ICANN 66
ANNUAL GENERAL

MONTRÉAL
2–7 November 2019

Introduction To Finance Team

Xavier Calvez
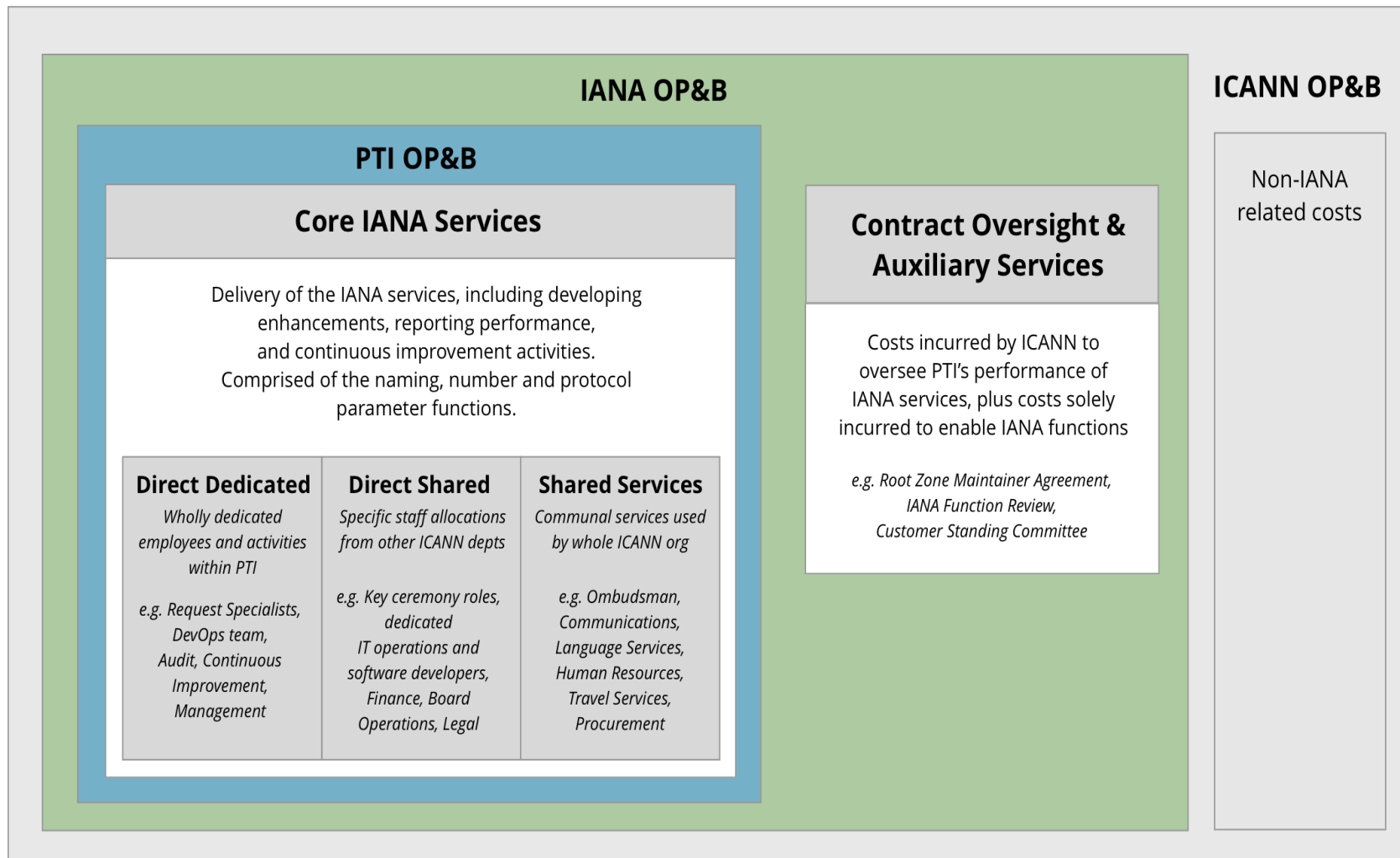Chief Financial Officer

Becky Nash
VP Finance

Shani Quidwai
Director of Finance

Agenda

- Draft FY21 IANA Budget Summary

- Planning Process

- Q&A

IANA Functions Operating Plan and Budget Structure

IANA OP&B

ICANN OP&B

PTI OP&B

Core IANA Services

Delivery of the IANA services, including developing enhancements, reporting performance, and continuous improvement activities.
Comprised of the naming, number and protocol parameter functions.

Direct Dedicated	Direct Shared	Shared Services
Wholly dedicated employees and activities within PTI	*Specific staff allocations from other ICANN depts*	*Communal services used by whole ICANN org*
e.g. Request Specialists, DevOps team, Audit, Continuous Improvement, Management	*e.g. Key ceremony roles, dedicated IT operations and software developers, Finance, Board Operations, Legal*	*e.g. Ombudsman, Communications, Language Services, Human Resources, Travel Services, Procurement*

Contract Oversight & Auxiliary Services

Costs incurred by ICANN to oversee PTI's performance of IANA services, plus costs solely incurred to enable IANA functions

e.g. Root Zone Maintainer Agreement, IANA Function Review, Customer Standing Committee

Non-IANA related costs

PTI FY21 Plans Development Status

- The Draft FY21 IANA and PTI Operating Plan and Budget was developed from July through September 2019

- The six-week Public Comment started on the 14 October and ends on the 27 November 2019

Draft FY21 IANA Functions Budget Summary

1 | **IANA Functions Funding/ICANN Funding**

FY21 Funding of IANA Functions is $10.6M provided solely from ICANN and is driven by the FY21 Expenses

2 | **IANA Functions baseline cash expenses**

FY21 Expenses of $10.6M (including $0.5M contingency) increased versus FY20 Forecast driven by inflationary Personnel increases of $0.3M, partially offset by decreases in administrative activities of $0.2M

3 | **IANA Functions contingency**

Contingency of $0.5M remains flat in FY21 compared to FY20 Forecast. Contingency is about 10% of the Direct Dedicated costs and represents an amount of budgeted expense unallocated to specific activities or departments

4 | **Capital Budget**

Capital for FY21 is for a Hardware Security Module (HSM) Replacements and Key Management Facility (KMF) improvements

FY21 IANA Budget in Millions, USD	FY21 IANA Budget	FY20 IANA Forecast	Under/(Over)	
			Total	%
PTI Services	$10.0	$9.9	($0.1)	-1.2%
IANA Services (a)	$0.6	$0.6	$0.0	2.9%
TOTAL	**$10.6**	**$10.5**	**($0.1)**	**-1.0%**

(a) IANA Services includes the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee and IANA Naming Function reviews
These costs are funded by ICANN Operations.

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

Draft FY21 IANA Budget by Cost Category

FY21 IANA Budget in Millions, USD	IANA Budget FY21	IANA Forecast FY20	Under/(Over) Total	%
FUNDING	**$10.6**	**$10.5**	**($0.1)**	**-1.0%**
Personnel	$6.6	$6.3	($0.3)	-5.0%
Travel & Meetings	$0.5	$0.5	$0.0	0.1%
Professional Services	$1.7	$1.7	$0.0	0.1%
Administration	$0.9	$1.1	$0.2	18.3%
Contingency	$0.5	$0.5	$0.0	0.0%
Capital	$0.1	$0.1	$0.0	0.0%
Depreciation (a)	$0.3	$0.3	$0.0	0.0%
TOTAL CASH EXPENSES	**$10.6**	**$10.5**	**($0.1)**	**-1.0%**
EXCESS/(DEFICIT)	$0.0	$0.0	$0.0	100.0%
Average Headcount (FTE) (b)	24.7	24.9	0.2	0.8%

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

(b) FTE: Full-time staff equivalent

Total IANA Budget in Millions, USD	IANA Budget FY21	IANA Forecast FY20	Under/(Over) Total	%
Operating Expenses*	$10.5	$10.4	($0.1)	-1.0%
Capital	$0.1	$0.1	$0.0	0.0%
TOTAL	**$10.6**	**$10.5**	**($0.1)**	**-1.0%**

*Includes depreciation

FY21 Budget Process Timeline – PTI & IANA

Step	Dates	Action By	Note
PTI OP&B DRAFT Submitted to PTI Board	30 Sep 2019	PTI Board	At Least 9 Months Before Next Fiscal Year (Input to ICANN OP&B Per Bylaws)
PTI & IANA OP&B DRAFT reviewed by IANA President and ICANN CEO	07 Oct 2019	President & CEO	
ICANN BFC informed of the IANA Budget	08 Oct 2019	ICANN BFC	The ICANN BFC is informed of the PTI Draft OP& Budget and reviews the IANA Budget prior to posting for public comment
PTI & IANA Public Comment Period	14 Oct – 27 Nov 2019	Community	48 Days including 7 days for ICANN 66
PTI & IANA Staff Report on Public Comment Submitted to PTI Board & ICANN BFC for Review	6 Dec 2019	PTI Board & ICANN BFC	
PTI & IANA Staff Report on Public Comment Published	10 Dec 2019	ICANN org	
PTI OP&B Adopted	13 Dec 2019	PTI Board	Before ICANN Public Comment Begins (Input to ICANN OP&B Per Bylaws)
ICANN BFC recommends IANA Budget Approval	10 Dec 2019	ICANN BFC	ICANN BFC recommends to the ICANN Board to approve
ICANN Board Adopts IANA Budget	15 Jan 2020	ICANN Board	

ICANN Planning Process

ICANN FY21-25 O&FP and FY21 OP&B- Progress Update
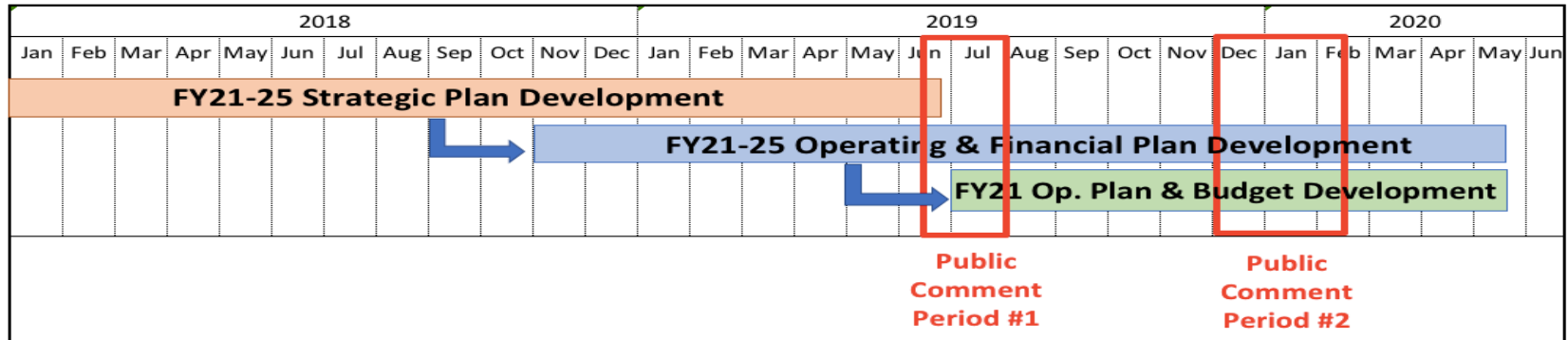
| What	Who	When
✓ FY21-25 O&FP Public Comment Period #1	Community	14 Jun – 5 Aug 2019
✓ Overview of FY21-25 O&FP development and Public Comment #1 materials	Community	Pre-ICANN65 Webinar on 17 June 2019
✓ Review Public Comment #1 inputs and plan development of both FY21-25 O&FP and FY21 OP&B	Board	Board Workshop Sep 2019
Review draft FY21-25 O&FP for Public Comment #2	Board	Nov 2019
Review draft FY21OP&B for Public Comment	BFC	Early Dec 2019
FY21-25 O&FP Public Comment Period #2 FY21 OP&B Public Comment Period	Community	Dec 2019 – Feb 2020
Review Public Comment inputs and finalize development of both FY21-25 O&FP and FY21 OP&B	Board & Community	ICANN67 Mar 2020
Review for Plan adoption of both plans	Board	Board Workshop May 2020
Empowered Community Period	Community	May – Jun 2020

Planning and Finance Session at ICANN66

https://66.schedule.icann.org/meetings/1116983

FY21 Annual Operating Plan and Budget and 5-Year Operating and Financial Plan

🕐 13:30 – 15:00, Wed, Nov 6, 2019

📍 518
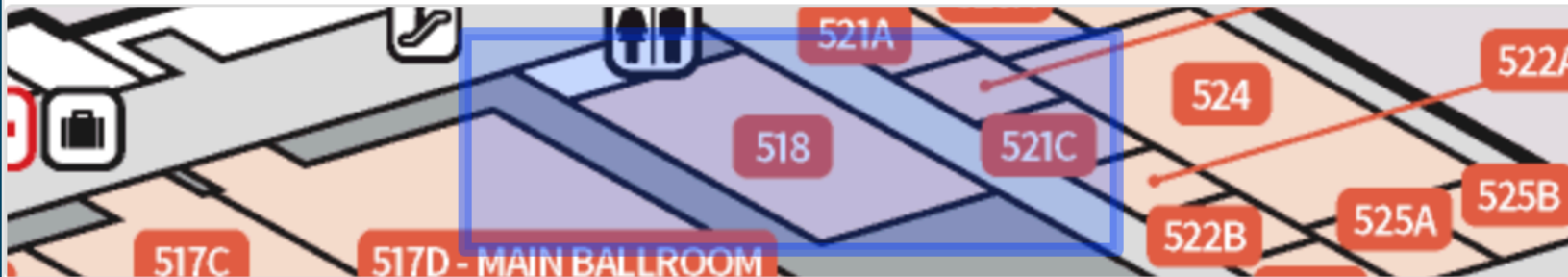
The ICANN Planning Team will discuss the timeline and process for the FY21 Operating Plan and Budget, and the FY21–FY25 Operating and Financial Plan. There will be an opportunity to ask questions.

Session Leader: Xavier Calvez

Staff Facilitator: Shani Quidwai

PARTICIPATION LINKS

Financial Information for IANA and Public Technical Identifiers

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

  o Annual Operating Plan and Budget

  o Annual Audited Financial Statements

  o Annual Tax Form 990

  o Quarterly Unaudited Financials

https://pti.icann.org/financial-information-for-public-technical-identifiers-pti

Q&A

Thank You and Questions

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