

ICANN
COMMUNITY FORUM

64

KOBE

9–14 March 2019

ICANN 64 Finance Presentation



Presenters



Xavier Calvez
ICANN CFO



Becky Nash
ICANN VP Finance



Shani Quidwai
ICANN Director of Finance



Nathalie Vergnolle
MSSI Sr Manager



Susanna Bennett
Chief Operating Officer



Mukesh Chulani
Registrar Services
Senior Manager

Agenda

1. Introduction- 5 mins
2. FY19 Year-To Date Financial Overview- 10 mins
3. FY20 Planning Process- 10 mins
4. FY20 Draft Budget Highlights and Overview- 10 mins
5. FY20 Public Comment Overview- 30 mins
6. 2 Year Planning Process- 15 mins
7. Coffee Break- 20 mins
8. 2021- 2025 5-Year Strategic Plan- 20 mins
9. 2021- 2025 5-Year Operating and Financial Plan- 30 mins
10. FY20 Funding Update- 30 mins

1. FY19 Year-To Date Financial Overview

FY19 Year-to-date (Jul 18 - Dec 18) Overview

ICANN OPERATIONS

Funding is slightly above budget and Expenses are below budget

USD in millions	FY19 YTD Actual	FY19 YTD Budget	Var	% Var	FY18 YTD Actual	Var	% Var
Funding	\$68	\$67	\$0	0%	\$65	\$3	4%
Expenses	(\$59)	(\$65)	\$6	-10%	(\$59)	\$0	-1%
Net	\$9	\$2	\$7	335%	\$6	\$3	52%

Note: Expenses exclude bad debt and depreciation and include capital expenses.

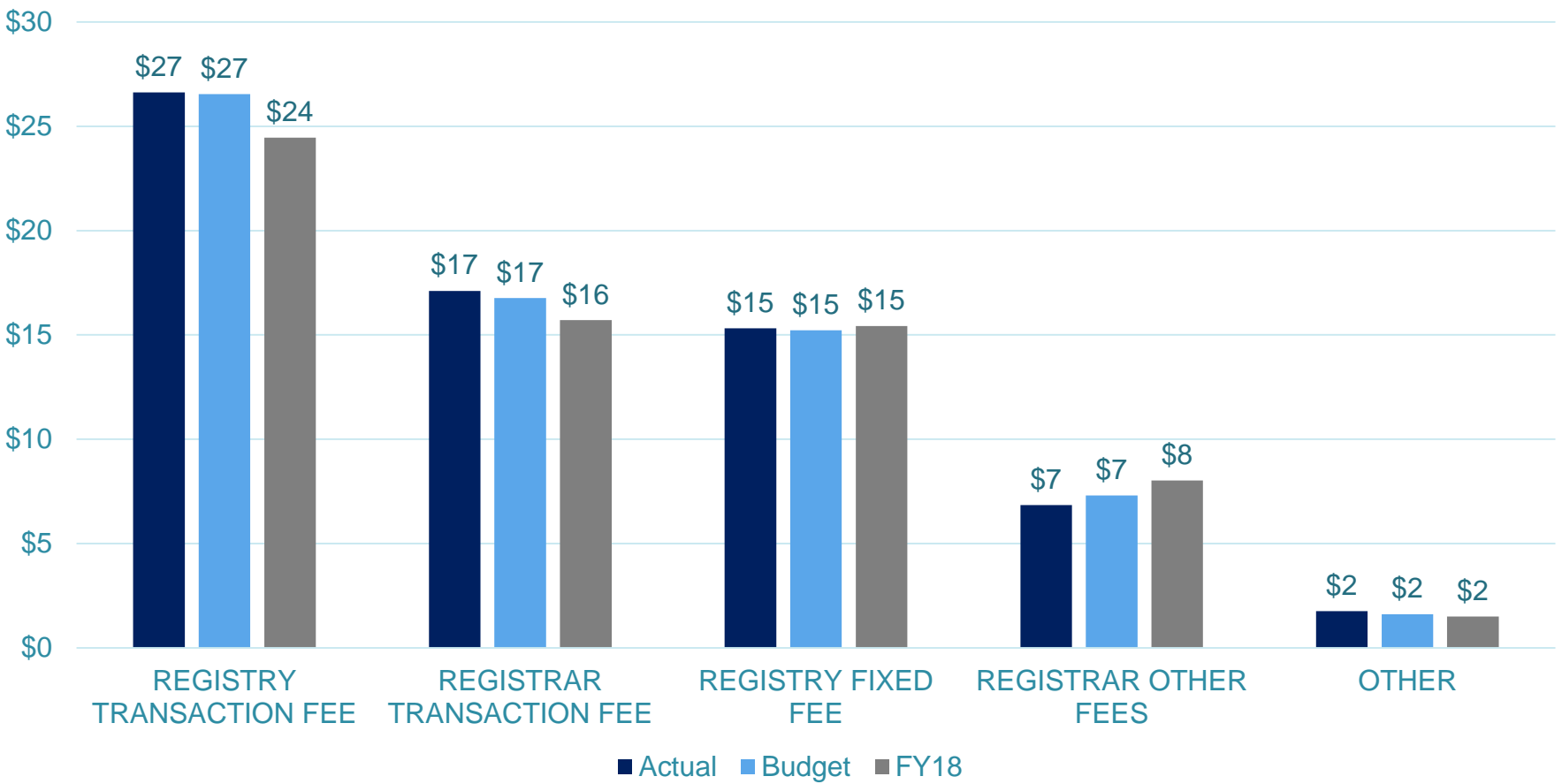
Breakdown of Expenses	FY19 YTD Actual	FY19 YTD Budget	Var	% Var	FY18 YTD Actual	Var	% Var
IANA Services	(\$3)	(\$4)	\$1	-23%	(\$4)	\$0	-9%
All Other	(\$56)	(\$61)	\$5	-9%	(\$56)	\$0	0%

FY19 Year-to-date (Jul 18 – Dec 18) Funding vs Budget & FY18

ICANN OPERATIONS

Actual: \$ 68M
 Budget: \$ 67M
 FY18: \$ 65M

Funding slightly above budget



In millions, USD- unaudited – Scale and Arithmetic inconsistencies are due to rounding to the nearest million.

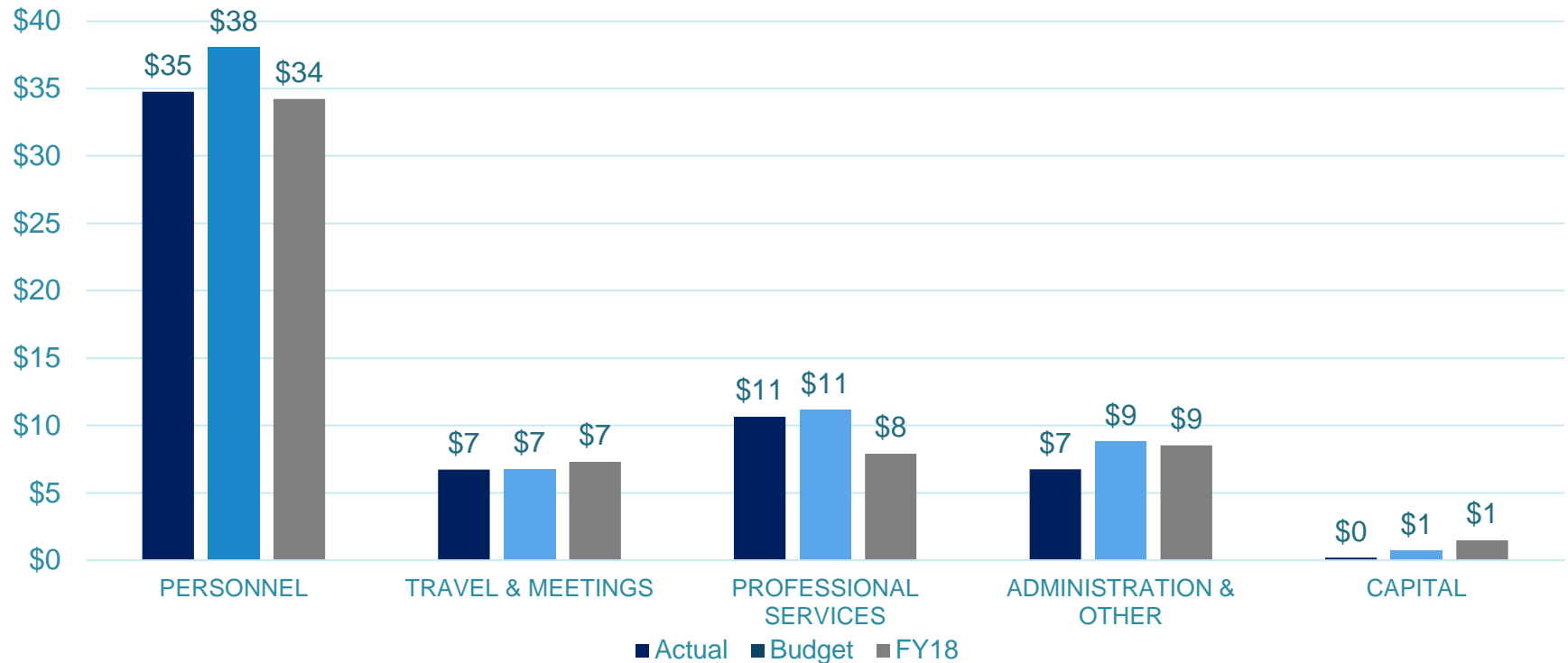


FY19 Year-to-date (Jul 18 – Dec 18) Operating & Capital Expense

ICANN OPERATIONS

Actual: \$ 59M
 Budget: \$ 65M
 FY18: \$ 59M

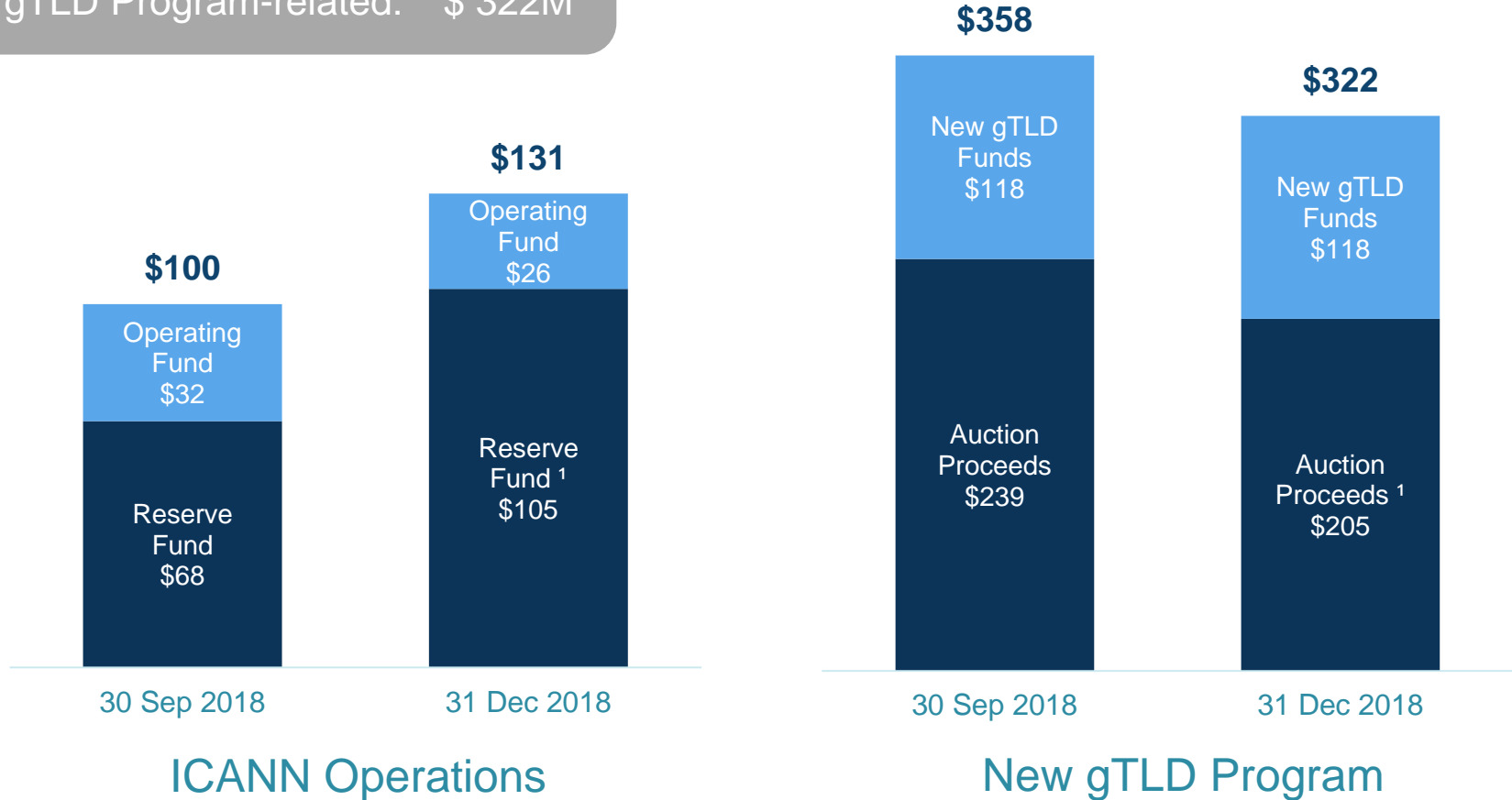
Lower personnel costs and timing differences of projects vs. plan



Activities covered by the contingency have been reported in the expense categories above based on the nature of the expense. The Contingency budget year to date is \$0M and \$5.2M for the full year.

FY19 Funds Under Management as of 31 December 2018

Total Funds: \$ 453M
ICANN Operations: \$ 131M
New gTLD Program-related: \$ 322M



¹ Reflects \$36M transfer from Auction Proceeds to Reserve Fund as part of Board Approved Replenishment Strategy

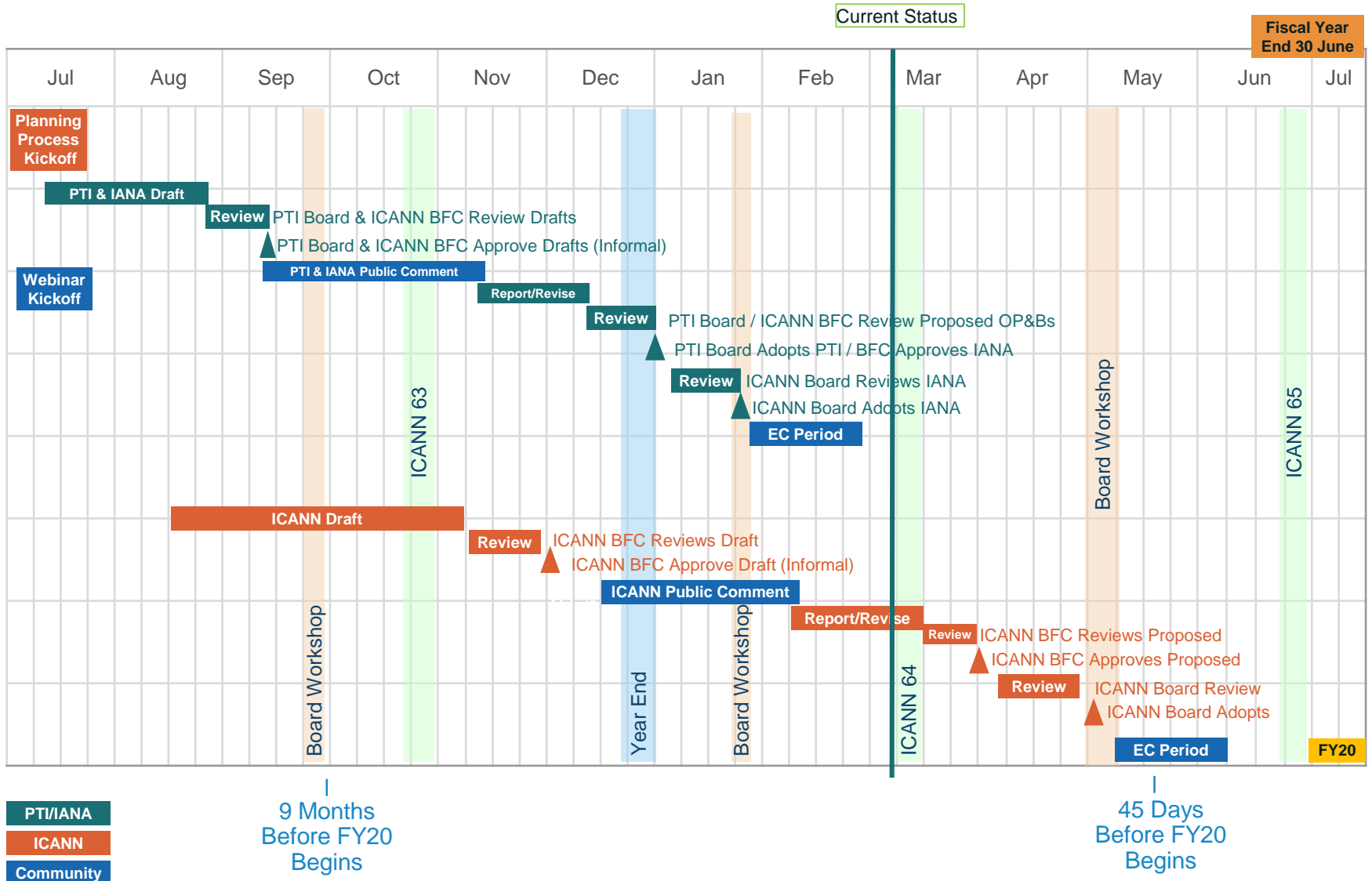
2. FY20 Planning Process

Document Overview

Document Name	Description of Contents
FY20 Budget Introduction & Highlights	Overview of the key elements, cross-functional projects, and activities of the Draft FY20 plans
FY20 Total ICANN Budget	High-level review of the Draft FY20 budget
FY20 Operating Plan	Section 1: Summary of 6 modules of work planned for FY20 Section 2: Breakdown of the operating plan with budget by strategic goal
FY20 Five-Year Operating Plan Update	High-level five-year perspective on the operations ICANN undertakes to implement its strategic plan
FY20 Operating Plan by Portfolio and Project	Detailed breakdown of the budget for each portfolio and project

- Series of five documents that form the ICANN annual update to the fiscal Operating Plan and Budget.
 - Introduction and Highlights document recommended to read first.
 - Each document is standalone and can be reviewed separately in no specific order, dependent on interest.
 - Introduction & Highlights and Operating Plan Modules provide more information on planned projects and activities

FY20 Planning Timeline- High Level



Total ICANN FY20 Proposed Planning Timeline – Key Dates

Step	Dates	Action By	Note
ICANN Public Comment Period	17 Dec 2018 – 08 Feb 2019	Community	53 Days including 7 days for Year End
ICANN 64 Community Forum	13 Mar 19	Community	Report on Responses to Public Comment Published
ICANN Staff Report on Public Comment Published	19 Mar 19	ICANN	Staff Report Published
ICANN Proposed OP&B Submitted to ICANN Board	22 Apr 2019	ICANN Board	At Least 45 Days Before Next Fiscal Year (Per Bylaws)
ICANN Board Adopts	03 May 2019	ICANN Board	Target to allow for EC Review Period
Empowered Community			

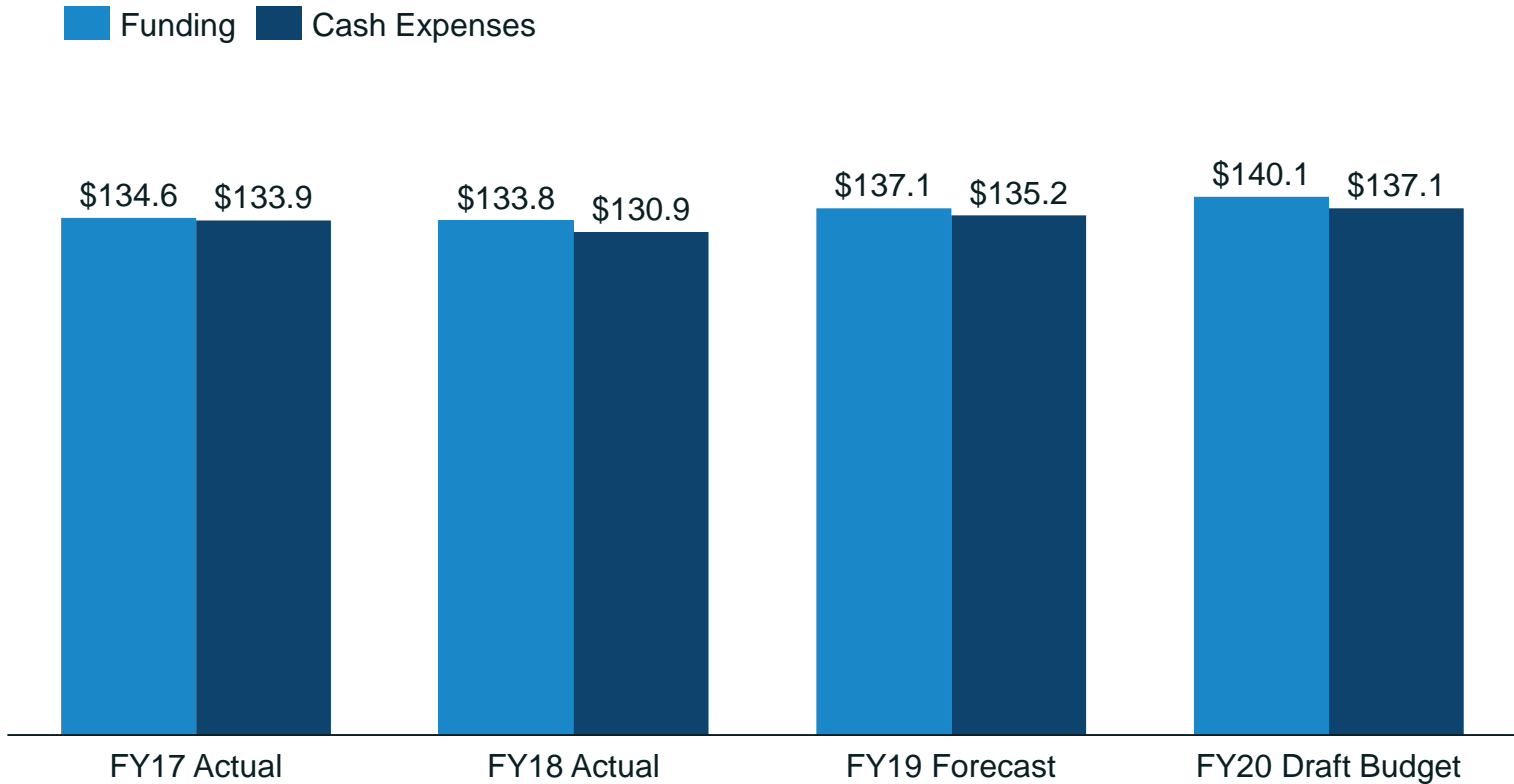
FY20 SO/AC Additional Budget Request Timeline

- The FY20 SO/AC additional budget request process pertains to a dedicated part of the overall ICANN annual budget that is set aside to fund specific requests from the community for activities that are not already included in the recurring ICANN budget.
- The following timeline of the SO/AC ABR timeline is provided below.

Timeline	Start	End
Kickoff	11/5/2018	
Submissions Due (send to Planning@ICANN.org)	11/5/2018	1/25/2019
Preliminary Review of Requests by ICANN org	1/28/2019	3/8/2019
SO/AC Consultations at ICANN 64 (by request, during Constituents Day)	3/9/2019	3/15/2019
Final Assessments and Recommendations by ICANN org	3/18/2019	3/31/2019
ICANN Board Finance Committee Review and Recommendation for Approval to the Board	4/15/2019	4/19/2019
ICANN Board Review and Approval at Board Meeting	4/22/2019	5/3/2019

3. FY20 Draft Budget Highlights and Overview

Funding and Cash Expense Trends



- Funding is stabilizing and expenses are brought in line accordingly
- Draft FY20 Budget assumes a \$3M excess that will be used to replenish the Reserve Fund

Draft FY20 Budget Overview

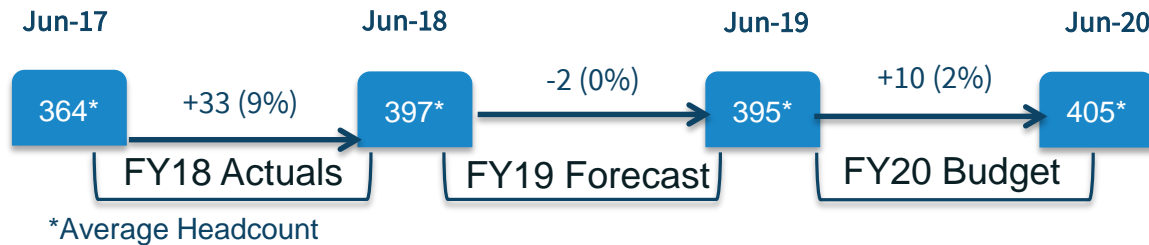
1

Funding growth continues to stabilize

- Funding of \$140M, 2.2% above the FY19 forecast \$137M
- Slower growth in funding as all new gTLDs are now delegated and transaction volumes flatten.

2

Operations headcount has stabilized



3

Reserve Fund Contribution

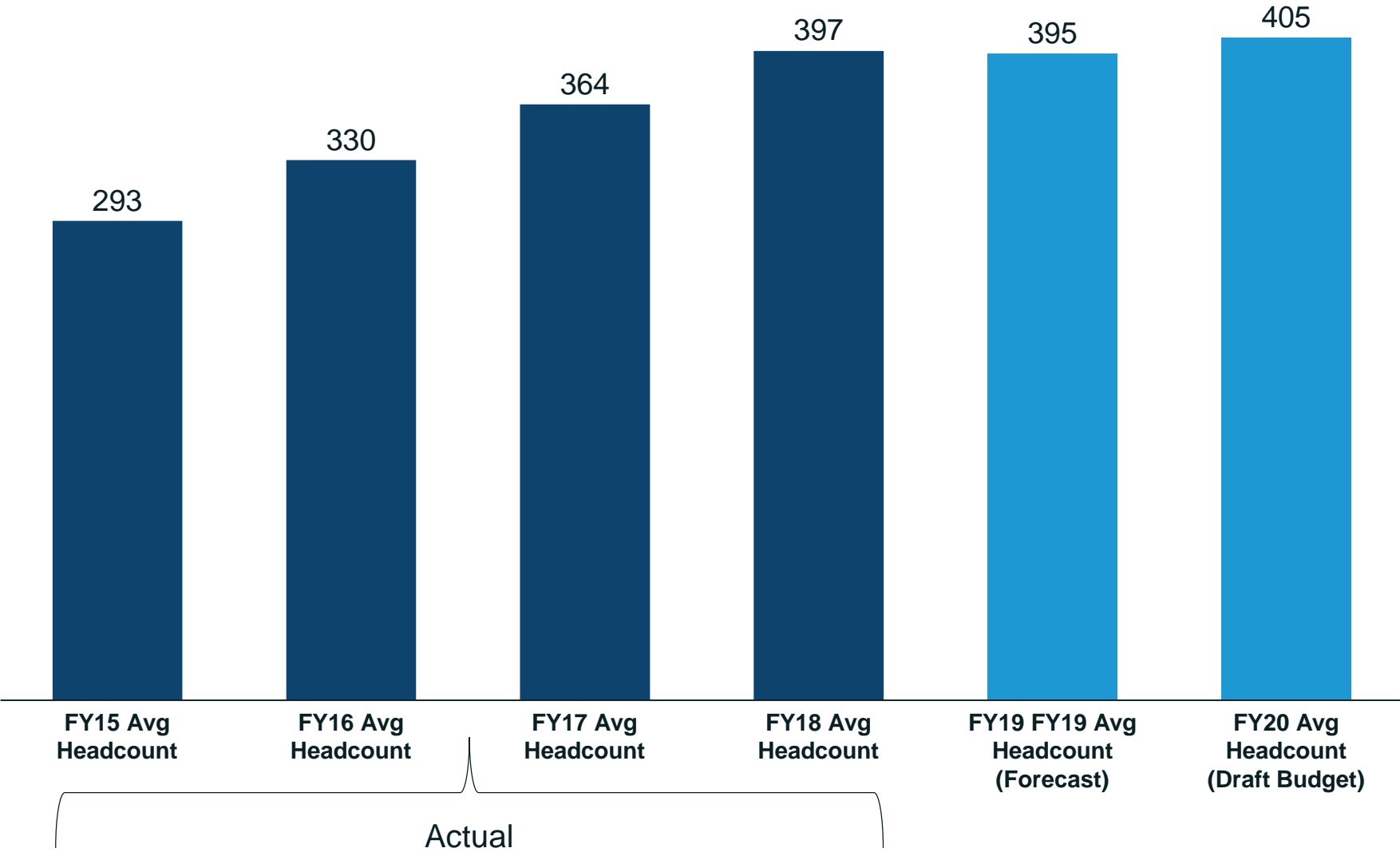
- The Draft Budget includes a \$3M contribution to the Reserve Fund
- Aligns with Board Approval to contribute \$32M over the next 8 years

4

FY20 Budget balanced

- Funding less Reserve Fund contribution = \$137M = Operations expenses
- Cost containment across the organization has enabled us to offset the Reserve Fund contribution, inflation, and necessary increases

ICANN Operations Headcount Trending



Total ICANN Budget and Forecast- FY18-FY20

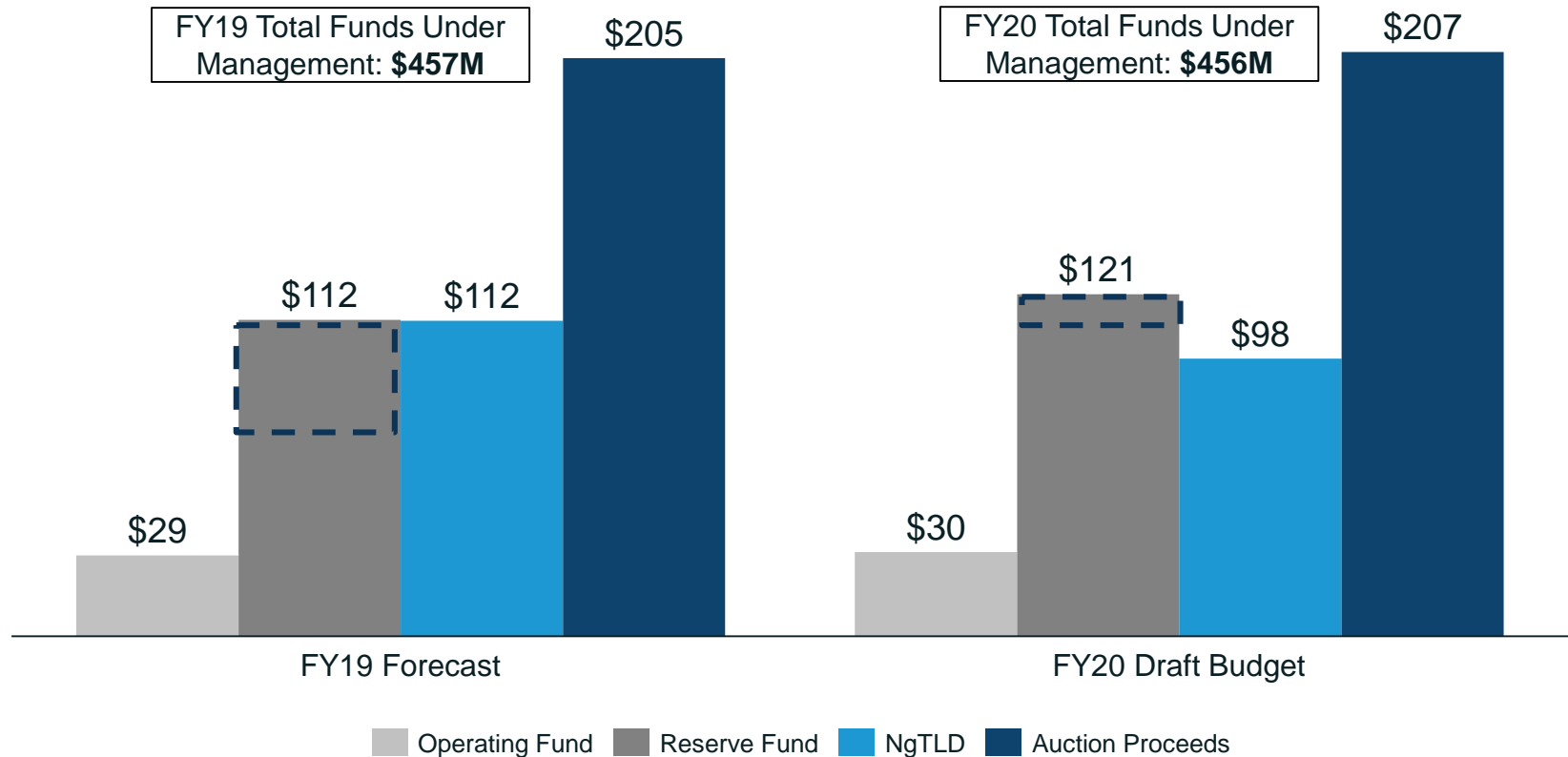
in Millions, USD	FY18 Actuals Total ICANN Operations	FY19 Forecast Total ICANN Operations	Draft FY20 Budget Total ICANN Operations
Funding	\$133.8	\$137.1	\$140.1
Personnel	69.9	72.0	76.3
Travel & Meetings	15.7	15.9	15.4
Professional Svcs.	25.1	23.7	21.6
Administration ⁽¹⁾ & Capital	20.2	18.3	18.6
Contingency ⁽²⁾		5.2	5.2
Cash Expenses	\$130.9	\$135.2	\$137.1
Increase/ (Decrease) to Net Assets	\$3.0	\$1.9	\$3.0
Reserve Fund	3.0	0.0	3.0
Increase/ (Decrease) to Net Assets	\$0.0	\$1.9	\$0.0
Average Headcount	397	395	405

(1) ICANN Operations cash expenses excludes Depreciation and Bad Debt.

(2) The FY19, FY20 and FY21 contingency expense represents an amount of budgeted expenses unallo-
to specific activities or departments. FY18 activities covered by the contingency have been
reported in the expense categories above based on the nature of the expense.

Draft FY20 Budget- Funds Under Management

- FY19 Reserve Fund balance includes \$36M transfer from Auction Process as part of the Board approved Reserve Fund Replenishment Strategy
- FY20 includes transfer noted above along with a planned \$3M contribution from the ICANN Operations budget



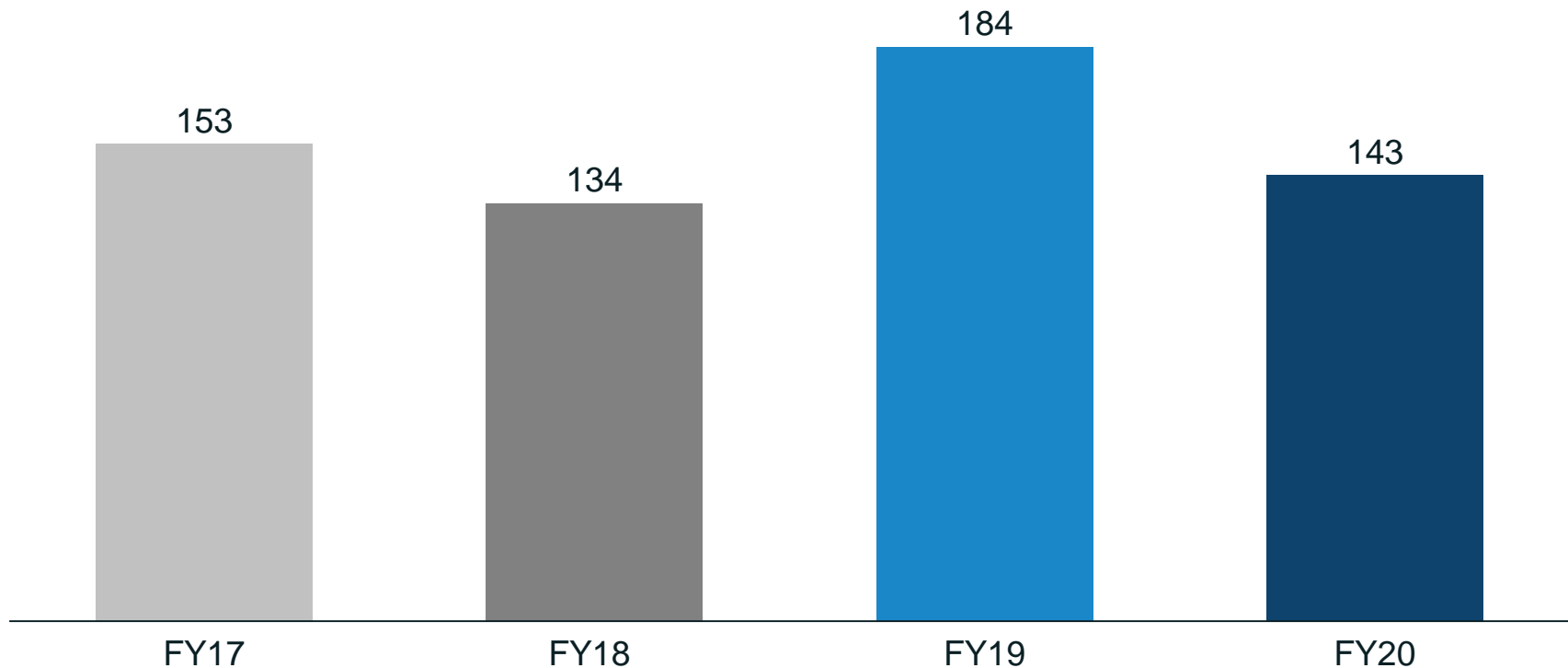
4. FY20 Public Comment Overview

Session Objectives

- 1** Provide thematic overview of submitted comments.
- 2** Allow community to further clarify comments where necessary.
- 3** Use clarification to better prepare staff report responses.

Public Comments- Operating Plan & Budget Comments by Year

- The Public Comment window was open from 17 December 2018 – 8 February 2019
- Community Involvement and Engagement continues to remain high
- We are expecting to publish the Staff Report on 19 March 2019

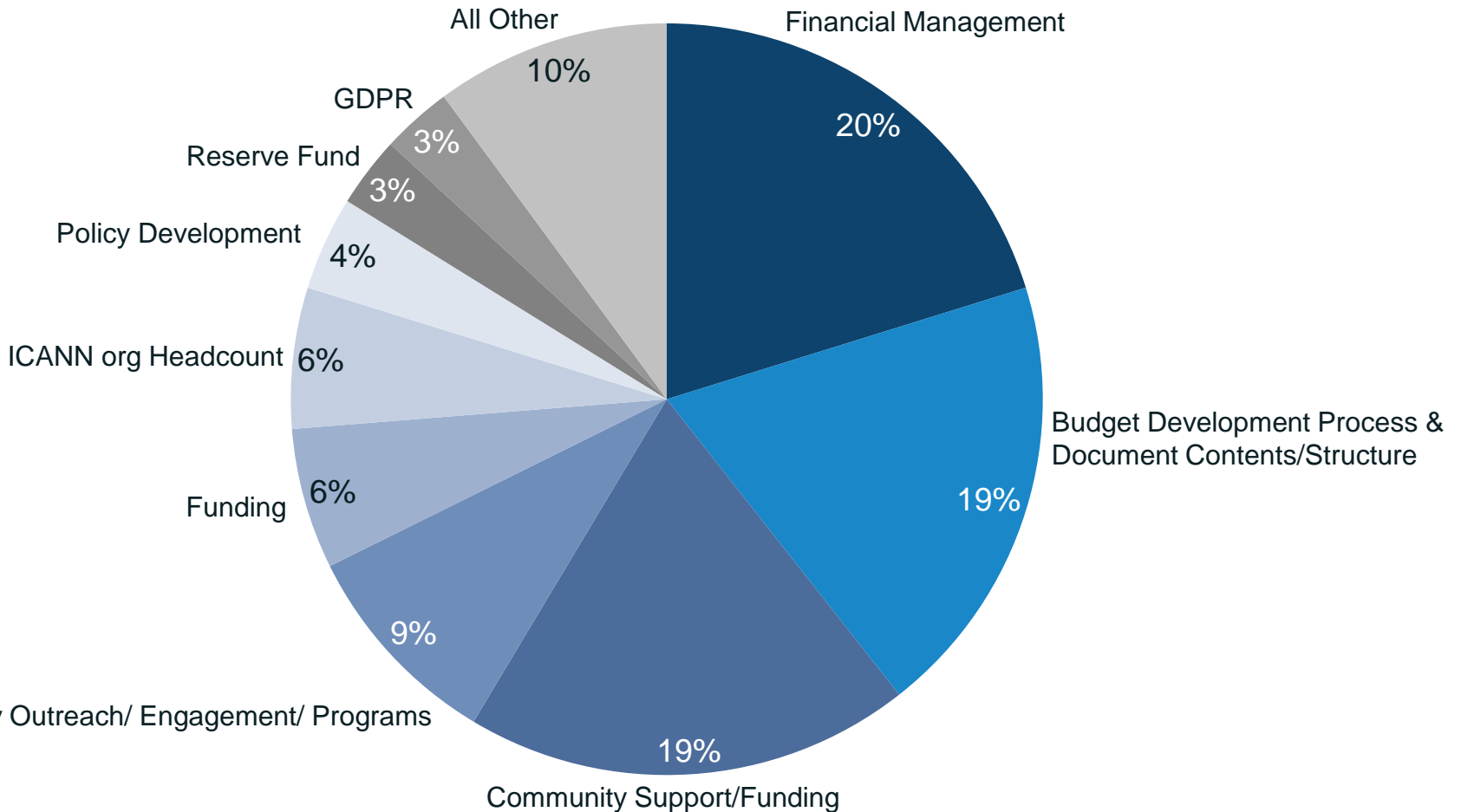


Public Comments: By Submitter, FY19 versus FY20

Number	Groups Submitting Comments	FY19 Number of Comments	FY20 Number of Comments	Higher/ Lower)
1	Individual	44	1	(43)
2	ccNSO Strategic and Operational Planning Committee (SOPC)	22	36	14
3	Non-Commercial Stakeholders Group (NCSG)	19	27	8
4	gTLD Registries Stakeholder Group (RySG)	18	16	(2)
5	GNSO Council	14	12	(2)
6	ISPCP	12	0	(12)
7	At-Large Advisory Committee	9	10	1
8	Registrar Stakeholder Group (RrSG)	7	1	(6)
9	ICANN Business Constituency (BC)	7	6	(1)
10	i2Coalition	7	0	(7)
11	Blacknight Internet Solutions Ltd	5	4	(1)
12	Namibian Network Information Center	5	0	(5)
13	Intellectual Property Constituency (IPC)	5	15	10
14	Security and Stability Advisory Committee (SSAC)	2	2	-
15	MarkMonitor	2	0	(2)
16	The Centre for Internet and Society	0	8	8
17	ICANN Governmental Advisory Committee (GAC)	0	4	4
18	Customer Service Committee (CSC)	0	1	1
19	Swahili ICANN Wiki	1	0	(1)
20	Radix	1	0	(1)
21	Fellowship alumni	1	0	(1)
22	CEO, Allegravita LLC	1	0	(1)
23	CEO of Registry Africa, Mr. Lucky Masilela	1	0	(1)
24	registry.asia	1	0	(1)
	Total	184	143	(41)

Public Comments: Thematic Breakdown FY20

FY20 Operating Plan & Budget Public Comments- 143



Public Comments: Thematic Breakdown by SO/AC

Number	Theme	FY20 Draft Operating Plan & Budget Total Number of Comments	ALAC	GNSO Council	gTLD Registries Stakeholder Group (RySG)	Intellectual Property Constituency (IPC)	Registrar Stakeholder Group (RrSG)	Business Constituency (BC)	Customer Service Committee (CSC)	The Centre for Internet and Society	Blacknight Internet Solutions Ltd	ICANN Governmental Advisory Committee (GAC)	Non-Commercial Stakeholders Group (NCSG)	Individual	Security and Stability Advisory Committee (SSAC)	ccNSO Strategic and Operational Planning Committee (SOPC)
1	Financial Management	28	-	2	3	3	1	2	-	2	2	-	7	-	-	6
2	Budget Development Process & Document Contents/Structure	27	1	2	-	1	-	-	-	-	-	1	2	-	-	20
3	Community Support/Funding	27	-	6	-	-	-	-	1	-	-	3	15	-	2	-
4	Community Outreach/Engagement/ Programs	13	4	-	2	-	-	1	-	1	-	-	-	-	-	5
5	Funding	9	-	-	1	4	-	-	-	1	1	-	-	1	-	1
6	ICANN org Headcount	9	-	1	3	2	-	-	-	1	-	-	1	-	-	1
7	Policy Development	6	2	1	1	-	-	-	-	-	-	-	1	-	-	1
8	Reserve Fund	5	-	-	3	1	-	-	-	-	-	-	-	-	-	1
9	GDPR	5	-	-	-	2	-	-	-	1	1	-	-	-	-	1
10	Funds Under Management	3	-	-	-	1	-	1	-	1	-	-	-	-	-	-
11	GDD Operations and gTLDs	3	-	-	2	-	-	-	-	1	-	-	-	-	-	-
12	CROP	2	-	-	-	-	-	1	-	-	-	-	1	-	-	-
13	Contractual Compliance	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-
14	ICANN Meetings	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-
15	Information Transparency Initiative	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Language Services	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Open Data Initiative	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-
18	Organizational Reviews	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	143	10	12	16	15	1	6	1	8	4	4	27	1	2	36

Discussion

Financial Management

- Personnel Expense
- ICANN Meetings
- Contingency
- Additional Budget Request Process
- Professional Services

Budget Development & Structure

- Transparency and Accountability
- Document Structure
- Current Financial Data

Other Key Topics

- ICANN Org Headcount
- Funding
- Community Outreach
- Reserve Fund

2. Two-Year Planning Process

Introduction- Two-Year Planning Process

- ⦿ During the FY19 planning process, various conversations on the planning process dealt with the challenge of dedicating sufficient time and resources to plan ICANN's activities.
- ⦿ These discussions have included the idea of extending the planning process beyond its current 15-month duration to offer more time for community engagement into more extensive activity planning processes.
- ⦿ Our plan is to consult the ICANN community in two steps.
 - Step 1: Consultation Paper - Problem Definition, in this step, we raise questions on a number of topics with the intent to collect community input and views on ICANN's planning process in order to get a common understanding of the current issues we looking to solve in ICANN's planning process.
 - Step 2: Consultation Paper – Solution Definition, in this step, the input and views from Step 1 will be used, along with input from the Board and ICANN org, to develop a high-level approach for planning, that may reflect a 2-year planning process, that will then be offered offer for a second public consultation.

Framing the Issue- Two-Year Planning Process

Rationale	Explanation
Why	The current process allows access to detailed and comprehensive information on the Operating Plan and Budget, and engagement and interaction on this information, it includes very little opportunity to define and discuss the activities that ICANN (Org, Board, Community) will carry out prior to including such activities into the operating plan and quantifying the costs of such ICANN 2 activities in the budget.
What	Over the past 2 years, at various occasions, the simple idea of extending the time spent to plan has been raised. If one year is not enough, can we extend the planning process to 2 years?
Who	ICANN Org, ICANN Board, The ICANN Community, The Public
When	The review and communication of a 2-year process is expected to be carried and completed by June 2019.
How	The Public Comment period closed on <i>5 March, 2019</i>

<https://www.icann.org/public-comments/two-year-planning-2018-12-21-en>

Two-Year Planning Process- Comments and Themes

- Public comment for the first consultation on a 2-Year planning process opened on 21 December 2018 and closed on 5 March 2019
- Comments were received from 5 organizations and 1 individual

Submitter	Total Number of Comments
ccNSO Strategic and Operational Planning Committee (SOPC)	11
Generic Names Supporting Organization (GNSO) Council	10
ICANN Business Constituency (BC)	10
gTLD Registries Stakeholder Group (RySG)	9
ICANN Policy Staff in support of the At-Large Community	7
Individual	6
Grand Total	53

Two-Year Planning Process- Key Themes

Public Comment Responses	Total Number of Comments
Q1 - Current Cycle not provide sufficient time	8
Q2 - Does more time, mean more transparency	6
Q3 - How and Who should set ICANN's Priorities	6
Q4 - Policy Development and implementation activities	9
Q5 - What activities should be planned, by whom?	7
Q6 - Dedicated phase to plan for SO/AC activities?	5
2 public comment periods	4
Barriers to community involvement	4
Process	4
Grand Total	53

Two-Year Planning Process- Key Takeaways

Question	Agree	Disagree
Does the community agree that yearly planning cycle does not provide sufficient time for community extensive input and interaction on the operatin plan and Budget?	ALAC GNSO Individual	ccNSO BC RySG
Does the community believe that more time for planning provides more transparency	ALAC BC	ccNSO GNSO Individual RySG
Should the policy development activities be planned?	ccNSO BC ALAC Individual GNSO RySG	
Should the planning process include a formalized dedicated phase to plan for SO/AC activities?	BC GNSO RySG	ccNSO
2 public comment periods and/or sessions of community feedback and involvement	BC ALAC ccNSO	

6. Strategic planning process, and public comments received

- Review of the strategic planning process
- Overview of public comments received
- Next steps

The first step towards a costed action plan

The strategic plan will be complemented by a 5-yr operating and financial plan, which will be developed over the next few months in interaction with the community.

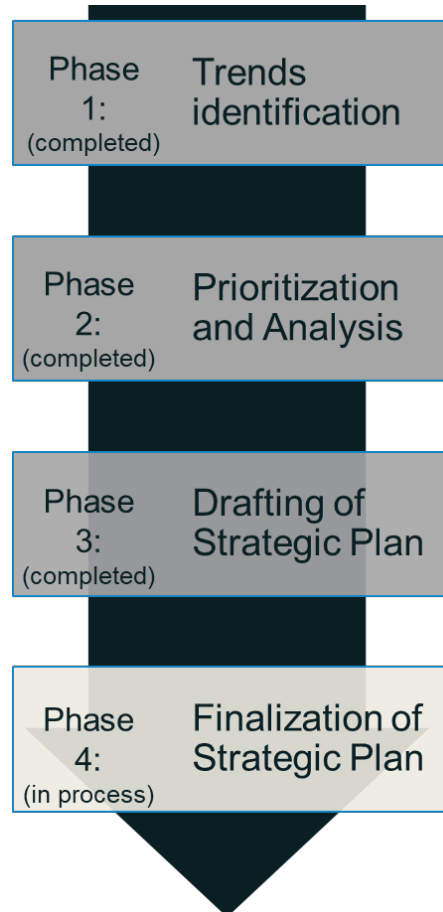
- Strategic planning is a core element of ICANN's three-fold [planning process](#) cycle:
 - 5-year Strategic Plan
 - 5-year Operating and Financial Plan
 - Annual Operating Plan & Budget
- The process of developing an operational and financial plan may lead to calibration of the strategic plan, in terms of “realistic ambitions”
- The planning cycle ends with ongoing achievement and progress reporting



Steps towards next Strategic Plan – where are we in the process?

A Draft Strategic Plan for fiscal years 2021 - 2025 was posted for public comments from 21 December 2018 to 25 February 2019

(<https://www.icann.org/public-comments/strategic-plan-2018-12-20-en>)

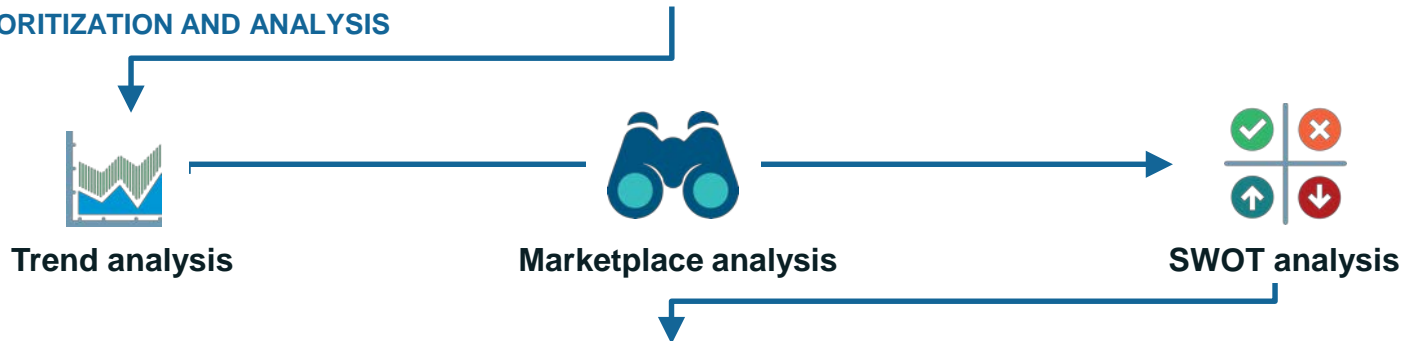


Process to Arrive at Strategic Objectives and Goals

PHASE 1 – TRENDS IDENTIFICATION



PHASE 2 – PRIORITIZATION AND ANALYSIS



Strategic Objectives and Goals for Fiscal Years 2021-2025

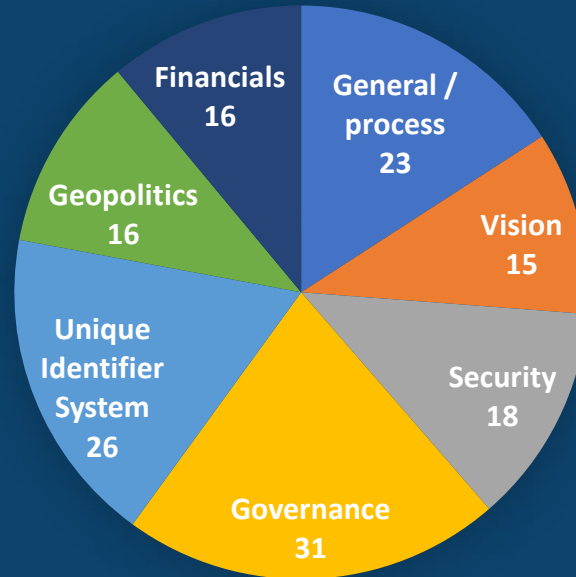
Public comments – by the numbers

15 submissions received

- 5 from individuals
- 10 from organizations and groups



Broken down into **145 comments** for analysis



60% of statements indicating support

- 48 expressions of support
- 38 support, with proposed edits
- 7 concerns
- 52 other suggestions

Public comments - summary

- Broad acknowledgement that this plan was created with the input of community members
- Mostly comfortable with the five trends that have been identified
- Overall support of both the proposed vision for ICANN and the five overarching strategic objectives
- Some questions around the process that was followed to develop the plan, and the methodology that was adopted for prioritizing strategic goals, and for identifying outcomes and risks
- Many constructive feedback on specific strategic goals, targeted outcomes and risks

“...a diligent outreach and information gathering process”

“The five primary trends synthesized from stakeholder input are largely acceptable...”

“We agree that updating the vision statement post IANA transition is necessary”

Next steps and opportunities for community participation

- Mar-Apr 2019: Summary of public comments posted, and finalization of strategic plan including community feedback from ICANN64 (Kobe)
- May-Jun 2019: Board consideration and conditional adoption of ICANN's Strategic Plan, subject to adjustments after the adoption of ICANN's 5-yr Operating Plan

7. FY21-25 OPERATING & FINANCIAL PLAN Development Approach

Strategically-Focused Prioritization & Connections

Over the last 2+ years, ICANN has been streamlining its approach to:

- *Strategically focused prioritization by emphasizing effectiveness & efficiency*
- *Connecting org-wide, and with Board and community*

Org-Wide Involvement

Board Review/ Input / Approval

Community Involvement



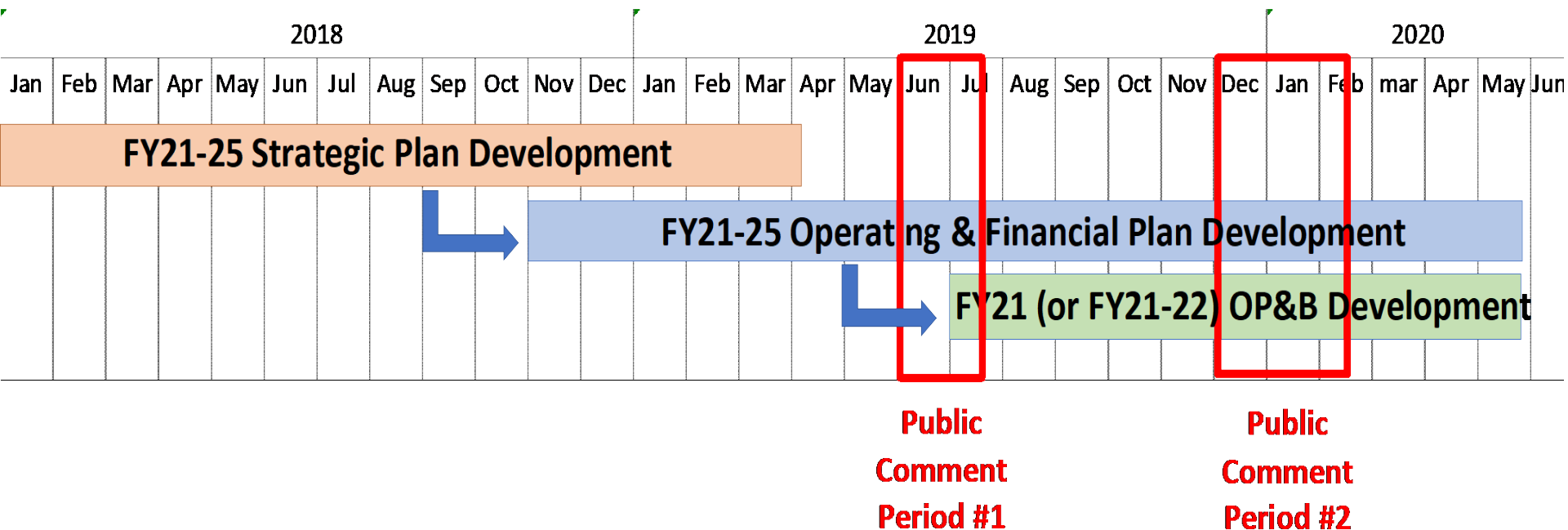
5-Year Strategic Plan → 5-Year Operating & Financial Plan → 1 or 2-Year Op Plan & Budget



Board Annual Priorities & Committee Focus ↔ CEO Annual Goals

Crucial that FY21-25 O&FP will advance the journey!

Two-Phase Approach



Public Comment Period #1 (Jun-Jul 2019):

- FY21-25 O&FP Phase I Draft – *Funding Assumptions, Strategic Initiative Descriptions and Plan Structure*

Public Comment Period #2 (Dec 2019-Feb 2020):

- FY21-25 O&FP Phase II Draft – *Entire Plan*
- FY21 (or FY21-22) Operating Plan and Budget Draft

8. Funding Update

Budget Forecasting Approach (1 of 3)

- ⊙ Funding forecasting covers several categories of fees¹:
 - Transaction Fees for Registries (per TLD) and Registrars
 - Fixed Fees for Registries (per TLD) and Registrar (Accreditation Fees)
 - Registrar Application Fees
- ⊙ Funding in each fee category is calculated separately.
- ⊙ Many factors are considered in the projection of funding in each category, including:
 - Historical data:
 - Volume of transactions, including new acquisition vs. renewals
 - Growth pattern of launched strings, in terms of Domains under Management (DUMs)
 - In-depth evaluation of both Legacy and New gTLDs
 - Detailed coverage of legacy gTLDs: transactions evaluated on historical trend line using quarterly billing seasonal trends
 - New gTLDs having minimum of 500K DUMs are tracked individually (14 at present, responsible for over half of total transactions and close to two-thirds of all billable transactions)

Budget Forecasting Approach (2 of 3)

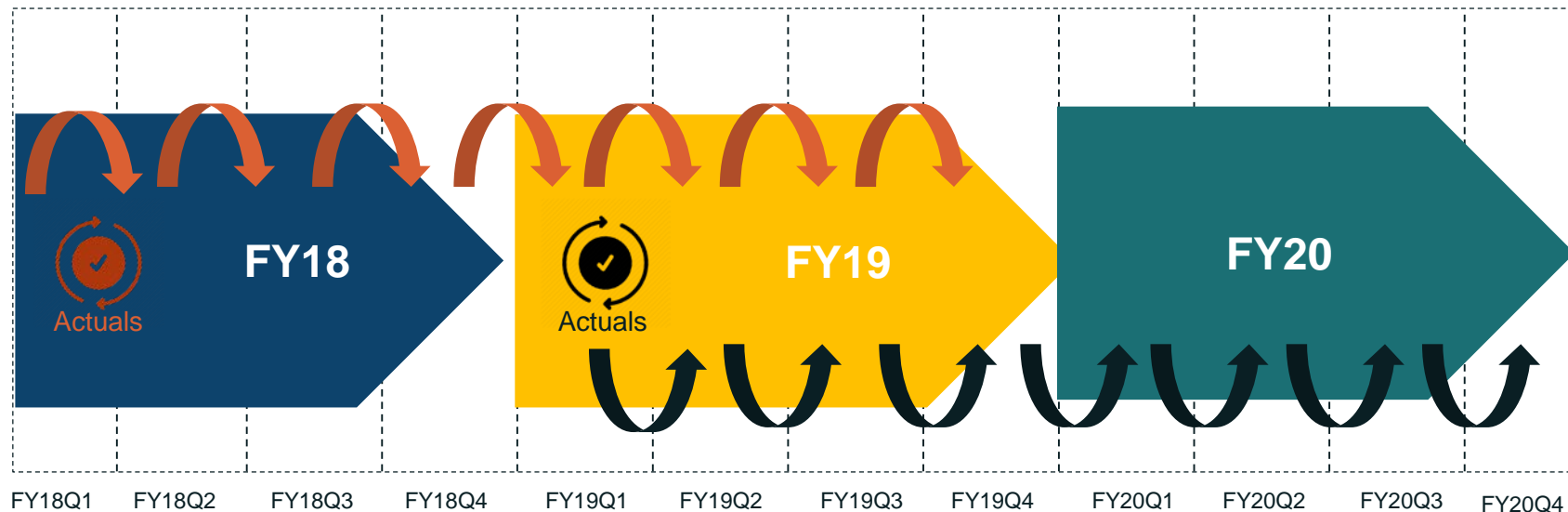
- ⦿ Many factors are considered in the projection of funding in each category, including:
 - Performance input from industry participants provided both directly and via investor statements/documents

 - Recent marketplace developments: actual or expected changes in supply-side and demand-side conditions
 - New launch, geographic market expansion, service provider consolidation, price promotions
Delegation dates estimated from contracting dates/deadlines and other available information
 - Increased uptake of IDN strings post-resolution of universal acceptance issues, greater market awareness of New gTLDs

- ⦿ Scenarios are prepared for Low, Medium and High estimates.
 - Our highest-confidence estimates, or “best estimates”, are used in the budget, with the inclusion of “low” and “high” estimates as guidance for potential variance.

Budget Forecasting Approach (3 of 3)

Funding forecasting Timing:



- ⦿ Under the current budget cycle, funding values for a fiscal year are developed 18+ months in advance.
- ⦿ ICANN continues reviewing its projections and updating these based on latest data and market developments on a quarterly basis.

FY20 Funding Assumptions

FY20 ICANN Ops Funding Assumptions (1 of 2)

	Funding Type	Best Estimate	High Estimate	Low Estimate
Legacy TLDs	Transaction-based Fees	2.1% growth, reflecting slowing rate vs prior years	3.2% growth, as per prior historical averages	1.9% growth
New TLDs	Fixed Fees	1,189 TLDs assumed delegated by end of FY20, starting the year at 1,201	1,201 TLDs assumed delegated by end of FY20, starting the year at 1,201	1,171 TLDs assumed delegated by end of FY20, starting the year at 1,201
	Transaction-based Fees	6.3% growth in transactions estimated using the per-TLD average number of transactions per month since delegation (average transactions during month 1, month 2,...)	12.0% growth	5.0% growth

FY20 ICANN Ops Funding Assumptions (2 of 2)

	Funding Type	Best Estimate	High Estimate	Low Estimate
Registrar Accreditation	Application Fees	60 new registrars (increase of 15 per quarter) while number of existing accredited registrars is maintained at current level	No material difference between Best and High Estimate	94 fewer total registrars (decrease of 23.5 per quarter)
	Accreditation Fees	60 new registrars (increase of 15 per quarter) while number of existing accredited registrars is maintained at current level	No material difference between Best and High Estimate	94 fewer total registrars (decrease of 23.5 per quarter)
	Per-registrar Variable Fees	\$3.4M total, consistent with prior years	No material difference between Best and High Estimate	No material difference between Best and Low Estimate
New gTLD Program	Application Fees Revenue	Portion of application fees recognized in Funding ratably based on evaluation expense incurred vs total evaluation expenses forecasted	No material difference between Best and High Estimate	No material difference between Best and Low Estimate

FY20 Budget vs. Actual Transactions & Contracted Parties

	Draft FY20 Budget	FY19 Forecast	% Variance (FY20 Budget vs. FY19 Forecast)	FY18 Actual	FY17 Actual	FY16 Actual	FY15 Actual	% CAGR (FY15 Actual - FY20 Budget)
# of Transactions (in Millions)	198.6	193.6	3%	187.0	183.1	184.9	158.5	4%
Legacy gTLDs	173.1	169.6	2%	164.5	160.9	161.5	151.2	2%
New gTLDs – Total	25.5	24.0	6%	22.6	22.2	23.4	7.3	23%
New gTLDs - Billable	22.1	20.8	6%	19.5	18.6	18.1	6.0	24%
% of Billable New gTLDs vs. Total New gTLDs	87%	87%	--	86%	84%	77%	82%	--
% of Total New gTLDs vs. Total	13%	12%	--	12%	12%	13%	5%	--
% of Legacy vs. Total	87%	88%	--	88%	88%	87%	95%	--

# of Contracted Parties (End of Year)	3,771	3,723	1%	3,703	4,188	3,201	2,245	9%
Legacy gTLDs ¹	18	18	0%	18	18	18	18	0%
New gTLDs	1,189	1,201	-1%	1,218	1,218	1,052	683	10%
Registrars	2,564	2,504	2%	2,467	2,952	2,131	1,544	9%

Notes:

¹ Corresponds to Legacy TLDs having contracts with ICANN.

CAGR corresponds to Compound Annual Growth Rate; Figures Unaudited - Arithmetic inconsistencies are due to rounding of values.

ICANN Ops Funding Assumptions: FY20 versus FY19

In Millions, US Dollars	Draft FY20 Budget	FY19 Forecast ¹	FY20 Sensitivity		FY19 Adopted Budget
			High	Low	
Transactions					
Registry transaction fees - Legacy	\$ 50.5	\$ 49.8	\$ 51.8	\$ 49.3	\$ 49.6
Registry transaction fees - New gTLD	5.5	5.2	5.7	5.4	5.1
Registrar transaction fees - Legacy	31.2	30.5	31.9	30.4	30.2
Registrar transaction fees- New gTLD	4.6	4.3	4.7	4.5	4.3
Sub-total	91.8	89.8	94.1	89.5	89.2
<i>Volume: legacy transactions (millions)</i>	<i>173.1</i>	<i>169.6</i>	<i>175.0</i>	<i>172.8</i>	<i>167.9</i>
<i>Volume: New gTLD transactions (millions)</i>	<i>25.5</i>	<i>24.0</i>	<i>26.9</i>	<i>25.2</i>	<i>23.9</i>
Sub-total	198.6	193.6	201.9	198.0	191.9
<i>Volume: New gTLD billable transactions (millions)</i>	<i>22.1</i>	<i>20.8</i>	<i>23.4</i>	<i>21.4</i>	<i>20.3</i>
<i>New gTLD Billable rate - average</i>	<i>86.6%</i>	<i>86.6%</i>	<i>87.0%</i>	<i>85.0%</i>	<i>84.9%</i>
Registry Fixed Fees	30.3	30.3	31.0	29.5	30.5
Registrars accreditation					
Application fees	0.2	0.2	0.2	0.2	0.2
Accreditation fees - annual	10.7	9.9	10.9	10.4	10.3
Per-registrar variable fees	3.4	3.4	3.4	3.4	3.4
Sub-total	14.3	13.5	14.6	14.0	14.0
<i>Count of total Registrars - at end of year</i>	<i>2,564</i>	<i>2,504</i>	<i>2,564</i>	<i>2,410</i>	<i>2,277</i>
<i>Incr./(Decr.) new Registrars - at end of year</i>	<i>60</i>	<i>55</i>	<i>60</i>	<i>(94)</i>	<i>60</i>
Other Funding					
RIR	0.8	0.8	0.8	0.8	0.8
ccTLD	2.3	2.1	2.3	2.3	2.1
Meeting Sponsorships	0.3	0.5	0.3	0.3	0.5
Other ²	0.4	-	0.4	0.4	0.7
Sub-total	3.8	3.4	3.8	3.8	4.1
ICANN Ops Revenue	\$ 140.1	\$ 137.1	\$ 143.4	\$ 136.8	\$ 137.7

Notes:

1 FY19 Forecast is best estimate as of Q1 FY19

2 Other represents funds relating to Privacy Proxy



Questions?

Appendix

Reserve Fund Replenishment Strategy

- ⦿ Following the 2nd public consultation, ICANN Org drafted a final proposed Replenishment Strategy
- ⦿ Strategy summary:
 1. A 5-year replenishment period starting from 1 July 2018.
 2. A minimum contribution from ICANN org operational excesses of US\$ 20 million over 5 years.
 3. A contribution from the Auction Proceeds should be made immediately for US\$ 36 million.
 4. A contribution from the new gTLD program remaining fees should be made immediately for US\$ 12 million.
- ⦿ Implementation:
 - ICANN org to contribute \$32m over 8 years
 - \$3m from FY18 excess transferred to Reserve Fund in October 2018 (following Board approval at ICANN63)
 - Transfer (following Board approval at ICANN63) of \$36m of auction proceeds into Reserve Fund.

Appendix - List of (15) comments received

Comment #	Category	Name	Submitted by	Affiliation (where provided)	Initials
1	Individuals	Larry Masinter	Larry Masinter	/	LMM
2	Individuals	Larry Masinter	Larry Masinter	/	LMM
3	Individuals	James Gannon	Nathalie Vergnolle ICANN - MSSl	/	JAG
4	Individuals	Chokri Ben Romdhane	Chokri Ben Romdhane	/	CBR
5	Organizations and Groups	Regional Internet Registries (RIRs)	Alan Barrett, NRO Chair	ASO	RIRs
6	Organizations and Groups	ccNSO Strategic and Operational Planning Committee (SOPC)	Giovanni Seppia	ccNSO	ccNSO
7	Organizations and Groups	At-Large Advisory Committee	ICANN Policy Staff in support of the At-Large Community	ALAC	ALAC
8	Organizations and Groups	gTLD Registries Stakeholder Group	Samantha Demetriou RySG Vice Chair, Policy	GNSO	RySG
9	Organizations and Groups	Registrar Stakeholder Group (RrSG)	Zoe Bonython RrSG Secretariat	GNSO	RrSG
10	Organizations and Groups	GNSO Council	Berry Cobb GNSO Policy Consultant	GNSO	GNSO
11	Organizations and Groups	ICANN's Business Constituency (BC)	Steve DelBianco	GNSO	BC
12	Organizations and Groups	ICANN Governmental Advisory Committee (GAC)	Robert Hoggarth ICANN – Policy Development and GAC Relations	GAC	GAC
13	Organizations and Groups	Non-Commercial Stakeholders Group	Rafik Dammak	GNSO	NCSG
14	Individuals	Mark Svancarek (CELA)	Mark Svancarek (CELA)	GNSO	MSV
15	Organizations and Groups	At-Large Advisory Committee	ICANN Policy Staff in support of the At-Large Community	ALAC	ALAC

Financial Accountability- Reporting

ICANN staff reports results to the community in support of commitment to accountability and transparency.

Monthly

- KPI Dashboard (Goal 3.1)
- Publication of on-going expenses on selected projects

Quarterly

- Quarterly Financial Reporting
- Publication of on-going expense for reviews

Annually

- Independent Auditors Report
- Tax Report Form 990
- Annual Report
- Operating Plan and Budget
- Staff Remuneration
- Board Compensation
- ccTLD Contributions

Link to Quarterly Accountability Indicators

<https://www.icann.org/accountability-indicators>

How can I participate



Attend Budget Working Group
or Finance Related sessions at
ICANN Public Meetings.

<https://meetings.icann.org/en/>



Send any questions to
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Review Quarterly Financials.

[https://www.icann.org/resources/
pages/governance/current-en](https://www.icann.org/resources/pages/governance/current-en)



Review Quarterly Accountability
Indicators.

[https://www.icann.org/accountabilit
y-indicators](https://www.icann.org/accountability-indicators)