82 COMMUNITY FORUM

Planning and Finance Update

Presented by ICANN Org Planning and Finance Team

25 February 2025

Webinar Information

This session is recorded.

This session is scheduled to last 1 hour.

Presentation is published on ICANN82 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

- FY25 Financial Update
- Draft ICANN FY26–30 Operating and Financial Plan and FY26 Operating Plan
- Draft FY26 Budget
- Draft FY26–30 Operating and Financial Plan and FY26 Operating Plan and Budget Overview of Public Comments
- Draft IANA 2030 – PTI Strategic Plan for FY26–30
- FY27 Annual Planning Process Tentative Timeline
- Q&A

FY25 Financial Update

All Amounts in USD unless otherwise indicated

Opening Remarks

- FY25 financials for the first six months of the fiscal year (Jul – Dec 2024) are strong compared to both budget and prior year.
- ICANN has achieved strong financials through higher funding and expense efficiencies.
- The FY25 ICANN Operations full year forecast is currently projected to have expenses lower than funding, with a range of $2M-$7M excess.

  1. Funding is projected to be $148M-$150M, reflecting a six-month impact of Registry fee increases beginning in January (does not include Registrar fee increases).
  2. The Expense forecast assumes ICANN achieves by 30 June 2025 a $12.5M annual run rate reduction of expenses vs FY24*.
  3. To date, about 90% of the goal has been achieved, primarily due to lower than budgeted staffing levels and cost saving efficiencies. The org expects to reach 100% by the end of FY25.

* Aligns to Board Resolution, leads to balanced budget in future years

Total ICANN – FY25 Financials through Dec 2024

USD in millions Unaudited	FY25 Year to Date Actual					
	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total ICANN
Funds Under Management - 30 Jun 2024	**$34.4**	**$48.5**	**$24.8**	**$227.9**	**$182.5**	**$518.2**
Funding	74.3	-	-	-	-	74.3
Expenses	(68.1)	(13.3)	(0.9)	(0.8)	-	(83.1)
Investment Income/(Declines)	0.7	1.0	0.6	5.9	5.4	13.6
Funds Under Management - 31 Dec 2024	**$34.6**	**$38.2**	**$24.5**	**$233.5**	**$188.0**	**$518.7**
Average FTEs	**404**	**39**	**7**	**3**	**-**	**452**
End of Period FTEs	**407**	**37**	**3**	**3**	**-**	**450**

- The table above is a financial summary of the segments of Total ICANN, each with its own source of funds.
- 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.

ICANN Ops – FY25 Financials through Dec 2024

USD in millions Unaudited	FY25 YTD Actual ICANN Operations	FY24 YTD Actual ICANN Operations	Favorable/ (Unfavorable) vs. FY24 Actuals ICANN Operations
Funding	**$74.3**	**$73.7**	**$0.6**
Personnel	*41.8*	*42.1*	*0.3*
Travel & Meetings	*4.6*	*7.8*	*3.2*
Professional Services	*11.5*	*12.4*	*0.9*
Administration	*9.6*	*9.1*	*(0.5)*
Capital	*0.5*	*0.6*	*0.1*
Cash Expenses	**$68.1**	**$72.0**	**$3.9**
Operating Excess/(Deficit)	**$6.2**	**$1.7**	**$4.5**

- FY25 operating excess is $4.5M higher than last year due to $3.9M lower expenses and $0.6M higher funding.
  - Lower expenses driven by cost savings in travel and meetings and higher funding driven by stronger transaction fees

ICANN Ops – FY25 Full Year Forecast

USD in $M	Adopted Budget	Current Forecast Range	Notes
Funding	**$145**	**$148 – $150**	• **Current projections at $149M, re-evaluated quarterly. Includes Registry fee increase Jan-Jun 2025.**
Personnel	(90)	(82) – (84)	• Budget assumed org-wide salary increases; Forecast reflects very few increases and promotions. • Forecast is also lower driven by lower staffing than budgeted.
Non-Personnel Expenses	(58)	(54) – (55)	• Forecast range reflects differences in timing of reaching an annual $2.5M run-rate savings target.
Contingency	(5)	(4) – (6)	• Forecast initially assumed $7.5M to manage increased hard-to-predict costs but will likely use less in FY25.
Total Expense	**$153**	**$140 – $145**	
Total Excess/ (Deficit)*	**(8)**	**2 – 7**	• **Budget included cost savings target of $8M.**

*Funding and expenses forecasts are independent so projected Excess/(Deficit) range is a separate estimate

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

Draft ICANN FY26–30 Operating and Financial Plan and FY26 Operating Plan

Introduction

- The Draft ICANN FY26–30 Strategic Plan, developed by the Board, outlines strategies to achieve ICANN's long-term objectives and goals.
- The Board aims to finalize the Draft ICANN FY26–30 Strategic Plan for adoption no later than March 2025.
- The Draft ICANN FY26–30 Operating and Financial Plan provides a detailed five-year roadmap, integrating long-term strategic objectives with ongoing operations. It includes 35 Strategic Initiatives—programs or projects designed to support the achievement of the 28 strategies detailed in the Draft ICANN FY26–30 Strategic Plan.
- The Draft ICANN Operating and Financial Plan offers a comprehensive overview of how these Strategic Initiatives align with and advance the strategies over the five-year period outlined in the ICANN Strategic Plan.

Key ICANN FY26 Planning Assumptions

New Five-Year Strategic Plan	The Draft ICANN FY26-30 Operating Plan and Draft ICANN FY26 Operating Plan are developed based on the Draft ICANN FY26-30 Strategic Plan. Following the public comment proceeding, the vision through 2030 and the scope of the strategic objectives are expected to remain unchanged from the draft version posted for public comment
Travel, Meetings, and Engagement	The Draft ICANN FY26-30 Operating and Financial Plan and Draft ICANN FY26 Operating Plan and Budget assume ICANN public meetings, Board, and community travel and engagement will occur based on the already established Public Meeting schedule
Financial Sustainability	Sustainability is a cornerstone of the Draft ICANN FY26–30 Operating and Financial Plan. ICANN plans for ICANN's Operations expenses to remain at or lower than funding available
Planning For Board Approved Activities	ICANN includes in the Operating Plan; the implementation work only when recommendations and policies are Board approved. The Community led Planning Prioritization Process continues to be critical to support the need to plan for and prioritize ICANN's work

Draft Five-Year and One Year ICANN Operating Plan Structure

The Draft ICANN Operating and Financial Plan and Draft ICANN Operating Plan and Budget include descriptions of the activities ICANN 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 Strategic Objectives, Goals and Strategies in the Draft ICANN FY26–30 Strategic Plan are described in 35 Strategic Initiatives

Ongoing Functional Activities:

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

ICANN Operating Plan Strategic Initiatives

- FY26 is the first year of ICANN's FY26-30 Strategic Plan
- The 35 Strategic Initiatives are programs or projects designed to support the achievement of the 28 strategies outlined in the ICANN FY26–30 Strategic Plan
- The Five-Year Operating Plan includes detailed project plans for Strategic Initiatives that are immediate priorities
- The One Year Operating Plan includes detailed project plans for Strategic Initiatives that are planned for FY26 only
- For a comprehensive view of how these Strategic Initiatives are supporting the Strategic Plan, please click here

#	STRATEGIC INITIATIVES TO SUPPORT THE STRATEGIC PLAN	FY26	FY27	FY28	FY29	FY30
1	Pilot Holistic Review	Execute	Execute / Complete			
2	Continuous Improvement Program	Execute	Execute	Execute	Execute	Execute / Complete
3	Improving Stakeholder Representation	Execute	Execute	Execute	Execute	Execute / Complete
4	Improving Cross-Community Collaboration	Execute	Execute	Execute / Complete		
5	Improving Community Engagement and Retention	Execute	Execute	Execute	Execute	Execute / Complete
6	Academic Engagement Plan	Execute	Execute / Complete			

Illustrative extract of Strategic Initiatives from Appendix A – Operating Plan Strategic Initiatives to Support the Strategic Plan

Draft ICANN FY26 Budget

All Amounts in USD unless otherwise indicated

Total ICANN: Draft FY26 Budget Financial Overview

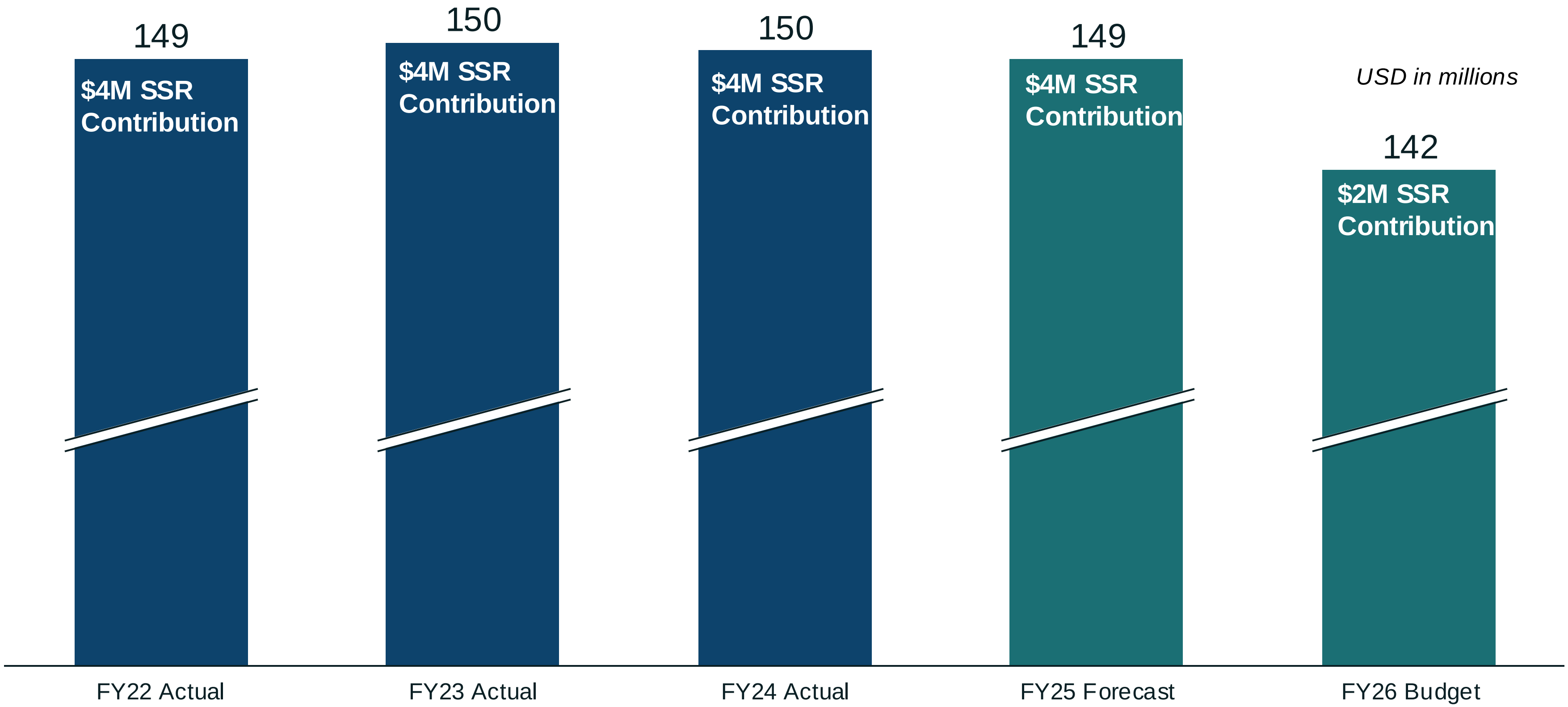
- ICANN's activities are funded by different sources based on the nature of work; these additional funding sources enable ICANN to execute an increasing amount of work and incur total expenses greater than operational funding

Total ICANN Financials	For the Twelve Months Ending 30 Jun 2026					
In Millions, US dollars	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total
Funds Under Management - 30 Jun 2025	**$29**	**$42**	**-**	**$226**	**$184**	**$481**
Funding	142	-	-	-	-	142
Personnel	(84)	(14)	-	(1)	-	(100)
Travel & Meetings	(15)	(1)	-	(0)	-	(16)
Professional Services	(17)	(13)	-	(1)	-	(31)
Administration	(18)	(2)	-	(0)	-	(20)
Capital	(2)	-	-	-	-	(2)
Projected Grants Distributed	-	-	-	(5)		(5)
Contingency	(8)	(5)	-	-	-	(13)
Cost Savings Initiatives	3	-	-	-	-	3
Total Expenses	(142)	(35)	-	(7)	-	(183)
Investment Income/(Decline)	0.3	0.1	-	2.2	1.8	4.5
Funds Under Management - 30 Jun 2026	**$29**	**$7**	**-**	**$221**	**$186**	**$444**
Average FTEs	**384**	**51**	**-**	**3**	**-**	**439**
End of Period FTEs	**385**	**55**	**-**	**3**	**-**	**443**

New gTLD Program includes work on 2012 Round and Next Round implementation costs
Supplemental Fund for Implementation of Community Recommendations (SFICR) Projects are expected to end in FY25
Grant Program is funded by Auction Proceeds

ICANN Operations: Funding Trends

- Funding projections account for multiple scenarios; the base scenario is displayed below and used for planning purposes
- FY26 funding is projected to slightly decline due to the expiration of Security, Stability, and Resiliency (SSR) contribution from the ICANN and Verisign Letter of Intent (LOI)
- Funding projections do not include impact from fee increases or next round of the New gTLD Program



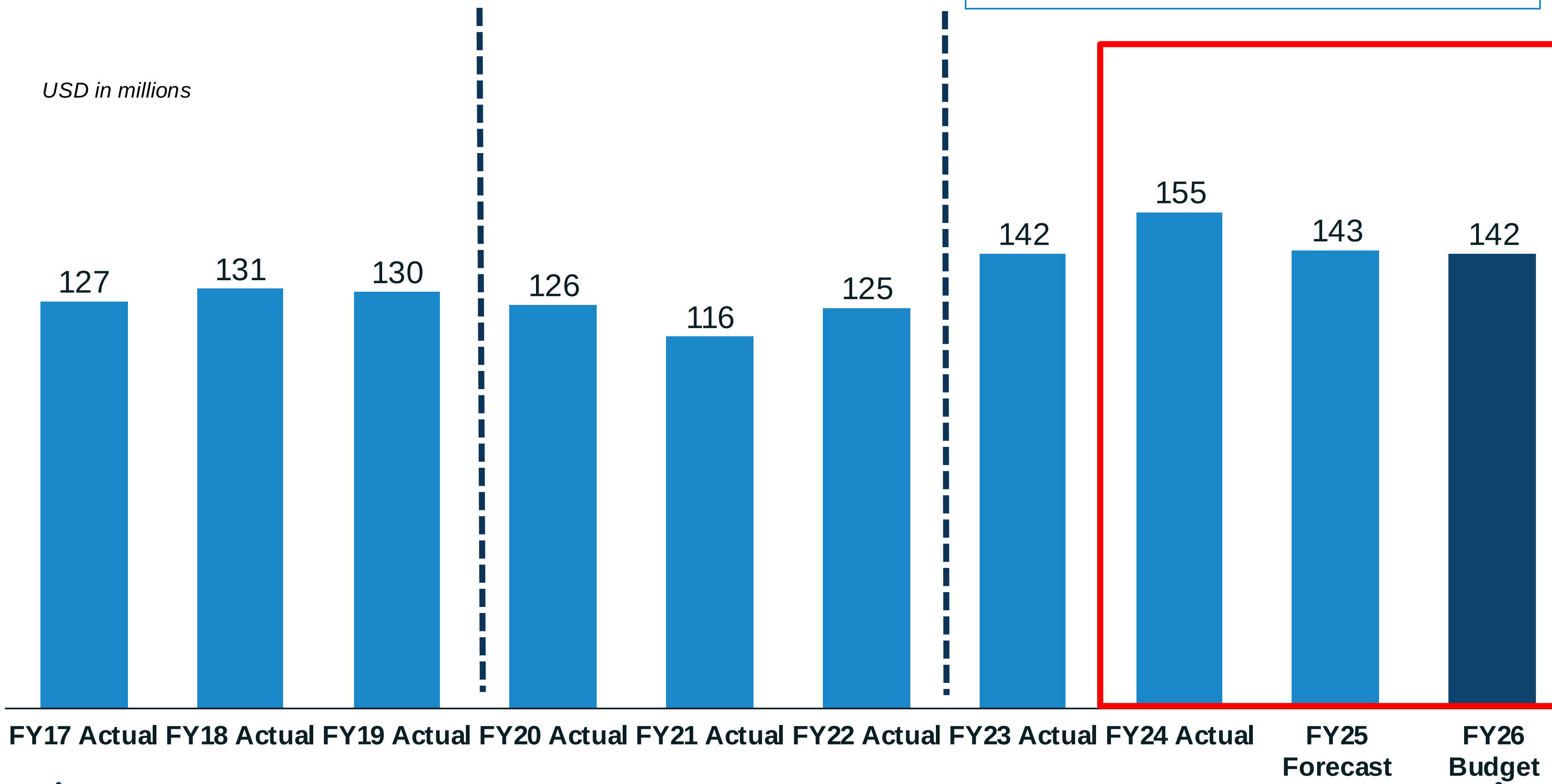
Final contractual SSR contribution in January 2025

ICANN Operations: Expense Trends

Process improvements and efficiencies led to flat costs despite increase in work

Expenses impacted by COVID-19 pandemic

Increase in costs due to travel resumption, new work, and inflation; cost reductions implemented to balance budget



ICANN Operations FY26 Budget vs FY25 Budget

USD in $M	FY26 Draft Budget	FY25 Adopted Budget	Notes
Funding	**$142**	**$145**	• **FY26 budget does not include impact of projected fee increases; reflects half a fiscal year of SSR contribution as existing contractual terms expire in December 2025**
Personnel	(84)	(90)	• Lower Personnel costs in FY26 due to lower average FTEs
Non-Personnel Expenses	(53)	(58)	• Non-personnel expenses include savings from cost saving initiatives being carried out during FY25 that will continue in FY26
Contingency	(8)	(5)	• FY26 Contingency budgeted at $7.5M, about 5% of ICANN Operations costs
Cost Savings Initiatives	3	8	• Both years reflect cost savings needed to balance budgets
Total Expense	**$142**	**$145**	
Excess/(Deficit)	**0**	**2 – 7**	• **Excess projected for FY25 as funding is projected to be higher than planned and cost savings initiatives have been implemented** • **FY26 financials will be balanced as further cost savings are being implemented and fee increase not included**
Average FTEs	**384**	**407**	

Draft IANA FY26 Budget

Draft FY26 IANA Budget in Millions, USD	IANA FY26 Draft Budget	IANA FY25 Adopted Budget	Under/(Over) vs FY25 Budget		IANA FY24 Actuals	Under/(Over) vs FY24 Actuals	
			Total	%		Total	%
PTI Budget	$11.3	$10.9	($0.4)	-3.3%	$10.5	($0.8)	-7.9%
IANA Support Activities (1)	$0.4	$0.6	$0.1	23.1%	$0.6	$0.1	25.0%
TOTAL	**$11.7**	**$11.5**	**($0.2)**	**-2.0%**	**$11.0**	**($0.7)**	**-6.2%**
Average Headcount (FTE) (2)	24.6	25.2	0.6	2.3%	24.4	(0.2)	-1.0%

(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 Public Technical Identifiers (PTI) Budget has increased $0.4M from the prior year budget driven by planned inflation on the costs of compensation and benefits
- The IANA support activities and overall services for the IANA functions remain the same

New gTLD Program: Next Round - Overview

- In August 2023, ICANN org delivered a comprehensive implementation plan to the ICANN Board.
- The Next Round budget is separated into two categories: implementation and processing. Implementation covers all activities to prepare for opening the Next Round while the processing budget covers the processing of the the Applicant Support Program (ASP) and the Registry Services Provider (RSP) applications, as well as the start of the overall program application processing, staff and vendor onboarding, and system and process readiness for TLD delegations.
- ICANN org requests funding from the ICANN Board for the Next Round in tranches, the next request will happen during the ICANN Board workshop in May to cover implementation and processing expenses from May 2025 through April 2026.
- The Applicant Guidebook is planned to be published for public comment in May 2025.
- The application period is anticipated to open in April 2026 and close approximately 15 weeks later.

New gTLD Program: Next Round - Overview

New gTLD Program: Next Round	Total Program Through FY26: Actuals and Budget				
Category (USD in millions)	FY23 Actuals	FY24 Actuals	FY25 Forecast	FY26 Budget	Total
Personnel	$1.6	$7.0	$11.3	$12.8	$32.6
Travel & Meetings	$0.1	$0.2	$0.5	$0.5	$1.2
Professional Services	$0.7	$6.9	$12.8	$7.9	$28.3
Administration	$0.1	$0.3	$0.8	$0.8	$2.0
Capital	$0.0	$0.0	$0.2	$0.0	$0.2
Contingency	$0.0	$0.0	$3.3	$4.2	$7.5
Shared Services & Org Support	$1.6	$2.8	$4.3	$4.1	$12.8
Total Expenses	**$4.0**	**$17.2**	**$33.2**	**$30.3**	**$84.7**
Staff Average FTE	20.4	31.9	44.1	52.9	43.0
Funding Tranches - Board Approved	**$4.0**	**$18.0**	**$23.0**		**$45.0**
Tranche #1 - New gTLD Application Fees	$4.0	$5.0			$9.0
Tranche #2 - SFICR		$13.0			$13.0
Tranche #3 - New gTLD Application Fees			$23.0		$23.0

Grant Program Overview and FY26 Budget

- First application cycle ran from March through May 2024
- In the first cycle, up to $10 million in grants will be awarded with the below estimated disbursements:
  - FY25: $3M
  - FY26: $5M
  - FY27: $2M
- In January, the Board approved the first slate of applications within the Grant Program to proceed to contracting. ICANN is currently working with the selected applicants to complete Grant Agreements.

Grant Program *(USD in Millions)*	FY23 - FY24 Actuals	FY 25 Forecast	FY26 Budget
Cost Category	Expenses	Expenses	Expenses
Personnel	$1.0	$0.6	$0.6
T&M	$0.1	$0.0	$0.1
Prof Svcs	$0.4	$0.5	$0.5
Admin	$0.0	$0.0	$0.0
Shared Services Support*	$0.4	$0.3	$0.3
Contingency	$0.0	$0.1	$0.1
Total	**$2.0**	**$1.6**	**$1.6**

Draft ICANN FY26–30 Operating and Financial Plan and ICANN / IANA FY26 Operating Plan and Budget Overview of Public Comments

Draft FY26 Plans (ICANN, IANA, & PTI) Proceedings

Open for Public Comment

17 December 2024

Draft ICANN Plans Public Comment

- Highlights Document
- Draft ICANN FY26–30 Operating and Financial Plan and Draft ICANN FY26 Operating Plan
- Draft ICANN FY26 Budget
- Draft IANA FY26 Operating Plan and Budget

Draft PTI FY26 Operating Plan and Budget Public Comment

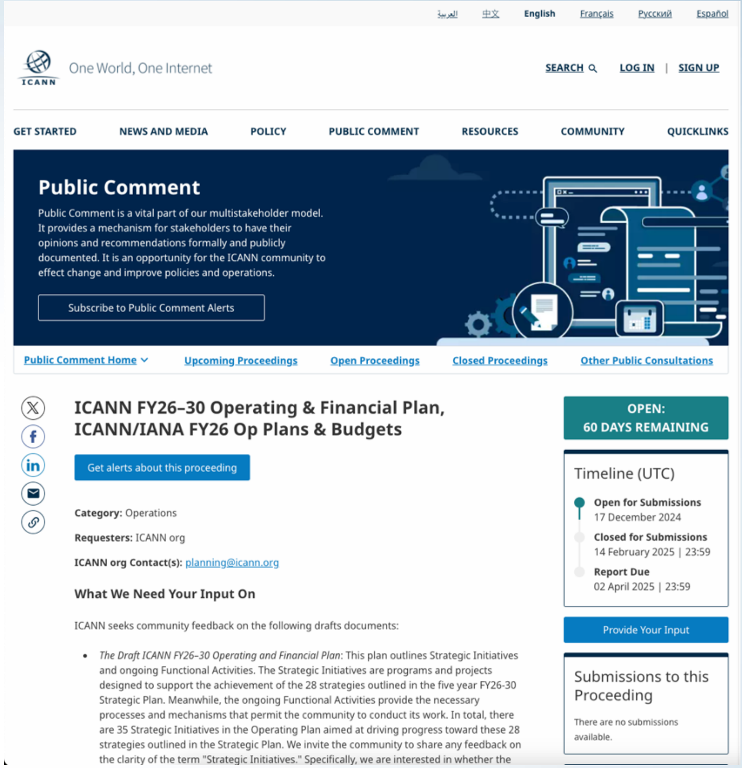
Closed for Public Comment

14 February 2025

Public Comment Summary Published

31 March 2025 (PTI)

2 April 2025 (ICANN and IANA)

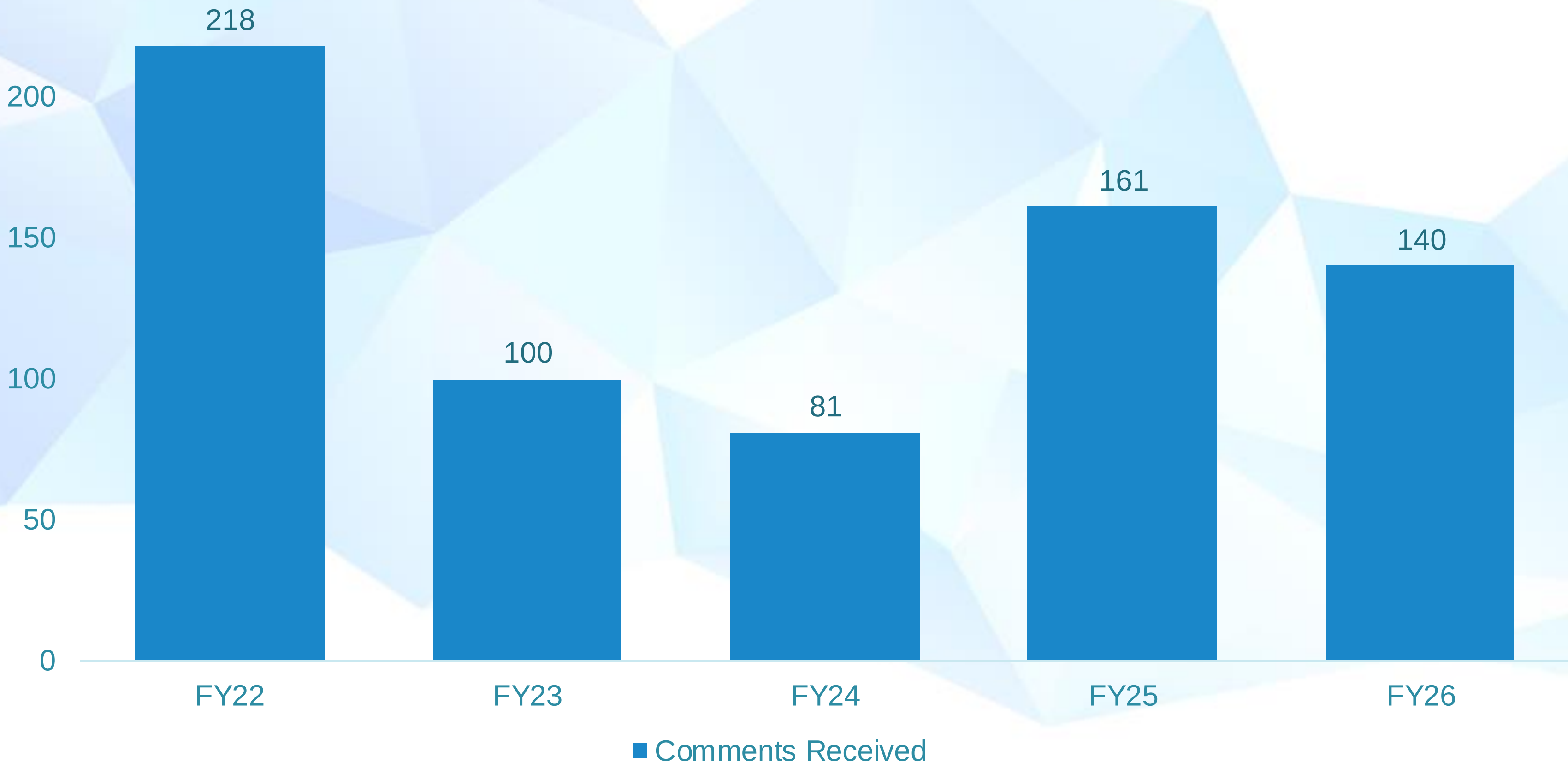


Link to ICANN Public Comment Page and Link to PTI Public Comment Page.

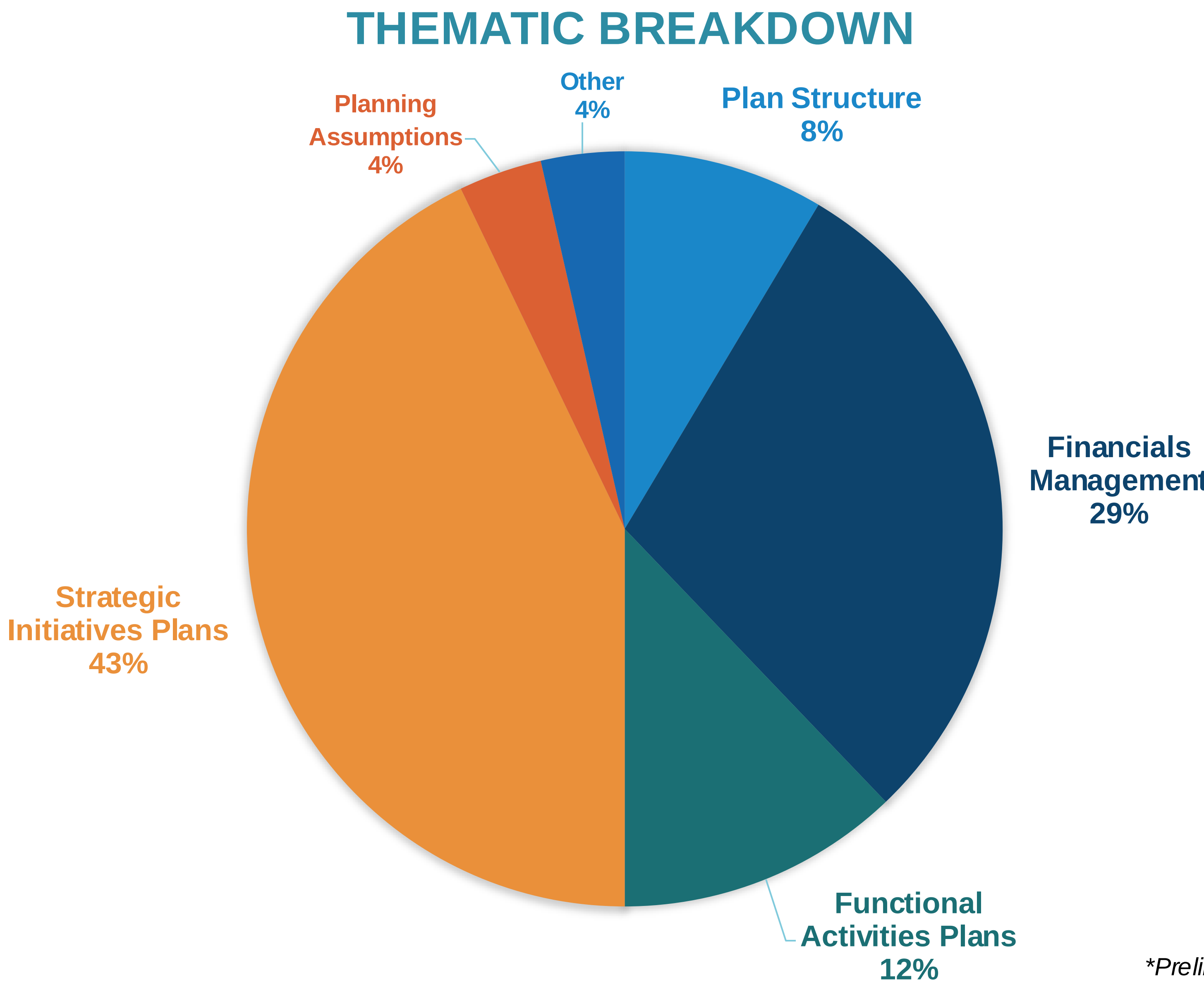
Click to get alerts about this posting to be informed

Summary of Number of Comments by Year

ICANN received 140 individual comments
on the Draft ICANN FY26–30 Operating and Financial Plan ,
ICANN FY26 Operating Plan and Budget and IANA FY26
Operating Plan and Budget



Preliminary Public Comments: Breakdown by Theme



*Preliminary Statistics

Public Comments: Breakdown by Submitter and Theme

Theme	Total Number FY26	At-Large Advisory Committee (ALAC)	ICANN Business Constituency (BC)	ICANN Governmental Advisory Committee (GAC)	Individuals	The Registrar Stakeholder Group (RrSG)	gTLD Registries Stakeholder Group (RySG)	ccNSO Strategic and Operational Planning Committee (SOPC)
Strategic Initiatives Plans	60	14	2	-	1	-	20	23
Financials Management	41	9	6	3	3	3	6	11
Functional Activities Plans	17	15	-	-	-	-	1	1
Plan Structure	12	3	-	2	-	-	2	5
Planning Assumptions	5	2	1	-	-	-	-	2
Other	5	3	1	1	-	-	-	-
Total	**140**	46	10	6	4	3	29	42

**Preliminary Statistics*

FY26 Operating Plans Timeline

Step	Date
✓ Community Engagement Webinar: Draft Operating Plans and Budgets Process and Timelines	ICANN 81 Prep Week 30 October 2024
✓ Two Community Webinars: Draft FY26 Operating Plans and Budgets	17 December 2024 18 December 2024
✓ Public Comment Proceeding for the Draft FY26 Plans	17 December 2024 – 14 February 2025
✓ Clarifying Questions Submission to planning@icann.org Responses provided back to community	15 January 2025 29 January 2025
✓ Community Engagement Webinar at ICANN82	Prep Week ICANN82
Summary Reports on Public Comments	March / Early April 2025
Review of plans for Board adoption of ICANN and IANA Operating Plans	May 2025
Empowered Community Period (See Appendix Slide)	May 2025 – Early June 2025
Adopted FY26 Operating Plans and Budgets go into effect	1 July 2025

IANA 2030

PTI Strategic Plan for FY26-30

Draft IANA 2030: The PTI Strategic Plan

- Highlights of the Plan:
  - Refreshed vision for Fiscal Years 2026–2030
  - Three focus areas: Innovation, Operational Excellence, Community Engagement.
  - Each focus area has a set of objectives and goals that will be further defined through PTI's annual Operating Plan & Budget process.
  - Our strategy defines key performance indicators, and risks associated with each strategic goal.
  - Progress will be monitored and reported periodically
- Public Comments Received:

Submitter	Plan Structure	Vision	Risks	Focus Area: Innovation	Focus Area: Operational Excellence	Focus Area: Community Engagement	Grand Total
ALAC	2		1	5	4	5	17
CSC	1			1	1	2	5
Individuals	3			2	2	2	9
ICANN BC	5					4	11
RySG	3			1	2	1	7
SOPC	2	2	2		1	2	7
Grand Total	**16**	**2**	**4**	**9**	**10**	**16**	**57**

PTI Strategic Plan Development Timeline

What	When
√ PTI Board Workshop Strategy Session	14-16 May 2024
√ Plan Development	May – September 2024
√ Review of Draft Plan with the PTI Board	21 October 2024
√ Community Engagement at ICANN 81	9-14 Nov 2024
√ Review by PTI Board	19 Nov 2024
√ Public Comment Proceeding of Draft Strategic Plan	26 November 2024 – 29 January 2025
Publish Public Comment Summary Report	3 March 2025
Revise Strategic Plan, if necessary	March 2025
PTI Board consideration of the Strategic Plan	April 2025

FY27 Planning Process

Planning Process 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.

FY27 Preliminary Planning Timeline

Mar-Jun
- Planning Prioritization Process

June
- ICANN Plans Kickoff and Development
- IANA & PTI Plans Kickoff and Development

Jul-Nov
- Operating Plan and Budget Development

Dec-Feb
- ICANN Plan Public Comments
- IANA & PTI Plans Public Comments

Feb-Mar
- ICANN Plan Revision (if needed)

May-Jun
- ICANN Plan Adoption and Empowered Community Period

FY27 Planning Prioritization Process

- Prior to the development of the draft plans by org, the community is consulted about the planning process, timeline, assumptions and priorities
- The planning prioritization process is a step during the “consultation” phase of the draft plan development process
- This step provides the community with an opportunity to establish a community-defined order of priority that the org should take into consideration while developing detailed work plans and resource allocations in the upcoming Operating Plan and Budget process.
- **ICANN will be reaching out to receive nominations from the community for the FY27 Planning Prioritization Group**

Please visit the Planning Prioritization Process Community workspace for more information

Annual Strategy Evaluation Program

- The Strategic Trend Identification program is evolving into an Annual Strategy Evaluation program.
  - This evolution will continue to include the assessment of ICANN's strengths, weaknesses, opportunities, and threats; while also incorporating progress evaluation and scenario planning.

- During 2024, the Board led the development of the ICANN Strategic Plan for FY 2026-2030
  - The community participated in the environment scan discussions during the development of this Strategic Plan, resulting in valuable input that was fundamental in shaping the strategies outlined in the plan.

- The ICANN Strategic Plan for FY 2026-2030 is anticipated to be adopted by the ICANN Board at ICANN82 in March 2025.
  - As such, we anticipate to conduct the first Annual Strategy Evaluation of the ICANN Strategic Plan for FY26–30 in calendar year 2026, when we initiate planning for FY28.

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**

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

Appendix

Operating Plan Supplemental Information

- Strategic Initiatives Supporting the Strategic Plan (Appendix A): A mapping that provides an overview to the proposed timeline and progress of the Strategic Initiatives as well as their connection to the Strategic Objectives outlined in the ICANN Strategic Plan for FY26–30 so readers can gain a comprehensive understanding to the strong interconnectedness of ICANN org's work

- ICANN Rolling Five-Year Roadmap: Policy, Review and Cross-Community Working Groups (Appendix B): A rolling five-year roadmap, with indicative and tentative timelines. Forecasted work related to these activities will be prioritized and resourced on an ongoing basis

- Funding Forecast Assumptions Report for Fiscal Years 2026–2030: This report outlines the various funding-related assumptions and projections included in its Five-Year Operating and Financial Plan

- Expense by Functional Activity for FY26: This includes the number of Full-Time Equivalent (FTE), Personnel and Non-Personnel Expenses by Functional Activity for FY26

Draft PTI FY26 Budget by Cost Category

FY26 PTI Budget in Millions, USD	FY26 Budget	FY25 Budget	Under/ (Over) vs FY25 Budget		FY24 Actuals	Under/(Over) vs FY24 Actuals	
			Total	%		Total	%
FUNDING	**$11.3**	**$10.9**	**($0.4)**	**-3.3%**	**$10.5**	**($0.8)**	**-7.9%**
Personnel	$7.6	$7.2	($0.4)	-4.9%	$7.4	($0.2)	-2.9%
Travel & Meetings	$0.4	$0.5	$0.0	6.5%	$0.5	$0.1	18.1%
Professional Services	$1.5	$1.5	$0.1	4.3%	$1.3	($0.1)	-8.8%
Administration	$1.2	$1.0	($0.2)	-16.8%	$1.1	($0.1)	-12.2%
Contingency [a]	$0.5	$0.5	$0.0	6.4%	$0.0	($0.5)	0.0%
Capital	$0.1	$0.2	$0.0	25.0%	$0.2	$0.0	24.6%
TOTAL CASH EXPENSES	**$11.3**	**$10.9**	**($0.4)**	**-3.3%**	**$10.5**	**($0.8)**	**-7.9%**
EXCESS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0.0%**	**$0.0**	**$0.0**	**0.0%**
Average Headcount (FTE) [b]	23.8	23.7	(0.1)	-0.5%	24.4	0.5	2.1%

(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

- The PTI Budget has increased $0.4M from the prior year budget driven by planned inflation on the costs of compensation and benefits
- The IANA support activities and overall services for the IANA functions remain the same

Empowered Community and Caretaker Budget

- Empowered Community(EC) process per Bylaws:
  - Community has the power to reject the strategic / operating plans and budget (OP&B)
  - EC period is 21 days +7 Days = 28 Days
  - If the Board-approved OP&B is rejected, **caretaker budget** replaces OP&B during rejection resolution period

- Caretaker budget - suggested approach:
  - Base: approved budget
  - Less: new positions to be suspended (from date of rejection to end of rejection period)
  - Less: 10% of Travel/Meeting and Professional Services
  - Less: expenses that triggered the rejection