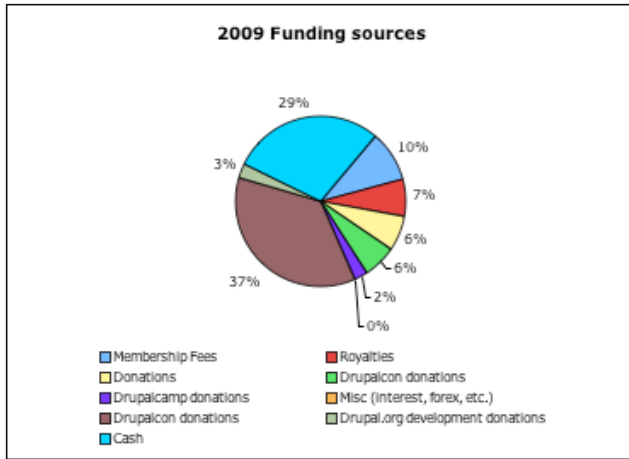
| Projected Revenues | | USD ¹ | EURO | % |
|---|-------------------------|------------------|----------------|---------------|
| <u>Revenue from ongoing activities</u> | | | | |
| Membership Fees | | 40,209 | 30,000 | 9.69% |
| Royalties | | 29,486 | 22,000 | 7.10% |
| Donations | | 26,806 | 20,000 | 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% |
| <u>2009 one-time revenues</u> | | | | |
| 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 | | | | |
| <u>Expenses for ongoing activities</u> | | | | |
| 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, Marketing | 80,000 | 59,689 | 25.40% |
| Drupal store | Marketing | 5,000 | 3,731 | 1.59% |
| Drupal meet-up 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% |
| <u>Expenses for 2009 activities</u> | | | | |
| Completion of d.o redesign | Marketing | 39,337 | 29,349 | 12.49% |
| Drupal.org upgrades | Marketing | 40,250 | 30,031 | 12.78% |
| Capacityupgrades 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) | | 100,064 | 74,659 | |

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



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 clarify how the organization sustains itself from year to year and 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, resulting in 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 totaled 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. The community and sponsors graciously donated 18,056 Euros in 2007; 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 immediately after Drupalcon D.C. In 2008 a large number of donations occurred before, during and immediately after Drupalcon Boston, with a lower but steadier donation trend for the remainder of the year.

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

It should be noted that in 2008 the Association recorded nearly 90,000 Euros in donations, but this number included a 70,000 donation from Drupalcon Boston. Accounting methods were modified to more accurately separate large donations coming from conferences and those coming from the community.

Drupalcamp Donations

An initiative to be launched in 2009 is the use of micro-donations to assist Drupalcamps around the world. Many Drupalcamps have expressed difficulty in obtaining the upfront funds necessary to acquire a venue or other equipment necessary to hosting a Drupalcamp. Once a camp has found a host, donations generally exceed the amount needed to host the camp. The Association has decided to offer donations to these communities to seed their Drupalcamp.

An amount of 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. We hope to receive return donations that exceed the outgoing amount, but conservatively estimate breaking even on the outgoing donations for 2009.

One-time Revenues

One-time revenues are unexpected but highly welcomed revenues. These include large donations resulting from a well-received Drupalcon and 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. About 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 contributions
- 15,000 (7,500 Association, 7,500 donated) - Drupal downloads pre-bundled with language files

Expenses by major category

For consistency and clarification, 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.

Infrastructure

Overview

Recurring expenses

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

One-time expenses

| | |
|--------------------------|---------------|
| Testing infrastructure | 500 |
| Hardware spares | 1,600 |
| New Web servers | 2,500 |
| New mail server | 6,200 |
| OSUOSL Donation | 5,000 |
| Two new database servers | 12,400 |
| Total | 28,200 |

| | |
|--------------------------|---------------|
| Grand Total (USD) | 54,464 |
|--------------------------|---------------|

Breakdown

Two new database servers are necessary to support the increased traffic of Drupal.org, 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.

Legal Budget

Overview

Recurring expenses

| | |
|---------------------------|---------------|
| Reserve for legal council | 25,000 |
| Incidentals & Misc. | 2,000 |
| Grand Total (USD) | 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 at 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 or source code. This budget is to defend against these actions.

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 (USD) | 21,850 |
|--------------------------|---------------|

Breakdown

The Association hires a Belgium accounting firm to maintain the accounting books and to file 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 the creation of a U.S-based non-profit to support Drupalcon North America and other Drupal activities for the North American community. This research is expected to cost approximately 5,000 USD, including consultations with lawyers, accountants, and tax specialists. The complexity of creating a U.S-based non-profit that is connected to a Belgian 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. The fees are expected to increase to approximately 6,000 Euros in 2009 (8,000 USD).

As the Drupal Association continues to grow, now managing a budget nearing a half million dollars, 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 only amounts to an exceptional 5.5%, leaving 94.5% of every donated dollar to directly support the Drupal community.

Marketing Activities

The Drupal Association's statutes call for providing support in communicating, promoting, and distributing the Drupal project. We have set four marketing goals for the 2009 budget. They are: 1) Strengthening and growing the community through the assistance of camps, meet-ups, sprints, and other community events; 2) Increasing Drupal's usage; 3) Increasing the awareness of Drupal; 4) Entering emerging markets, or in simpler terms, helping to grow Drupal in new areas of Drupal adoption such as government. These goals help focus the Association's marketing efforts and provide the community with an opportunity to evaluate our marketing support efforts.

The Drupal community has many active marketing efforts, including Drupal consultancy business development, Drupal blogs, Drupal user groups, and Drupal camps. In this budget, the Association provides financial support for complementary marketing activities. These activities include financial support for growing the Drupal community through sponsorships of meet-ups, Drupalcamps, and Drupalcon. Budget support also includes improvements to our main communications outlet, Drupal.org, and through public relations to reach a new audiences through conferences, social media, and traditional media outlets. We also aim to promote the Drupal brand through a new store on Drupal.org.

The Drupal community has been developing expertise in many areas. These include professional web site consulting, running Drupal.org infrastructure, holding Drupalcons, and holding regional Drupal camps. The Association is creating a strategic marketing work group to help advise on these marketing efforts. We are encouraging members of the Drupal community who are interested in helping to develop the community's marketing expertise to join the Drupal marketing group (<http://groups.drupal.org/drupal-marketing>) and get involved in these funded marketing activities.

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 allow subscribing 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 |
| Grand Total (USD) | 79,586 |

Breakdown

A redesign of Drupal.org was approved in 2008 and is continuing into 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 because 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 cannot 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, surveys, and the monitoring of the use of 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.

Drupalcamp Sponsorships

Overview

Recurring expenses

| | |
|--------------------------|---------------|
| Worldwide Seed funding | 10,400 |
| Grand Total (USD) | 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. They have increasingly had to find bigger venues and use more equipment, which often require upfront payment. Camps are generally sustained through community donations; however, these donations come just before or during the camp. In contrast, 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 the Association hopes to receive a 70% return rate.

Metrics

- Seed funding is measured by its effectiveness in both sustaining existing Drupalcamps and encouraging new Drupalcamps

Purpose

Drupalcamps are a source of new Drupal communities members and a method for community members to interact, network, and collaborate on projects. Several new modules, themes, and/or changes to core initially come out of Drupalcamps. Encouraging Drupalcamps will help to grow 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 (USD) | 13,500 |
|--------------------------|---------------|

Breakdown

Members of the community have asked the Association if official Drupal gear such as Drupalcon mugs or t-shirts could be purchased. They also wanted to create a new marketing channel. The Association requested proposals from vendors, and Commerce Guys was selected as the vendor to build an official Drupal online store. The expenditure amounts are earmarked for building the store and establishing an initial inventory.

Metrics

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

Purpose

The purpose is to create and support an online store for official Drupal merchandise, including t-shirts, mugs, books, training DVDs, etc.

Drupal Meet-ups

Overview

Recurring expenses

| | |
|--------------------------|--------------|
| Worldwide support fund | 5,000 |
| Grand Total (USD) | 5,000 |

Breakdown

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

Metrics

Effectiveness will be measured through the growth of meet-up groups as gleaned through 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. While IRC channels and online forums are great places for the community to collaborate and meet one another, physical meetings are what really set the Drupal community apart from other open source communities. Drupal meet-ups have proven repeatedly to create new connections, introduce developers to each other, increase collaboration, and strengthen the Drupal community. The combined effect has been to push the Drupal project even further ahead.

Conference Collateral

Overview

One-time expenses

| | |
|--|--------------|
| Conference booth and collateral design | 750 |
| Conference booth stall | 2,500 |
| Two event kits for use at conferences | 5,000 |
| Conference swag | 400 |
| Grand Total (USD) | 8,650 |

Breakdown

In order to support community members that have volunteered to staff booths at various open-source and technology conferences, the Association will have two event kits designed and created. It will also purchase a freestanding conference stall. This will give Drupal a more professional appearance at conferences 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 made appearances each 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 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 conferences, 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 |
| Grand Total (USD) | 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 such as press releases. A press release was created for the release of Drupal 6 and the results seemed positive; a number of print journals picked up the release. The P.R firm would be tasked with helping to publicize the upcoming Drupal 7 release and 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 campaign's reach into industry by evaluating the number of inquiries related to the campaign.

Purpose

The use of a PR firm will 1) widen the reach of the Drupal project, and 2) show that the Drupal system is a rock solid, steady, and robust content management system supported by a strong community.

Drupalcon

Overview

Recurring expenses

| | |
|----------------------------|---------------|
| Worldwide Drupalcon budget | 80,000 |
| Grand Total (USD) | 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 remain 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 support other activities that occur; it 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

Because 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 following year's conference to take place. The success of a Drupalcon, however, is not measured through an ROI; the purpose of the conference is not to make money but to support, encourage and bring the community together. Drupalcon's effectiveness is

measured by community feedback through surveys, polls, in-person interviews, and online “buzz” about the conference (blog posts, twitter, IRC chat, etc.)

Purpose

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