FY26 Budget Changes from Draft to Adopted

May 2025

Opening Remarks

- Community participation and engagement in ICANN's planning process is a cornerstone of our transparency and accountability to our stakeholders
- To address community input since the publication of the adopted 2026 ICANN Plans, and to enhance the transparency on the revisions made from the versions posted for public comment
  - ICANN published a blog providing additional information on the revisions
  - Materials are published on the ICANN Finance and Planning Community Group Workspace
- The FY26 Plans were adopted by the Board on 3 May 2025
  - No petitions were submitted during the the Empowered Community process that expired on 30 May 2025
  - The FY26 plans are ready to go into effect at the beginning of the 2026 fiscal year, 1 July 2025

Summary of Revisions from Draft ICANN FY26 Plans

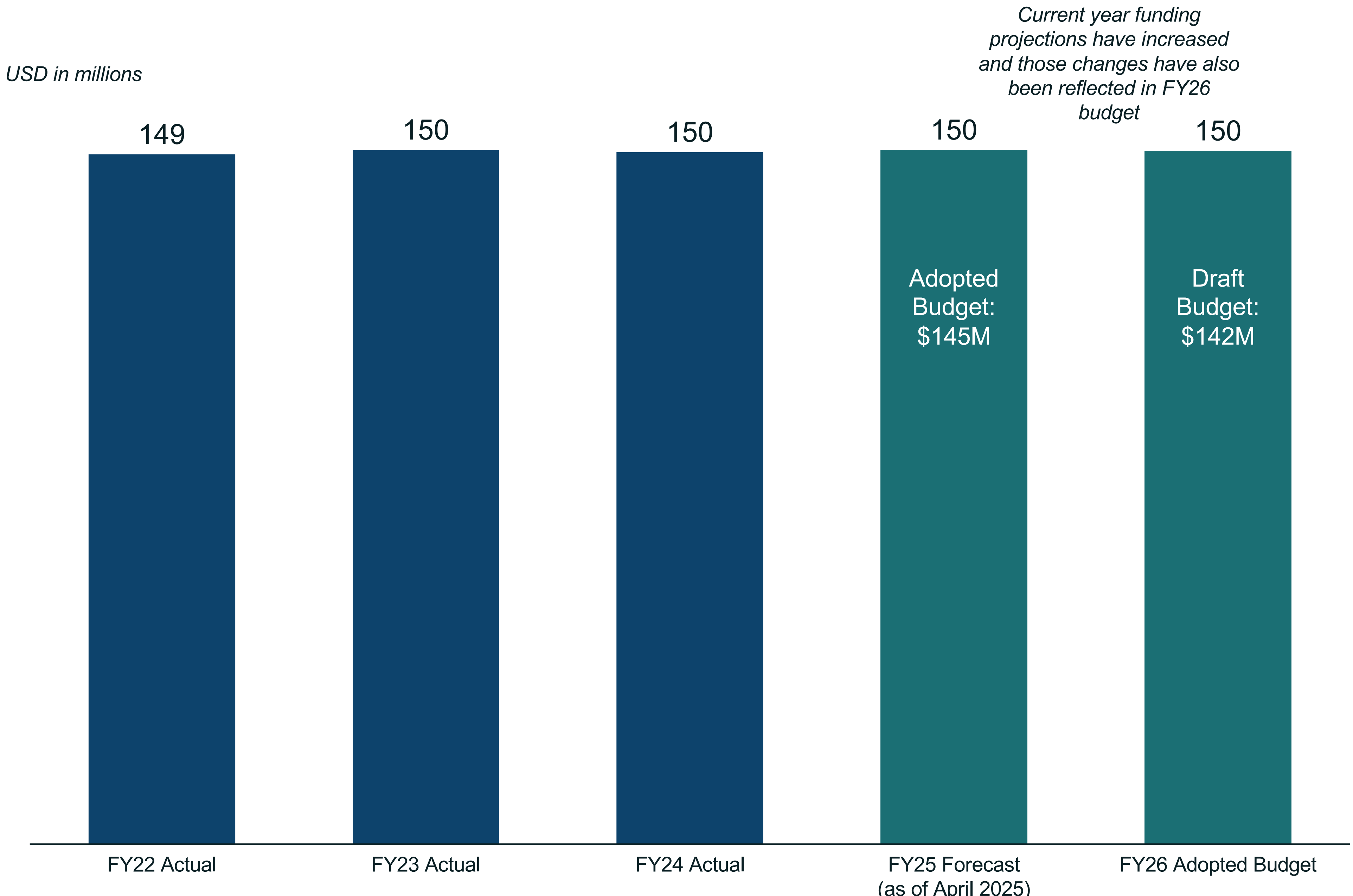
- As a result of public comment, updates and enhancements to the Draft ICANN FY26 Plans were in narratives and presentation only
- The FY26 Draft Budget published in December 2024 reflected a few assumptions in ICANN Operations which required changing. Additional updates relate to the Funding/Fee Increase
- This is an important step to disclose and enhance transparency to the ICANN community in considering changes in Plans

ICANN FY26 Operating Plan and Budget Summary of Changes	
Type of Change	**Description and Rationale**
FY26 Budget Funding Increased $8M	Funding updated to include the Registry fee increase which went into effect January 2025, the Registrar fee increase which is expected to go into effect July 2025, and trends within the DNS market.
FY26 Budget Expenses Increased $8M	Expenses updated to provide sufficient resources needed to continue executing mission without disruption and reduction of services.
Editorial Changes to Strategic Initiatives Text	Certain Strategic Initiatives have been updated with enhanced descriptions, project plan narratives, and considerations or phasing.

- A table of changes was included in the Highlights Document published prior to adoption
- Blog communication and a standalone Table of Changes was published 23 May 2025
- Link to revised ICANN FY26–30 Operating and Financial Plan and ICANN FY26 Operating Plan

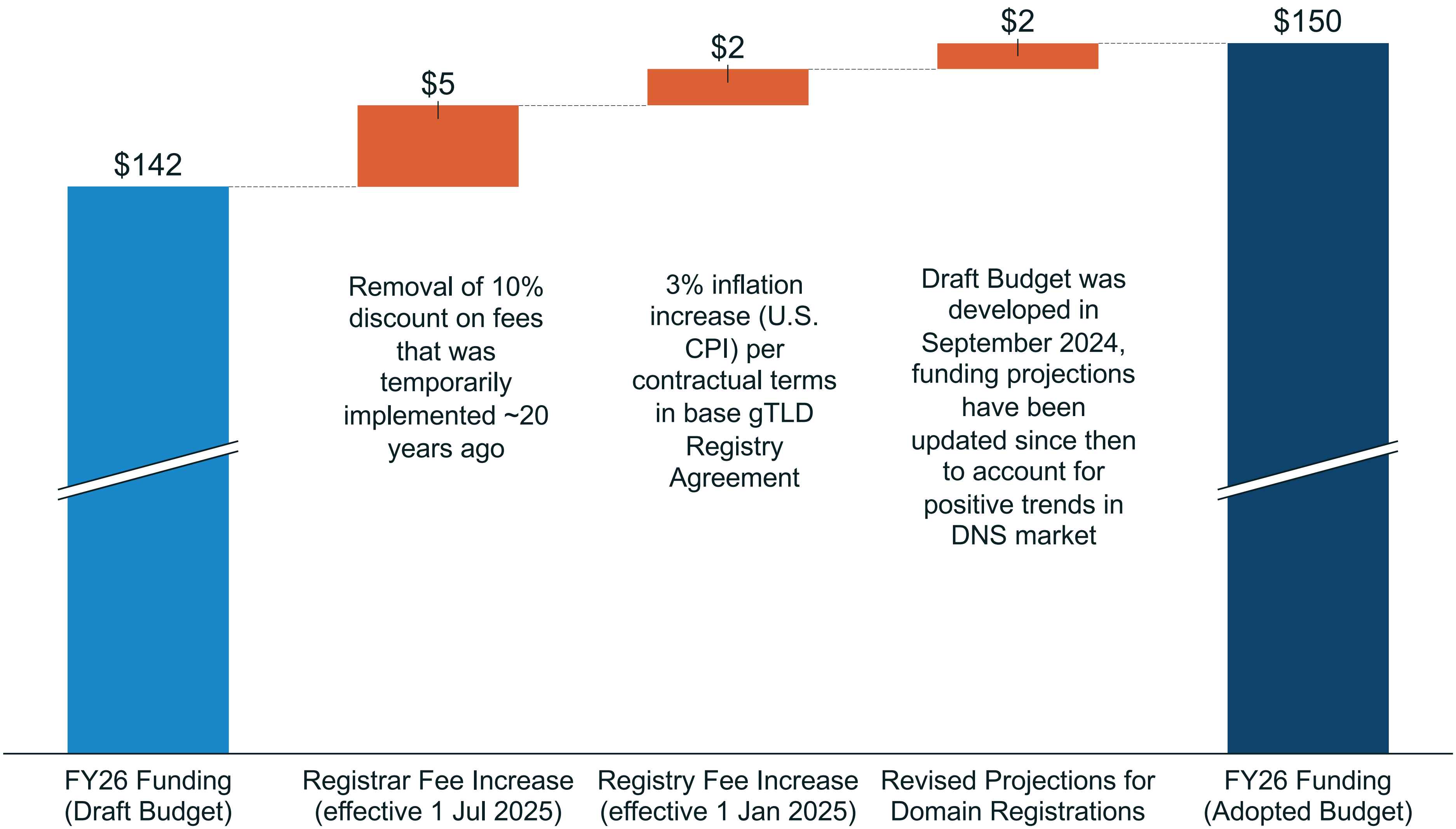
Funding

Funding Trends and Projections



FY26 Draft Budget Funding vs Adopted Budget

- Funding has been revised to account for fee increases and positive trends that have persisted in the DNS market (new gTLD domain registrations)



USD in millions

Funding Details

- ICANN funding is projected flat to prior years, slight declines in domain registrations and number of contracted parties, offset by fee increases
- **Funding is achievable and conservatively projected**

ICANN Operations Funding	**FY26 Budget** *Adopted*	**%**	**FY25 Forecast** *As of April 2025*	**%**	**FY24 Actual**
Legacy Transactions	180	-2%	183	2%	180
New gTLD Transactions	33	-9%	36	18%	31
Legacy Transactions Fees	$88	3%	$85	2%	$84
New gTLD Transactions Fees	$14	-3%	$14	-1%	$15
Count of Registries/TLDs	1,096	-2%	1116	-2%	1134
Registry Fixed Fees	$28	0%	$29	0%	$28
Count of Registrars	2,618	0%	2615	-6%	2777
Registrars Accredication	$14	-1%	$14	-6%	$15
Contributions	$5	-28%	$7	-4%	$7
Total Funding	**$150**	0%	**$150**	0%	**$150**

USD in millions (excluding transactions and counts)

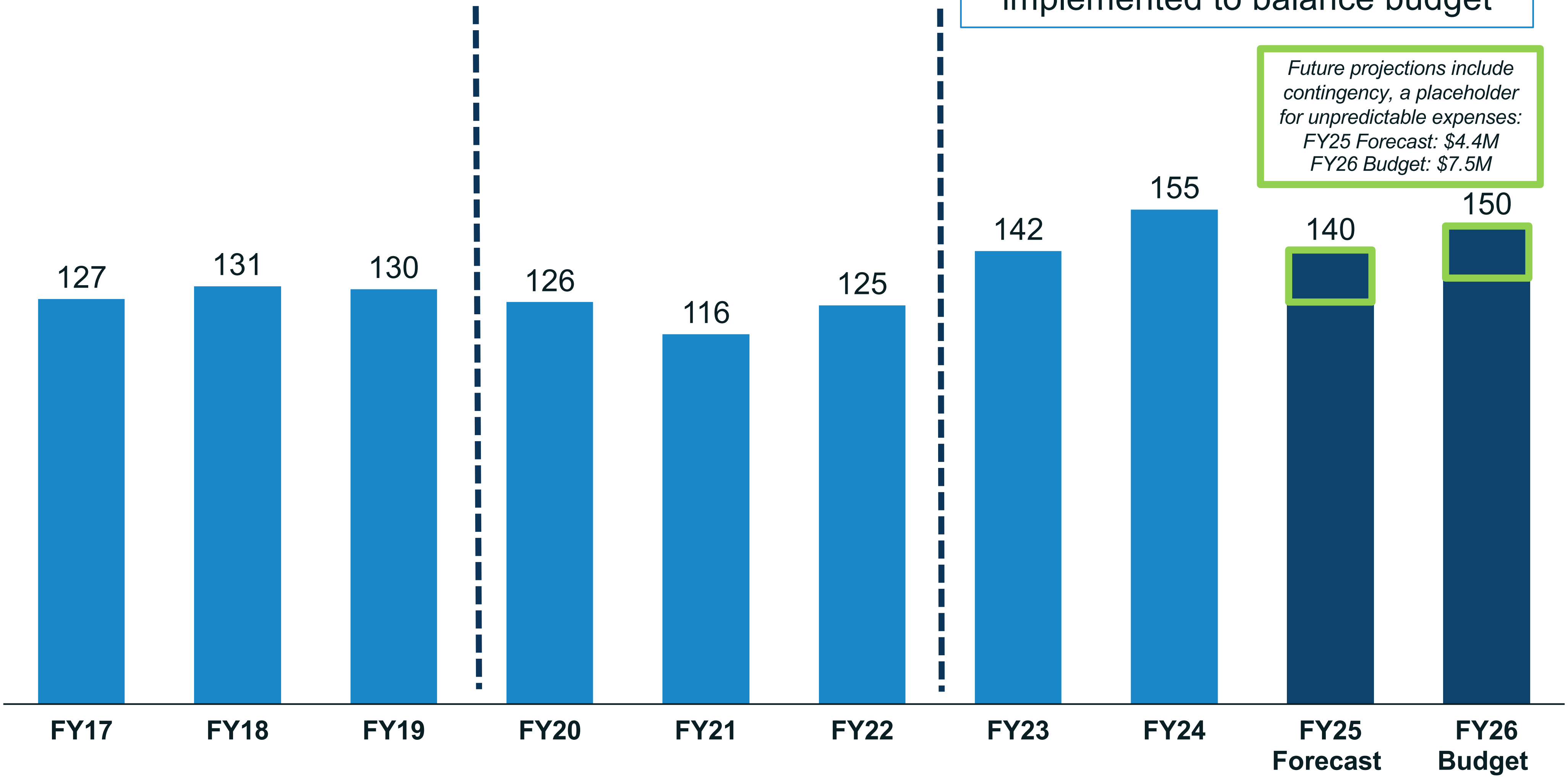
Expenses

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

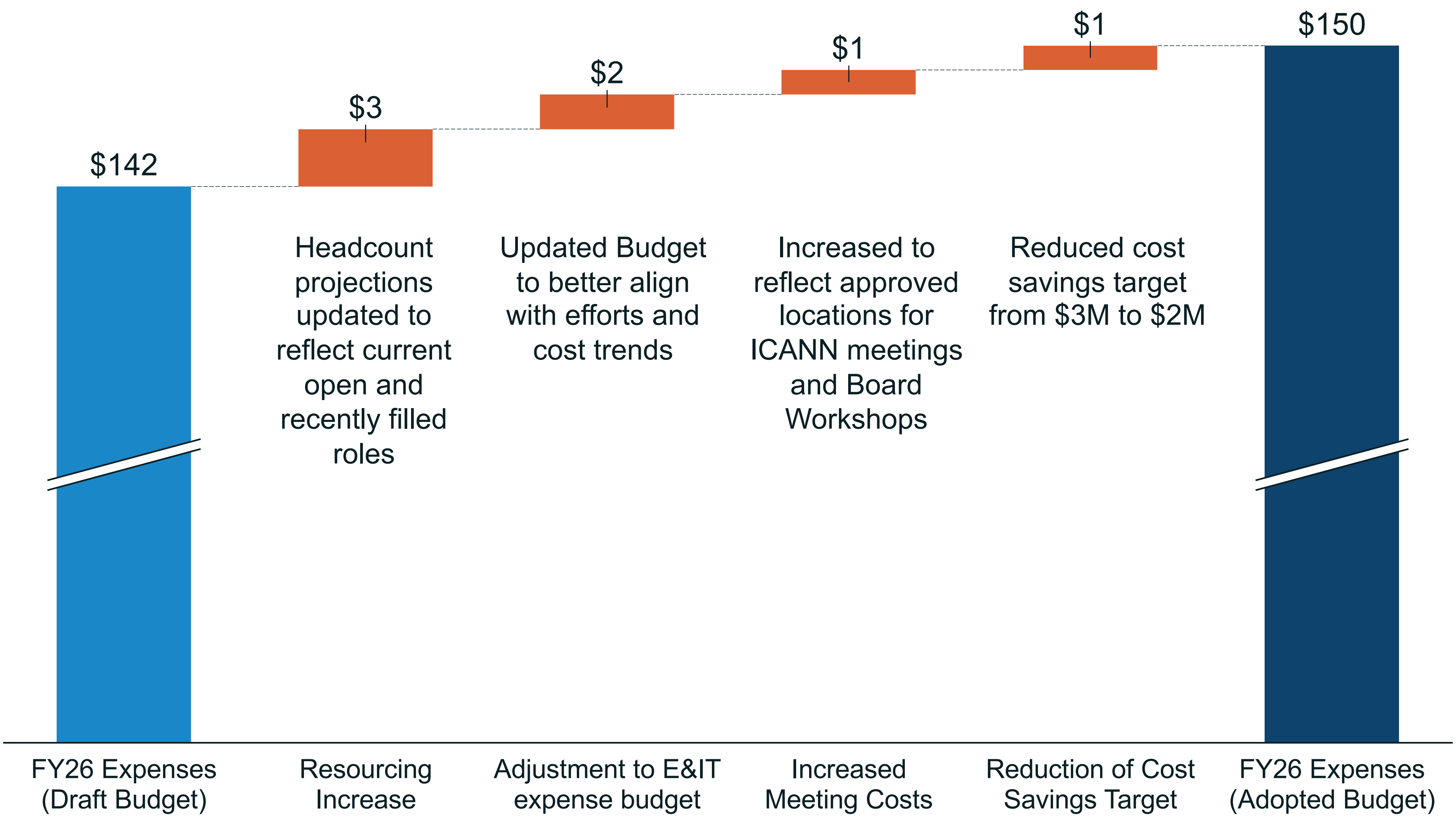


USD in millions
Actual unless noted otherwise

FY25 Forecast as of April 2025

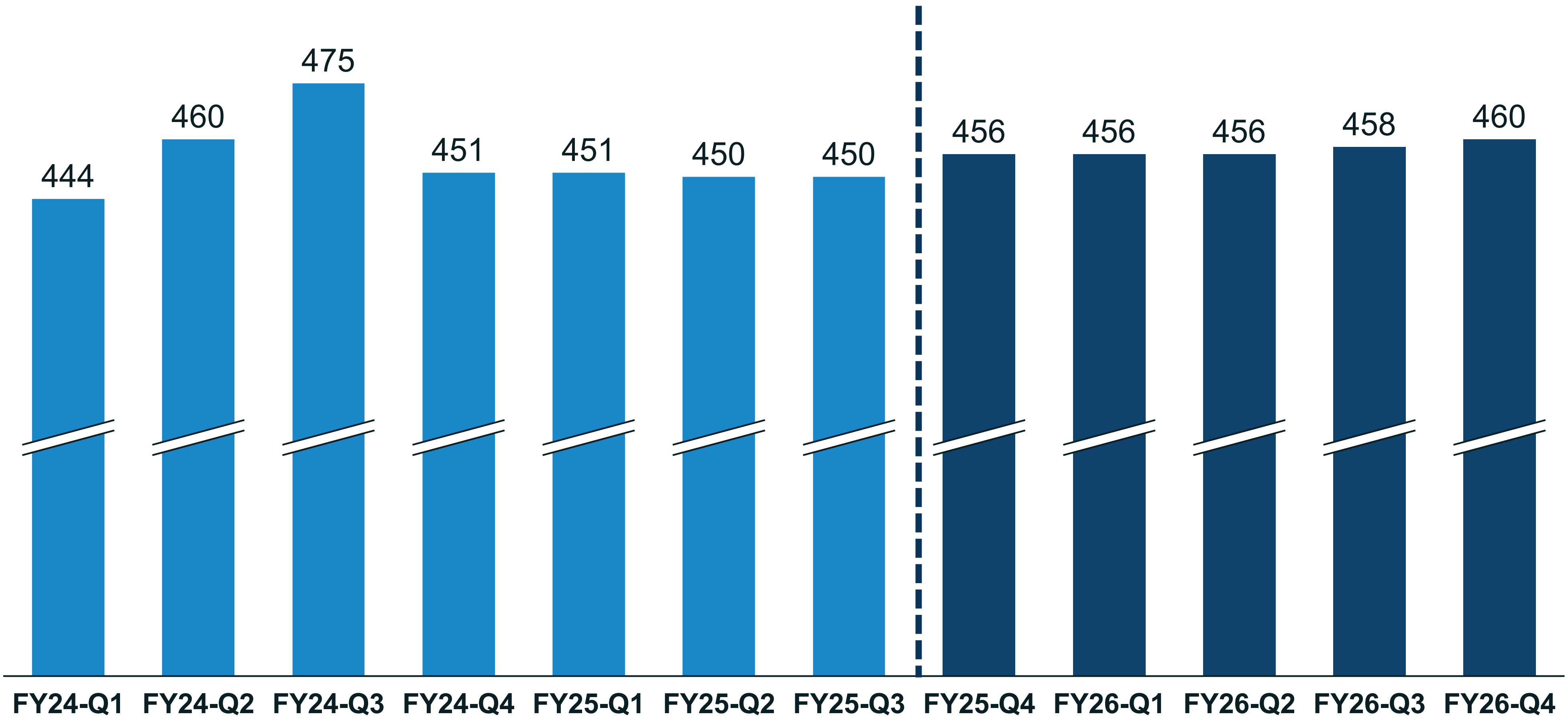
FY26 Draft Budget Expenses vs Adopted Budget

- Expenses have been updated to ensure proper resources to execute mission without disruption or reduction of services



ICANN Headcount Trends and Projections

- Headcount was reduced in May 2024, marginal increases are projected to support the needs of the Organization
- Projected increase of 10 staff (7 Operational, 3 Next Round)



End of Period Headcount in fiscal quarters

Expense Details

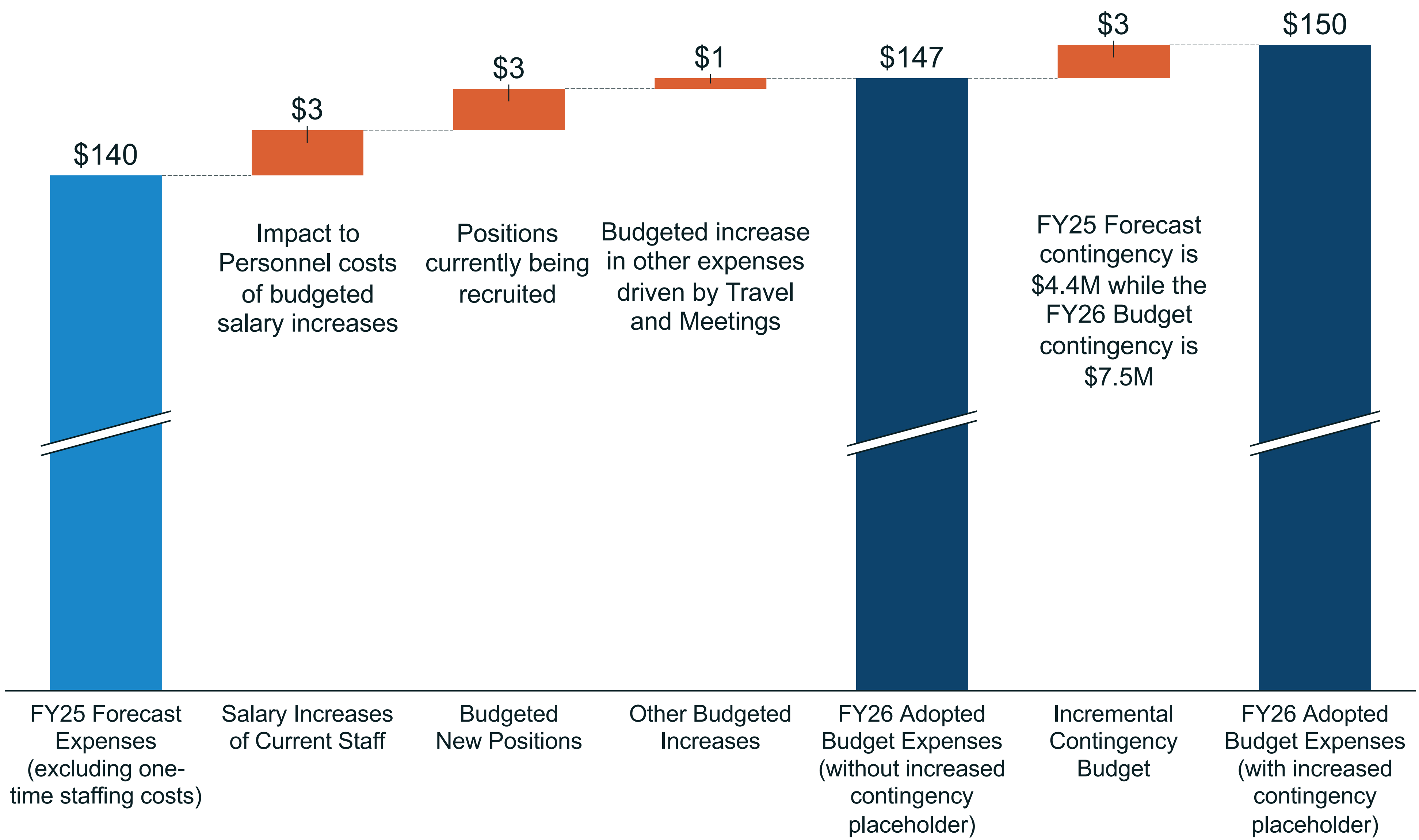
- ICANN expense budget is projected to increase compared with FY25 primarily due to inflationary increases for staff and placeholder assumption for contingency expenses

ICANN Operations Expenses	FY26 Budget *Adopted*	%	FY25 Forecast *As of April 2025*	%	FY24 Actual
Personnel	88	5%	84	-6%	89
Professional Services	18	-6%	19	-23%	25
Administration	19	-3%	19	4%	19
Travel and Meetings	16	33%	12	-30%	17
Capital	2	120%	1	-17%	1
Contingency	8	88%	4	-2%	4
Total	**$151**	8%	**$140**	-10%	**$155**
Cost Savings (needed to balance)	(2)		-		-
Total Expenses	**$150**	7%	**$140**	-10%	**$155**
Average FTE	**403**	**1%**	**398**	**-4%**	**416**

USD in millions (excluding FTE)

FY25 and FY24 cost savings are displayed in actual cost lines whereas FY26 budget is currently a placeholder

FY26 Budget Expenses versus FY25 Forecast



Appendix

FY26 Adopted Budget by Fund

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	**$42**	**$42**	**-**	**$226**	**$184**	**$493**
Funding	150	-	-	-	-	150
Personnel	(89)	(14)	-	(1)	-	(104)
Travel & Meetings	(16)	(1)	-	(0)	-	(17)
Professional Services	(18)	(13)	-	(1)	-	(32)
Administration	(19)	(2)	-	(0)	-	(20)
Capital	(2)	-	-	-	-	(2)
Projected Grants Distributed	-	-	-	(5)		(5)
Contingency	(8)	(5)	-	-	-	(13)
Cost Savings Initiatives	2	-	-	-	-	2
Total Expenses	(150)	(35)	-	(7)	-	(191)
Investment Income/(Decline)	0.4	0.1	-	2.2	1.8	4.6
Funds Under Management - 30 Jun 2026	**$42**	**$7**	**-**	**$221**	**$186**	**$457**

Average FTEs	**403**	**51**	**-**	**3**	**-**	**457**
End of Period FTEs	**402**	**55**	**-**	**3**	**-**	**460**

FY25 Forecast by Fund

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	**$36**	**$48**	**$24**	**$228**	**$183**	**$518**
Funding	150	-	-	-	-	150
Personnel	(84)	(13)	(2)	(1)	-	(99)
Travel & Meetings	(12)	(1)	(0)	(0)	-	(13)
Professional Services	(19)	(15)	(0)	(1)	-	(35)
Administration	(19)	(1)	(0)	(0)	-	(21)
Capital	(1)	-	-	-	-	(1)
Contingency	(4)	-	-	-	-	(4)
Total Expenses	(140)	(30)	(2)	(2)	-	(174)
Grants Distributed	-	-	-	(3)	-	(3)
Investment Income/(Decline)	0.5	0.2	0.2	2.2	1.8	5
Funds Under Management - 30 Jun 2025	**$46**	**$19**	**$22**	**$226**	**$184**	**$497**

Average FTE	**398**	**44**	**6**	**3**	**-**	**452**
End of Period FTEs	**396**	**51**	**6**	**4**	**-**	**456**