

Reply sent to Denise (c.c. ALAC Internal List) on 4/10/2007

Dear Denise,

Thank you most sincerely for your particularly timely missive on this matter. We had, just prior to receiving your message, been planning a mail out of advice and copies of the proposals discussed in our Sub Committee Meeting to the RALO secretariats, on behalf of the ALAC.

So that our proposed time course was kept on track; Based upon your points and comments in response to our Meeting Notes, and specifically with reference to the specifics of the time course planned for the ICANN Budget process, we shall however put these points into our next ALAC meeting as an Agenda item, for further discussion so that we can ensure that no cross purpose messages are being created OR delivered to the RALO's, the ALS's and their secretariats.

Our specific responses to each of your points are interspaced below and these will form the basis of the Sub Committee's discussion with the rest of the ALAC, at our meeting on the 9th of October. We also invite you to attend this teleconference if you wish. I can set up the time with Nick or directly with you, whichever is most convenient.

-----Original Message-----

From: alac-internal-bounces@atlarge-lists.icann.org
[mailto:alac-internal-bounces@atlarge-lists.icann.org] On Behalf Of Denise Michel
Sent: Wednesday, 3 October 2007 9:24 AM
To: ALAC internal list
Subject: Re: [ALAC-Internal] minutes of budget sub committee

Dear Committee Members:

Thank you for your interest in providing input to ICANN's budget. I would like to take this opportunity to clarify the processes involved in developing budgets and managing expenditures of ICANN funds.

It is worth reiterating ICANN's often-stated encouragement to the At-Large community to provide input to the budget process, in particular by suggesting work programs for inclusion in the budget that staff prepares each year. Input from the ALAC Budget and Finance Committee is welcomed in this respect. A proposed ICANN budget developed by staff will be reviewed by the Board Finance Committee and posted for public comment. The budget will then be finalized and approved by ICANN's Board.

ALAC-BSC: Yes that is the intent and principle purpose for our Sub Committees activities.

I also should reiterate the fundamental point that ICANN's budget is managed, and all expenditures made, by ICANN Staff. It is staff's responsibility to manage funds in a manner that is consistent with ICANN's requirements and processes.

ALAC-BSC: Indeed we believe that we well understand and appreciate this important point, and if our meeting notes and plans indicated any other understanding or assumptions on behalf of the ALAC this is a misinterpretation of our intent and we will rectify our words in a manner that makes that more clear, if this will remediate the issue.

In this vein, I would like to clarify some points raised by the ALAC Finance and Budget Committee (included below):

1) The ALAC, as volunteers, cannot decide whether or not a program or project will be funded by ICANN. Decisions on expenditures are made by staff following the Board-approved ICANN budget and ICANN Operating Plan. That said, once again I want to reiterate that the ALAC's input, as well as that of the broader At-large community and in particular the RALO leadership, is welcomed and will be very carefully reviewed and considered.

2) It is not for the ALAC to determine what shall be included in ICANN's budget for At-Large. Again, At-Large input is encouraged when the proposed budget is developed (as outlined above).

ALAC-BSC: As previously stated we believe these are points we intended to show a clear understanding of, and certainly reiterated these points in principle as the assumptions we were working from in our discussions at the original meeting. We are however agreed upon these points.

3) It is not in keeping with ICANN's bottom-up approach for the ALAC to attempt to centralize and make decisions about whether or not to approve a budget or expenditure proposal from an At-Large region. Staff welcomes all input on developing the budget and a staff process is in place to address At-Large spending requests. These proposals, of course, should be shared with the ALAC and broader At-Large community for comment.

ALAC-BSC: The degree of 'centralization' inherent in our proposal was not intended act as a point of review to be a decision making node in a process, but rather to be a point of aggregation of the advanced plans and project concepts that RALO's and ALS's are working on or planning for, in a manner that allows for timely input of concepts into the ICANN budget process in its advance and formative stages. If this was NOT clear in our meeting reporting then we will review our output so that this is made crystal clear.

Our proposed process, was not being put forward as a sole mechanism or limitation controlled 'chain of communication' rather it is proposed as a transparent community endorsed one. Again, if we have failed in making this objective clear we will review this so it is indeed clear.

Importantly in our opinion the proposed process of aggregated advance planning, minimises the opportunity for duplication in effort and funding that would we believe occur in a purely ad hoc mechanism. In the absence of any fora (and our process was intended to create such a fora) to share plans for projects and funding opportunities (there is also a risk of regional or subregional competitiveness in such a design, that would, we believe not enhance our newly developed global At Large model, in a system of funding applications that either offers no predictability or planning interchange/ advice between the applicant and the funder.

However our proposed process was intended to offer opportunity to see and advise potential applicants where micro projects have competing or repetitive interest, create an endorsement system where RALO's and local knowledge base of the effectiveness and history of applicants can be passed onto the ICANN Staff involved in the decision making process. The intention to request representation from each of the Regions onto the ALAC-BSC is an important part of this part of the process proposed which we hope to further at our LA meeting.

And most importantly give the Financial controllers of ICANN a sense of future direction for projects, activities and therefore potential future funding requests well in advance of any Formal applications being received, further it was deliberately intended to offer early opportunity for guidance by ICANN staff into the macro planning activities of the often enthusiastic community At-Large.

4) The current form and process that staff instituted to address At-Large spending requests was designed for the use of At-Large community members requesting funding for an activity that is not detailed in the approved budget. It is not designed for proposing items for approval by the ALAC.

ALAC-BSC: Thank you for this clarification, perhaps if we do indeed manage to create an effective process mechanism, for successful aggregated planning input, into the ICANN budget process, a flow chart might be a useful thing to create, for use by the community At-Large.

5) The budget for the next fiscal year won't be developed for several months (the Strategic Plan and Operating Plan will be finalized first).

If the community wishes to send proposals to the staff now, there is of course nothing wrong with that - input and suggestions of this nature are always welcomed - but the staff will be able to continually receive suggestions for budgeted work for the next four months or so.

ALAC-BSC: Excellent news, as we had assumed much tighter time constraints, and this allows us to fully further this issue and your information into our Agenda at the October ALAC Meeting.

As always, ICANN staff will keep the ALAC, RALOs and At-Large community apprised of ICANN's budget process and encourages their input.

ALAC-BSC: We look forward to working effectively together on this.

Please let me, or Nick, know if you have any questions.

ALAC-BSC: We will indeed thank you for your interest and input.

ALAC-BSC: Signed on our behalf by
Jacqueline A. Morris
ALAC Chair