

Revised Proposed Funding Model (ATIS)

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This Funding Model addresses the need to resource the operating budget of oneM2M by levying assessments on participants.

The assessment is comprised of three components: a fixed Partner Type 1 portion; a matching Partner Type 2 portion; and a proportionate Partner Type 1/Member portion. The fixed portion contributes five percent (5%) of the operating budget. The matching portion is equal to each individual Partner Type 1 portion. The remaining portion is divided proportionately based upon the number of Partner Type 1 Members,

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The fixed portion is shared equally between the Partners Type 1. Consequently, the assessment related to the fixed portion for each Partner Type 1 (x) is calculated as follows:

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$$\frac{\{\text{operating budget}\} * 0.05}{\{\text{number of Partners Type 1}\}} = x$$

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Each Partner Type 2 (y) shall contribute the same resource as each Partner Type 1 (x).

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$$y = x$$

The variable portion is shared between the Partners Type 1 in direct proportion to their number of Members admitted. Consequently, the assessment related to the variable portion for each Partner Type 1 is calculated as follows:

$$\frac{(\{\text{operating budget}\} * 0.95) - (y * \{\text{number of Partners Type 2}\})}{\{\text{number of Members admitted by this Partner Type 1}\}} * \frac{\{\text{total number of Members admitted by all Partners Type 1}\}}$$

Associate Members are not required to support the operating budget.

All assessments would be managed/collected directly from the Partners by the Secretariat.

A Partner may satisfy their assessment by providing monetary payment, resources (human, equipment, etc., as outlined in the operating budget and Secretariat Functions), or a combination of both. Determination of the equivalent monetary value for the resources shall be determined by the Steering Committee.

Under the three (5% PT1/PT2/balance) component scenario

(Example: 7 PT1; 10 PT2):

Example implementation of proposed funding model			
2013 FULL YEAR Operating Budget:		1,000,000	
		<u>Cost per Partner/Member</u>	<u>Total per Category</u>
Number of Partners Type 1:	7	7,143	50,000
Number of Partners Type 2:	10	7,143	71,429
Number of Associate Members:	5	0	0
Number of oneM2M Members:	100	8,786	878,571

(Example: 7 PT1; 50 PT2):

Example implementation of proposed funding model			
2013 FULL YEAR Operating Budget:		1,000,000	
		<u>Cost per Partner/Member</u>	<u>Total per Category</u>
Number of Partners Type 1:	7	7,143	50,000
Number of Partners Type 2:	50	7,143	357,143
Number of Associate Members:	5	0	0
Number of oneM2M Members:	100	5,929	592,857

Results:

- As the # of PT2s increases, the PT1/Member portion decreases
- The Partners' portion would remain relatively constant (based upon a constant # of PT1s)
- PT2s would pay a nominal resource/fee to commit
- Those PT1s with more Members may experience a reduction in funding requirements
- **As the example increases from 10 to 50 PT2s, the obligation of a PT1 with 10 Members would change from 95,003 to 66,433 (a 28,570 difference)**

Under the two (5% Partner/95% Member) component scenario

(Example: 7 PT1; 10 PT2):

Example implementation of proposed funding model			
2013 FULL YEAR Operating Budget:		1,000,000	
		<u>Cost per Partner/Member</u>	<u>Total per Category</u>
Number of Partners Type 1:	7		
Number of Partners Type 2:	10		
Total number of Partners:	17	2,941	50000
Number of Associate Members:	5	0	0
Number of oneM2M Members:	100	9,500	950,000

(Example: 7 PT1; 50 PT2):

Example implementation of proposed funding model			
2013 FULL YEAR Operating Budget:		1,000,000	
		<u>Cost per Partner/Member</u>	<u>Total per Category</u>
Number of Partners Type 1:	7		
Number of Partners Type 2:	50		
Total number of Partners:	57	877	50000
Number of Associate Members:	5	0	0
Number of oneM2M Members:	100	9,500	950,000

Results:

- As the # of PT2s increases, the PT1/PT2 portion decreases
- The PT1 cost per Member will remain unchanged
- **As the example increases from 10 to 50 PT2s, the obligation of a PT1 with 10 Members would only change from 97,941 to 95,877 (a 2,064 difference)**