

ICANN

VIRTUAL ANNUAL GENERAL

69

Planning and Financial Update

15 October 2020

PRESENTERS



Xavier Calvez
SVP Planning &
Chief Financial Officer



Becky Nash
VP Planning



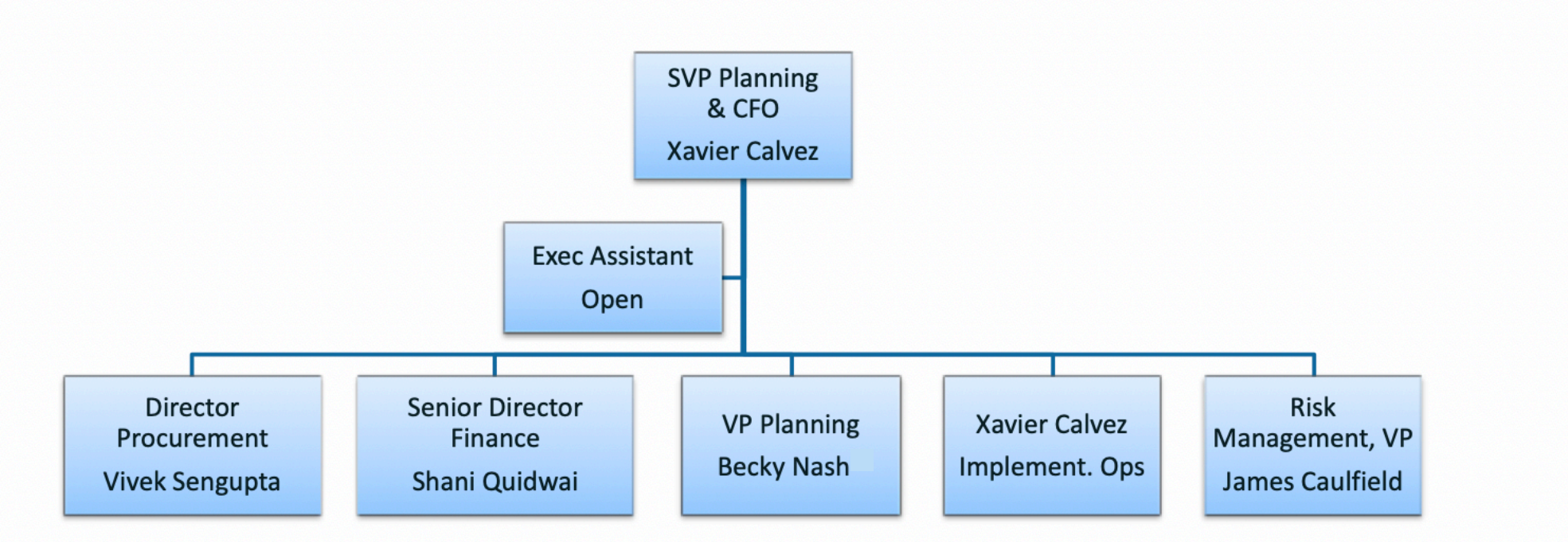
Shani Quidwai
Sr Director of Finance

Agenda

- ⦿ Office of the CFO: Organizational Update
- ⦿ Discussion Topics with ccNSO SOPC
 - Auction Proceeds
 - FY21 Forecast and Process
 - Update on Planning Progress Measurement and Reporting
- ⦿ FY22 Planning process overview
- ⦿ Appendix
 - Planning Overview slides
 - Financial Accountability- Reporting

Discussion Topics with ccNSO SOPC

Office of the CFO- Organization Structure



Discussion Topics with ccNSO SOPC: Auction Proceeds

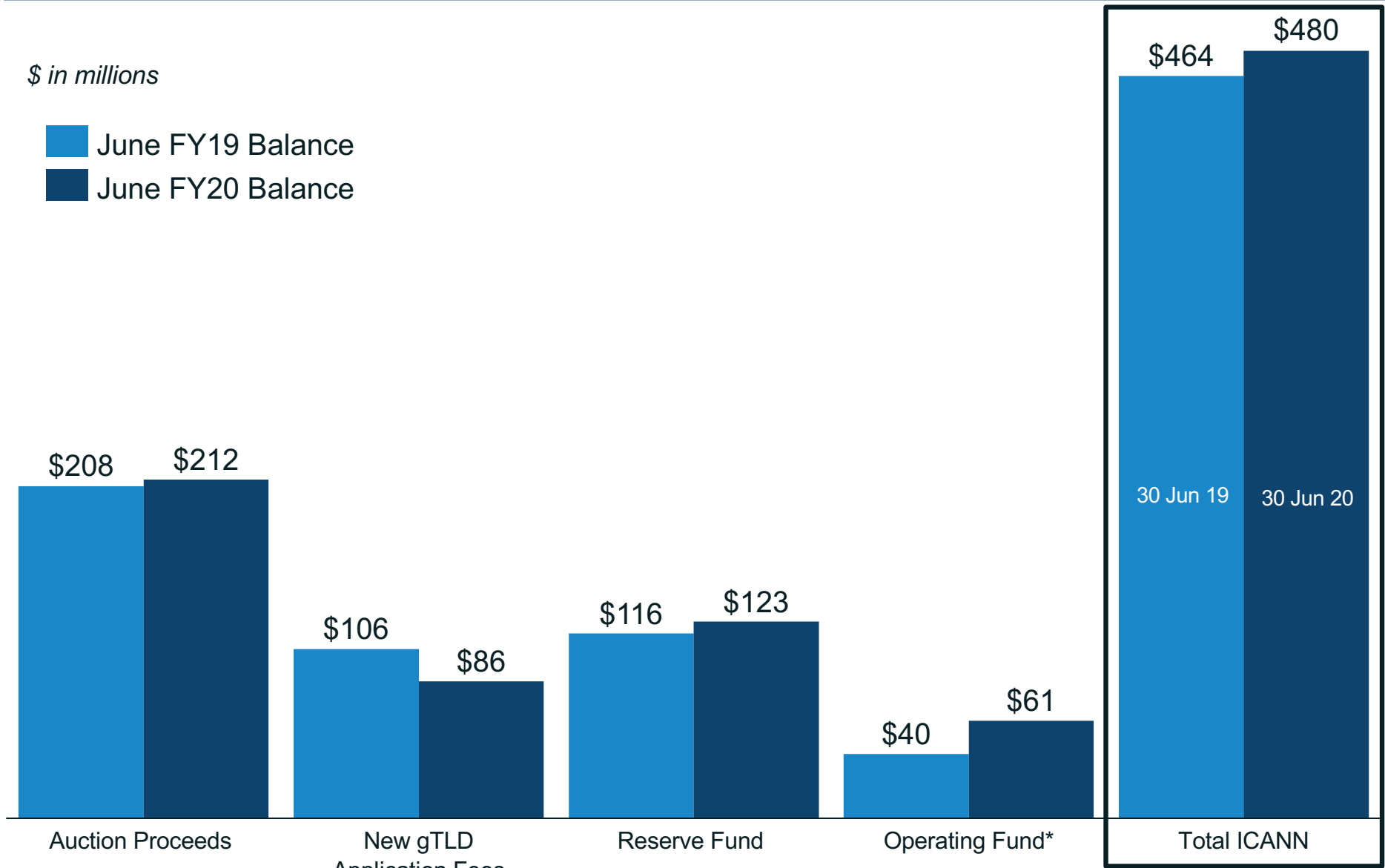
- ⦿ **Comment received from the ccNSO SOPC:**
 - Would like to learn more about the status of the Auction Proceeds and their use.

- ⦿ **Planning/Finance team response:**
 - The Cross-Community Working Group (CCWG) submitted its [Final Report](#) on 29 May 2020 to the Chartering Organizations, all of whom adopted it. The CCWG then submitted the Final Report to the ICANN Board for its consideration on 14 September 2020.
 - The Final Report report discusses three possible mechanisms that the CCWG considered for the allocation of auction proceeds. The CCWG recommends that the Board select Mechanism A: an internal department dedicated to the allocation of auction proceeds is created within the ICANN organization.
 - The ICANN Board will consider the CCWG's Final Report and recommendations.

Overview of all Funds and Balances as of 30 June

\$ in millions

■ June FY19 Balance
■ June FY20 Balance



Total ICANN represents sum of month-end balances for all accounts

*Blue bars represent month-end balances except for Operating Fund which show rolling 3-month averages

FY21 Forecast

USD in millions	FY21 Forecast	FY21 Budget
	Current Forecast	Full Year Budget
Funding	\$136.7	\$129.3
Cash Expenses	\$122.7	\$129.3
Excess/(Deficit)	\$14.0	\$0.0
End of Period Headcount	400	400

FY21 Forecast: Overview

- ICANN org is three months into FY21 with a first opportunity to compare against budget
- Based on latest intelligence, we have produced a forecast for FY21 to reflect updated information versus what we had planned
 - **Funding is higher than budget** due to the resilience of the domain market and better than anticipated collections
 - **Expenses are lower than budget** driven by more travel restrictions than anticipated
- We are still amid a pandemic and a financial crisis so ICANN org will continue assessing funding projections and controlling costs strictly
- ICANN org will provide quarterly updates regarding our financials

Update on Planning Measurement and Progress Reporting

- ⦿ **Comment received from the ccNSO SOPC:**
 - The ICANN accountability indicators web section is not updated

- ⦿ **Planning/Finance team response:**
 - The Accountability Indicators tool will no longer be available as of 15 October 2020.
 - The Accountability Indicators were designed under the structure of the previous 5 Year Strategic Plan and 5 Year Operating Plan that used the Portfolio Management system
 - ICANN's progress against its goals and objectives is found in the quarterly ICANN Org Report to the ICANN Board and ICANN's Annual Report.
 - As part of the Planning at ICANN Operating Initiative the structure of the FY21-FY25 Strategic and Operating Plans will be incorporated into the measurement and progress reporting

FY22 Planning process overview

Planning at ICANN Operating Initiative Overview

- ⦿ Planning at ICANN is one of the 15 Operating Initiatives included in ICANN org's Adopted Operating and Financial Plan for Fiscal Years 2021–2025
- ⦿ Strategic goal and its targeted outcomes Supported:
 - **Strategic goal:** Implement a five-year Financial Plan that supports the five-year Operating Plan. Among the various **targeted outcomes** of this Strategic Goal, this Operating Initiative help to bring focus on developing processes and tools in place to effectively prioritize and periodically reprioritize its (ICANN's) work; and, community's engagement in prioritization and decisions about affordability measurably increases.
 - **Strategic goal:** Manage operations and their costs to optimize the effectiveness and efficiency of ICANN's activities. Among the various **targeted outcomes** of this Strategic Goal, this Operating Initiative help to bring focus on prioritizes its (ICANN's) activities to deliver its mission in the global public interest in the most cost-effective way.

Planning Process & Documents



ICANN Planning Processes Overview



Strategic Planning Process

The process of defining ICANN's strategic direction, including its mission, vision, Strategic objectives and goals.



Operating Planning Process

The process of determining key initiatives (Operating Initiatives) and what each functional area plans to do (Functional Activities), to achieve the strategic plan.



Budgeting Process

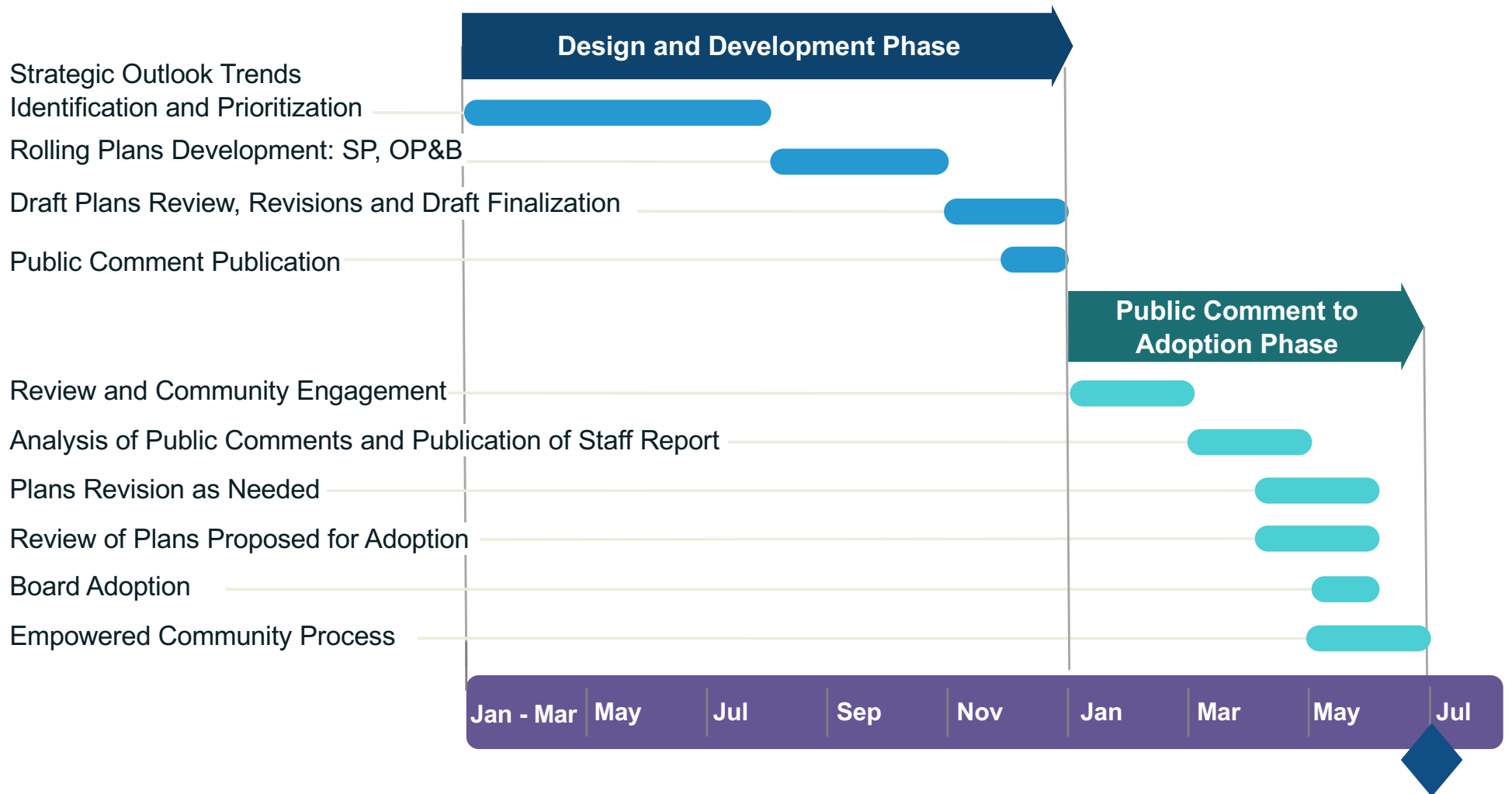
The process of allocating resources to planned activities, and prioritize activities as needed.



Progress Reporting process

The process of explaining the achievement via a series of mechanisms.

High Level Planning Timeline



- *An assessment of the timing of each step is underway for future cycles*
- *The current year timeline is more than 10 + months*

Total ICANN FY22 Planning Timeline – Key Dates

Step	Dates	Action By	Note
✓ FY22 Planning Kickoff	27 Aug 2020	ICANN org	FY22 Planning Process and Timeline
ICANN 69 Planning Webinar	6 Oct 2020	ICANN org/Community	FY22 Planning Process
Additional Budget Request Submission Period	9 Nov 2020 – 29 Jan 2021	ICANN Community	Submit to planning@icann.org
BFC Reviews Draft Plan for Publication	5 Dec 2020	ICANN BFC	
ICANN Public Comment Period	17 Dec 2020 – 08 Feb 2021	ICANN org	54 Days including 7 days for Year End
Community Webinars	Jan 2021	ICANN Community	
ICANN Staff Report on Public Comment Published	18 Mar 2021	ICANN org	Staff Report Published
BFC Recommends to the Board Adoption of Plans	5 April 2021	ICANN BFC	
ICANN Board Adopts	6 May 2021	ICANN Board	Target to allow for EC Review Period
Empowered Community(EC) Process	7 May – 7 Jun 2021	EC Decisional Participants	The Plans are in effect at the start of the Fiscal Year.

Planning/Financial Updates- Quarterly Webinar

- ⦿ The ICANN Finance and Planning teams will host a quarterly webinar to review Financial and Planning information
- ⦿ These webinars will be recorded and archived
- ⦿ These webinars will generally be held 45 days after the end of a Financial Quarter
- ⦿ More information will be provided regarding the dates and content

Fiscal Year Quarter	Quarter End Date	Estimated Meeting Date
Quarter 1	30 September	15 November
Quarter 2	31 December	15 February
Quarter 3	31 March	15 May
Quarter 4	30 June	15 August

Appendix

Operating Plan Overview

The Operating Plan includes description of the major work ICANN org will undertake to achieve its Strategic Plan, operate the organization and implement its mission and mandate.

Functional Activities (35 in 5 groups)

Activities of the Functions 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 efforts of the Functions that focus directly on achieving the Strategic Plan.

Some are not new but continued efforts toward key strategic directions.

Operating Plan Structure

**Technical and
DNS Security**

**Policy
Development and
Implementation
Support**

**Community
Engagement and
Services**

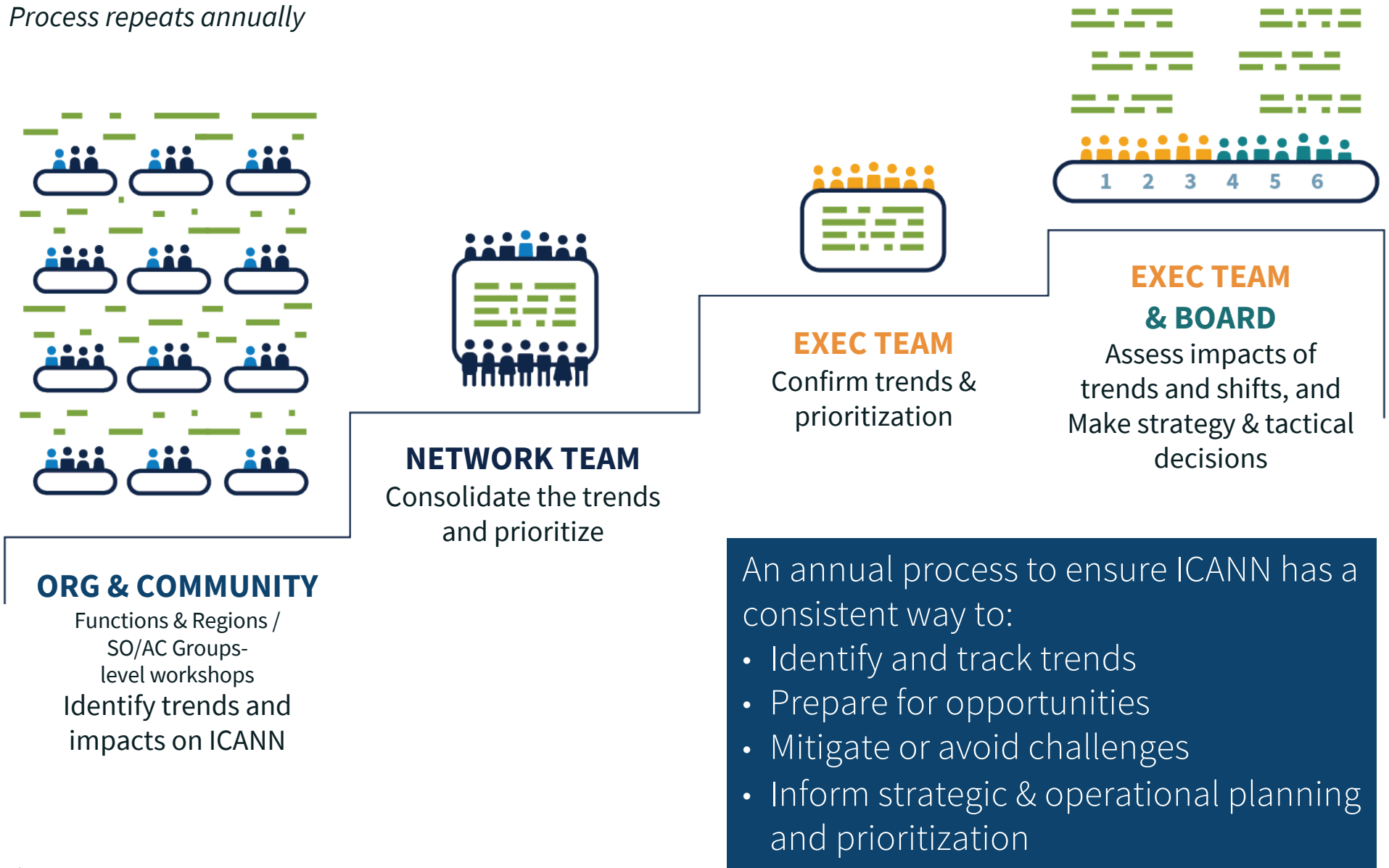
ICANN Org Governance

ICANN Shared Services

**Operating Initiatives - 15
Functional Activities – 35 in 5 Service Groups**

Strategic Outlook Trends Identification & Analysis

Process repeats annually



2020 Strategic Outlook Trend Sessions

21 strategic outlook sessions

- 6 stakeholder group sessions: GAC, GNSO Council, IPC, SSAC + 2 cross-community sessions
- 15 org departmental & regional sessions

398 participants

- 77 community members
- 321 staff members



1853 data elements collected

- 889 trend statements
- 497 risks or threats
- 467 suggested actions or opportunities

Financial Accountability- Reporting

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

Periodically, throughout the year

- Quarterly Financial Reporting
- Publication of the CEO Report
- ICANN Meetings travel reports

Annually

- Independent Auditors Report
- Annual 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>