

Budget Vs Actual Report

FEBRUARY 2022

Index Coop

Actual - Total spend	\$572,529.81
Forecast - Total spend	\$728,070.45
Variance	-27.17%
Change in spend from previous month	-11.41%
Actual - Total contributor reward spend	\$486,633.80
Forecast - Contributor Reward spend	\$547,883.33
Actual - Total Other Expenditure (excluding rewards)	\$87,092.25
Forecast - Total Other Expenditure	\$165,187.12

Overview

February saw the launch of season 1 at Index Coop with the nest structures in place and nest budgets proposed awaiting to be finalised, (do note certain forecast spend for may change as they are still being confirmed).

Total spend in February was \$572,529 which is a **11.41% decrease** from January. Contributor rewards accounted for **84.79%** of the total spend this month but are **12.25%** down from last month. February was also the first month of our core hires receiving their new salaries. Other expenses saw a **6.42% decrease** from last month totalling \$87,092.

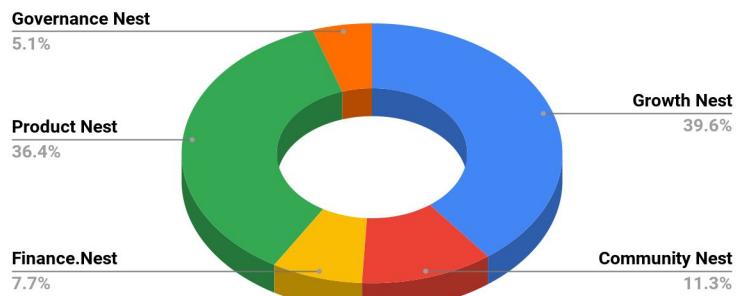
Nest Breakdown

Growth Nest	Forecast	Actual	% Variance
Core Hires	\$103,666.67	\$103,666.67	0.00%
Flexible Rewards	\$98,750.00	\$45,605.00	-53.82%
Total	\$202,416.67	\$149,271.67	-26.26%
Av \$ value of rewards (excl. core hires)	\$1,689.07		
Other Expenses	\$76,527.12	\$77,353.19	1.08%
Total Nest Spend	\$278,943.79	\$226,624.85	-23.09%

All growth nest pods were within budget, with the largest spender being DeFi Business Development at \$22,058, with the lowest Ops & Analytics which compromises of just one core hire at \$11,667. A total of 27 flexible contributors were allocated a reward with a average \$ value of \$1,689. There were large variances in forecast and actual spend for flexible reward allocation for IB pod (-73.75%), Growth Grants program (-94.5%), Performance Marketing (-68.31%) and UX & Analytics (-84.74%).

Growth Nest accounted for the largest other spend which was the CB insights partnership at \$25,700 and \$12,000 Market maker fee for Kairon Labs. Impression mining costs totalled \$20,447, \$16,795 up from January. Another \$10,654 was spent on product sponsorships.

% of total spend per Nest



Community Nest	Forecast	Actual	% Variance
Core Hires	\$30,625.00	\$30,625.00	0.00%
Flexible Rewards	\$36,800.00	\$27,524.22	-25.21%
Total	\$67,425.00	\$59,345.47	-11.98%
Av \$ value of rewards (excl. core hires)	\$1,321.93		
Other Expenses	\$12,500.00	\$6,296.25	-98.53%
Total Nest Spend	\$79,925.00	\$64,445.47	-24.02%

Community nest uses coordinape for their allocation of flexible rewards, the total pot for the circle was \$20,000. The extra flexible rewards were the following, a dispute which was for \$1028, x2 community manager roles at \$2000 each and \$2806.50 for extra allocation of rewards outside the circle. A total of 21 flexible contributors were rewarded.

In terms of other expenses, \$1196.25 was claimed by individuals for tooling subscriptions. A second payment of \$5100 was made to external Notion consultants who have now finished rebuilding Index Coop's Notion interface. We will be looking to centralise the payment for tooling in the future. The other expense forecasted for is community engagement mining, a new initiative the community nest will be trialling to boost the promotion of our products

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Product Nest	Forecast	Actual	% Variance
Core Hires	\$152,708.33	\$151,458.33	-0.82%
Flexible Rewards	\$56,000.00	\$53,250.00	-4.91%
Total	\$208,708.33	\$204,708.33	-1.92%
Av \$ value of rewards (excl. core hires)	\$4,096.15		
Other Expenses	\$72,160.00	\$3,442.81	-1995.96%
Total Nest Spend	\$280,868.33	\$208,151.15	-34.93%

The product nest is the largest spender on rewards out of the 5 nests, accounting for 42.12% of spend. Engineering pod is the only pod to overspend this month across the Coop coming in 3.05% over budget, with flexible rewards being 21% over. There were 13 flexible contributors rewarded across the Product nest.

The only other expense was on gas fees under Engineering. It should be noted the large forecast for other expenses is associated to the Engineering pod for audits.

Governance Nest	Forecast	Actual	% Variance
Core Hires	\$11,666.67	\$11,666.67	0.00%
Flexible Rewards	\$26,666.67	\$23,041.67	-13.59%
Total	\$33,666.67	\$29,041.67	-13.74%
Av \$ value of rewards (excl. core hires & Metagov)	\$2,275.00		
Other Expenses	\$2,500.00	\$0.00	-
Total Nest Spend	\$36,166.67	\$29,041.67	-24.53%

Governance nest rewarded 5 flexible contributors (excluding Metagovernance committee members) totalling \$11,375. There are 4 metagov members each receiving \$1,500 monthly.

Governance nest has budgeted for gas expenses under their forecast for other spend.

Finance Nest	Forecast	Actual	% Variance
Core Hires	\$31,666.67	\$31,666.67	0.00%
Flexible Rewards	\$19,000.00	\$12,600.00	-33.68%
Total	\$50,666.67	\$44,266.67	-12.63%
Av \$ value of rewards (excl. core hires)	\$4200.00		
Other Expenses	\$1,500	\$0.00	-
Total Nest Spend	\$52,166.67	\$44,266.67	-17.85%

Finance nest has 3 core hires, with only 3 flexible contributors being rewarded, with two of those contributors being part of the core finance team for a number of months.

The only other expenses Finance have budgeted for is gas expenses which they may incur when carrying out transactions from the Investment or Operations account.

Summary

This season there will be a conscious effort to keep costs to a minimum, and the first month reflects that as we saw a 11% decrease from January.

It is also worth highlighting that there no more fixed stipends in INDEX or USDC, and all flexible contributor rewards will be paid out in INDEX. As our stable reserves are critical.

The shift in reducing costs and focusing on profit making will aid the Index Coop in becoming a sustainable DAO.