

Ref: Q1 of Questionnaire 3

A comprehensive budget for Operational Expenses for Khushboo's programs has been made for Fiscal 2008-09 (1st April 2008 to 31st March 2009). This estimate has been worked out from the analysis of our actual Statement of Income & Expenditure for the previous Fiscal 07-08. Also, the actual deployment of the personnel, and the data of beneficiaries (users of services), as on 1st October, have been taken into consideration. To this extent the financials mentioned by us earlier stand updated to the current point in time.

For the personnel utilized in more than one program, the proportions of their program-wise contributions have also been taken into reckoning. While reckoning the cost of staff on various programs, a proportional cost of Administrative and Management personnel, has also been apportioned to the programs, over the direct staff, since all these together form the inseparable team needed to operate and manage the programs coherently.

Our operations are structured in following 3 core programs (or projects), as already explained by us in our various earlier communications:

1. 'Blessings' – The school for Special Education for children with mental and multiple challenges. This also includes a sub-component for care and training of Children with severe and profound disabilities – named 'Samvedan.'
2. Program for Vocational Training and rehabilitation of adolescents and young adults with mental challenges – 'Samarth'.
3. A platform for Early Identification & Intervention for pre-school infants – named 'Sparsh'. This project is equipped with various therapeutic services for not only these infants, but also for all children who require therapeutic intervention – in our own other regular streams, or others not on our rolls as out-patient basis.

All these programs work in tandem also providing cross services for children in other programs wherever needed.

In our initial proposal, we had sought financial assistance from Asha-Austin to cover the salaries of our personnel deployed on all our projects. At that time we had indicated our need on this account for Fiscal 2008-09 at INR 1,421,000 (varying between INR 1.3 to 1.57 millions for 3 years). However, immediately thereafter, we had to grant a major revision in entire salary pattern in accordance with prevailing market forces, causing major upsets in our budget.

Also, since then we also have received commitments from our other fund providers, namely, Concern India Foundation and BASAID, and also the movement of the case for our annual grant-in-aid from the Government, the indications of which have been given in our clarifications to your recent queries. Despite each of these grants, containing a major component for staff salaries, major gaps still remain to be filled-in on this account.

The comprehensive Division-wise budget for 08-09 of our operational expenses on revenue account, as requested by you, is worked-out as realistically as possible in the attached Excel worksheets. All the relevant supporting or primary data is also present, which would get to the insight of the organization structure of our programs, and operating expenses of entire KWS.

I would like to summarize the following inferences:

	All figures are in INR
Overall Estimated Expenses on revenue account for 2008-09	2,697,000
Of which, Staff remuneration component is	1,597,000
Of which assistance for salary component from other sources in pipeline is	893,000
Therefore the uncovered deficit as of now is	721,500
Which would increase, if Govt. Grant is not received (which has no certainty),	1,054,000

... along with the following proviso –

1. The above figures also spell out the component of salaries in the grants in the pipeline from other agencies, as sought in your question 2 of 2nd questionnaire.
2. The estimated other cash expenses for our operations amounting to about 650,000 (excluding depreciation) are just about covered by other estimated revenues and donations, if we divert all of them to revenue account only.
3. This estimate does not include any provision for capital expenses towards our infrastructure or development, the assistance for which would be sourced separately. (It is not a subject of our present proposal to Asha-Austin).
4. It also does not include any provision for addition to the planned corpus fund, which would be sourced separately from such donors, who would be specifically willing to help us to build the Corpus as a source of long-term sustenance.
5. The present budget is for our Fiscal 2008-09. The budgets for subsequent years would be furnished in due course, since there is a major uncertainty on salary levels in the light of current Financial Meltdown, and the Government having increased the salaries of its own staff by 40 to 50%.
6. We propose accounting Asha's currently approved assistance towards the expenses for our Fiscal 08-09, to coincide it with our overall annual accounting system.