FY23 Operating Plan and Budget Planning Process

Community Webinar

15 September 2021

Webinar Information

This session is recorded.

This session is scheduled to last 1.5 hour.

Presentation is published here:
https://community.icann.org/display/projfinadhocws/FY23+Budget+Webinars

Q&A will be during and at the end of the presentation.

Agenda

- FY21 Financial Update

- FY22 Adopted Operating Plan and Budget

- FY23 Planning Process
  - ICANN Planning Overview
  - Strategic Planning
  - Operating Planning
  - Funding Assumptions and Process
  - 5-Year Financial Plan and 1-Year Budget
    - Assumptions
    - Additional Budget Request overview and timeline
  - Q&A

Team

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GDS

Opening Remarks

Xavier Calvez

SVP Planning &
Chief Financial Officer

FY21 Financial Updates

Financial Reporting

Financial Accountability- Reporting

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

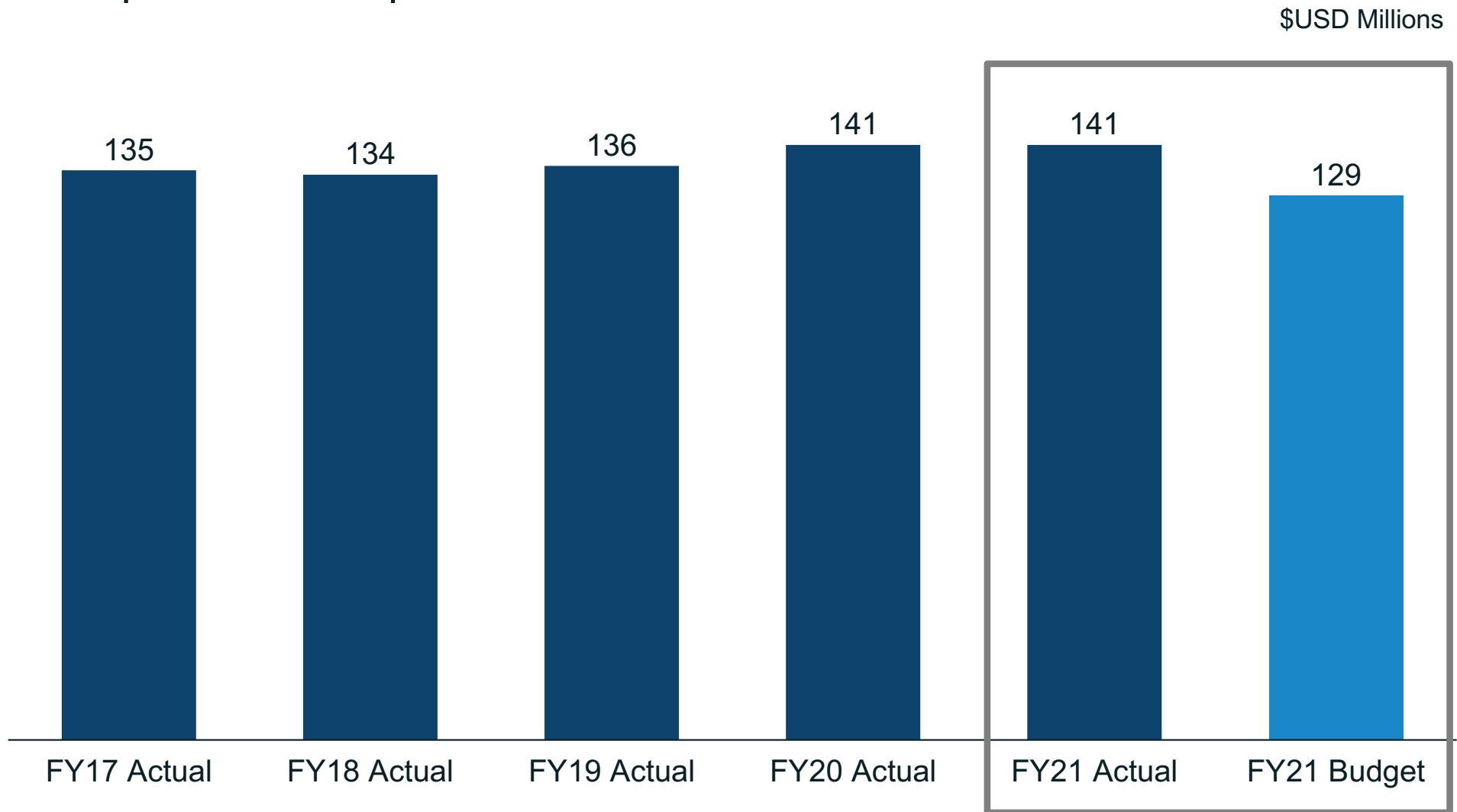| Periodically, throughout the year	Annually
• Quarterly Financial Reporting • Publication of the CEO Report • ICANN Meetings travel reports	• Independent Auditors Report • Board Expenses • ccTLD Contributions • Funding by Source • Operating Plan and Budget • Tax Return (Form 990) • ICANN org Remuneration Practices

Link to Financial Documents:

https://www.icann.org/resources/pages/governance/current-en

FY21 (Jul 20 – Jun 21) Financial Overview

USD in millions Unaudited	FY21 Actual	FY21 Budget
Funding	$141.5	$129.3
Cash Expenses	$116.4	$129.3
Net Operating Excess/(Deficit)	$25.1	$0.0
End of Period Headcount	391	400

◉ FY21 funding was $12.2M higher than budget as the budget assumed declines due to the global pandemic
  - As of June, funding has not been negatively impacted and remains stable to prior years

◉ FY21 Expenses are $12.9M lower than budget primarily due to due to holding 3 ICANN meetings virtually
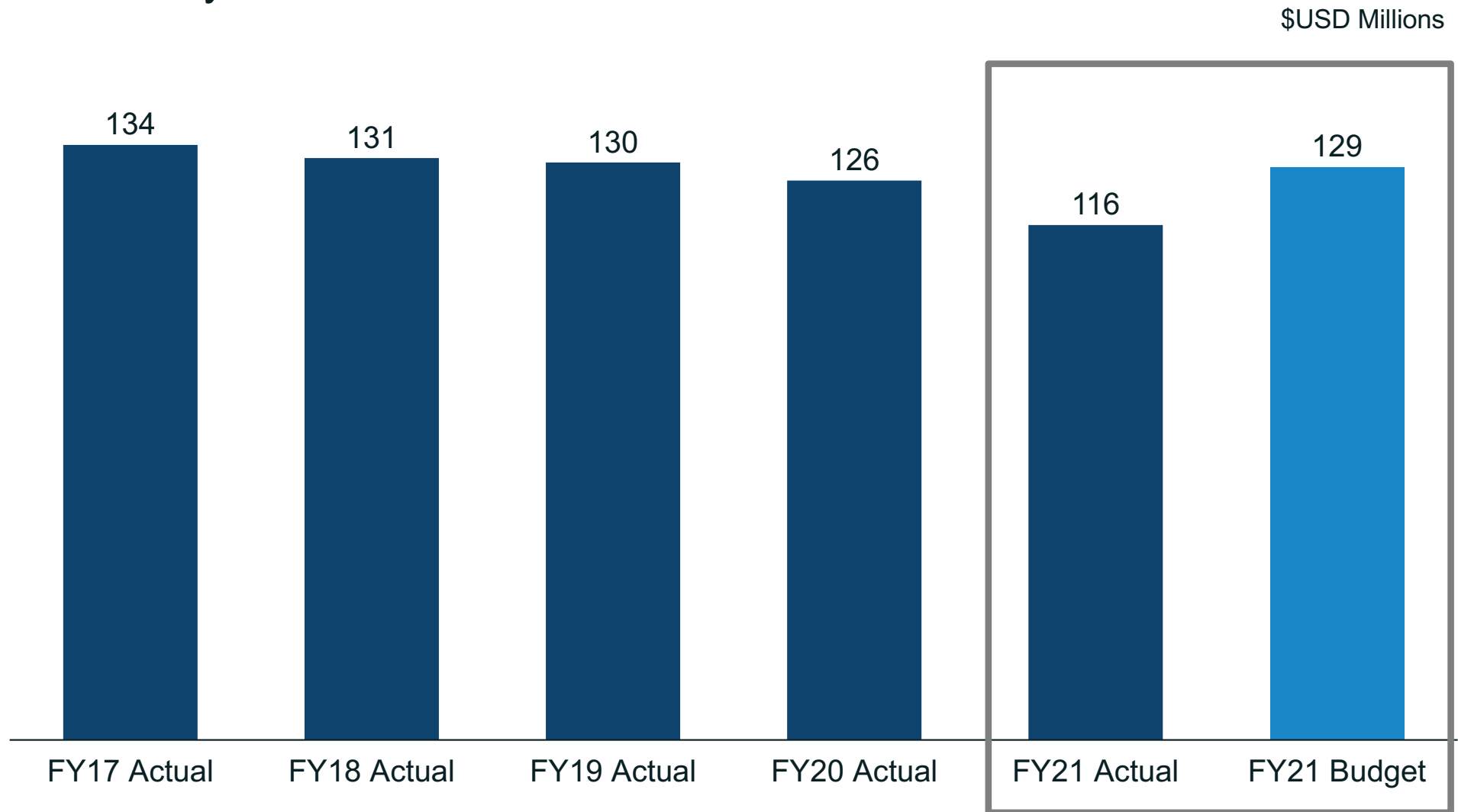
Funding Trends – FY21

- Funding aligned with prior year trends
- Higher than budget; budget conservatively projected a decline due to impact from the pandemic

$USD Millions

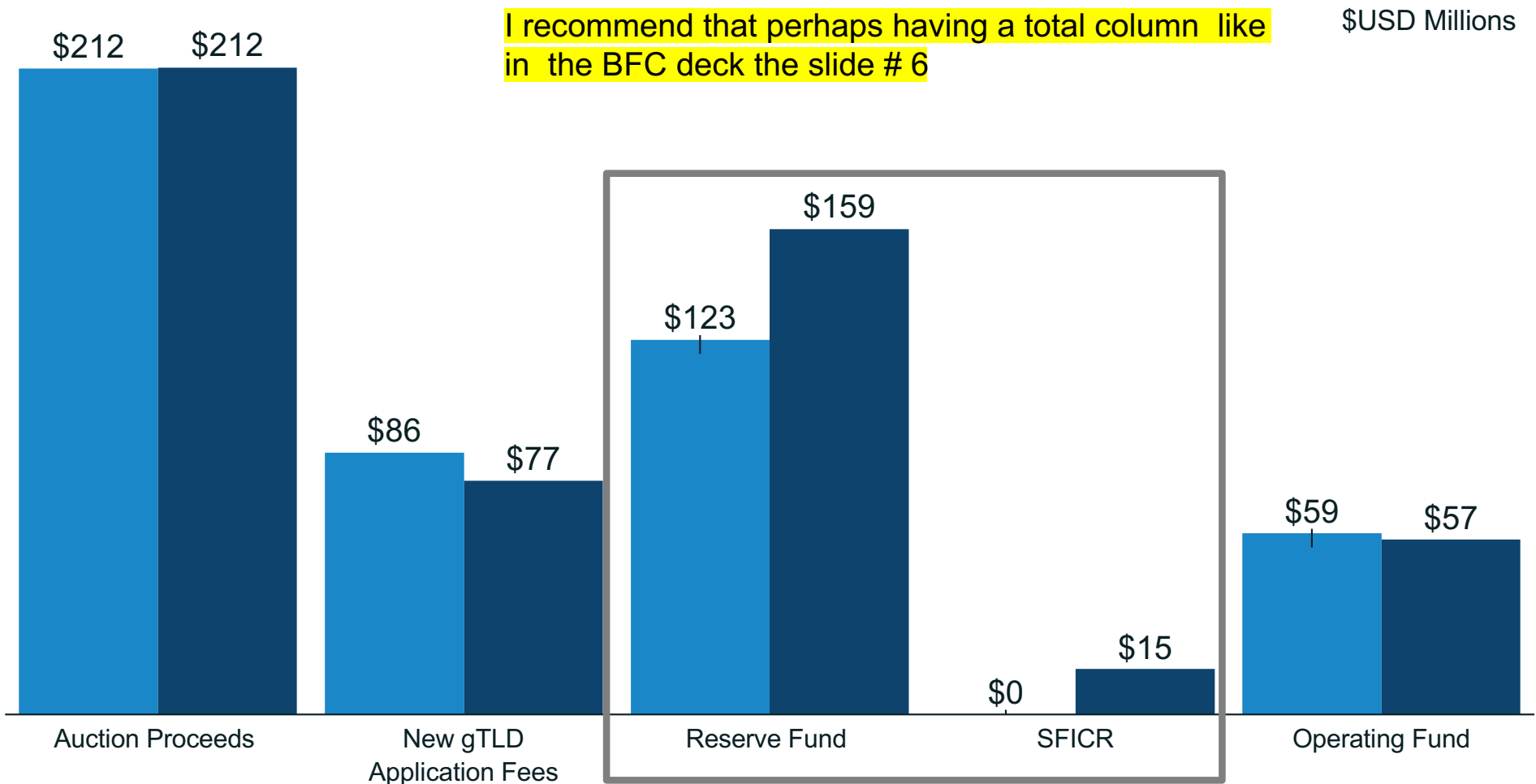| FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Budget
135	134	136	141	141	129

Cash Expense Trends – FY21

- Expenses lower than prior years primarily due to travel restrictions
- Expenses lower than budget primarily due to holding 3 ICANN meetings virtually

$USD Millions

FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Budget
134	131	130	126	116	129

FY21 Funds Under Management

- Funds Under Management increased by $40M versus prior year

- Significant progress has been made with the Reserve Fund Replenishment

- In May, the Supplemental Fund for Implementation of Community Recommendations was developed

I recommend that perhaps having a total column like in the BFC deck the slide # 6

$USD Millions

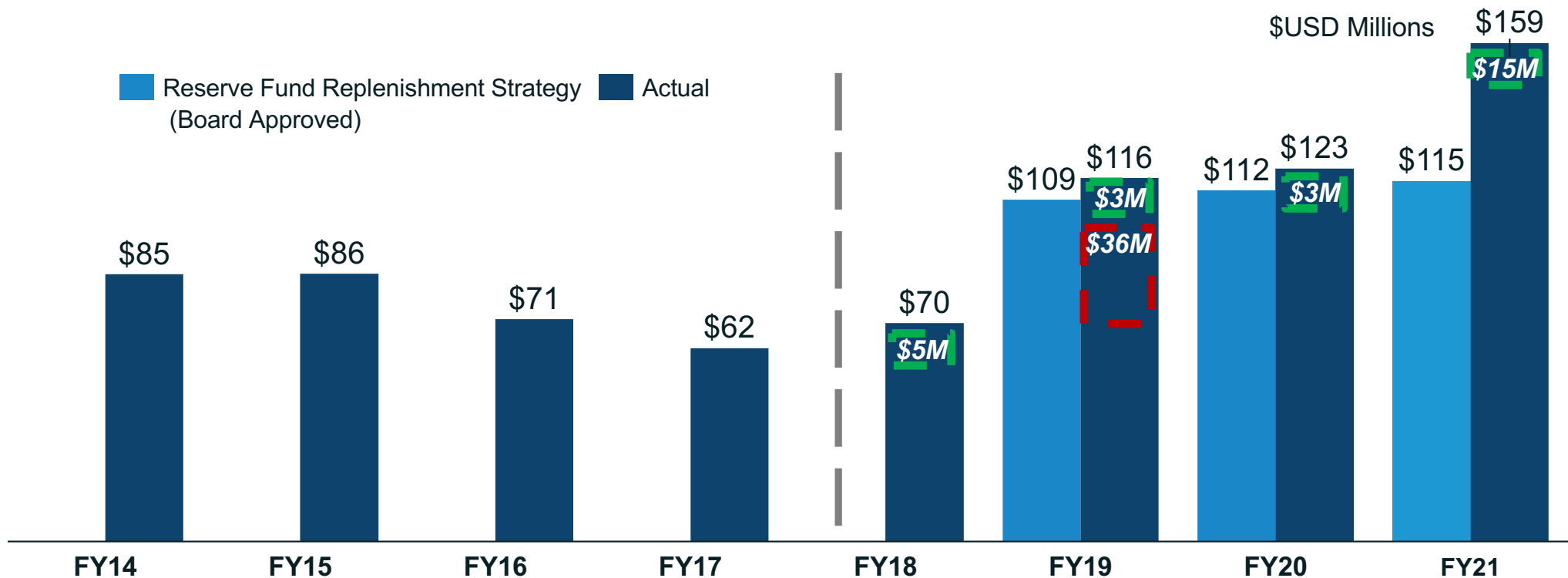|	Auction Proceeds	New gTLD Application Fees	Reserve Fund	SFICR	Operating Fund
Jun FY20 Balance	$212	$86	$123	$0	$59
Jun FY21 Balance	$212	$77	$159	$15	$57

Jun FY20 Balance   *Jun FY21 Balance*

June FY21 ending balances are pro forma adjusted for Board Approved transfers

ICANN

Reserve Fund Replenishment Strategy & Tracking

- **The Reserve Fund Replenishment Strategy was approved by the Board in October 2018 and is tracking ahead of the Board Approved Strategy**

- Prior to developing the replenishment strategy, the Reserve Fund balance was below our minimum goal, at least 12 months of expense budget

- Current balance greater than 12 months of budgeted expenses

Chart ($USD Millions):

Fiscal Year	Reserve Fund Replenishment Strategy (Board Approved)	Actual	ICANN Org Contributions	Transfer from Auction Proceeds
FY14		$85		
FY15		$86		
FY16		$71		
FY17		$62		
FY18	$70		$5M	
FY19	$109	$116	$3M	$36M
FY20	$112	$123	$3M	
FY21	$115	$159	$15M	

Legend: Reserve Fund Replenishment Strategy (Board Approved) · Actual · ICANN Org Contributions · Transfer from Auction Proceeds

| 12

Fund for Community Recommendations Developed "SFICR"

- The SFICR provides a funding source to utilize for large projects and initiatives that span multiple years

- Increases transparency and accountability by isolating spend and matching it to the funding in an explicit and transparent manner through the budgeting and reporting processes

- Example of potential projects to be eligible for SFICR funding:

  o SSAD Implementation

  o Review Implementation: CCT, SSR2, ATRT3

  o Other Community Recommendations: Evolution of the MSM, RSS Governance

FY22 Adopted Operating Plan and Budget

FY22 – FY26 Planning Documents

https://www.icann.org/resources/pages/governance/current-en

ICANN Financial and Planning Information

FY22 Reports

FY22 Financial Reports

- ICANN's Staff Remuneration Practices
    - As of 1 July 2021

FY22 – FY26 Planning Documents

- Highlights of the FY22-26 Operating and Financial Plan and FY22 Operating Plan and Budget

- ICANN FY22-26 Operating Plan and FY22 Operating Plan

- ICANN FY22 Budget

ICANN Planning Overview

ICANN Planning Overview

Strategic Planning Process	Operating Planning Process	Budgeting Process	Progress Reporting process
The process of defining ICANN's strategic direction, including its mission, vision, Strategic objectives and goals.	The process of determining key initiatives (Operating Initiatives) and what each functional area plans to do (Functional Activities), to achieve the strategic plan.	The process of allocating resources to planned activities, and prioritize activities as needed.	The process of explaining the achievement via a series of mechanisms.

Annual Planning Timeline

Jan-Mar 2021
- Strategic Outlook Trend Identification

Apr-Jul 2021
- Trend Analysis and Impact Assessment
- IANA Plans Kickoff and Development

Jul-Nov 2021
- ICANN Plans Kickoff and Development
- IANA Plans Public Comments

Nov-Dec 2021
- ICANN Draft Plan Publication
- IANA Plans Adoption

Dec 2021-Feb 2022
- ICANN Plan Public Comments
- IANA Plans Empowered Community Period

Feb-Mar 2022
- ICANN Plan Revision

May-Jun 2022
- ICANN Plan Adoption and Empowered Community Period

IANA and PTI Draft FY23 Operating Plan and Budget

Public Comment is from September 15 to October 25

See appendix for a summary of the Draft FY23 IANA Operating Plan and Budget

FY23 Planning Process

Strategic Outlook and Strategic Planning

Introduction to Strategic Planning at ICANN

The purpose of strategic planning is to set out the long-term strategic objectives for the organization, reflecting ICANN's mission and vision.

- A fundamental part of ICANN's governance, mandated by the organization's Bylaws.

- A core element of ICANN's three-fold planning process cycle, namely a Five-Year Strategic Plan, Five-Year Operating Plan, and the Annual Plan and Budget process.

- The current Strategic Plan for fiscal years 2021 to 2025 came into effect on 01 July 2020. It was adopted by the Board on 23 June 2019.

- The strategic planning process starts with a yearly identification and analysis of trends that affect ICANN.

Strategic Planning Process

Develop / Update Strategic Plan
As needed, revise and update the Strategic Plan.

4

Strategic Planning Process

1

Assess Trends Impact
Evaluate materiality and immediacy of trends impact on strategic objectives and goals.

3

Operating Planning Process

Budgeting Process

Progress Reporting Process

Identify Strategic Outlook Trends
ICANN Org, Board and community identify strategic outlook trends.

2

Analyze Trends
Compute, catalogue and consolidate trend sessions results. Analyze new trends or notable shifts in existing trends.

FY23 Strategic Outlook Trend Sessions

16 strategic outlook sessions

- 6 stakeholder group sessions
- 2 Board sessions
- 8 org cross-functional sessions

300 participants

- 122 community and Board members
- 178 org members

1114 data elements collected

- 607 trend statements
- 286 risks or threats
- 221 suggested actions or opportunities

Preliminary conclusions and next steps

- The community trend sessions data are published on the planning page: https://www.icann.org/resources/pages/strategic-engagement-2013-10-10-en.

- The Board Strategic Planning Committee will present its recommendations to the Board in the next few weeks.

    Final report will be published on the planning page (same link as above).

- Tactical recommendations from the trend impact assessment will be accounted for in the Draft FY23 Operating Plan, which will be posted for Public Comment in December 2021.

FY23 Planning Process

Operating Planning

Operating Planning Process

Refine Plan with Details
Refine activities, target, progress measurement.

(4)

(1)

Operating Planning Process

(3)

(2)

Strategic Planning Process

Budgeting Process

Progress Reporting Process

Determine Impact
Determine Strategic Outlook trends Impact on operational adjustments, and / or propose new activities.

Develop High-level Plan and Milestones
Develop / revise high-level target, measurement of activities. Highlight major capital expenditure, cost to the implementation of new policies and procedures, and operational changes that impact the resources changes.

Discuss and Prioritize
Via community engagement and org cross functional team meetings to discuss and align on priorities.

Planning Prioritization Project Overview

Development of a Prioritization Framework that will be inclusive, open, simple, short and effective

Prioritization Process Design Elements

- Identification of the scope of work to be prioritized
- Identification of the participants and their roles & responsibilities in the process
- Design of the frequency for prioritization planning process
- Selection of an agreed-upon prioritization techniques
- Identification of systems, reports or tools to manage the process

Engagement and Consultations

- Opportunity to provide input and feedback
- Outreach to diverse stakeholders
- Informal consultations
- A pilot of the technique is suggested as a valuable component of validation

📅 Join the Webinar ▶ **ICANN 72 Prep Week | Planning Session**

ICANN

Operating Plan Structure

The Operating Plan includes description of the activities ICANN org will undertake to achieve its Strategic Plan, operate the organization and implement its mission and mandate.
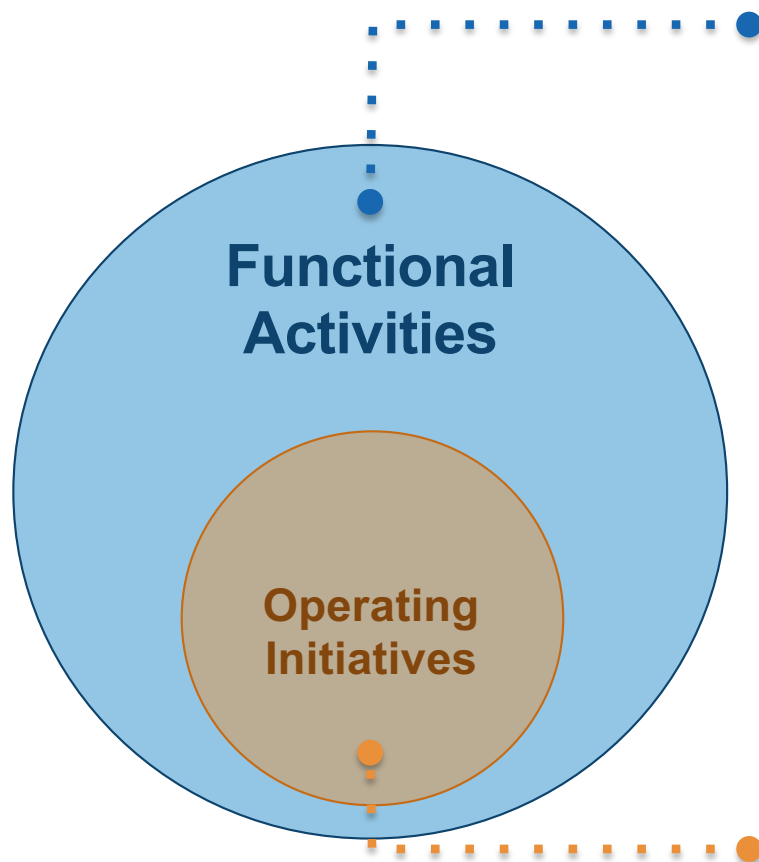
Functional Activities (34 in 5 groups)

Continuing Operations to:

- Operate the organization, such as *Human Resources or Finance.*

or

- Implement ICANN's mission and mandate, such as *Contractual Compliance or the IANA.*

Operating Initiatives (15)

- The 15 operating initiatives represent major areas of work that support the strategic objectives identified in the strategic plan.

Functional Activities

Operating Initiatives

15 Operating Initiatives

Operating Initiatives	Leads
1. Support the Evolution of the Root Server System	Office of the Chief Technology Officer
2. Facilitate DNS Ecosystem Improvements	Office of the Chief Technology Officer
3. Evolve and Strengthen the Multistakeholder Model to Facilitate Diverse and Inclusive Participation in Policymaking	Policy Development and Advice
4. Evolve and Strengthen the ICANN Community's Decision-making Processes to Ensure Efficient and Effective Policymaking	Policy Development and Advice
5. Develop Internal and External Ethics Policies	Governance Support
6. Promote and Sustain a Competitive Environment in the Domain Name System	Policy Research and Stakeholder Programs
7. Promote the Universal Acceptance of Domain Names and Email Addresses	Policy Research and Stakeholder Programs
8. Root Zone Management Evolution	IANA Functions
9. Evaluate, Align, and Facilitate Improved Engagement in the Internet Ecosystem	Government and Intergovernmental Organization Engagement
10. Through Targeted Engagement Improve Governmental and Intergovernmental Organization (IGO) Engagement and Participation in ICANN	Government and Intergovernmental Organization Engagement
11. Monitor Legislation, Regulation, Norms, Principles, and Initiatives in Collaboration with Others that May Impact the ICANN Mission	Government and Intergovernmental Organization Engagement
12. Formalize the ICANN Org Funding Model and Improve Understanding of the Long-term Domain Name Market Drivers	GDS Account and Services
13. Implement New gTLD Auction Proceeds Recommendations as Approved by Board	Public Responsibility Support
14. Planning at ICANN	Planning
15. ICANN Reserves	Finance

34 Functional Activities

34 Activities in 5 Service Groups

Technical and DNS Security

- Office of the Chief Technology Officer
- IANA Functions
- IDN and UA
- ICANN Managed Root Server
- Contractual Compliance

5 Functional Activities

Policy Development and Implementation Support

- Policy Development and Advice
- Policy Research and Stakeholder Programs
- Contracted Parties Services Operations
- Etc.

6 Functional Activities

Community Engagement and Services

- Global Stakeholder Engagement
- Government and IGOs Engagement
- GDD Accounts and Services
- Etc.

8 Functional Activities

ICANN Org Governance

- Board Activities
- Office of CEO
- Governance Support
- Etc.

7 Functional Activities

ICANN Org Shared Services

- Finance and Procurement
- Engineering and Information Technology
- Global HR and Administrative Services
- Etc.

8 Functional Activities

See Appendix for details.

Connections of the Strategic and Operating Plan

Strategic Plan

Strategic Objective

Strategic Goal 1*

- Targeted Outcome 1.1
- Targeted Outcome 1.2

Strategic Goal 2

- Targeted Outcome 2.1
- Targeted Outcome 2.2

Strategic Goal 3

- Targeted Outcome 3.1
- Targeted Outcome 3.2

Operating Plan

Operating Initiatives

Progress Measurements

Functional Activities

Progress Measurements

Numbers are for illustration purpose only

5-Year Operating Plan and 1-Year Operating Plan

All Functional Activities and Operating Initiatives are described with their purpose, activities, alignment with the strategic plan, resources, considerations (risks, dependencies, challenges) and progression/ milestones.

FY23-FY27 Operating Plan

- Content is high-level over the 5-Year horizon.
- Resource planning is high-level – "Stable" "Increase" or "Decrease", with projection of when (Fiscal Year) the changes are expected.
- Progress reporting is high-level roadmap with deliverables by FY.

FY23 Operating Plan

- Content is more detailed with focus on FY23.
- Resource planning is at detailed level using expense categories.
- Progress reporting is specific deliverables within FY23.

Key Draft Planning Assumptions

Strategic Objectives Remain Unchanged	At this time, no changes to the ICANN strategic plan for fiscal years 2021-2025 are anticipated (subject to Board Strategic Planning Committee's recommendation)
Affordability Assumption and Balanced Budget	The Draft plans are based on "base" scenario funding projections. Each fiscal year, the resources for the cost of work planned do not exceed funding available
Face-to-Face Meetings and Engagement	Although there is still uncertainty, tor planning purposes, the FY23 plans assume business travel and three face-to-face meetings ICANN meetings and other engagement activity will resume
Board Consideration and Dependencies	After the Board adopts community reviews and policy development processes policies recommendations, the implementation work of design, planning, scheduling and delivery starts.

Total ICANN FY23 Planning Timeline – Key Dates

Step	Dates	Action By	Note
FY23 OP&B Planning Community Webinars	15 Sep 2021	ICANN org	FY23 Planning Process and Timeline
ICANN 72 Planning Webinar	ICANN 72 Prep week - Oct 2020	ICANN org/Community	Prioritization Framework Design
BFC Reviews Draft Plan for Publication	23 Nov 2021	ICANN BFC	
ICANN Public Comment Period	3 Dec 2021 – 06 Feb 2022	ICANN org	60 Days including 10 days for Holidays
Community Webinar	Mid Dec 2021	ICANN Community	FY23 Draft Plans engagement
Additional Budget Request Submission Period	Nov 2021 – Jan 2022	ICANN Community	Submit to planning@icann.org
ICANN Staff Report on Public Comment Published	Mid Mar 2022	ICANN org	
BFC Recommends to the Board Adoption of Plans	Early April 2022	ICANN BFC	
ICANN Board Adopts	Early May 2022	ICANN Board	Target to allow for EC Review Period
Empowered Community(EC) Process	Early / Mid May – Early / Mid Jun 2022	EC Decisional Participants	

FY23 Planning Process

Funding Assumptions and Process

Historical Funding Projection Accuracy (FY17-21)

In the past five years, the average variance between ICANN's funding projections and actuals is +/- 4%

■ Actual   ■ Budget

US$ in millions

FY	+2%	-6%	-1%	0%	+9%
Actual	135	134	136	141	141
Budget	132	143	138	140	129

FY17   FY18   FY19   FY20   FY21*
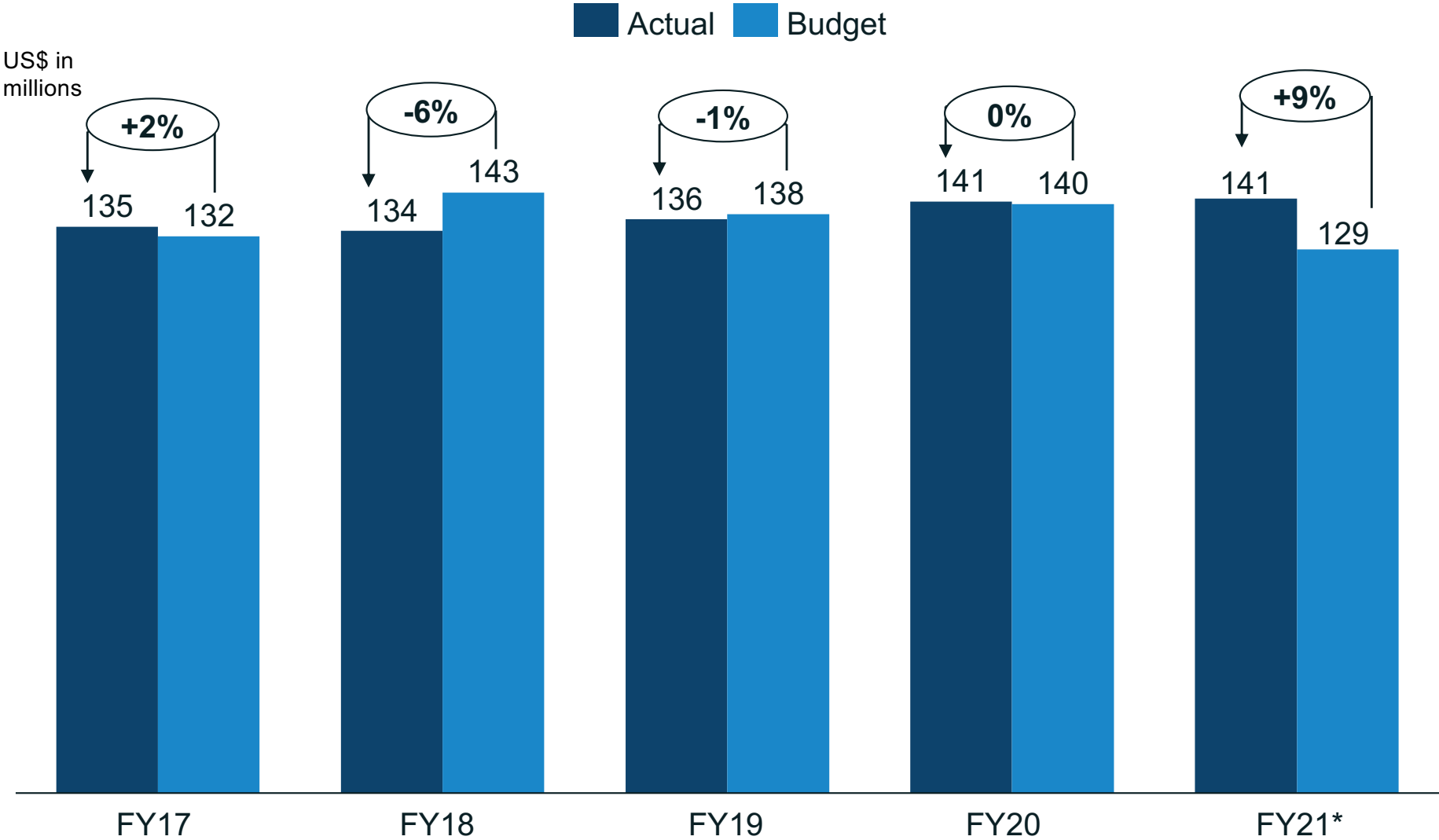
*FY21 values are unaudited and pending finalization by ICANN Finance.
FY21 pre-COVID19 funding projection at $140.4 million or -0.7% from actuals.

ICANN's Funding Forecast Approach

- Funding projections are developed through the following activities:

1	**Marketplace Horizon Scan**
2	**Formulation of Assumptions**
3	**Forecast Generation**

Formulation of Assumptions: Sample

Excerpt of Marketplace Horizon Scan Finding

"The experience as of the first half of 2020 shows that domains under management have been stable, and in some cases has increased slightly. These trends, however, are uneven. A common question is whether this current period of resiliency represents simply a delayed reaction, with bigger impacts likely unfolding in the months to come......"

Formulation of Assumptions (Qualitative)

The extent to which COVID-19 contributes to slower growth or even contractions of economies or shifts previous face-to-face activities to online interactions are all key questions. At present, uncertainty remains high.

At the 'base-case' and 'high' funding scenarios, domain name transaction volumes will continue to grow, albeit at varying levels. The 'low' scenario factors a decline in transaction volumes. The 'low' funding scenario will also feature fewer total accredited registrars, while the 'base-case' and 'high' funding scenarios will depict a flat-to-slight increase in this base. The total count of gTLD registry operators will decline across all scenarios, albeit at varying levels.

Formulation of Assumptions (Quantitative)

Low Scenario	Base Case	High Scenario

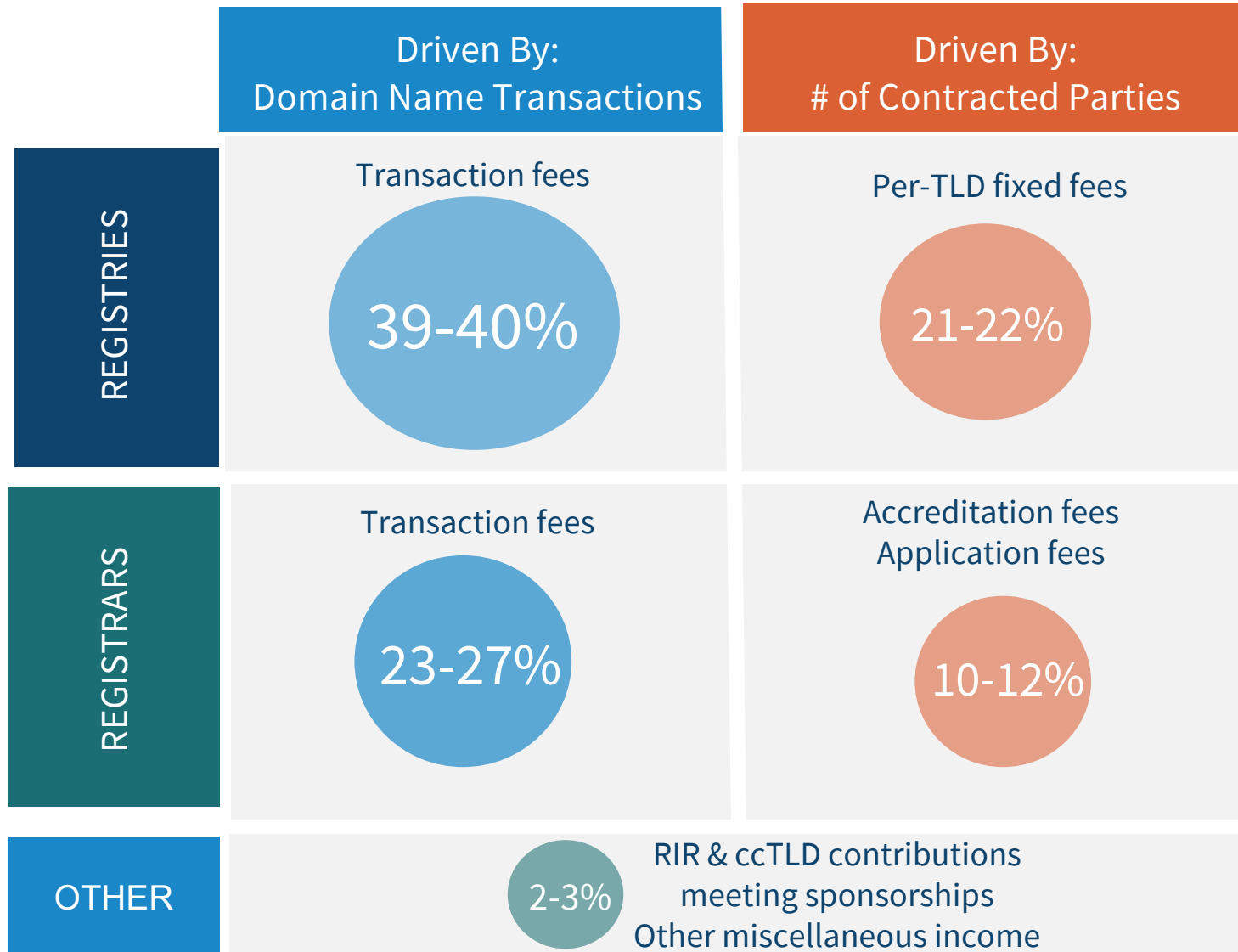New gTLD transaction volume and growth trendline.
Legacy gTLD transaction volume and growth trendline.
Size of contracted party base.

ICANN

Sources of Funding, % Share by Component (FY17-FY21)

- Sources of funding cover several categories:

	Driven By: Domain Name Transactions	Driven By: # of Contracted Parties
REGISTRIES	Transaction fees **39-40%**	Per-TLD fixed fees **21-22%**
REGISTRARS	Transaction fees **23-27%**	Accreditation fees Application fees **10-12%**
OTHER	**2-3%** RIR & ccTLD contributions meeting sponsorships Other miscellaneous income	

Note: Arithmetic inconsistencies due to rounding of values. FY21 values are unaudited and pending finalization by ICANN Finance.

FY23 Planning Process

5 Year Financial Plan and
1 Year Budget Assumptions

Five-Year Financial Plan and One-Year Budget

◉ The Five-Year Financial Plan is developed to support the Five-Year Operating Plan. The Five-Year Operating Plan is reviewed and developed on an annual basis.

◉ The Five-Year financials are a high-level overview of ICANN org's financial assumptions. The anticipated numbers will shift as more information becomes available and will be adjusted accordingly. This also allows for activities to be reprioritized based on the current environment, which will undoubtedly shift and evolve over the course of the five-year period.

◉ The Five-Year financials will be supplemented by ICANN org's annual plans and budgets, which will provide more detailed financial information for the respective year.

Five-Year Financial Plan Funding and Expense Assumptions

- The Five-Year Financial Plan will provide "base", "low" and "high" scenario funding. The Operating Plan will be developed using the base scenario funding projections.

- The Five-Year Financial Plan will include a planned annual contribution to the Reserve Fund.

- The headcount is expected to remain relatively stable through the five-year period.

- The Five-Year Financial Plan will be a balanced budget where expenses, plus planned contributions to the Reserve Fund, will not exceed funding.

FY23 Budget Assumptions

- There continues to be uncertainty around the pandemic and the impact it may have on ICANN's Funding and Operations.

- The ICANN budget will be balanced; projected expenses will not exceed projected funding.

- Only activities supporting the implementation of Board-approved policies or review recommendations are specifically included in the budget.

- Funding is still being assessed but is expected to grow modestly from the FY22 Budget projection.

- Travel is assumed to be at pre-pandemic levels including 3 face to face ICANN Public Meetings.

- The Budget will include funds for Additional Budget Requests (ABR).

Additional Budget Request Overview

The 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.

Assessment Process:

◉ Allocating available resources to those requests which, on their face are directly and demonstrably related to current ICANN policy development, advisory and technical work.

◉ Addressing capacity development objectives through encouraging collaboration with ICANN's Public Responsibility Support and Global Stakeholder Engagement teams, including development of materials that can be used for online (rather than face-to-face) training.

◉ Considering the availability of resources, both financial and staff, to support the individual and collective requests submitted in an equitable and transparent manner.

◉ For travel related requests, a primary consideration is to prioritize events taking place at an ICANN Public Meeting or other ICANN-organized meeting.

Additional Budget Request: FY23 Tentative Key Dates

Community Kick off and
Submission period

November 2021 to January 2022

SO/AC Consultations
at ICANN 73

05 March 2022 to 10 March 2022

Notify SO/ACs of Publication

May 2022

Publication on Website

May 2022

Questions and Answers

❖ Please raise your hand in zoom if you want to ask a question
❖ Unmute your microphone to ask questions when it is your turn
❖ Mute your microphone when not speaking

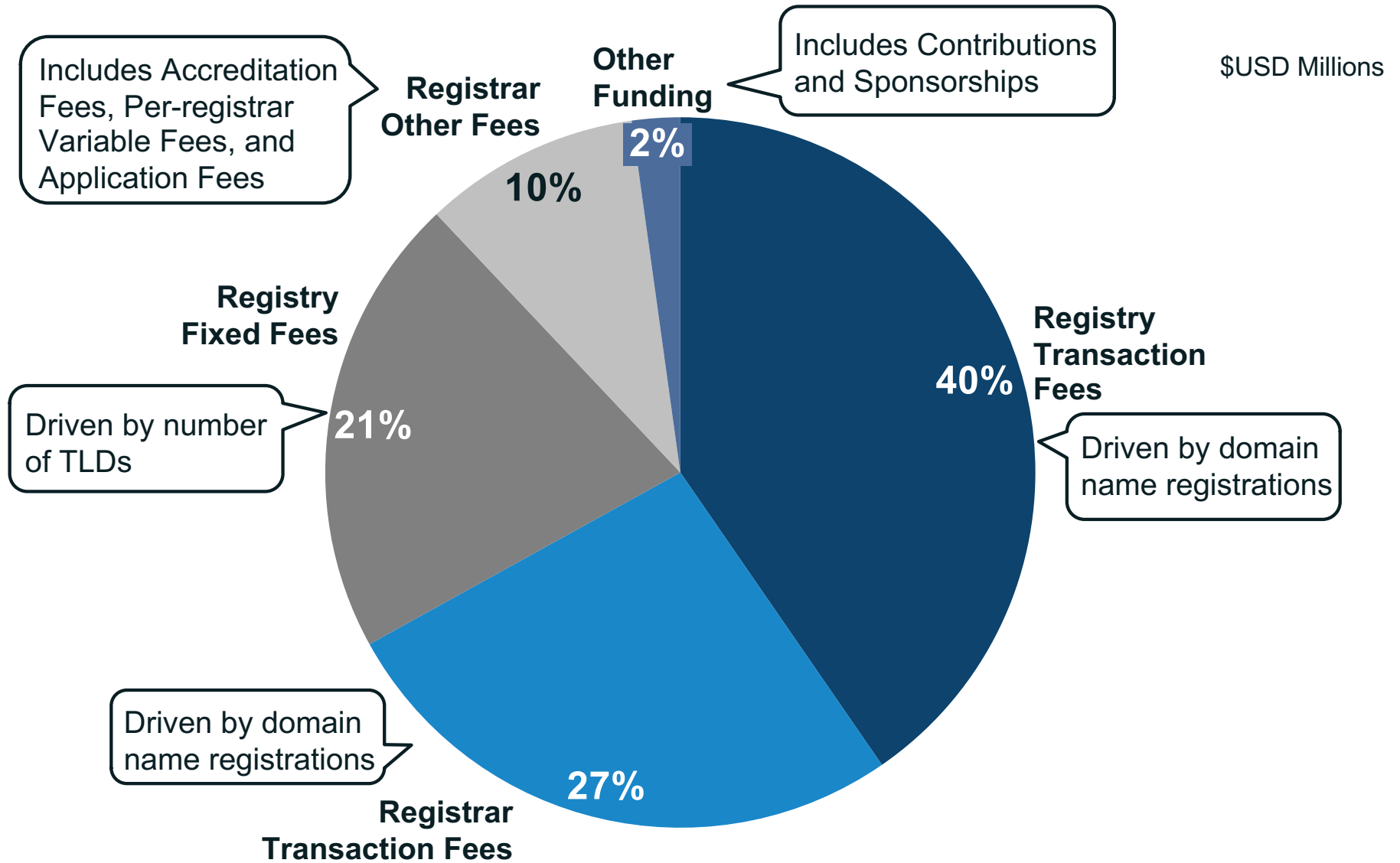❖ Type your questions in the chat

✉ Email the planning team ▶ **planning@icann.org**

Appendix

FY21 Financial Update

FY21 (Jul 20 – Jun 21) Funding by Category

FY21 Funding- $141M

Includes Accreditation Fees, Per-registrar Variable Fees, and Application Fees

Registrar Other Fees

Other Funding

Includes Contributions and Sponsorships

$USD Millions

2%

10%

Registry Fixed Fees

Driven by number of TLDs

21%

Registry Transaction Fees

40%

Driven by domain name registrations

Driven by domain name registrations

Registrar Transaction Fees

27%

FY21 (Jul 20 – Jun 21) Expenses by Cost Category

FY21 Expenses- $116M

Includes IT infrastructure and security improvements

Capital

Administration

Includes rent, other facilities costs, and telecommunications

$USD Millions

4%

13%

Professional Services **17%**

Includes contractor services, legal fees, and language services

65%

Includes compensation and other personnel related costs for ICANN staff

Personnel
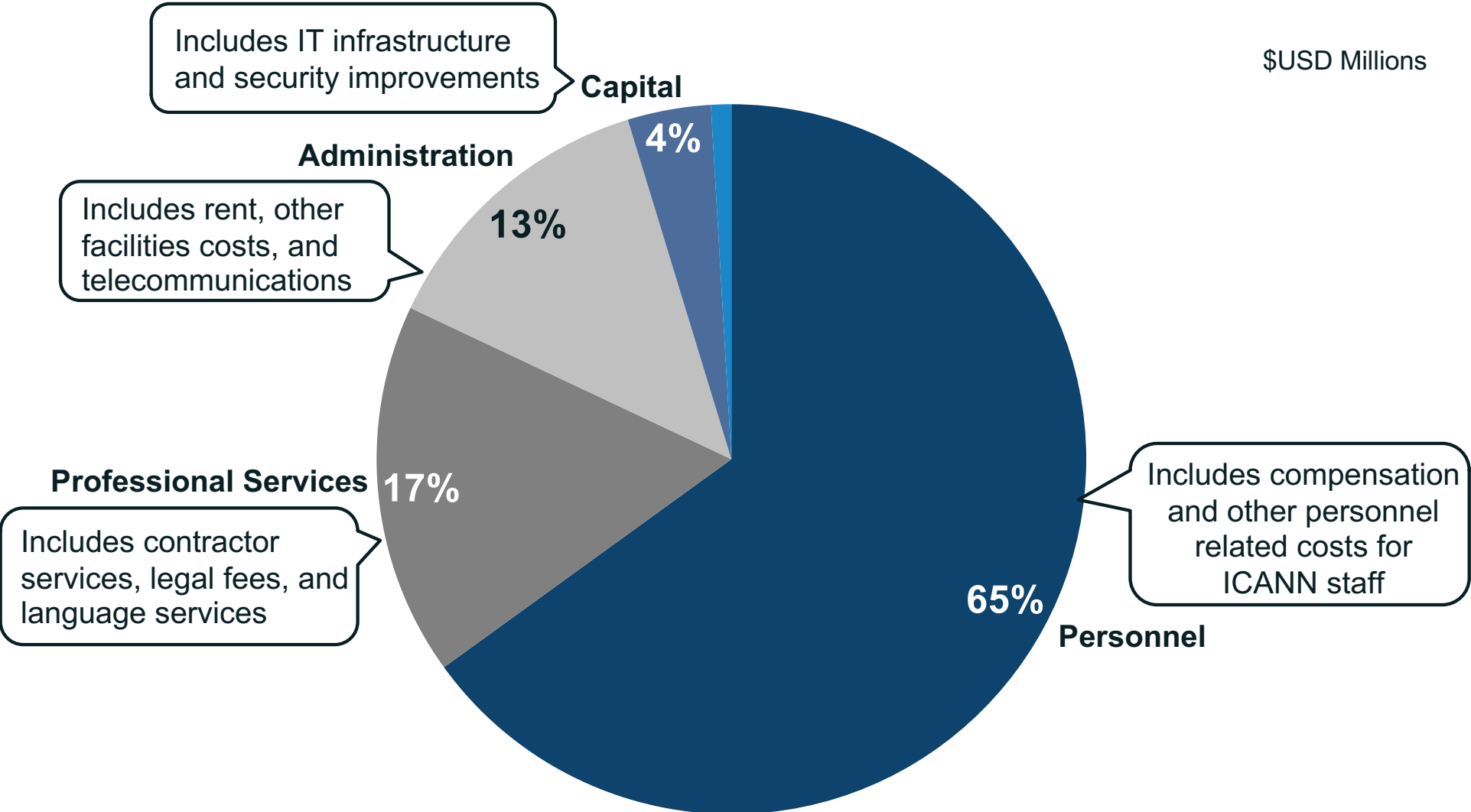
FY23 Planning Process

Operating Planning

Functional Activities – 34 in 5 groups

Technical and DNS Security

- Office of the Chief Technology Officer
- ICANN Managed Root Server
- Internationalized Domain Names and Universal Acceptance
- IANA Functions
- Contractual Compliance

Policy Development and Implementation Support

- Policy Development & Advice
- Policy Research and Stakeholder Programs
- Contracted Parties Services Operations
- Technical Services
- Strategic Initiatives
- Constituent & Stakeholder Travel

Community Engagement and Services

- Global Stakeholder Engagement
  - Regional Offices
- Public Responsibility Support
- Government & IGOs Engagement
- GDD Accounts & Services
- Consumer Safeguards
- Communications & Language Services
- Global Meetings Operations
- Ombudsman

Functional Activities – 34 in 5 groups

ICANN Org Governance

- Board Management
- Office of the President and CEO
- Governance Support
- Nominating Committee Support
- Complaints Office
- Planning
- Reviews Support and Implementation

ICANN Shared Services

- Finance & Procurement
- Risk Management
- Engineering & Information Technology
- Global Human Resources & Administrative Services
- Global Support Center
- Board Operations
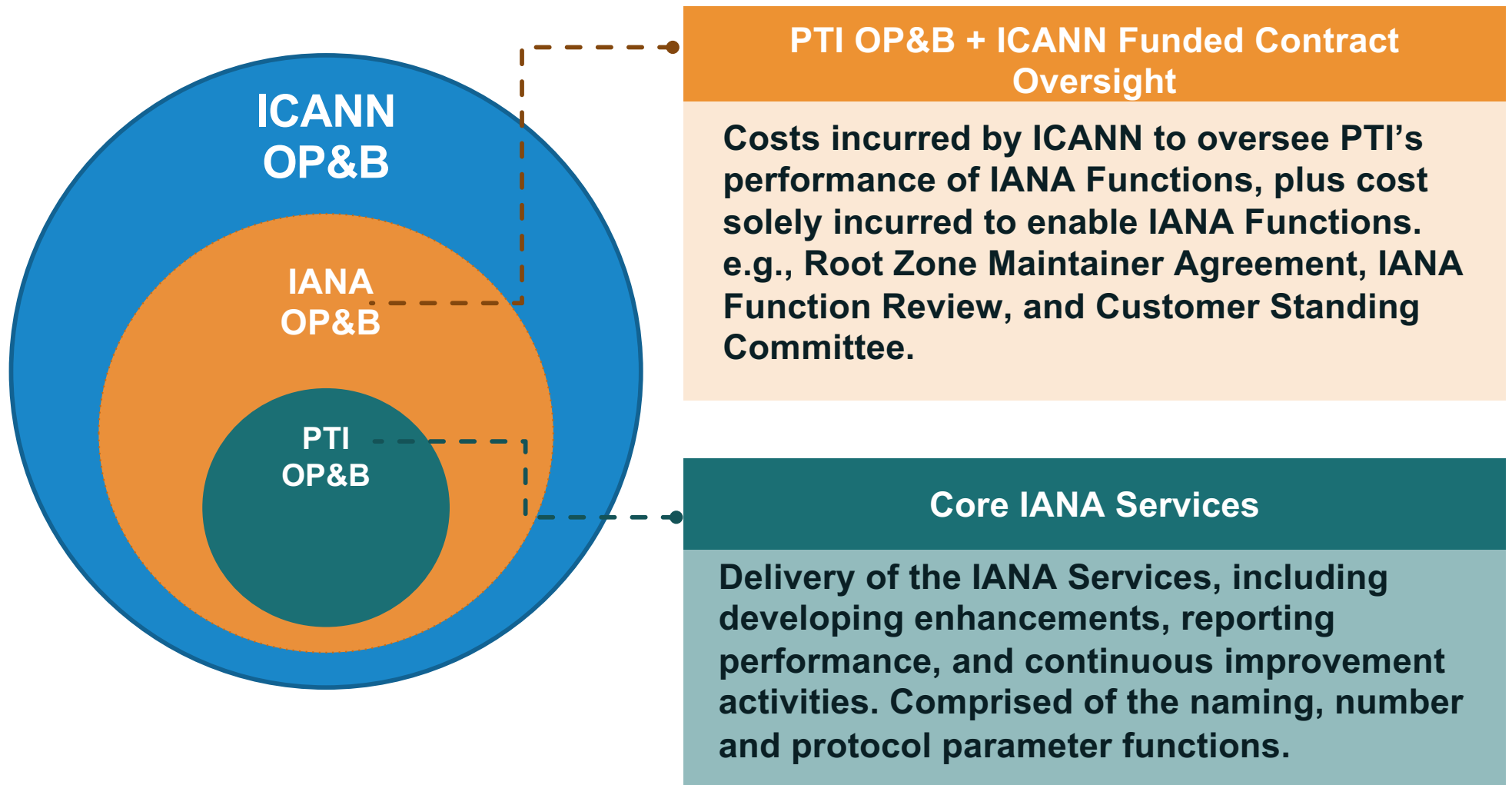- Security Operations
- ICANN Offices

IANA / PTI Planning

Process Overview: Planning Process Steps
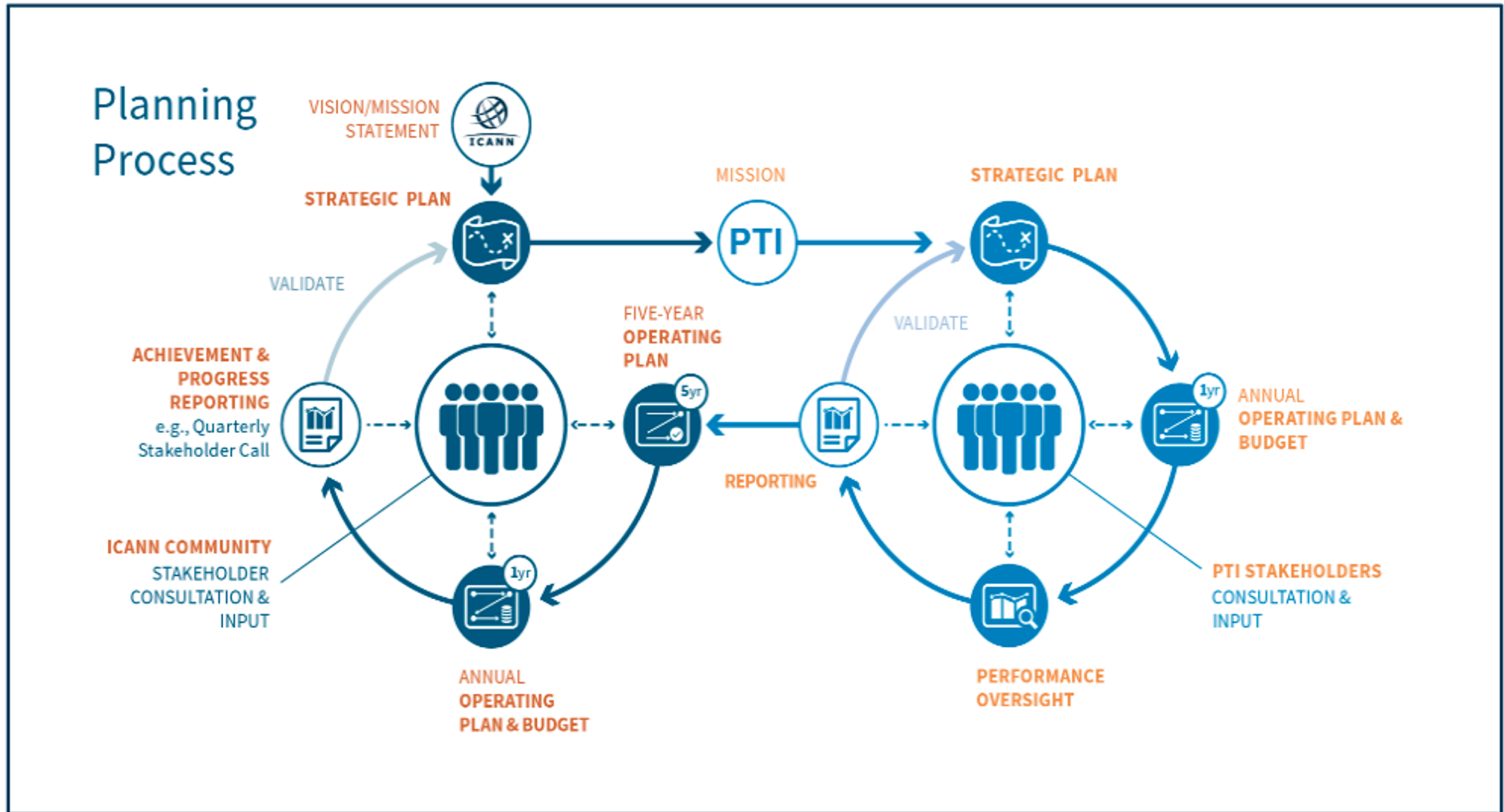
Scope of The Plans

The PTI and IANA Operating Plan and Budgets (OP&B) are components of the ICANN Operating Plan and Budget

ICANN OP&B

IANA OP&B

PTI OP&B

PTI OP&B + ICANN Funded Contract Oversight

Costs incurred by ICANN to oversee PTI's performance of IANA Functions, plus cost solely incurred to enable IANA Functions. e.g., Root Zone Maintainer Agreement, IANA Function Review, and Customer Standing Committee.

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.

FY23 PTI Budget Summary

1 **PTI Budget Funding/ICANN Funding**
Funding for the PTI Budget is provided solely from ICANN and is driven by the work performed or expenses

2 **PTI Budget cash expenses**
Expenses are driven by the main cost categories of Personnel, Travel & Meetings, Professional Services, Administration, and Capital. Expenses are segregated into three cost pools: Direct Dedicated, Direct Shared, and Shared Services

3 **PTI Budget contingency**
Contingency represents an amount of budgeted expense unallocated to specific activities or departments

Grand Total Including Support Functions Shared with ICANN							
	FTE	Personnel	T&M	Prof Svcs	Admin	Capital	Total
Direct costs / Dedicated resources	17.0	$3.3	$0.3	$1.0	$0.1	$0.3	$5.1
Direct costs / Shared resources	5.0	$1.3	$0.1	$0.3	$0.5	-	$2.2
Support Services Allocations	0.0	$1.6	$0.1	$0.4	$0.3	-	$2.5
Total	22.0	$6.3	$0.5	$1.8	$0.9	$0.3	$9.8

Description of PTI Costs by Cost Type

Direct Dedicated

Wholly dedicated employees within PTI

For example:

- All cost of IANA Department, including request specialists, Software Development and IT Operations, Audit, Continuous Improvement Management

Direct Shared

Specific staff and other allocations from other ICANN departments

For example:

- Key ceremony roles
- Dedicated IT operations and software developers from Engineering and Information Technology
- Dedicated staff support from legal, Board operations, finance, etc.

Shared Services

Communal services used by whole ICANN org

For example:

- Ombudsman
- Human Resources
- Global Communications and Language Services

Draft FY23 PTI Budget by Cost Category

FY23 PTI Budget in Millions, USD	FY23 Budget	FY22 Budget	Under/(Over)		FY21 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	**$9.8**	**$9.7**	**($0.1)**	**-1.1%**	**$7.7**	**($2.1)**	**-27.7%**
Personnel	$6.3	$6.1	($0.2)	-3.3%	$5.7	($0.6)	-11.3%
Travel & Meetings	$0.5	$0.6	$0.0	5.2%	$0.0	($0.5)	-13991.5%
Professional Services	$1.3	$1.3	$0.0	2.2%	$0.8	($0.5)	-56.6%
Administration	$0.9	$0.9	$0.0	-5.4%	$1.0	$0.1	5.4%
Contingency	$0.5	$0.5	$0.0	0.0%	$0.0	($0.5)	0.0%
Capital	$0.3	$0.3	$0.0	0.0%	$0.3	($0.1)	-22.1%
Depreciation (a)	$0.0	$0.1	$0.1	83.2%	$0.0	$0.0	-799.0%
TOTAL CASH EXPENSES	**$9.8**	**$9.7**	**($0.1)**	**-1.1%**	**$7.7**	**($2.1)**	**-27.7%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**	**$0.0**	**$0.0**	**0.0%**
Average Headcount (FTE) (b)	**22.0**	**22.0**	**0.0**	**0.0%**	**20.9**	**-1.1**	**-5.2%**

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

(b) FTE: Full-time staff equivalent

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

Draft FY23 IANA Budget

FY23 IANA Budget in Millions, USD	FY23 IANA Draft Budget	FY22 IANA Adopted Budget	Under/(Over)		FY21 IANA Actuals	Under/(Over)	
			Total	%		Total	%
PTI Budget	$9.8	$9.7	($0.1)	-1.1%	$7.7	($2.1)	-27.7%
IANA Support Activities (1)	$0.6	$0.6	$0.1	8.8%	$0.6	$0.0	2.0%
TOTAL	**$10.4**	**$10.3**	**($0.1)**	**-0.5%**	**$8.3**	**($2.1)**	**-25.6%**
(1) IANA Support Activities include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews.							

The IANA support activities component is $0.1M lower compared to the FY22 IANA Budget due to the mix of personnel support. Overall, the services remain the same to the FY22 Budget.

Draft FY23 PTI Budget by Client Service

PTI Services FY23 Budget In Millions, USD	Names	Numbers	Protocol Parameters	FY23 Budget
Direct costs / Dedicated resources	2.6	1.0	1.5	5.1
Direct costs / Shared resources	1.1	0.4	0.7	2.2
Support Services Allocations	1.3	0.5	0.7	2.5
Total	**$5.0**	**$1.9**	**$2.9**	**$9.8**

PTI Services FY22 Budget In Millions, USD	Names	Numbers	Protocol Parameters	FY22 Budget
Direct costs / Dedicated resources	2.7	0.9	1.4	5.0
Direct costs / Shared resources	1.2	0.4	0.6	2.3
Support Services Allocations	1.3	0.4	0.7	2.5
Total	**$5.3**	**$1.7**	**$2.8**	**$9.7**

Variance FY23 vs FY21 In Millions, USD	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	(0.1)	0.1	0.1	0.1
Direct costs / Shared resources	(0.1)	0.0	0.0	(0.0)
Support Services Allocations	(0.1)	0.1	0.0	0.0
Total	**($0.3)**	**$0.2**	**$0.2**	**$0.1**