Planning and Finance Update

Presented by ICANN Org
Planning and Finance Team

20 February 2024

Webinar Information

This session is recorded.

This session is scheduled to last 1.5 hours.

Presentation is published on ICANN79 Prep week web page and ICANN Finance and Planning Community Wiki page.

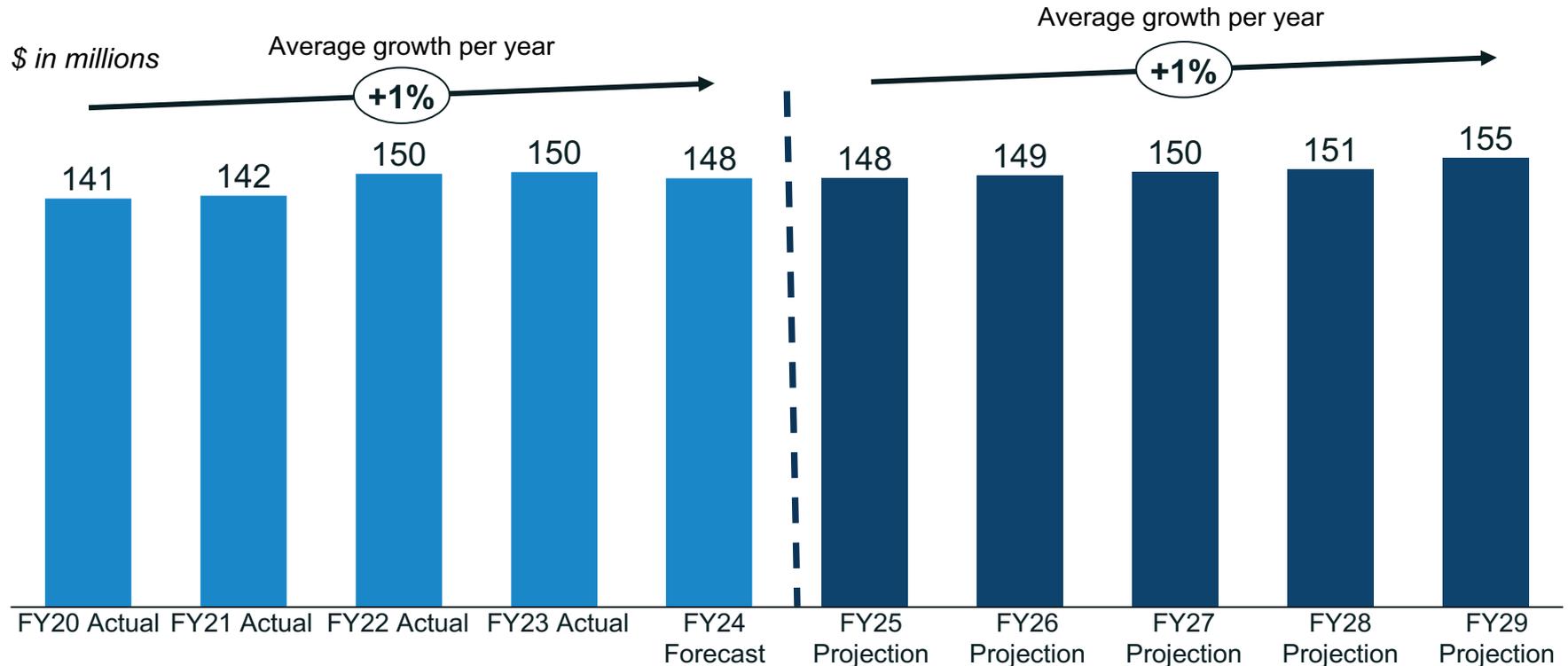Q&A will be during and at the end of the presentation.

Agenda

- Draft FY25 Budget

- Draft Five-Year (FY25–29) Operating Plan and Overview of Public Comments

- FY26-30 Strategic Plan Update

- FY26 Annual Planning Process Tentative Timeline

- Q&A

Draft FY25 Budget

All Amounts in USD unless otherwise indicated
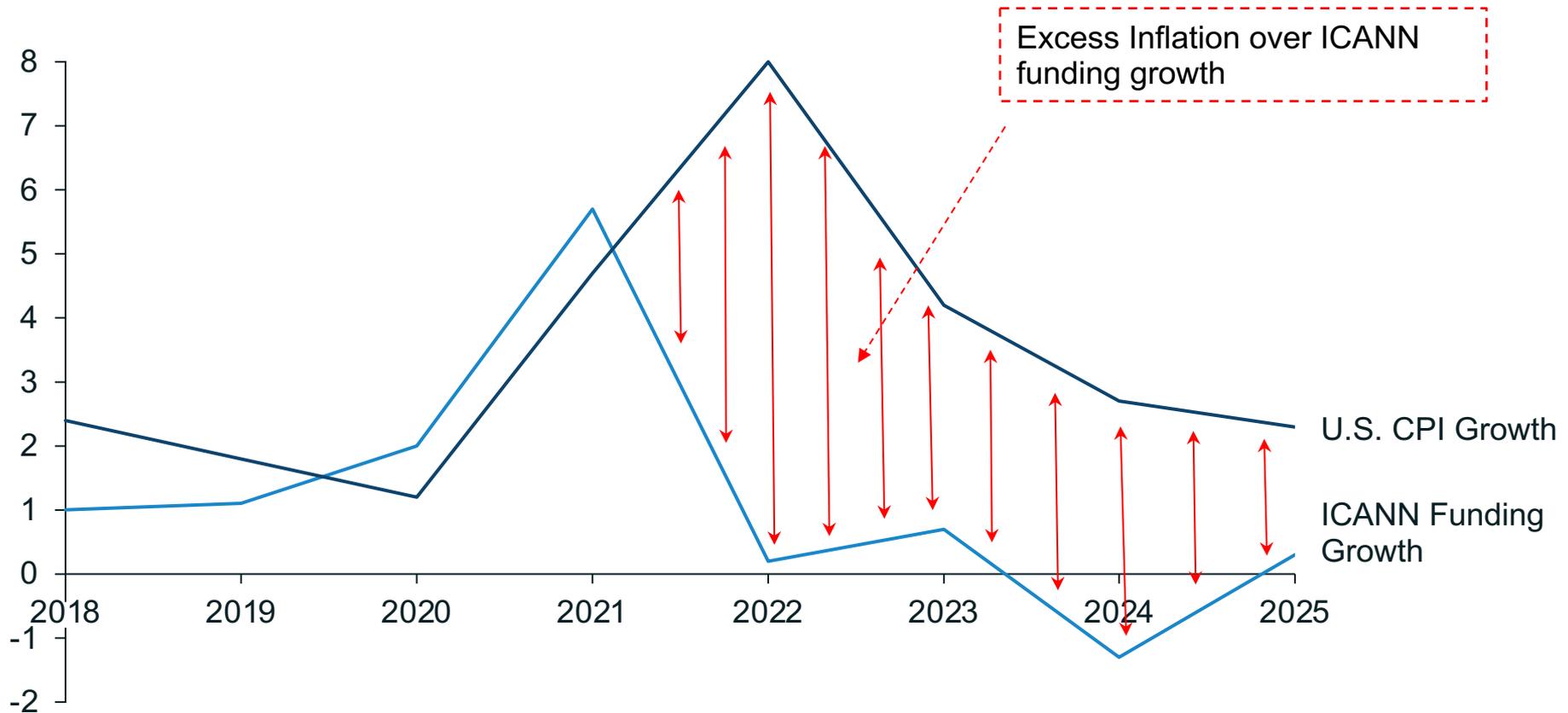
ICANN Ops Funding Trends and Projections

- The Funding projections account for multiple scenarios; the Budget is built using the Base Scenario which is believed to be the most likely. This scenario projects little growth due to:

  o Projections do not include any changes to fees ICANN charges contracted parties *(fees have not changed since 2008)*

  o Volumes are projected to grow modestly

- Funding projections do not include any impact from the Next Round of the New gTLD Program

$ in millions

Average growth per year **+1%**

Average growth per year **+1%**

FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection
141	142	150	150	148	148	149	150	151	155

Displayed growth rates are Compound Annual Growth Rates (CAGR)
CAGR by Projection Scenario: Low -3%, Base 1% (displayed), High 5%

Funding Growth versus Inflation Rate

- In recent and projected years, ICANN's funding growth is well below the growth of the United States Consumer Price Index (U.S. CPI) which is indicative of inflation

- Most of ICANN's expenses are USD therefore U.S. CPI is the appropriate benchmark to utilize when assessing the impact of inflation to ICANN

Excess Inflation over ICANN funding growth

U.S. CPI Growth

ICANN Funding Growth

U.S. CPI Source: Bloomberg
SSR Contributions are $4M per year from 2021 - 2025

Expense Trends

- ICANN continuously develops process improvements to manage costs and resources, these efficiencies have enabled ICANN to execute on an increased workload while maintaining flat headcount from FY17-FY22
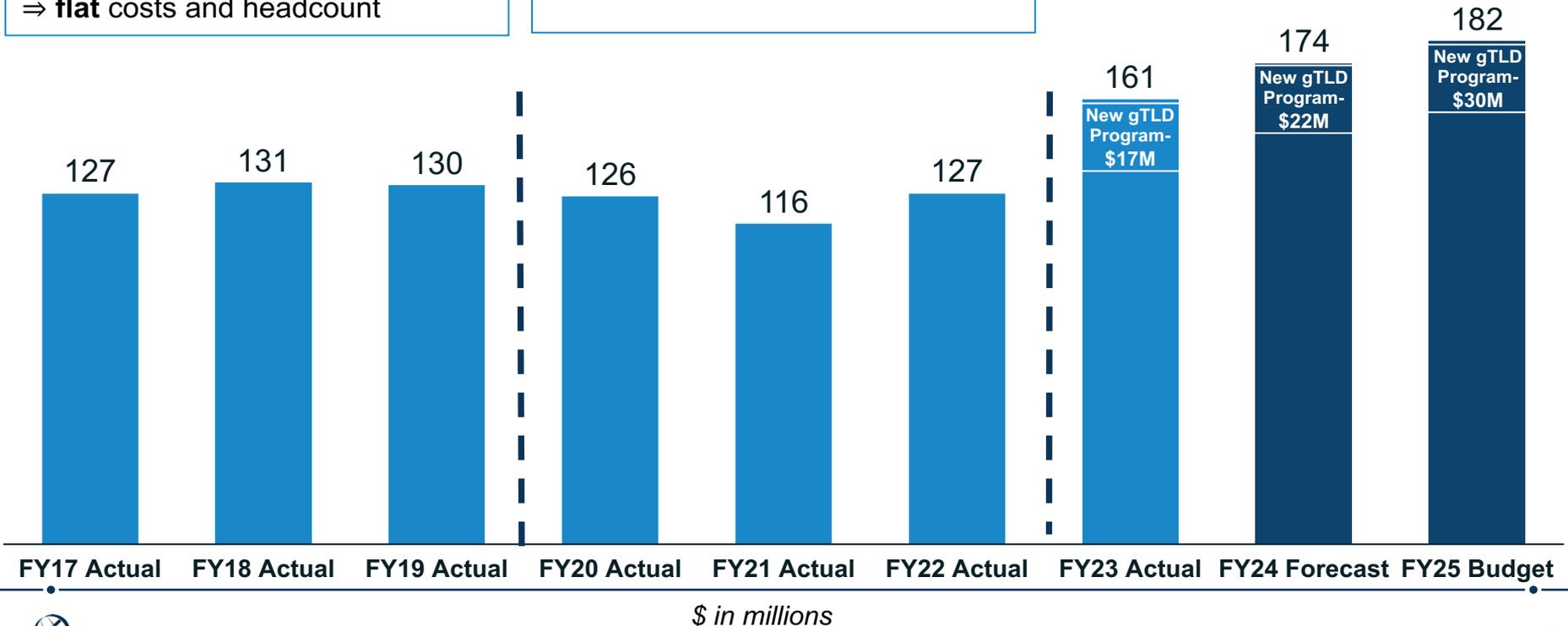
Post- USG transition period

- PTI and WS1 Implementation costs
- GDPR and ITI projects costs
- Process improvements (reductions of IT systems, meetings optimization)

⇒ **flat** costs and headcount

Pandemic "anomaly"

- Lower travel and project activity
- Project management network
- Improvements to tools and processes to benefit virtual work and meetings

⇒ **lower** costs, **flat** headcount

Intense projects implementation

- Resumption of travel
- Staff increase for new projects
- Inflation

⇒ **higher** costs and headcount

FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Budget
127	131	130	126	116	127	161	174	182
						New gTLD Program- $17M	New gTLD Program- $22M	New gTLD Program- $30M

$ in millions

ICANN's Plan for Efficiencies

- ICANN has taken steps to develop efficiencies and minimize costs which have enabled the org to execute on an increased workload and absorb inflationary increases despite a lack of funding growth.

- Continuous cost efficiencies and a lack of travel during the pandemic has led to annual excess and provided ICANN the ability to add $45M to the Reserve Fund and add $40M to the Supplemental Fund for Implementation of Community Recommendations (SFICR).

- Developing efficiencies and process improvements that lead to lower costs will continue to be a focus as funding is projected to continue to remain flat while costs and the workload of ICANN increases.

- Executives are regularly reviewing financials and discussing potential efficiencies.

- ICANN needs to identify **$5M** in "cost savings initiatives" to balance the FY25 Budget.

Total ICANN: FY25 Budget Financial Overview

- ICANN's activities are funded by different sources based on the nature of work
- These additional funding sources provide the ability to execute on Org's increasing amount of work and incur total expenses greater than operational funding

Total ICANN Financials	For the Twelve Months Ending 30 Jun 2025					
In Millions, US dollars	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total
Funds Under Management - 30 Jun 2024	**$37**	**$47**	**$24**	**$217**	**$172**	**$497**
Funding	148	-	-	-	-	148
Personnel	(90)	(13)	(1)	(1)	-	(105)
Travel & Meetings	(13)	(1)	(0)	(0)	-	(14)
Professional Services	(29)	(15)	(1)	(1)	-	(46)
Administration	(19)	(1)	(0)	(0)	-	(20)
Capital	(1)	-	-	-	-	(1)
Cost Savings Initiatives	5	-	-	-	-	5
Total Expenses	(148)	(30)	(2)	(2)	-	(182)
Projected Transfers	-	18	(18)	-	-	-
Projected Grants Distributed	-	-	-	(10)	-	(10)
Investment Income/(Decline)	0.4	0.4	0.0	2.1	1.7	5.0
Funds Under Management - 30 Jun 2025	**$37**	**$36**	**$4**	**$208**	**$173**	**$458**
Average FTEs	**407**	**46**	**4**	**4**	**-**	**460**
End of Period FTEs	**408**	**45**	**4**	**4**	**-**	**460**

New gTLD Program includes work on 2012 Round and Next Round implementation costs
SFICR Projects includes implementation of prioritized Specific Review recommendations
Grant Program is funded by Auction Proceeds

ICANN Operations: FY25 Budget vs FY24 Forecast

In Millions, USD	FY25 Budget ICANN Operations	FY24 Forecast ICANN Operations	Favorable/(Unfavorable) vs. FY24 Forecast	
			$	%
Funding	**$148**	**$148**	**($0)**	**0%**
Personnel	$90	$86	($4)	-5%
Travel & Meetings	$13	$17	$3	20%
Professional Services	$24	$26	$2	7%
Administration	$19	$19	($0)	-1%
Capital	$1	$1	$0	2%
Contingency [(1)]	$5	$5	$0	0%
Cost Savings Initiatives	($5)	($6)	($1)	18%
Total Operating Expenses	**$148**	**$148**	**$0**	**0%**
Net Operating Excess/(Deficit)	**$0**	**$0**	**$0**	**0%**
Average FTEs	**407**	**407**	**(1)**	**0%**
End of Period FTEs	**408**	**410**	**2**	**0%**

[(1)] Contingency represents an amount of budgeted expenses unallocated to specific activities or functions

- FY25 funding is projected to remain flat from FY24 levels
- In both fiscal years, cost savings initiatives will need to be identified to achieve necessary work with the projected funding levels

Draft IANA FY25 Budget

Draft FY25 IANA Budget in Millions, USD	IANA FY25 Draft Budget	IANA FY24 Adopted Budget	Under/(Over)		IANA FY23 Actuals	Under/(Over)	
			Total	%		Total	%
PTI Budget	$10.9	$10.5	($0.4)	-3.8%	$9.0	($1.9)	-21.2%
IANA Support Activities[1]	$0.6	$0.6	($0.0)	-1.1%	$0.6	$0.0	0.7%
TOTAL	**$11.5**	**$11.0**	**($0.5)**	**-4.2%**	**$9.6**	**($1.9)**	**-19.9%**
Average Headcount (FTE)[2]	25.2	24.1	(1.1)	-4.5%	22.1	(3.1)	-14.1%

(1) IANA Support Activities include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews.
(2) FTE: Full-Time Equivalent

The IANA support activities remain flat compared to the FY24 IANA Budget due to consistent support requirements, but the FY25 PTI Budget has increased by $0.4M primarily because of additional staff and inflationary increases.

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

New gTLD Program: Next Round

◉ On 27 July 2023, the Board approved a resolution that acknowledged receipt of the $70M Next Round Implementation Plan and directed ICANN org to provide the Board with periodic updates on its progress on implementation

◉ On 26 October 2023, the ICANN Board approved a resolution for an additional $13 million in funding to support implementation efforts through June 2024

◉ Funding to pay for New gTLD Program Next Round development costs before program launch will come from both the New gTLD Program 2012 Round remaining application fees and the SFICR

◉ **Key Deliverables and Highlights of the FY25 Budget**
  ○ Opening of the Registry Service Provider Evaluation application period
  ○ Opening of the Applicant Support Program application period
  ○ Publication of the Applicant Guidebook for public comment

New gTLD Next Round - Implementation			
Funding Status	**Board Approved March 2023**	**Board Approved October 2023**	**FY25 (For Board Review ICANN80)**
USD in Millions	**April - October 2023**	**November 2023 - June 2024**	**July 2024 - June 2025**
Implementation	$6.6	$11.3	$22.5
Shared Services	$2.2	$1.7	$3.4
Implementation Total	**$8.8**	**$13.0**	**$25.9**
Average FTE	**26.3**	**38.1**	**46.2**

Prioritized Specific Review Recommendations

- In February 2022, ICANN org's Planning team developed a planning prioritization framework to help the ICANN ecosystem prioritize its work within the planning cycle in a manner that is transparent, inclusive, and efficient.

- In November 2022, the ICANN Board passed a resolution that approved ICANN org to utilize US$5.8 million from the SFICR to fund one-time efforts for the implementation of prioritized specific review recommendations.

- Great implementation progress to date.

- Due to the number and complexity of recommendations in some instances, implementation is anticipated to continue in FY25 and SFICR funds will continue to be used throughout the Fiscal Year. All ongoing efforts to maintain service levels and recommendation requirements, after initial implementation, will be incorporated into ICANN org's annual plan and budget.

| Specific Reviews Recommendations	Program Forecast through FY24 (July 2022 - June 2024)		FY25 Budget	Total Board Approved Spend
USD in Thousands	% Complete	Total $	Total $	Total $
Accountability and Transparency Review 3 (ATRT3)	54%	$1,408	$1,286	$2,665
Competition, Consumer Trust, and Consumer Choice Review (CCT)	65%	$1,578	$614	$2,387
Security, Stability and Resiliency Review (SSR2)	57%	$241	$130	$593
Registration Directory Service review (RDS-WHOIS2)	87%	$167	$130	$150
Totals	69%	$3,394	$2,159	$5,795

Grant Program

◉ Applications will be accepted and processed in cycles, the first one planned to open 25 March 2024, distributing up to US$10M.

◉ ICANN org estimates to receive 200 applications and approve ~50 grants.

◉ One-time implementation costs include creating the Grant Program department as well as producing the program literature and documentation.

◉ The recurring program operational costs include ICANN staff, awareness and outreach communication campaigns, and outsourced services.

◉ The program implementation costs occurred in FY23 and FY24. The first cycle expenses and efforts will span from FY24 through FY26.

◉ Over the lifecycle of the grant program, costs to operate the program will be maintained at 7% to 10% of the anticipated grant distributions. Costs to launch the program and operate it are regularly benchmarked against global grant programs.

Grant Program	Implementation and Operations			
USD in Millions	FY23	FY24	FY25	Total
One-Time Implementation	$0.5	$1.0	$0.0	$1.4
Grant Program Operations	$0.0	$0.9	$1.6	$2.5
Total	$0.5	$1.9	$1.6	$4.0
Average FTEs	1.3	3.4	3.1	3.0

Draft Five-Year (FY25–29) Operating Plan and Overview of Public Comments

Planning Process Overview
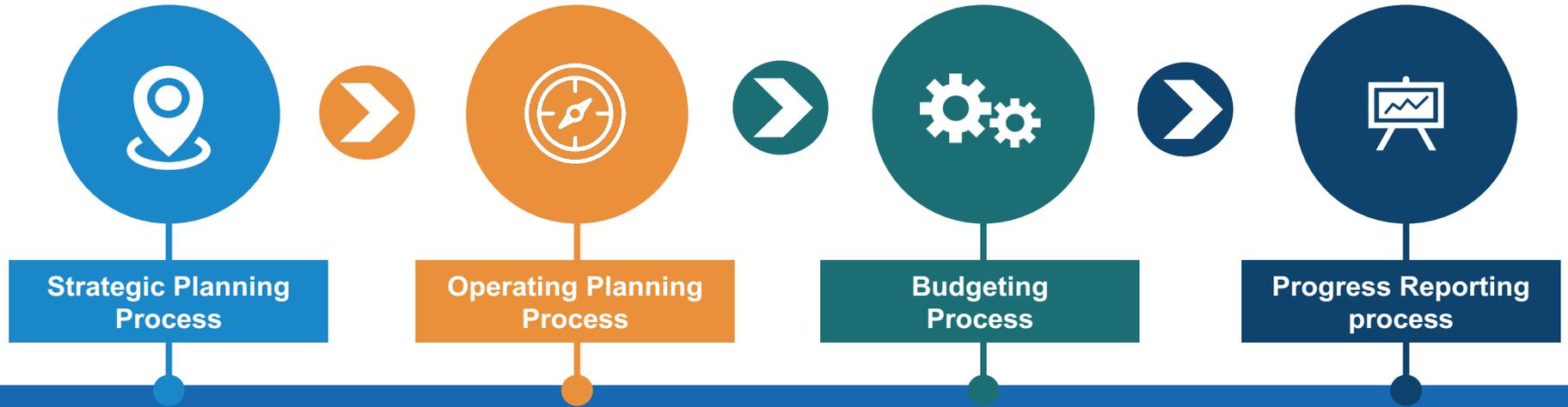
Strategic Planning Process	Operating Planning Process	Budgeting Process	Progress Reporting process
The process of defining ICANN's strategic direction, including its mission, vision, strategic objectives and goals.	The process of determining key initiatives (Operating Initiatives) and what each functional 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.

Draft FY25 Plans (ICANN & PTI)

- **Open for Public Comment**

  12 December 2023

  Draft ICANN Plans Public Comment

  - ◉ Highlights Document

  - ◉ Draft FY25 – 29 Operating and Financial Plan and Draft FY25 Operating Plan

  - ◉ Draft FY25 Budget

  - ◉ Draft FY25 IANA and PTI Operating

    Plan and Budget

- **Closed for Public Comment**

  12 February 2024

- **Summary Report Due**

  11 March 2024 (PTI)

  2 April 2024 (ICANN)

Link to ICANN Public Comment Page and **Link to PTI Public Comment Page**.
Click to get alerts about this posting to be informed

FY25 Operating Plan Highlights

- FY25 is the last year of ICANN's current Adopted FY21-25 Strategic Plan

- Two out of 11 of the Operating Initiatives were successfully achieved in FY24

  1. Improve the depth of understanding of the domain name market drivers that impact ICANN's Funding

  2. ICANN Reserves - Operating Initiative on the replenishment of the reserve fund

  Several of the activities within each of these completed Operating Initiatives will continue as part of ongoing Functional Activities

- A new section has been added to both the one year and five plans regarding the New gTLD Program: Next Round.

- Several of the Operating Initiatives in the FY25 Operating Plan also incorporate multi-year projects outlined in the FY24 CEO Goals

- An Operating Initiative name was reorganized to "Support the Evolution and Strengthening of Root Zone Management and the Root Server System" to reflect the Root Server System being used to support Root Zone Management

Summary of Number of Comments by Year

Org received 161 individual comments
on the ICANN Draft FY25 Plans

FY20	FY21	FY22	FY23	FY24	FY25
143	171	218	100	81	161
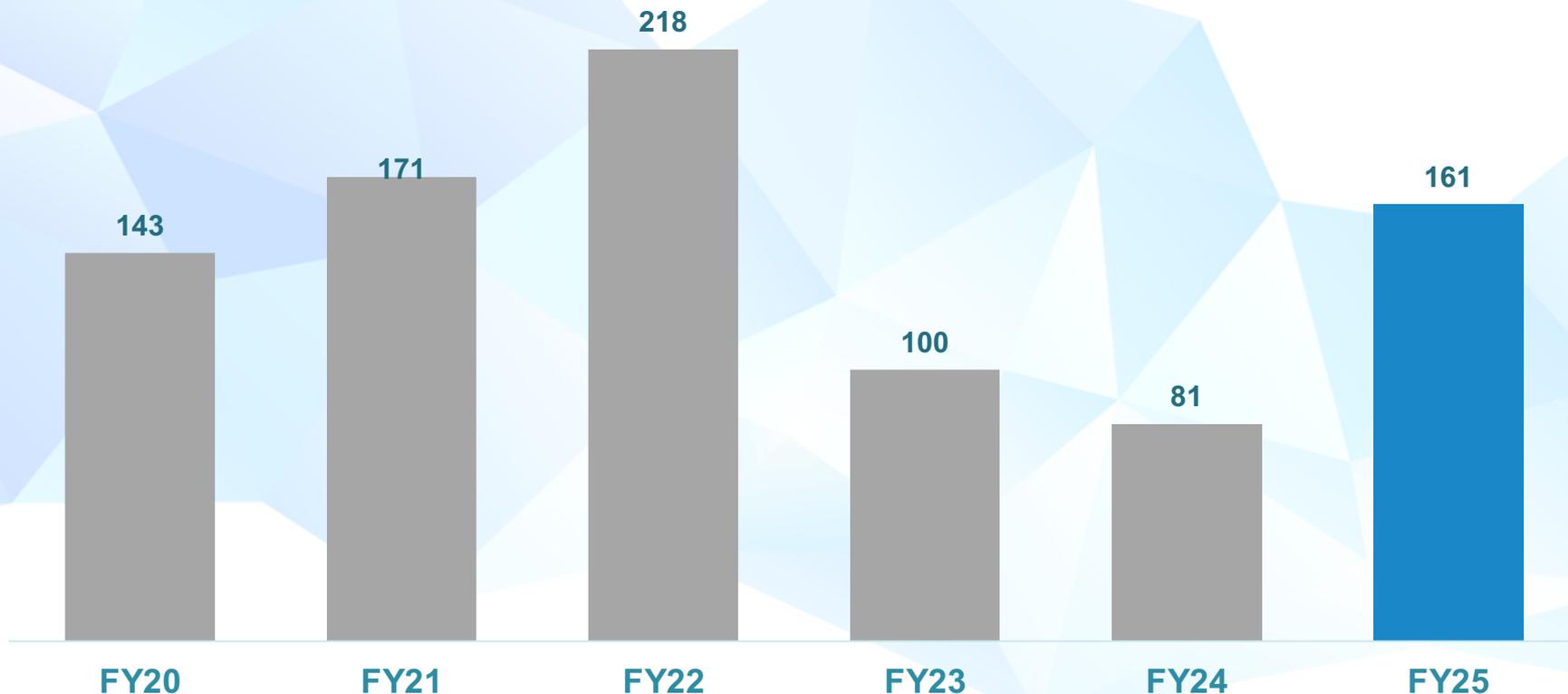
Public Comments: Breakdown by SO/AC

No.	Groups Submitting Comments	FY23 Number of Comments	FY24 Number of Comments	FY25 Number of Comments	FY25 vs FY24 Higher / (Lower)
1	ccNSO Strategic and Operational Planning Committee (SOPC)	28	33	50	17
2	Individual*	-	1	41	40
3	At-Large Advisory Committee (ALAC)	22	25	30	5
4	ICANN Business Constituency (BC)	18	4	17	13
5	ICANN Governmental Advisory Committee (GAC)	-	5	10	5
6	gTLD Registries Stakeholder Group (RySG)	20	12	9	-3
7	The Registrar Stakeholder Group (RrSG)**	3	0	4	4
8	Generic Names Supporting Organization Council (GNSO)	9	-	-	-
	Total	**100**	**80**	**161**	**81**
	# of Groups Submitting by Year	**6**	**6**	**7**	**1**

Submissions were received late (one individual submission was received late)

Public Comments: Breakdown by Theme

Other 1%
Operating Plan 15%
Document Structure 9%
Financial Management 26%
Functional Activities Plan 15%
Operating Initiative Plans 34%
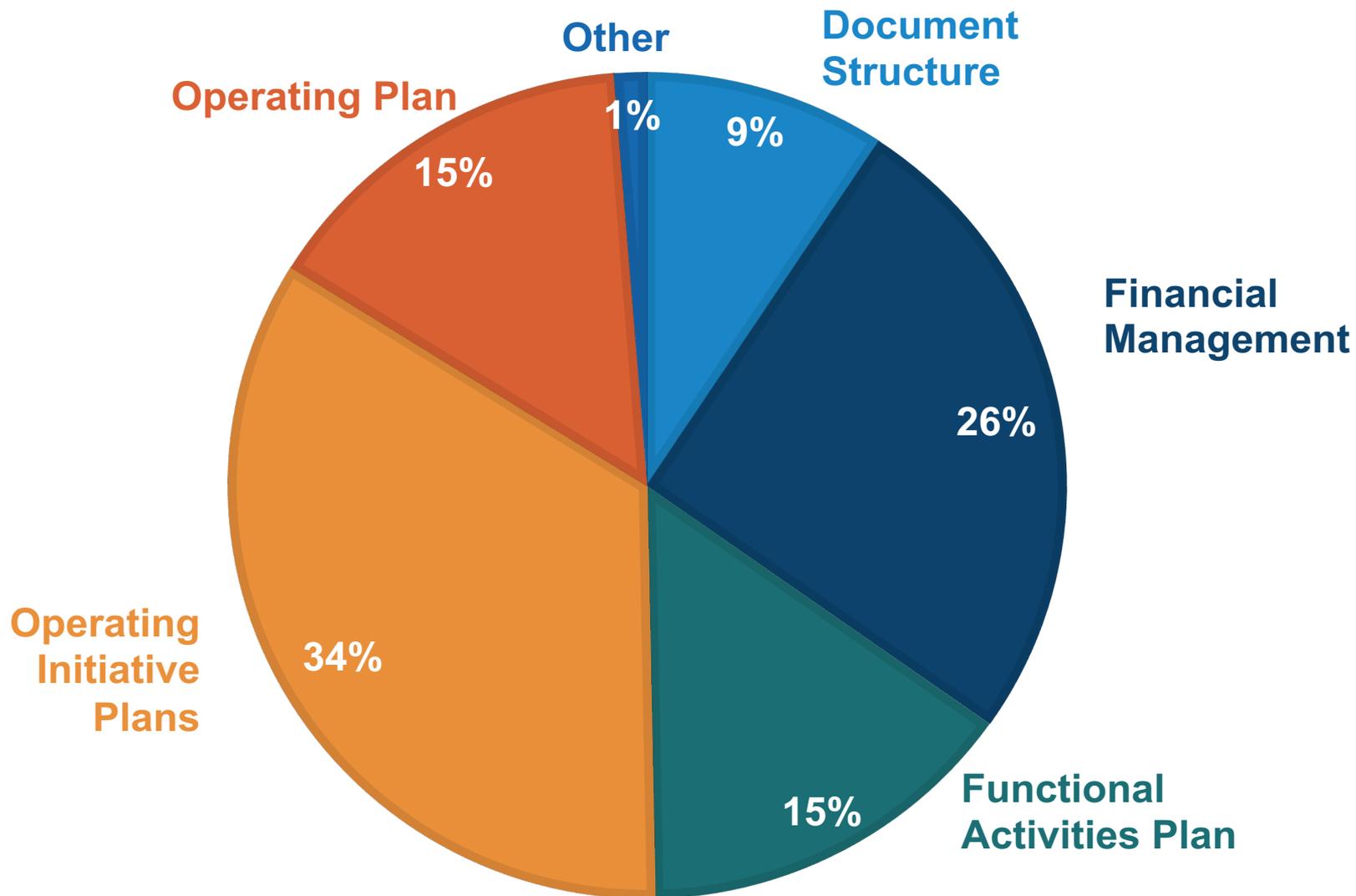
Preliminary Statistics

Public Comments: Thematic Breakdown by SO/AC and Theme

Theme	Total Number FY25	At-Large Advisory Committee (ALAC)	ICANN Business Constituency (BC)	ICANN Governmental Advisory Committee (GAC)	Individuals	gTLD Registries Stakeholder Group (RySG)	The Registrar Stakeholder Group (RrSG)	ccNSO Strategic and Operational Planning Committee (SOPC)
Operating Initiatives Plan	55	14	3	3	16	1	-	18
Financial Management	39	7	9	2	5	5	2	9
Functional Activities Plans	24	7	-	1	1	-	-	15
Operating Plan	24	-	4	-	14	-	1	5
Document Structure	17	2	1	4	4	3	1	2
Other	2	-	-	-	1	-	-	1
Total	**161**	30	17	10	41	9	4	50

*Preliminary Statistics

FY25 Planning Process Key Next Steps

Step	Date	Audience
✓ Community Engagement Webinar: Draft Plans Process and Timelines	ICANN 78 Prep Week 10 October 2023	Community
✓ Review Draft FY25-29 O&FP and FY25 OP&B	28 November 2023	BFC
✓ Public Comment Proceeding for the Draft FY25 Plans	12 December 2023- 12 February 2024	Community
✓ Two Community Webinars: Draft FY25 Plans	12 December 2023 13 December 2023	Community
✓ Clarifying Questions Submission Date/ Publication Date	16 January 2024/ 29 January 2024	Community
Community Engagement Webinar at ICANN79	Prep Week ICANN79	Community
Summary Reports on Public Comments	11 March 2024 (PTI) 02 April 2024 (ICANN)	Board & Community
Review for Plan adoption of ICANN and IANA plans	03 April – 03 May 2024	BFC & Board
Publication of ICANN Adopted Plans	05 May 2024	Community
Empowered Community Period	05 May – 3 June 2024	EC decisional participants
Adopted Plans go into effect	1 July 2024	

FY26-30 Strategic Plan

Introduction

◉ The ICANN Bylaws (Section 22.5) mandate a five-year strategic plan for each fiscal five-year period, and a five-year operating plan for each fiscal year

◉ 1 July 2025, a Five-Year Strategic Plan has to be in effect for FY26-30

◉ The current development approach and process aims to deliver the FY26-30 Strategic Plan for adoption no later than March 2025

◉ The Board Strategic Planning Committee (BSPC) is responsible for initiating and leading the strategic planning process for ICANN on behalf of the Board

Strategic Planning Approach

Strategic Planning is also known as the **Strategic Thinking** process. This is the process of discussing and learning from what we are doing now to inform what we are going to do next.

Environmental Scan

- External Opportunities and Challenges
- Internal Strengths and Weaknesses
- Forward looking environmental analysis
- Current and Future State review

Implementation Strategies Formulation

- Workforce planning / internal alignment / integration
- Deliverables, Metrics and timeline planning

Where We Are Now & +5-10 Yrs

How Do We Get There

Where Do We Want To Go

Who Must Do What By When

Strategy Formulation

- Mission, Vision, Value
- Core competencies
- Strategic Objectives and Goals

Action Planning

- Plan for execution
- Resources allocation

Timeline

	FY23			FY24																	FY25				
	Year 2023									Year 2024											Year 2025				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Project Planning																										
Project Launch & Engagement																										
Environmental Scan																										
Environmental Analysis																										
Community Update																										
Strategy Formulation																										
Implementation Strategy Formulation																										
Plans Development & Reviews																										
Public Comment																										
Public Comment Analysis																										
Update Plans (as needed) and Review																										
Plan consideration and Adoption																										
Empowered Community																										

Board and Community key participation and engagement steps

Today

◆ : ICANN Meeting

| 27

Environmental Scan

◉ An environmental scan is a process to gather information of both external opportunities and threats, and internal strengths and weaknesses, which will inform the strategy formulation

◉ The environmental scan phase is designed to ensure diverse and inclusive participation from the community, Board and Org

◉ For the FY26-30 Strategic plan's environmental scan phase, participants shared insights of opportunities and threats related to the Political, Economic, Social, Technological and Ecological factors

◉ The community, Board and Org also had the opportunity to reflect upon the strengths and weaknesses of the ICANN ecosystem and ICANN's multistakeholder model (MSM)

Strategy Formulation

- Strategy formulation is the process to create strategic objectives and goals to guide ICANN in achieving its long-term vision

- The Board engaged in several working sessions to draft a working vision statement for ICANN in 2030. The Board will present it to the community for feedback during the Board session in this prep week

- Following the discussion of the draft vision statement, the Board proceeded to develop strategies. The intention is to share the draft strategies with the Community for feedback as they become available

- The Strategic planning process is designed to be highly inclusive, ensuring participation across the ICANN ecosystem. The Board is committed to engaging the community through various opportunities to discuss the draft strategies throughout this process

Community Participation is Crucial

◉ As part of ICANN's ongoing commitment to transparency and inclusivity, the community's active participation is crucial during the development of ICANN's Strategic Plan.

◉ The process is designed with ample opportunities for community participation at each phase of the development process.

◉ Taking an active role in this process is a great opportunity to contribute to the continued success and resilience of ICANN, and in shaping ICANN's strategic direction for the next five years and beyond.

📅 ICANN 79 Prep week ICANN Board Engagement with Community Work (21 February at 16:30-18:00 UTC)

📅 ICANN 79 FY26-30 Strategic Plan Development Community Consultation (06 March at 14:30- 16:00 UTC/ 10:30 San Juan)

🌐 Learn more ▶ **ICANN Strategic Plan webpage**

FY26 Planning Process

Annual Planning Process

- ◉ The annual planning process is mandated by ICANN's Bylaws, including the timing and the deliverables.
- ◉ Each annual planning cycle takes over 12 months; thus, there are about 5 months overlap between two planning cycles each calendar year.
- ◉ This year, development of the Five-Year Strategic Plan will also be happening simultaneously.

Jan-Mar 2024

Apr-Jun 2024

FY25 Planning

FY25 PTI Plan Board Adoption

ICANN FY25 Plans updated from Public Comments, Board Adoption, and Empowered Community Period

FY26 Planning

FY26 Planning Prioritization

FY26 - 30 Strategic Planning

SPC Developing Strategic Plan

Draft Strategic Plans submitted for Public Comment
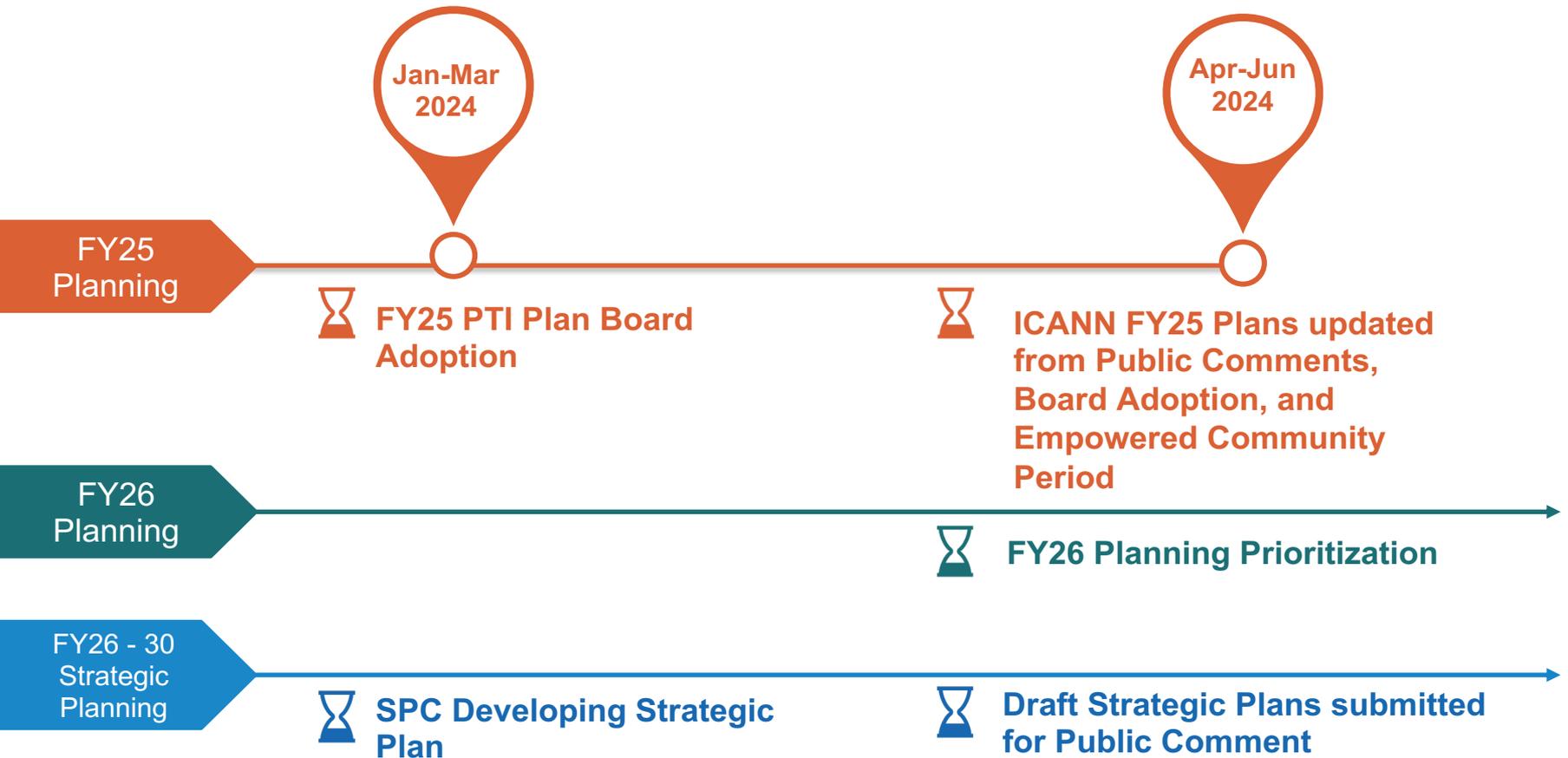
Annual Planning Process (Continued)

July – Sept 2024

- **FY25 – 29 Operating Plan and FY25 Operating Plan and Budget in Effect**
- **Initiate drafting of FY26 Operating Plan and Budget**
- **Draft FY26-30 Strategic Plan Public Comment period**

Oct – Dec 2024

- **FY26-30 Strategic Plan revised for Board adoption**
- **FY26 Operating Plan and Budget published for Public Comment**

Jan – Mar 2025

- **Board meeting for adoption of FY26-30 Strategic Plan and Empowered Community period**
- **FY26 PTI Plans Board adoption**

Apr – Jun 2025

- **ICANN FY26 Plans updated from Public Comments, Board Adoption, and Empowered Community Period**

July – Sept 2025

- **FY26 – 30 Strategic Plan, FY26 - 30 Operating Plan, and FY26 Operating Plan and Budget in effect**

How to Participate in ICANN's Planning

Subscribe to the ICANN Public Comment page to receive notifications of upcoming activities/ proceedings

Visit the Finance and Planning Community Group Workspace for recorded webinars and project Updates Wiki page

Send an email to community-finance@icann.org to subscribe to regular updates on planning and finance activities

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

For questions or information, email the planning team ▶ **planning@icann.org**

Appendix

Total ICANN Average FTE Trends

- In alignment with ICANN's staffing plan, headcount has grown in recent years to support new initiatives and projects

Legend:
- Review Implementation
- Registration Data Request Service
- Grant Program
- New gTLD Program
- ICANN Operations

Note: dashes on ICANN Operations bars indicate they are not to scale with the other bars

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Forecast	FY25 Budget
Total	386	384	392	394	424	448	460
Review Implementation					4	4	4
Registration Data Request Service					2	2	
Grant Program					1	4	4
New gTLD Program				5	18	31	46
ICANN Operations				389	399	407	407

Total ICANN: FY24 Forecast

Total ICANN Financials	For the Twelve Months Ending 30 Jun 2024					
In Millions, US dollars	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total
Funds Under Management - 30 Jun 2023	**$56**	**$55**	**$19**	**$217**	**$170**	**$518**
Funding	148.0	-	-	-	-	148
Personnel	(86)	(9)	(2)	(1)	-	(98)
Travel & Meetings	(17)	(1)	(0)	(0)	-	(17)
Professional Services	(31)	(11)	(0)	(1)	-	(43)
Administration	(19)	(1)	(0)	(0)	-	(20)
Capital	(1)	-	-	-	-	(1)
Cost Savings Initiatives	6	-	-	-	-	6
Total Expenses	(148)	(22)	(2)	(2)	-	(174)
Board-Approved Transfers:						
Operating Fund Excess to SFICR	(20)	-	20	-	-	-
SFICR to fund Next Round until Jun 2024	-	13	(13)	-	-	-
Investment Income/(Decline)	0.4	0.5	0.2	2.2	1.7	5
Funds Under Management - 30 Jun 2024	**$37**	**$47**	**$24**	**$217**	**$172**	**$497**
Average FTE	**407**	**34**	**7**	**4**	**-**	**451**
End of Period FTEs	**410**	**43**	**5**	**4**	**-**	**462**

New gTLD Program includes work on 2012 Round and Next Round implementation costs
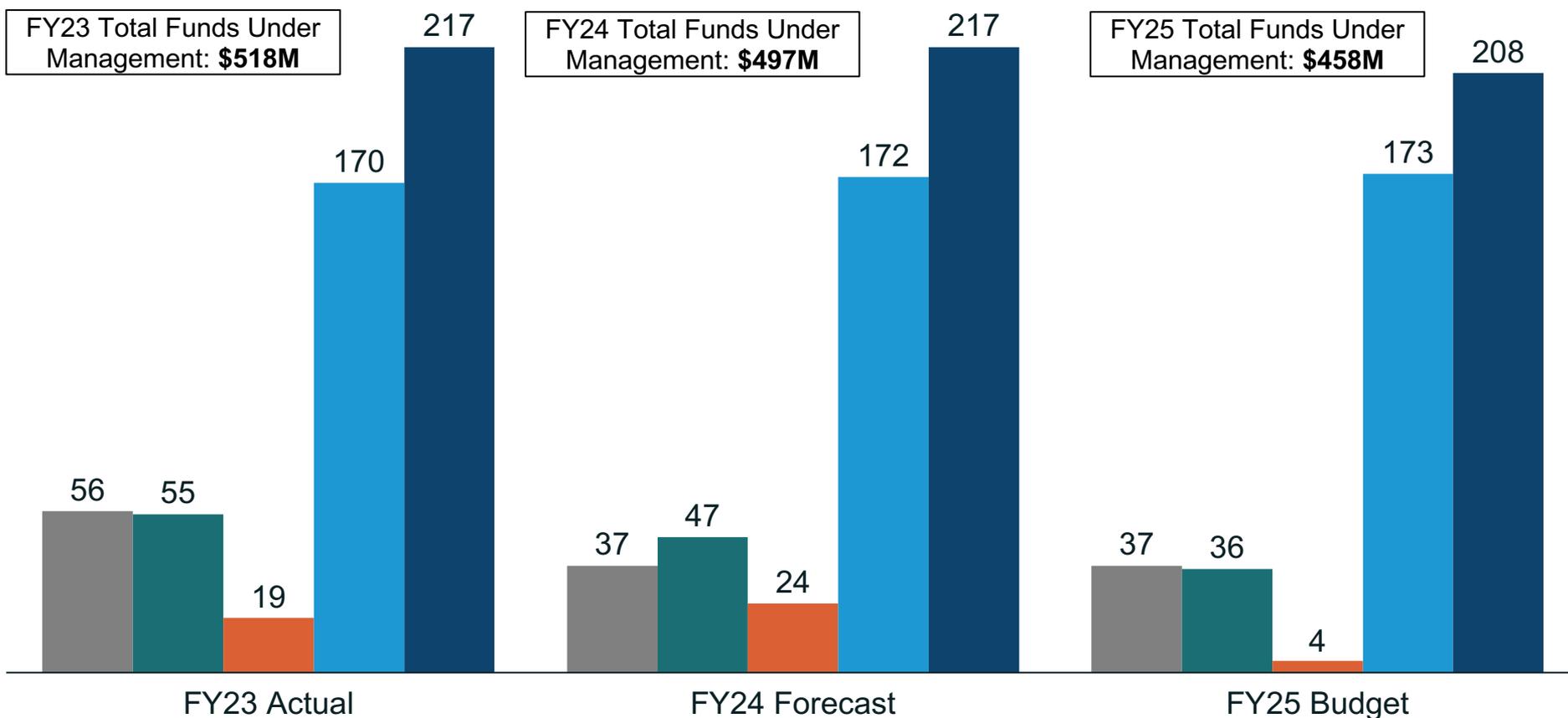*SFICR Projects includes implementation of prioritized Specific Review recommendations and RDRS system development*
Grant Program is funded by Auction Proceeds

Projected Funds Under Management

◉ In FY24 (Oct 2023), the Board approved a $20 million transfer to the SFICR from the Operating Fund.
  - o Of this, $13M will be used to fund the New gTLD Program: Next Round until June 2024

$ in Millions
Balance on 30 June of each fiscal year

FY23 Total Funds Under Management: **$518M**	FY24 Total Funds Under Management: **$497M**	FY25 Total Funds Under Management: **$458M**

FY23 Actual
- Operating Fund: 56
- New gTLD Fund: 55
- SFICR: 19
- Reserve Fund: 170
- Auction Proceeds: 217

FY24 Forecast
- Operating Fund: 37
- New gTLD Fund: 47
- SFICR: 24
- Reserve Fund: 172
- Auction Proceeds: 217

FY25 Budget
- Operating Fund: 37
- New gTLD Fund: 36
- SFICR: 4
- Reserve Fund: 173
- Auction Proceeds: 208

Legend: ■ Operating Fund ■ New gTLD Fund ■ SFICR ■ Reserve Fund ■ Auction Proceeds

New gTLD Program 2012 Round Overview

New gTLD Program 2012 Round	Statement of Activities by Fiscal Year					Statement of Activities for Full Program (December 2023) Current Estimate
	FY12 - FY22 Actual	FY23 Actuals	FY24 Forecast	FY25 Budget	FY26 & Beyond Estimate	
New gTLD Applicant Fees	360	-	0	0	1	361
Refunds	(52)	0	(0)	(0)	(1)	(53)
Applicant Fees (Net of Refunds)	$ 308	$ 0	$ 0	$ 0	$ 0	$ 308
Initial and Extended Evaluation	(68)	-	-	-	-	(68)
Quality Control and Objection Processes	(11)	-	-	-	-	(11)
Pre-delegation	(12)	-	-	-	-	(12)
Program Costs	(41)	(1)	(2)	(3)	(5)	(52)
Staff Costs	(59)	(2)	(1)	(1)	(1)	(64)
Operating Expenses	$ (191)	$ (3)	$ (3)	$ (3)	$ (6)	$ (207)
Historical Development Costs	(32)	-	-	-	-	(32)
Contingency Costs	(32)	(2)	(0)	-	-	(35)
Non Operating Expenses	$ (65)	$ (2)	$ (0)	$ -	$ -	$ (68)
Other Income/(Expense)	$ (2)	$ (0)	$ (0)	$ -	$ -	$ (2)
Investment Income/(Expense)	$ 11	$ 2	$ 1	$ -	$ -	$ 14
Total Expenses	$ (247)	$ (3)	$ (3)	$ (3)	$ (6)	$ (263)
Net Remaining New gTLD Funds	$ 61	$ (3)	$ (3)	$ (3)	$ (6)	$ 46

o   Risk costs and investment gains are not estimated for future years

Draft PTI FY25 Budget by Cost Category

FY25 PTI Budget in Millions, USD	FY25 Budget	FY24 Budget	Under/ (Over)		FY23 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	**$10.9**	**$10.5**	**($0.4)**	**-3.8%**	**$9.0**	**($1.9)**	**-21.2%**
Personnel	$7.2	$6.7	($0.5)	-7.4%	$6.3	($0.9)	-14.2%
Travel & Meetings	$0.5	$0.5	$0.0	2.1%	$0.5	$0.0	5.9%
Professional Services	$1.5	$1.8	$0.3	16.6%	$1.0	($0.5)	-50.0%
Administration	$1.0	$0.9	($0.1)	-10.9%	$0.9	($0.1)	-16.3%
Contingency (a)	$0.5	$0.5	($0.1)	-16.0%	$0.0	($0.5)	0.0%
Capital	$0.2	$0.1	($0.1)	-60.0%	$0.3	$0.1	45.9%
TOTAL CASH EXPENSES	**$10.9**	**$10.5**	**($0.4)**	**-3.8%**	**$9.0**	**($1.9)**	**-21.2%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**	**$0.0**	**$0.0**	**0.0%**
Average Headcount (FTE) (b)	23.7	22.6	(1.1)	-4.8%	20.7	(3.1)	-14.8%

(a) Contingency is an amount included in the Budget but not allocated to specific activities; it can be used for unforeseen costs or to cover the difference between budgeted and actual costs

(b) FTE: Full-time staff equivalent

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

Activity Based Reporting Components

Community and Engagement

Support the community and facilitate work such as policy development and reviews

- ICANN Public Meetings
- Community Programs and Meetings Support (incl. NomCom)
- Engagement and Board support
- Staff support for Supporting Organizations and Advisory Committees

Internal Operations

Provide the support and infrastructure for ICANN to execute its mission

- Engineering & IT
- Finance / Procurement
- Risk Management
- Global Human Resources
- Communications
- Legal

Technical Mission

Technical initiatives and activities in support of ICANN's mission

- IANA Functions
- Ensuring SSR of Internet Identifiers
- Root Zone Management
- Facilitating DNS Ecosystem Improvements

Policy Implementation

Carrying out services to Contracted Parties, and implementing Board-approved recommendations

- Contracted Parties Management and Services
- Contractual Compliance
- Global Customer Support
- Implementation Operations