



81

ANNUAL
GENERAL
MEETING

PREP WEEK

Finance and Planning Update

Prep Week Webinar



Webinar Information



This session is recorded



This session is scheduled to last 1 hour



Presentation is published [here](#) on the Prep Week page



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

Agenda

- FY24 Financial Update
- FY25 Financial Forecast
- ICANN Fee Increase
- Financial Q&A
- Draft FY26-30 Operating Plan & Draft FY26 Operating Plan
- Final Q&A

FY24 Financial Update

Financial Accountability – Reporting

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

- Quarterly Financial Reporting

- Audited Financial Statements

- Tax Return (Form 990)

- Staff Remuneration

- Operating Plan and Budget

- Board Expense Reporting

- ccTLD Contributions

- Funding by Source

- Link to financial documents:

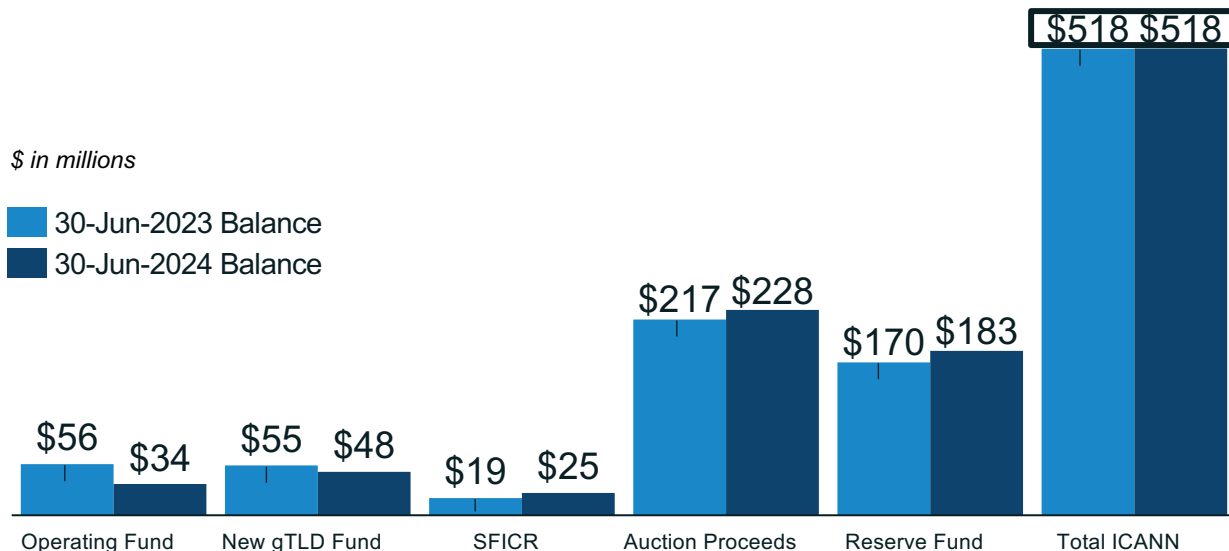
- <https://www.icann.org/resources/pages/governance/current-en>

Total ICANN – Financial Overview (Jul 23 – Jun 24)

USD in millions Unaudited	FY24 Full Year Actual					
	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total ICANN
Funds Under Management - 30 Jun 2023	\$56.5	\$55.0	\$19.1	\$217.3	\$170.0	\$517.8
Transfers						
ICANN Operations to SFICR	(\$20.0)		\$20.0			
SFICR for Next Round Expenses		\$12.4	(\$12.4)			
Funding	\$149.6	(\$0.2)	-	-	-	\$149.4
Expenses	(\$154.8)	(\$20.7)	(\$3.0)	(\$1.5)	-	(\$179.9)
Investment Income/(Decline)	-	\$2.9	\$1.2	\$12.3	\$12.6	\$16.4
Funds Under Management - 30 Jun 2024	\$34.4	\$48.5	\$24.8	\$227.9	\$182.5	\$518.2
Average FTEs	416	32	9	4	0	461
End of Period FTEs	409	35	3	4	0	451

- The table above is a financial summary of the segments of Total ICANN, each with its own source of funds.
- This information reflects financials corresponding to twelve months beginning 1 July 2023 and ending 30 June 2024.
- New gTLD Program includes 2012 Round and Next Round.
- Supplemental Fund for Implementation of Community Recommendations (SFICR) Projects include Prioritized Review Recommendations and Registration Data Request Service.
- Each segment of Total ICANN (ICANN Operations, New gTLD Program, SFICR Projects, and Grant Program) have detailed sections below.

Total ICANN – Funds Under Management (as of Jun 2024)



Funds under management are flat since the beginning of the fiscal year due to investment gains, offset by expenses in all segments.

- Operating Fund decreased primarily due to \$20M transfer to SFICR.
- New gTLD Program Fund decreased due to expenses for 2012 Round and Next Round implementation costs.
- SFICR increased due to transfer from Operating Fund and investment gains, partially offset by expenses in SFICR projects and funding of New gTLD Next Round Program expenses.
- Auction proceeds increased due to investment gains partially offset by Grant Program expenses.
- Reserve Fund increased due to market gains on investments.

ICANN Operations – Financial Overview (Jul 23 – Jun 24)

- The statement of activity below provides a summary of ICANN Operations' financials corresponding to twelve months beginning 1 July 2023 and ending 30 June 2024.
- Where relevant, comparative information pertaining to the prior year (FY23) is provided corresponding to twelve months beginning 1 July 2022 and ending 30 June 2023.

ICANN Operations	FY24 Actual	FY24 Budget	Var	FY23 Actual	Var
Funding	\$150	\$145	\$4	\$150	(\$0)
Expenses	\$155	\$145	(\$10)	\$142	(\$13)
Net Operating Excess/(Deficit)	(\$5)	\$0	(\$5)	\$8	(\$13)
Average Full-Time Equivalents	416	413	(3)	399	(17)

New gTLD Program Next Round Financials

- In August 2023, ICANN org delivered a comprehensive implementation plan to the Board
- Program to date, the ICANN Board has approved three tranches of funding for implementation costs:
 - \$9 million in March 2023 to cover implementation costs through 31 October 2023
 - \$13 million in October 2023 to cover implementation costs through 30 June 2024
 - \$23 million in June 2024 to cover implementation costs through 31 March 2025
- The funding to pay for New gTLD Program Next Round development costs before program launch will come from the New gTLD Program 2012 Round remaining application fees and available funds from the Supplemental Fund for Implementation of Community Recommendations (SFICR)

New gTLD Next Round (USD in thousands)	Program to Date Actuals April'23 - June'24 (15 Months) Implementation Tranches #1 & #2		
	Actuals	Budget	Variance (Over) / Under
Personnel	\$8,591	\$8,389	(\$202)
T&M	\$223	\$482	\$259
Prof Svcs	\$7,571	\$8,454	\$883
Admin	\$382	\$196	(\$186)
Contingency	-	-	-
Shared Services & Org Support	\$4,437	\$4,461	\$24
Total	\$21,204	\$21,982	\$778
Average Staff - FTE	30.3	30.4	0.1

Specific Review Recommendations (Project to Date)

- In February 2022, ICANN 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.
- There are 45 Board-approved specific recommendations that are being implemented with incremental funding outside of the annual plan and operating budget.
- In November 2022, the ICANN Board resolved to use \$5.8 million from the SFICR to fund one-time implementation efforts for Board-approved prioritized specific review implementations.
- After implementation, all ongoing expenses of the identified recommendations will be part of the ICANN Operations budget.

Specific Review Implementation Activities (July 2022 - June 2024)	% Complete	Personnel \$	External \$	Shared Services Support	Total \$
Accountability and Transparency Review 3 (ATRT3)	45%	\$567	\$0	\$251	\$819
Competition, Consumer Trust, and Consumer Choice Review (CCT)	63%	\$804	\$0	\$355	\$1,159
Security, Stability and Resiliency Review (SSR2)	77%	\$230	\$315	\$100	\$330
Registration Directory Service review (RDS-WHOIS2)	90%	\$108	\$906	\$48	\$157
Grand Totals	58%	\$1,709	\$1,221	\$754	\$2,465

Registration Data Request Service (Project to Date)

- In February 2023, the ICANN Board approved the development of the Registration Data Request Service (RDRS) as a proof-of-concept based on the recommendation of the Generic Names Supporting Organization (GNSO) Council and ICANN Org's Operational Design Assessment of the system.
- At the same time, the Board approved use of the SFICR for the development of the RDRS and two years of operation.
- Development of the RDRS began in December 2022 and concluded with the successful launch in November 2023.
 - During this phase, project costs were \$1.6 million consisting primarily of engineering and operational staff time.
- The second phase of the project for operation and maintenance of the RDRS began in December 2023.

Registration Data Request Service USD in Thousands	Personnel	External Vendors	Total
Development (Dec 2022 - Nov 2023)	\$1,630	\$17	\$1,647
Operation (Dec 2023 - Present)	\$483	\$44	\$527
Grand Total	\$2,113	\$60	\$2,174

Grant Program (Program to Date)

- One-time implementation costs for the Grant Program included creating the Grant Program department, applicant helpdesk, program literature and documentation
- The recurring program operational costs include ICANN staff support, awareness and outreach communication campaigns, and outsourced services from an independent evaluation panel
- Applications will be accepted and processed in cycles
- The first application cycle opened in March 2024

Grant Program (USD in thousands)	Program To Date - 24 Months (July'22 - Jun'24)		
USD in Thousands	Total Actuals	Total Budget	Variance to Budget (Over)/Under
Personnel	\$1,026	\$1,009	(\$17)
T&M	\$74	\$56	(\$18)
Prof Svcs	\$424	\$457	\$33
Admin	\$18	\$0	(\$17)
Shared Services Support*	\$427	\$410	(\$17)
Total	\$1,970	\$1,932	(\$37)

** Shared Services Support represents allocated costs from ICANN org for administrative costs.*

Any arithmetic inconsistencies are due to rounding

For more information on the Grant Program please visit the [website](#).

FY25 Financial Forecast

FY25 Forecast Key Assumptions

- FY25 ICANN Operations forecast currently projects a deficit of \$2M to \$7M.
- Given only three months of the fiscal year have elapsed and there are several unknowns; ranges are projected for funding and expenses to account for different outcomes/unknowns.
 1. Funding is currently projected to be \$142M-\$146M, this compares to \$149M in FY24. Funding projections are evaluated quarterly with GDS and consider actual billing data, macroeconomic data, and DNS industry reporting and filings.
 2. The Expense forecast assumes ICANN will achieve a reduction in annual expenses by 30 June 2025.
- Aligns to Board Resolution; leads to balanced budget in future years.

FY25 ICANN Operations Forecast

USD in \$M	Adopted Budget	Forecast Range	Notes
Funding	\$145	\$142 – \$146	• Current projections at \$144M, evaluated Quarterly
Personnel	(90)	(82) – (85)	• Budget assumed org-wide salary increases; Forecast reflects very few increases. • Forecast is also lower driven by reduction in expenses, including reduction of staffing costs
Non-Personnel Expenses	(58)	(58) – (59)	• Forecast range reflects differences in timing of achieving reduction in annual expenses. • FY25 impact of the savings is projected to be \$0.5M to \$1.5M.
Contingency	(5)	(4) – (7.5)	• Forecast assumes increased contingency to manage hard-to-predict costs, \$2.5M has been earmarked for Legal expense.
Total Expense	\$153	\$144 – \$152	
Excess/(Deficit)	(8)	(7) – (2)	• Budget included unidentified cost savings target of \$8M. • Funding and expenses forecasts are independent so projected Excess/(Deficit) range is a separate estimate.

ICANN Fee Increase

ICANN Fee Increase

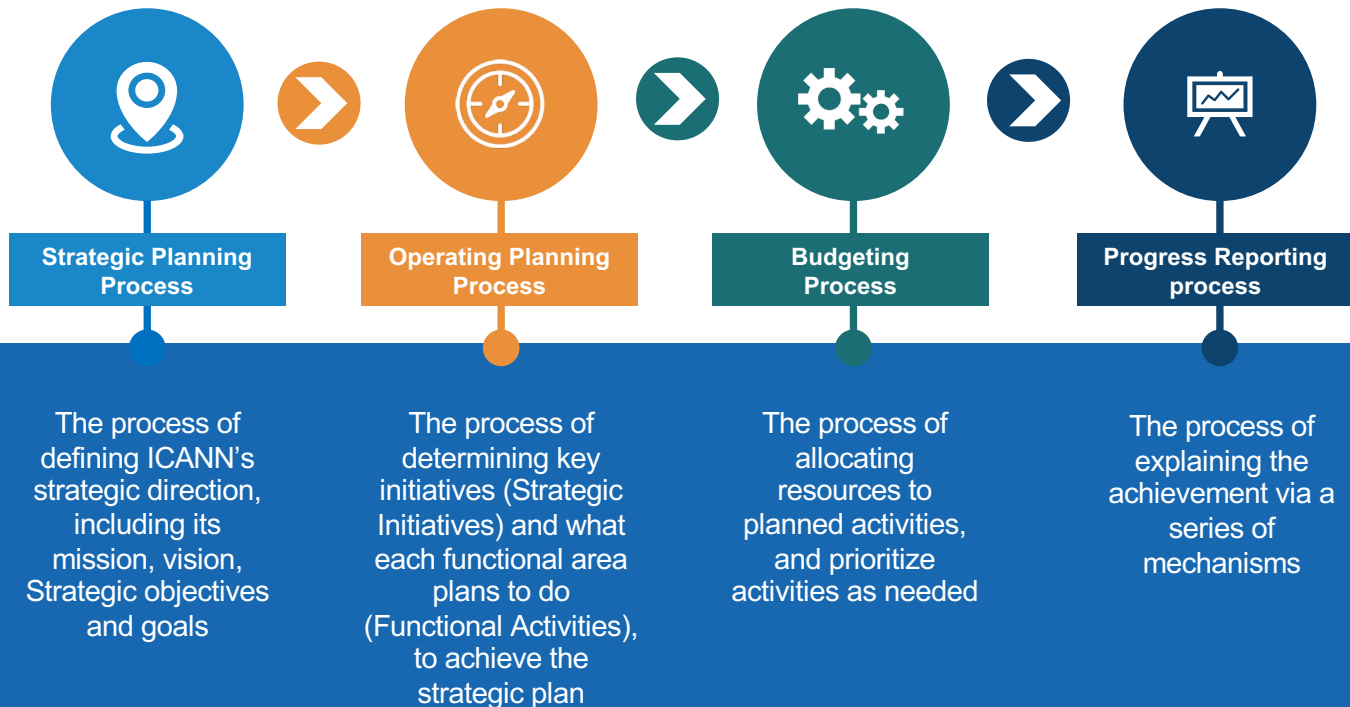
- [ICANN intends to increase its fees](#) in 2025 for most gTLD registries and accredited registrars. ICANN's fees have never been increased so far.
- This is part of a broader strategy aimed at ensuring long term financial sustainability to support ICANN's mission.
- ICANN's fee increases are designed to align with inflation, ensuring that funding can grow alongside costs. This alignment is crucial to ensure stable funding that can absorb inflation without jeopardizing our critical operations or the integrity of our mission.
- This fee adjustment is not meant to fund new initiatives or replace the need for ongoing efficiency improvements to maintain costs as low as feasible.

Questions?

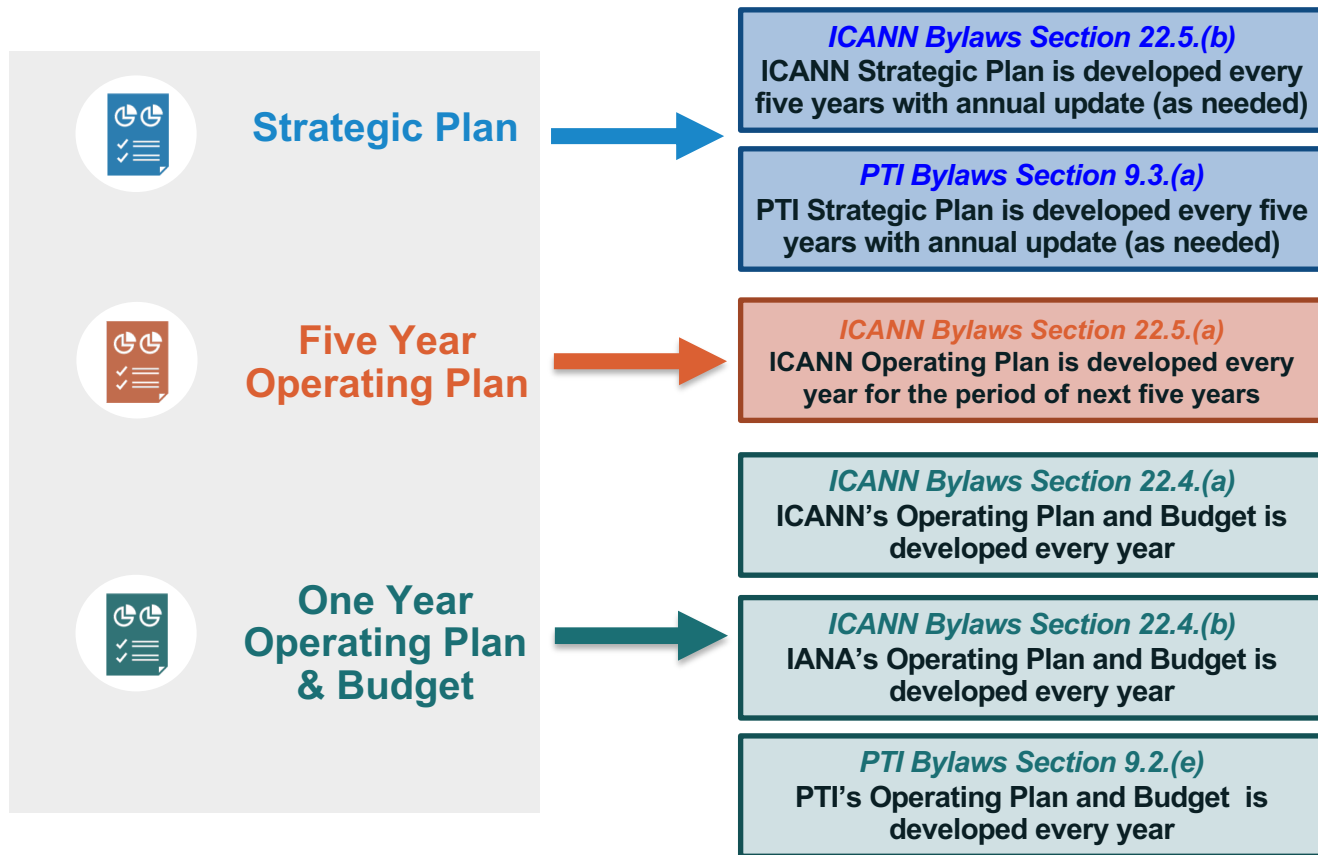


Draft FY26-30 Operating Plan & Draft FY26 Operating Plan

ICANN Planning Overview



Planning Related Bylaw Requirements



FY26-30 (5-Year) and FY26 (1-Year) Operating Plan Structure

The Operating Plans include descriptions of the activities ICANN org will undertake to achieve its Strategic Plan, operate the organization, and implement its mission and mandate

Total ICANN

Strategic Initiatives:

- Key activities to implement the strategies published in the Draft FY26-30 Strategic Plan
- As part of the development of the FY26-30 Operating and Financial plan, the key activities published in the Operating Plan Framework have been grouped into strategic initiatives.

Functional Activities:

- Implement ICANN's mission and mandate, such as *Contractual Compliance* or *IANA*
- Operate or support the organization as a whole, such as *Human Resources* or *Finance*

Operating Plan Functional Activities

33 Functional Activities



Technical Mission

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



Community & Engagement

- Global Stakeholder Engagement
- Engagement Programs
- Meetings
- Constituent and Stakeholder Travel
- Government & Intergovernmental Organization Engagement
- Grant program
- Policy Development Support
- Policy Research and Stakeholder Programs
- Ombuds
- Nominating Committee Support
- Complaints Office
- Strategic Activities
- Board Activities
- Board Operations



Policy Implementation

- Service Delivery, Support, and Vendor Management (GDS)
- Contracted Parties Services Operations
- GDD Accounts and Services
- Contractual Compliance
- Review Support and Implementation



Internal Operations

- Engineering & IT
- Governance Support
- Planning
- Finance & Procurement
- Risk Management
- Internal Audit
- Global Communications and Language Services
- Global Human Resources
- Security Operations and Administrative Services
- Office of the President and CEO

Key FY26 Planning Assumptions and Principles

New Five-Year Strategic Plan

The FY26-30 Operating Plan and FY26 Operating Plan will reflect the updated vision and strategic goals outlined in the Draft FY26-30 Strategic Plan.

Travel, Meetings, and Engagement

The FY26 plans assume that ICANN public meetings, Board, org and community engagement will occur based on the public meeting schedule.

Financial Sustainability

Sustainability is a cornerstone of the FY26–30 Operating and Financial Plan, ICANN org plans for operating expenses to remain at or lower than budgeted funding drawing from designated and available funding sources.

Planning For Board Approved Activities

ICANN begins designing the expected implementation work only when recommendations and policies are Board approved. Prioritization of Board Approved Activities through the Planning Prioritization Process continues to be critical to support the needs and demands of the ICANN org's global community.

Security, Stability, and Resiliency (SSR)

Stability, security, and resiliency of the Domain Name System is a fundamental need for ICANN to be able to fulfill its mission to ensure the stable and secure operation of the Internet's unique identifier systems and protect the Internet as a globally shared resource. ICANN's commitment to SSR is holistic and interwoven into its daily operations.

FY26 Planning Prioritization Process

- In March 2022, ICANN initiated the Planning Prioritization Process to help the ICANN ecosystem prioritize its work within the planning cycle in a manner that is transparent, inclusive, and efficient
- The Planning Prioritization Process is now part of each annual planning cycle

Activities Prioritized to Date by PPG			
Calendar Year	Operating Plan and Budget Fiscal Year	Plan Adoption Date	# of Board Approved Recommendations
2022	FY23	26 May 2022	45
2022	FY24	30 April 2023	4
2023	FY25	5 May 2024	2

Planning Prioritization Process:

- New members are appointed by participating community groups
- Members work openly and transparently through public mailing list and observable meetings
- Decisions are made on the basis of consensus and published publicly
- Planning Prioritization Framework is reviewed for updates

#	Affiliation	Member	Secondary Member
1	At-Large - ALAC	Cheryl Langdon-Orr	Claire Craig
2	ccNSO	Irina Danelia	Chris Disspain
3	GAC	Aderonke Sola-Ogunsola	-
4	GNSO - CPH	Jothan Frakes	-
5	GNSO - CSG	Santanu Acharya	Segun Olajide
6	GNSO - NCSG	Peter Akinremi	Amin Hacha
7	RSSAC	Erum Welling	Daniel Migault
8	SSAC	Merike Keo	Jeffrey Bedser



To Learn More Visit the [ICANN Planning Prioritization Webpage](#)

FY26 Operating Plan & Budget Planned Key Dates

Step	Dates	Audience
Community Engagement Webinar: Draft Plans Process and Timelines	ICANN 81 Prep Week 28 - 31 October 2024	Community
Draft ICANN and IANA FY26-30 Operating & Financial Plan and Draft FY26 Operating Plan & Budget Public Comment Proceeding	17 December 2024- 17 February 2025	Community
Two Community Webinars: Draft FY26 Plans	17 December 2024 18 December 2024	Community
ICANN Summary Report on Public Comment	25 March 2025	Board & Community
Review for Plan adoption of ICANN and IANA plans	15 April 2025	Board
Publication of ICANN and IANA Adopted Plans	30 April 2025	Community
Empowered Community Period	01 May - 28 May 2025	EC decisional participants
Adopted Plans go into effect	01 July 2025	Org, Board, Community

Upcoming Public Comment Proceedings

- Two public comment proceedings will be posted on 17 December 2024 and run through 17 February 2025

* ICANN & IANA

Draft ICANN FY26-30 Operating & Financial Plan and FY26 Operating Plan

Draft ICANN FY26 Budget

Draft IANA FY26 Operating Plan & Budget

* PTI

Draft PTI FY26 Operating Plan and Budget

* Additional Proceedings in 2024:

Draft PTI Strategic Plan for FY26–30

- Two community webinars are anticipated for 17 & 18 December 2024 to present the listed draft operating plans and budget
- Summary Report for Draft ICANN Strategic Plan and Operating Plan Framework for FY26–30 will be posted November 19.
 - Draft Strategic Plan FY26–30 Update Prep Week Session on Thurs



Subscribe to [Public Comment Alerts](#) to be notified about proceedings!

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

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Appendix

FY26 Planning Public Comment Timeline

Calendar	2024							2025						
Fiscal Year	FY25												FY26	
Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
ICANN FY26 - 30 Strategic Planning	ICANN 5 Year SP & 5 Year OP Public Comment Proceeding			Public Comment Analysis & Draft Review *Feedback for Five-Year Operating Plan Framework taken into development of the FY26-30 Operating Plan				ICANN Board Adoption	Empowered Community Period				ICANN FY26 - 30 Strategic Plan in effect	
ICANN Five-Year (FY26-30) Operating Plan Framework														
PTI FY26 - 30 Strategic Planning		Development of PTI FY26-30 Strategic Plan				PTI SP Public Comment Proceeding	Public Comment Analysis & Draft Review	PTI Board Adoption					PTI FY26 - 30 Strategic Plan in effect	
FY26 PTI Planning Process		Development of PTI FY26 Operating Plan and Budget				PTI FY26 OP&B Public Comment Proceeding			PTI Board Adoption					PTI FY26 Operating Plan and Budget goes into effect
FY26 ICANN/ IANA Operating Plan and Budget & ICANN Five-Year (FY26-30) Operating Plan	Development of ICANN/IANA FY26 Operating Plan and Budget & FY26-30 Operating Plan					ICANN/IANA FY26 OP&B and FY26-30 OP&FP Public Comment Proceeding			Public Comment Analysis & Draft Review		ICANN Board Adoption		FY26 Operating Plan and Budget & ICANN FY26-30 Operating Plan in effect	
											Empowered Community			



Community Involvement



Board Decision



Empowered Community