ICANN 83 POLICY FORUM

Finance and Planning Update

Presented by ICANN Planning and Finance Team

28 May 2025

Webinar Information

This session is recorded.

This session is scheduled to last 90 minutes.

Presentation is published on ICANN83 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
- Adopted ICANN FY26 Budget
- Adopted ICANN Strategic Plan for FY26–30
- Adopted ICANN FY26–30 Operating and Financial Plan and ICANN FY26 Operating Plan
- FY27 Planning Process
- Q&A

FY25 Financial Update

All amounts are in USD unless otherwise indicated
Any arithmetic inconsistencies are due to rounding

FY25 Financial Update Overview

- FY25 financials for the first nine months of the fiscal year (July 2024 – March 2025) are strong compared to both budget and prior year.
- The FY25 ICANN Operations full year forecast is currently projected to have expenses lower than funding, with a range of $10M-$12M excess.

  1. Funding is projected to be $152M-$154M, reflecting a six-month impact of Registry fee increases, as well as higher than planned transaction volumes and contracted parties.
  2. Expenses are projected to be $12-14M lower than FY24*.
  3. Savings have been achieved primarily due to lower staffing levels and cost saving efficiencies across ICANN including reductions to travel and external vendor costs.

* Aligns to May 2024 Board Resolution, leading to balanced budget in future years

Financial Publications

ICANN Financial and Planning Information

Adopted FY26 Plans and Report (to go into effect 1 July 2025)

FY26 – FY30 Planning Documents

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

FY25 Plans and Reports

FY25 – FY29 Planning Documents

- Highlights of ICANN FY25-29 Operating and Financial Plan and FY25 Operating Plan and Budget
- ICANN FY25-29 Operating and Financial Plan and FY25 Operating Plan
- ICANN FY25 Budget
- IANA FY25 Operating Plan and Budget

FY25 Financial Reports

- Quarterly Reports
  - FY25 Q1 Management Financials
  - FY25 Q2 Management Financials
  - FY25 Q3 Management Financials

ICANN org publishes quarterly financial reporting on ICANN.org

Total ICANN – FY25 Financials through Mar 2025

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	**$35.6**	**$48.5**	**$23.6**	**$227.9**	**$182.5**	**$518.2**
Funding	115.3	-	-	-	-	115.3
Expenses	(103.6)	(20.1)	(1.4)	(1.2)	-	(126.3)
Investment Income/(Declines)	1.0	2.6	0.8	5.6	10.0	20.0
Funds Under Management - 31 Mar 2025	**$49.3**	**$35.2**	**$23.0**	**$233.2**	**$192.5**	**$533.1**
Average FTEs	**399**	**43**	**7**	**3**	**-**	**451**
End of Period FTEs	**393**	**48**	**5**	**3**	**-**	**450**

- 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 Mar 2025

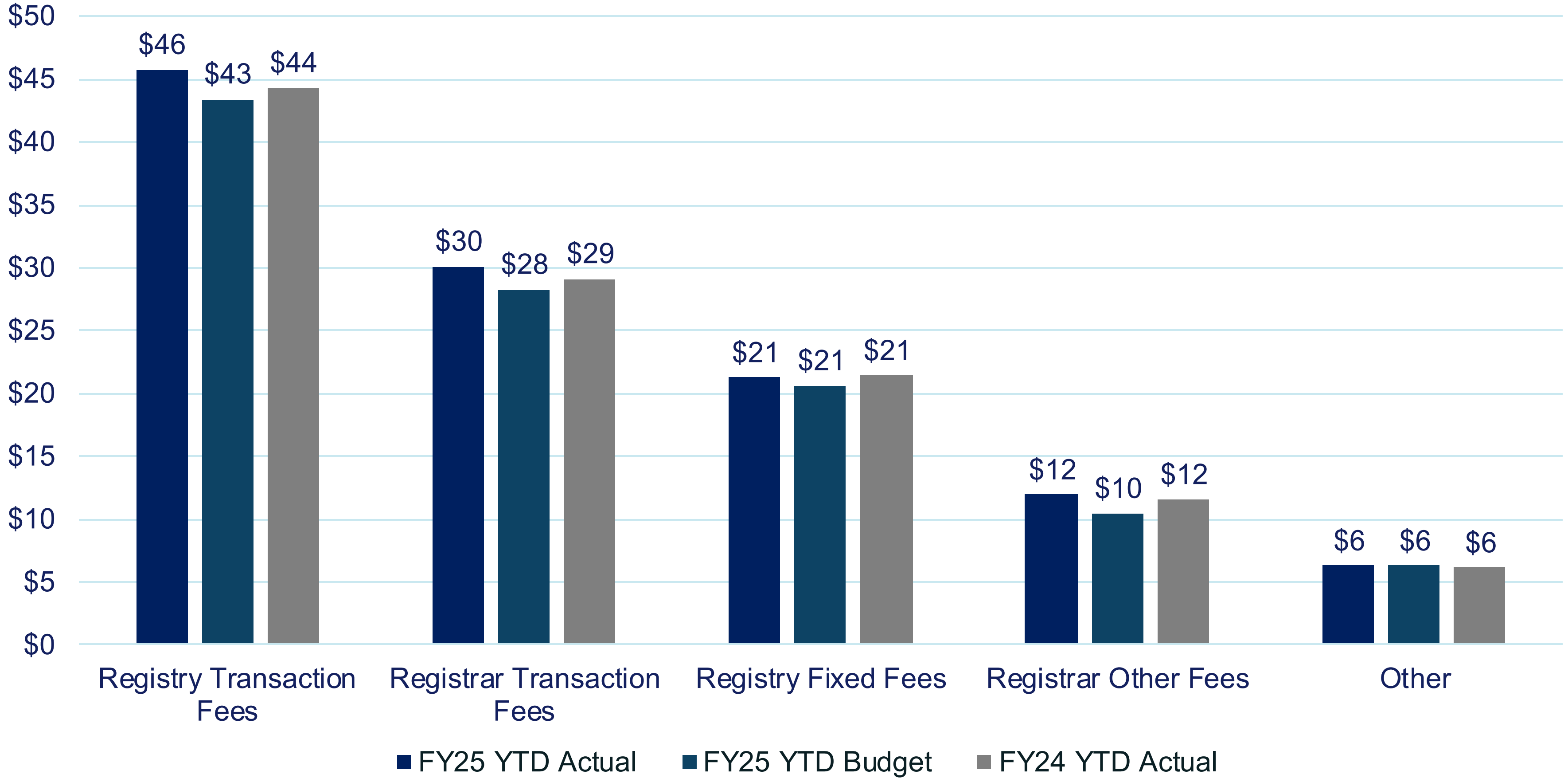
USD in millions Unaudited	FY25 YTD Actual ICANN Operations	FY24 YTD Actual ICANN Operations	Favorable/ (Unfavorable) vs. FY24 Actuals ICANN Operations
Funding	**$115.3**	**$112.5**	**$2.8**
Personnel	*62.5*	*64.2*	*1.7*
Travel & Meetings	*8.1*	*12.4*	*4.3*
Professional Services	*17.8*	*20.4*	*2.7*
Administration	*14.5*	*14.6*	*0.1*
Capital	*0.7*	*0.7*	*(0.0)*
Cash Expenses	**$103.6**	**$112.4**	**$8.7**
Operating Excess/(Deficit)	**$11.7**	**$0.1**	**$11.5**

- FY25 operating excess is $11.5M higher than last year due to $8.7M lower expenses and $2.8M higher funding.
  - Lower expenses driven by cost savings in all cost categories other than Capital.
  - Higher funding driven by higher domain name registrations

ICANN Operations – Funding vs Budget and Prior Year

Through 31 March 2025, funding is higher than budget and the prior year through the same period. The variance to budget is driven by higher than planned transactions, other registrar fees, and the registry fee increase that took place in January 2025.

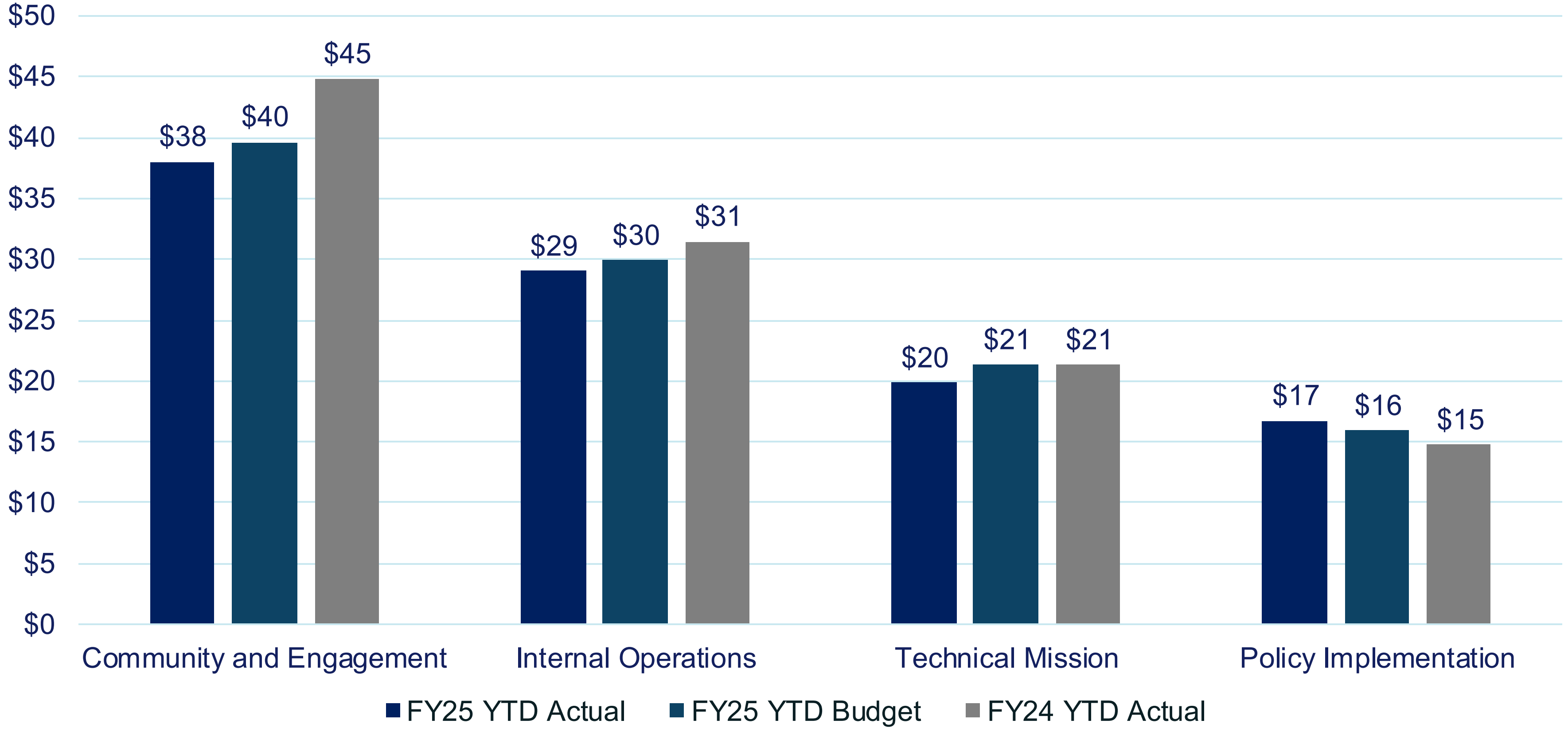
FY25 YTD Actual: $115M
FY25 YTD Budget: $109M
FY24 YTD Actual: $ 112M



ICANN Operations – Activity Based Expenses vs Budget and Prior Year

Through 31 March 2025, expenses are below budget and below last year primarily due to lower Community and Engagement expenses, which includes lower costs for ICANN Public Meetings and events in FY24 that did not recur in FY25.

FY25 YTD Actual: $104M
FY25 YTD Budget: $107M
FY24 YTD Actual: $112M



ICANN Operations – FY25 Full Year Forecast

USD in $M	Adopted Budget	Current Forecast Range	Notes
Funding	**$145**	**$152 – $154**	• **Current projections at $153M, re-evaluated Quarterly. Includes Registry fee increase from Jan-Jun 2025.**
Personnel	(90)	(83)	• 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)	(53) – (55)	• Forecast reflects reaching annual $2.5M run-rate savings target.
Contingency	(5)	(5)	• Forecast initially assumed $7.5M to manage increased hard-to-predict costs but will likely use less in FY25.
Cost Savings Initiatives	8	n/a	• Forecast reflects achieving cost savings in categories above
Total Expense	**$145**	**$141 – $143**	
Total Excess/ (Deficit)*	**0**	**10 – 12**	

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

ICANN

Forecast reflects 10 months of actual results and two months of projections

New gTLD Program: Next Round – FY25 through March

- Expenses are $3.3 million under budget due primarily to delays in hiring of staff and lower professional services for outside contractor expenses than planned
- External costs have been incurred for services such as staff augmentation, program design, communications and outreach, research studies, infrastructure development, and legal services.

New gTLDProgram: Next Round (USD in millions)	**FY 2025 - Implementation Fiscal Year to Date Actuals**			
Category	**Actuals**	**Budget**	**Variance $ (Over) / Under**	**Variance % (Over) / Under**
Personnel	$6.1	$7.3	$1.2	16%
Travel & Meetings	$0.3	$0.4	$0.1	31%
Professional Services	$6.7	$8.3	$1.6	20%
Administration	$0.4	$0.6	$0.2	38%
Capital	$0.0	$0.2	$0.2	100%
Shared Services & Org Support	$2.6	$2.6	($0.0)	0%
Total	**$16.1**	**$19.4**	**$3.3**	**17%**
Average Staff - FTE	38.0	45.0	7.0	15%

Grant Program - FY25 Through March and 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
- The first application cycle was open March - May 2024 and resulted in 247 applications

Grant Program *(USD in Millions)*	**Fiscal Year 2025 to Date Jul'24 - Mar'25**			**Program To Date (Jul'22 - Mar'25)**		
Cost Category	**FY25 Actuals**	**FY25 Budget**	**Variance to Budget (Over)/Under**	**Total Actuals**	**Total Budget**	**Variance to Budget (Over)/Under**
Personnel	$0.5	$0.4	($0.0)	$1.5	$1.4	($0.1)
T&M	$0.0	$0.0	$0.0	$0.1	$0.1	($0.0)
Prof Svcs	$0.4	$0.5	$0.1	$0.8	$1.0	$0.1
Admin	$0.0	$0.0	($0.0)	$0.0	$0.0	($0.0)
Contingency	$0.0	$0.1	$0.1	$0.0	$0.1	$0.1
Shared Services Support*	$0.2	$0.2	$0.0	$0.6	$0.6	$0.0
Total	**$1.2**	**$1.3**	**$0.1**	**$3.1**	**$3.2**	**$0.1**

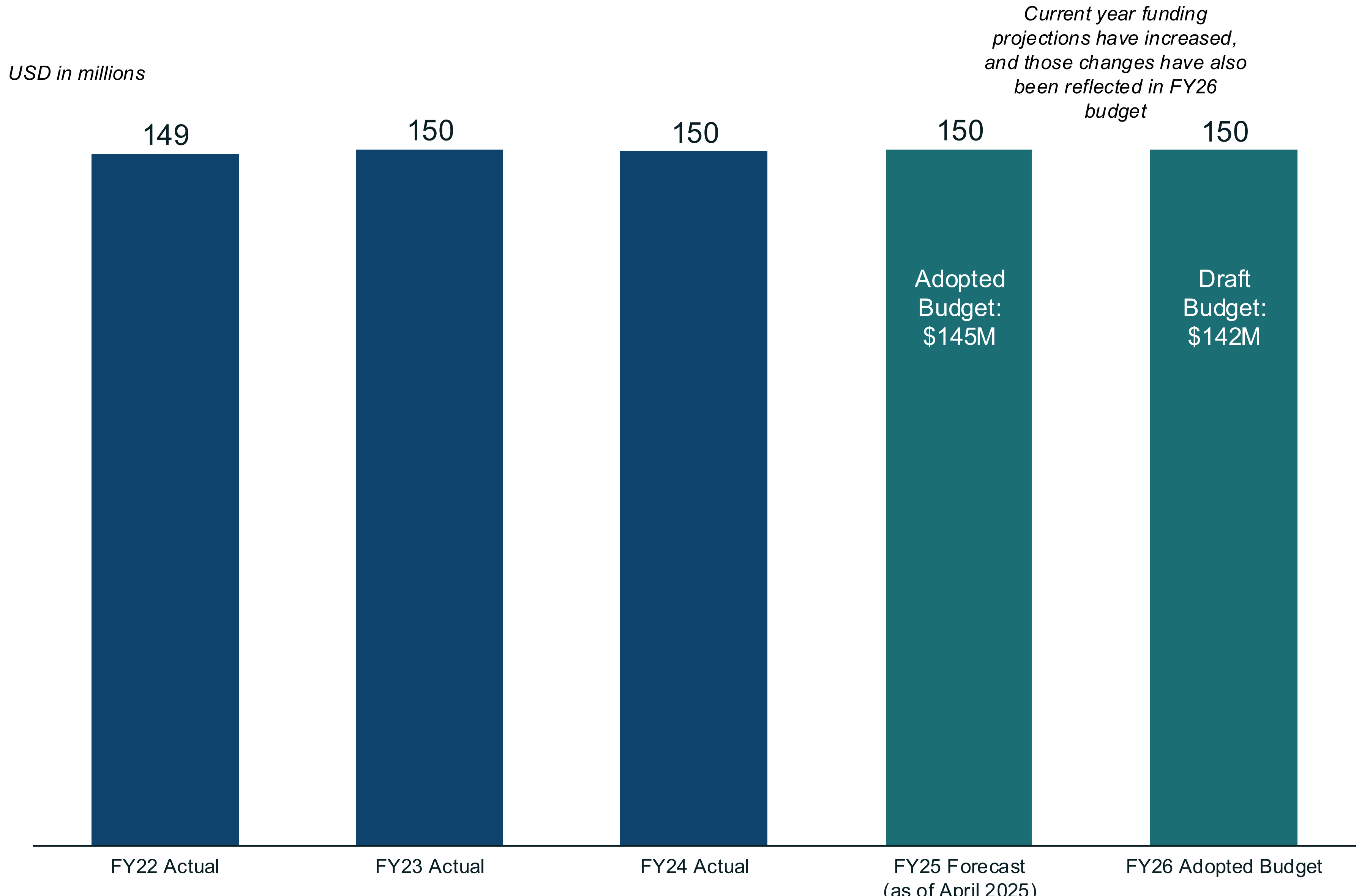
For more information on the Grant Program please visit the website.

Adopted ICANN FY26 Budget

FY26 Budget Revisions Overview

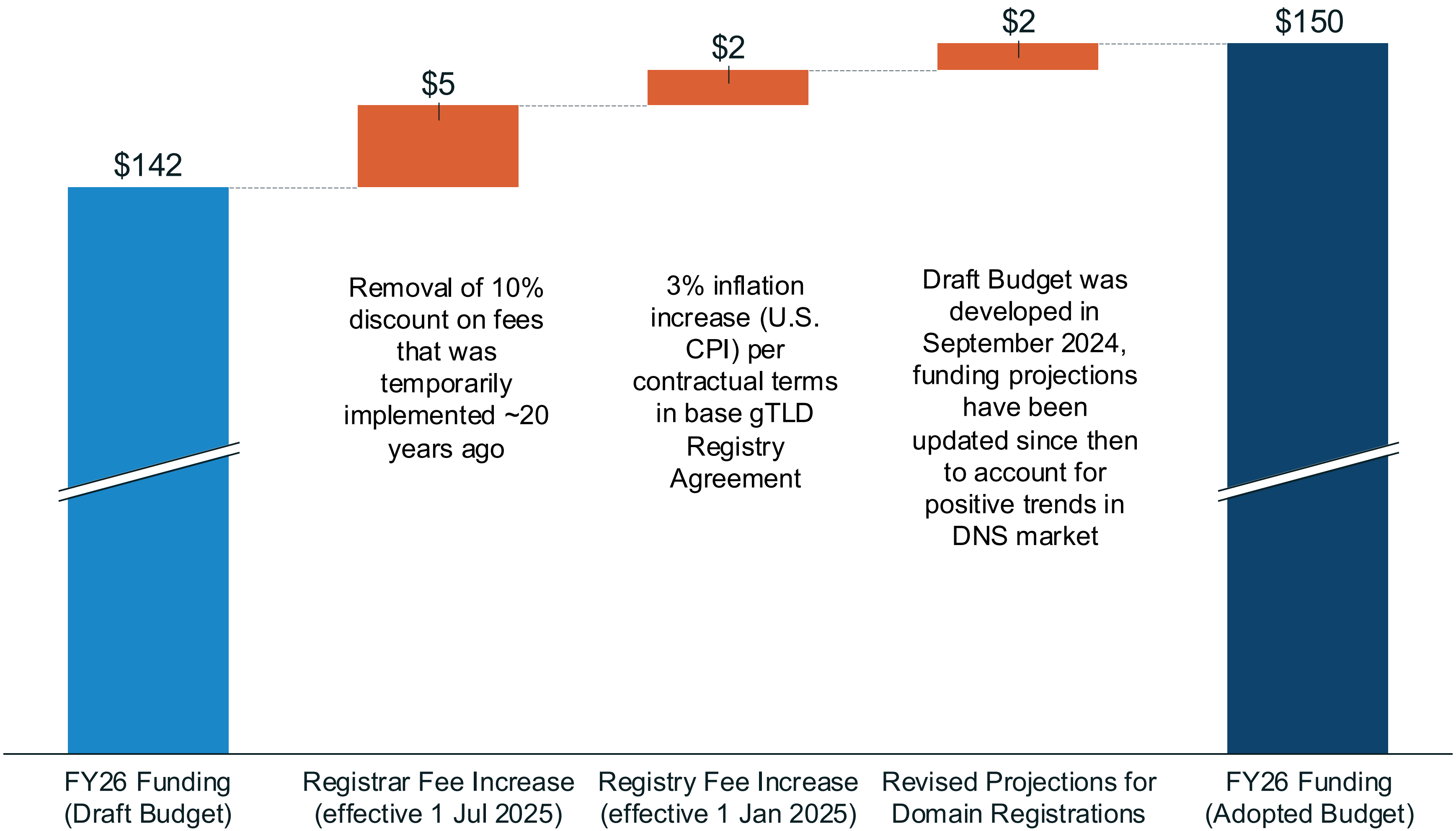
- The FY26 Draft Budget published in December 2024 reflected a few assumptions in ICANN Operations which require changing.
- The FY26 Adopted Budget reflects:
  - Funding updated to include the Registry fee increase which went into effect January 2025, the Registrar fee increase which is expected to go into effect July 2025, and trends within the DNS market
  - Expenses updated to provide sufficient resources needed to continue executing mission without disruption and reduction of services
- No changes were made to the Next Round of new gTLD Financials and the Grant Program

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

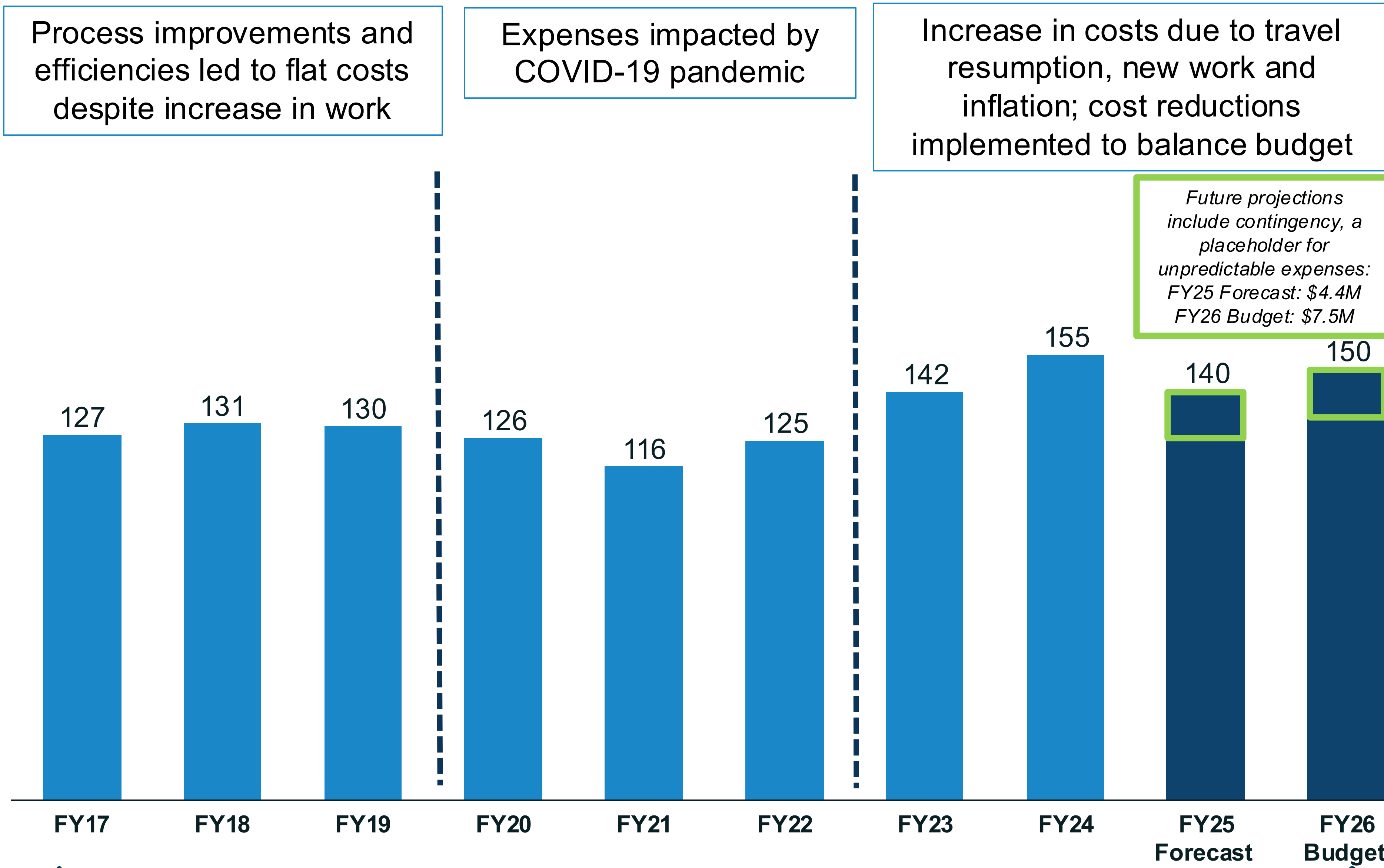
Funding Details

- 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)

ICANN Operations Expense Trends

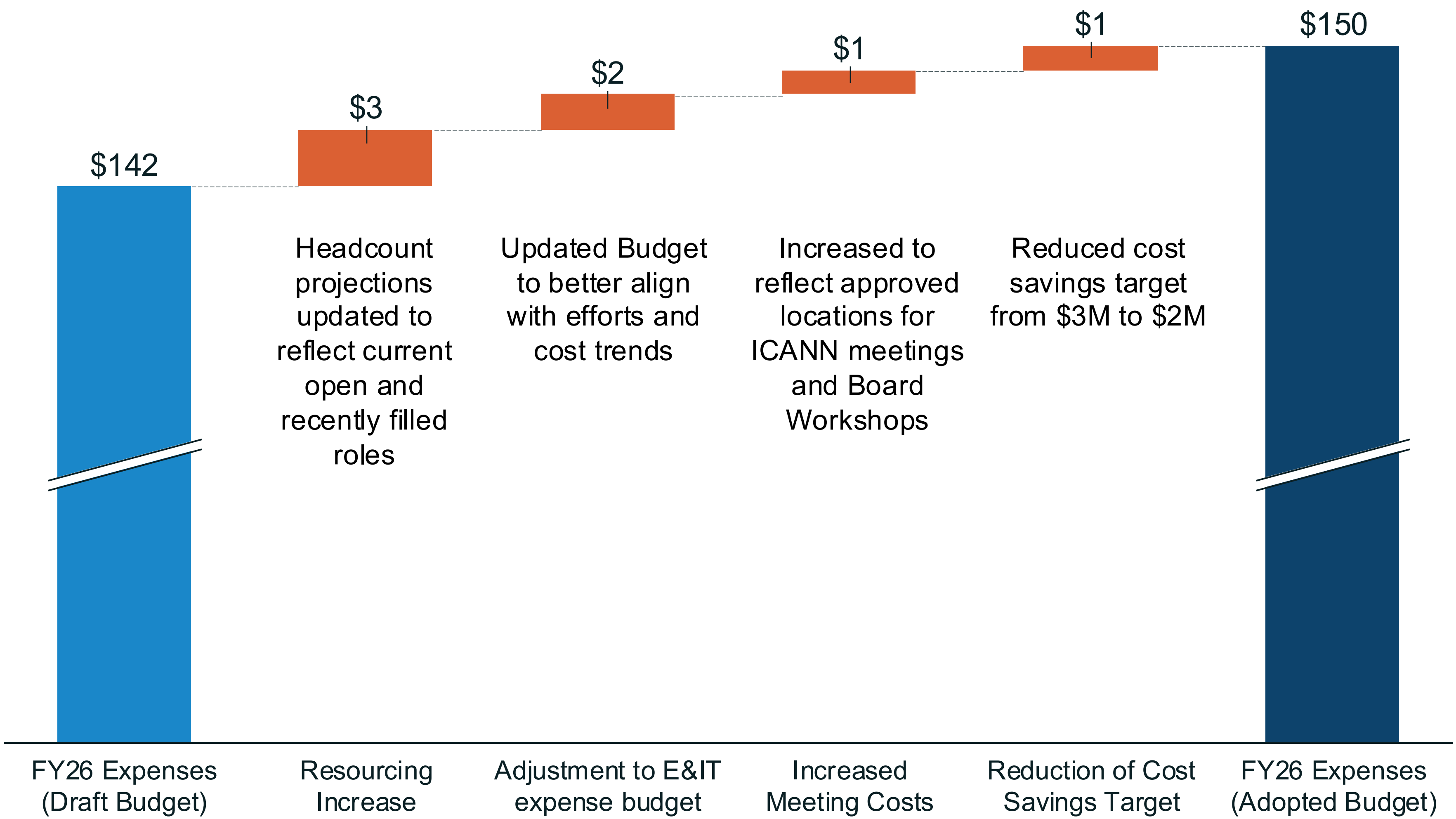


USD in millions
Actual by fiscal year excluding FY25 and FY26

FY25 Forecast as of April 2025

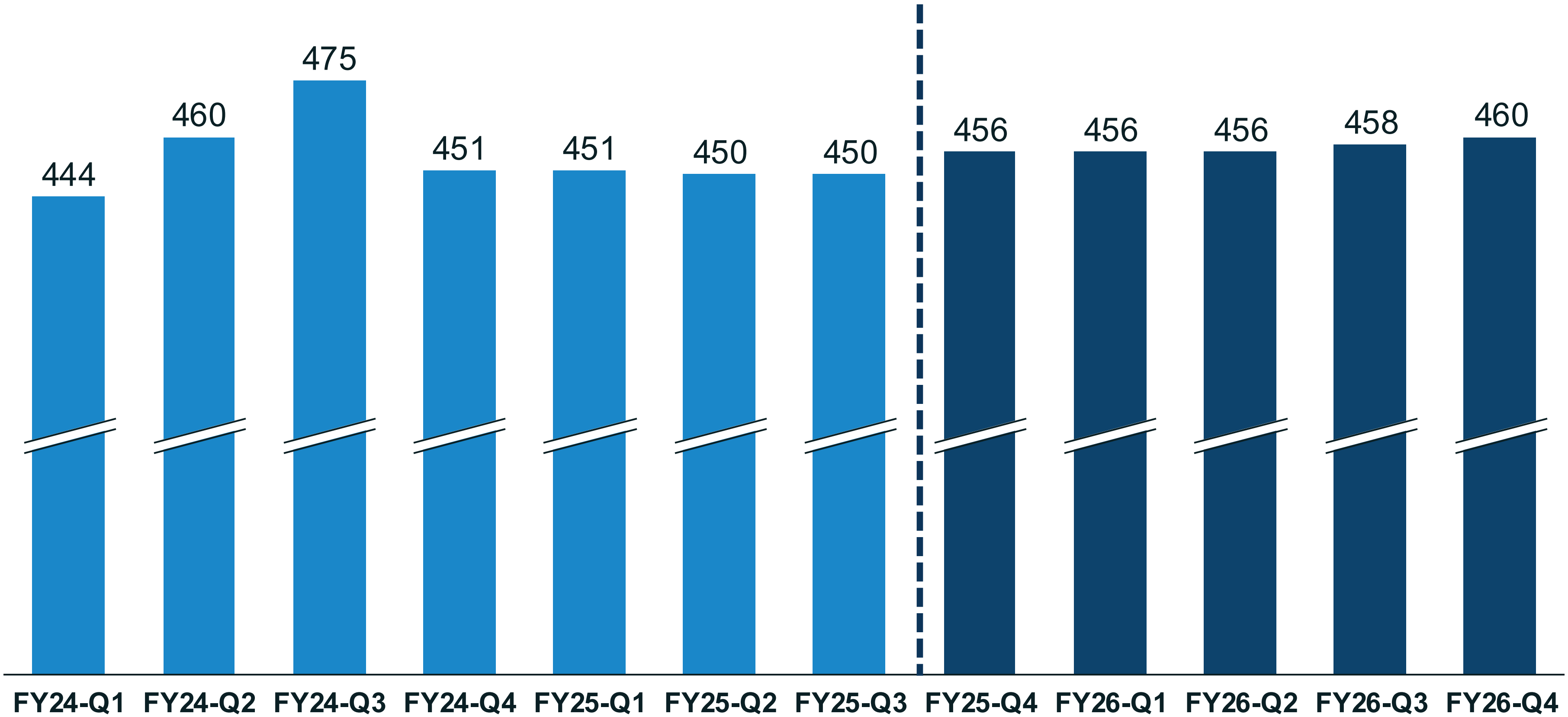
FY26 Draft Budget Expenses vs Adopted Budget

- 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

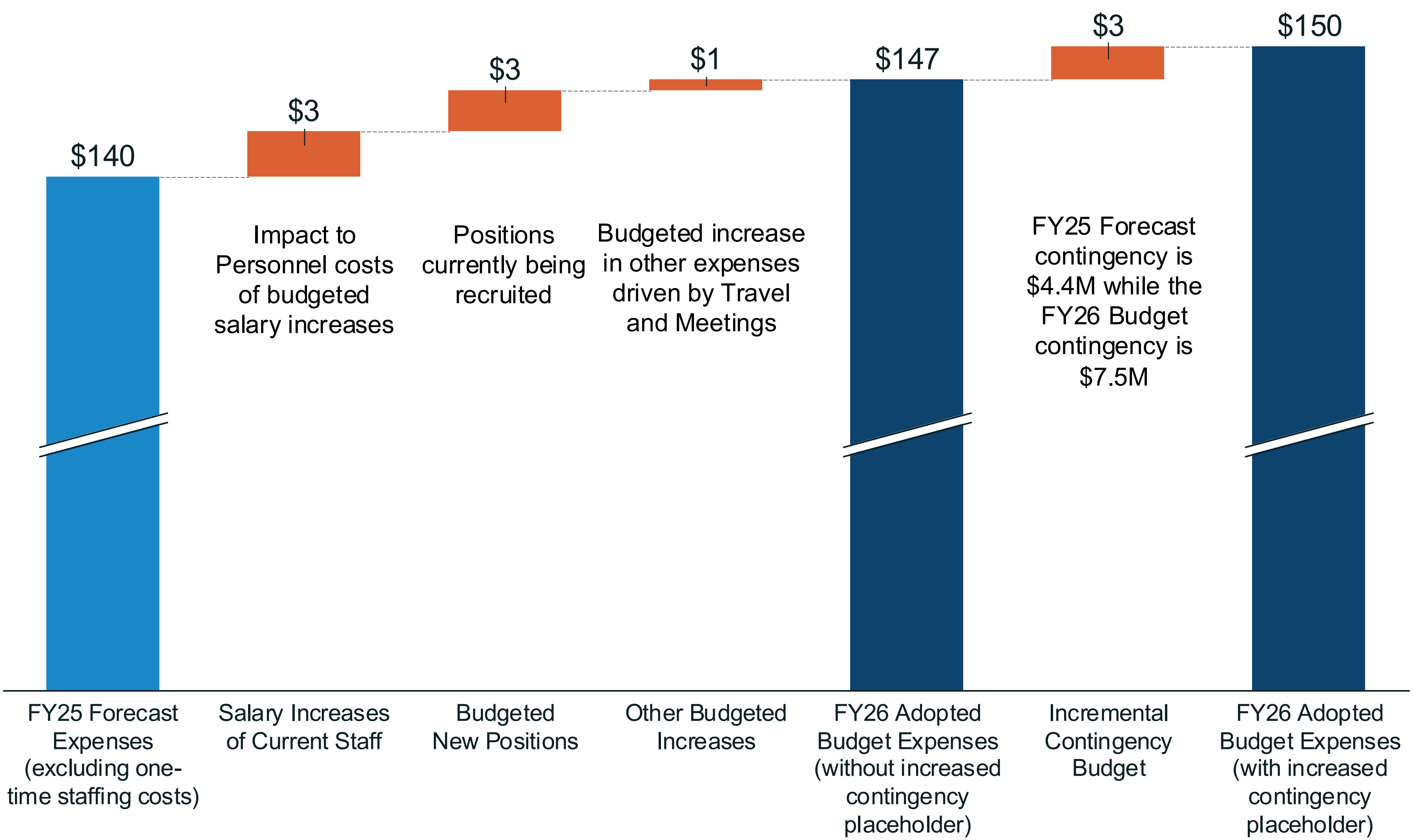
- ICANN expense budget is projected to increase compared with FY25 primarily due to inflationary increases for staff and placeholder assumption for contingency expenses

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



Total ICANN: ICANN FY26 Budget Summary by Segment

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**

FTE = Full Time Equivalent

New gTLD Program includes activities for both the 2012 round and the next round

** Monetary figures are in millions of United States Dollars (USD), unless stated otherwise. Any arithmetic inconsistencies are due to rounding.*

New gTLD Program: Next Round – Overview and Budget

- ICANN org requests funding approval from the ICANN Board for the Next Round program in tranches, the final implementation budget tranche for $25 million was approved in May 2025
- The Applicant Guidebook is planned to be published for final public comment in May 2025
- The Application window is planned to open in Q2 calendar year 2026
- FY25 and FY26 include processing costs for support of the Registry Service Provider Program, Applicant Support Program, and readiness activities for opening the next round

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	$9.8	$11.2	$29.6
Travel & Meetings	$0.1	$0.2	$0.4	$0.5	$1.1
Professional Services	$0.7	$6.9	$11.4	$10.1	$29.1
Administration	$0.1	$0.3	$0.6	$0.9	$1.8
Capital	$0.0	$0.0	$0.0	$0.0	$0.0
Contingency	$0.0	$0.0	$0.0	$5.0	$5.0
Shared Services & Org Support	$1.6	$2.8	$3.7	$4.1	$12.2
Total Expenses	**$4.0**	**$17.2**	**$26.0**	**$31.7**	**$78.9**
Staff Average FTE	20.4	31.9	44.2	50.9	43.0
Funding Tranches - Board Approved	**$4.0**	**$18.0**	**$23.0**	**$25.0**	**$70.0**
Tranche #1 - New gTLD Application Fe	$4.0	$5.0			$9.0
Tranche #2 - SFICR		$13.0			$13.0
Tranche #3 - New gTLD Application Fees			$23.0		$23.0
Tranche #4 - SFICR & New gTLD Application Fees				$25.0	$25.0

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

Grant Program: Overview and Budget

- First application cycle ran from March through May 2024
- In the first cycle, up to $10 million in grants will be awarded, estimated disbursement timing:
  - FY25: $3M
  - FY26: $5M
  - FY27: $2M
- Over the entirety of the Grant Program, the administration costs as a percentage of the grant distributions will be maintained within industry benchmarks between 7-10%

Grant Program *(USD in Millions)*	FY23 - FY24 Actuals	FY25 Forecast	FY26 Budget	FY27 - FY32 Budget*	Total Grant Program
Personnel	$1.0	$0.6	$0.6	$6.0 - $7.0	$8.2 - $9.2
T&M	$0.1	$0.0	$0.1	$0.1 - $0.3	$0.3 - $0.5
Prof Svcs	$0.4	$0.5	$0.5	$2.0 - $3.0	$3.5 - $4.5
Admin	$0.0	$0.0	$0.0	$0.1 - $0.3	$0.2 - $0.4
Shared Services Support**	$0.4	$0.3	$0.3	$2.0 - $3.0	$3.0 - $4.0
Contingency	$0.0	$0.1	$0.1	$0.5 - $1.0	$0.7 - $1.2
Total Expenses	**$2.0**	**$1.6**	**$1.6**	**$10.7 - $14.6**	**$15.8 - $19.7**
Estimated Grant Distributions* **	**-**	**$3.0**	**$5.0**	**$206 - $210**	**$214 - $218**
Expenses as a % of Distributions					**7% - 10%**

** Budget expenses for FY27 - FY32 are given as a range estimate for total expenses over those 6 years.*

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

**** Estimated Grant Distributions are based on current Auction Proceeds balance less estimated expenses for Grant Program administration.*

Any arithmetic inconsistencies are due to rounding

Adopted ICANN Strategic Plan for FY26–30

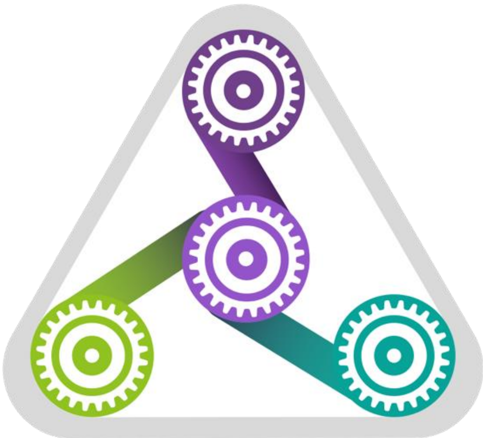
ICANN Strategic Plan for FY26–30

- The ICANN Board develops a new strategic plan every five years to define where we are now, where we are going, and how we will continue to fulfill ICANN's mission
- The next five-year ICANN Strategic Plan will go into effect at the start of the new fiscal year on 1 July 2025
- Strategic planning is an important aspect of ICANN's governance as it provides a clear path for long-term success
- The ICANN Strategic Plan belongs to all of us, and each of us has a part to play in bringing our vision to life

Video: Launch of ICANN's Five-Year Strategic

ICANN Strategic Plan for Fiscal Years 2026–2030

ICANN Strategic Plan for FY26–30



Strategic Objective 1

- Evolve and promote **ICANN's Multistakeholder Model** to sustain its inclusive approach to Internet Governance

Strategic Objective 2

- Enhance **organizational excellence**

Strategic Objective 3

- Collaborate with relevant stakeholders to evolve the Internet's **unique identifier systems**

Strategic Objective 4

- Strengthen the **stability and security** of the Internet's unique identifier systems

Annual Strategy Review Evaluation

The Board will review the plan annually and update it as needed to enable ICANN to respond to evolving challenges and opportunities.

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

Overview of the FY26 Planning Process

- The Draft ICANN FY26–30 Operating and Financial Plan, the Draft ICANN FY26 Operating Plan, and the Draft ICANN FY26 Budget were published for public comment in December 2024, and two public webinars were held mid December 2024
    - A summary report on public comments was published in April 2025
- Following the public comment proceeding, a new set of financial projections were developed which were not subject to Public Comment due to timing
    - The revised plans were published on the public comment page as a key step of transparency to the public and a public webinar was held on 28 April 2025
- Following a recommendation by the Board Finance Committee, on 04 May 2025, the ICANN Board adopted the ICANN FY26–30 Operating and Financial Plan, ICANN FY26 Operating Plan and Budget, and IANA FY26 Operating Plan and Budget
- The Empowered Community (EC) process for each plan started on 08 May 2025. If the Empowered Community processes are concluded, the plans will go into effect on 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. 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 for ICANN Operations has been updated to incorporate registry and registrar fee increases that were not included in the draft plans due to the timing of discussions with the contracted parties.
FY26 Budget Expenses Increased $8M	Expenses for ICANN Operations have been increased to reflect updated assumptions on resource requirements, contractual commitments, and current levels of expenses, such as the projected costs of ICANN meetings.
Editorial Changes to Strategic Initiatives Text	Certain Strategic Initiatives have been updated with enhanced descriptions, project plan narratives, and considerations or phasing.

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

Key ICANN FY26 Planning Assumptions

New Five-Year Strategic Plan	The adopted ICANN FY26–30 Operating Plan includes 35 Strategic Initiatives which are developed based on the adopted the ICANN Strategic Plan for FY26–30
Travel, Meetings, and Engagement	The ICANN FY26–30 Operating Plan and ICANN FY26 Operating Plan 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 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	Implementation work for Community-led activities are only included in the Plans when recommendations and policies are Board approved and prioritized through the community-led Planning Prioritization process

*ICANN is currently evaluating meeting costs with the Community and has a goal to reduce annual costs by US$2 million per year, therefore these assumptions are subject to change

The ICANN FY26–30 Operating and Financial Plan includes 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:

- 35 Strategic Initiatives describe the activities and projects to implement the Strategic Objectives, Goals and Strategies in the ICANN FY26–30 Strategic Plan

Functional Activities:

- 33 Functional Activities in five service groups describe ICANN's continuing operations
- To implement ICANN's mission and mandate, such as *Contractual Compliance* or *IANA*
- To operate or support the organization, such as *Human Resources or Finance*

FY27 Planning Process

FY27 Preliminary Planning Timeline

2025

Mar-Jun
- Planning Prioritization Process

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

Jul-Nov
- Operating Plans and Budgets Development

2026

Dec-Feb
- ICANN/IANA Plan Public Comments
- PTI Operating Plan and Budget Public Comments

Feb-Apr
- Revisions to draft plans (if needed)

May-Jun
- ICANN/IANA Plans adoption and Empowered Community period
- PTI Operating Plan and Budget adoption

FY27 Prioritization Process

FY27 Nominations Completed → May 2025

Planning Prioritization Group Meetings → May – July 2025

Receive output of FY27 Planning Prioritization Group → July 2025

The Planning Prioritization Members and Alternate Members are nominated by the SO/AC Leaders

Affiliation*	Member	Secondary Member
At-Large - ALAC	Claire Craig	Avri Doria
ccNSO	Irina Danelia	Chris Disspain
GAC	Aderonke Sola-Ogunsola	-
GNSO - CPH	Jothan Frakes	-
GNSO - CSG	Santanu Acharya	Segun Olajide
GNSO - NCSG	Peter Akinremi	Amin Hacha
RSSAC	Erum Welling	Daniel Migault
SSAC	Jeffrey Bedser	-

ICANN Board Liaison: Sajid Rahman

* ASO elected not to participate

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

ICANN's 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 evaluating key initiatives (Strategic Initiatives) and what each functional area plans to do (Functional Activities),

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.

Planning Related Bylaw Requirements

Strategic Plan

ICANN Bylaws Section 22.5.(b)
ICANN Strategic Plan is developed every five years with annual update (as needed)

PTI Bylaws Section 9.3.(a)
PTI Strategic Plan is developed every five years with annual update (as needed)

Five Year Operating Plan

ICANN Bylaws Section 22.5.(a)
ICANN Operating Plan is developed every year for the period of next five years

One Year Operating Plan and Budget

ICANN Bylaws Section 22.4.(a)
ICANN's Operating Plan and Budget is developed every year

ICANN Bylaws Section 22.4.(b)
IANA's Operating Plan and Budget is developed every year

PTI Bylaws Section 9.2.(e)
PTI's Operating Plan and Budget is developed every year

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)
  - Initial EC period is 21 days +7 Days = 28 Days
  - If the Board-approved OP&B is rejected, a Caretaker Budget developed in alignment with the Caretaker Budget Principles will be in force, to allow the necessary work to continue while not funding actions that were the subject of the EC rejection

- Caretaker Budget - suggested approach:
  - Base: The Budget that the ICANN Board approved.
  - Less: Budgeted new positions for hire (from date of rejection until until a new Budget is approved by the Board)
  - Less: 10% reductions in Travel & Meetings and Professional Services
  - Less: expenses that triggered the rejection, if such expense can be reasonably isolated and avoided

IANA FY26 Budget

FY26 IANA Budget in Millions, USD	FY26 Budget	FY25 Budget	Under/(Over)		FY24 Actuals	Under/(Over)	
			Total	%		Total	%
PTI Budget	$11.7	$10.9	($0.8)	-7.2%	$10.5	($1.3)	-12.0%
IANA Support Activities (1)	$0.4	$0.6	$0.1	23.1%	$0.6	$0.1	25.0%
TOTAL	**$12.1**	**$11.5**	**($0.7)**	**-5.7%**	**$11.0**	**($1.1)**	**-10.1%**
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 FY26 IANA Budget of $12.1M is $0.3M higher than the Draft FY26 IANA Budget of $11.7M driven by an increase in professional services to address the PTI work on the Next Round.

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**

ICANN Operations: Adopted FY26 Budget vs Draft FY26 Budget

USD in $M	FY26 Adopted Budget	FY26 Draft Budget	Notes
Funding	**$150**	**$142**	◉ **FY26 Adopted Budget reflects fee increases to contracted parties**
Personnel	(89)	(84)	◉ Reflects resourcing driven by current workload needs
Non-Personnel Expenses	(55)	(53)	◉ Reflects updated contractual commitments and current rates of expenses
Contingency	(8)	(8)	
Cost Saving Initiatives	2	3	
Total Expense	**$150**	**$142**	
Excess/(Deficit)	**0**	**0**	
Average FTEs	**403**	**384**	◉ FY26 Adopted Budget FTEs align to FY25 average FTEs

** Monetary figures are in millions of United States Dollars (USD), unless stated otherwise. Any arithmetic inconsistencies are due to rounding.*

ICANN Operating Plan: Strategic Initiatives (pg. 1 of 3)

- 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 project plans for Strategic Initiatives that are priorities over the five years of the Strategic Plan

#	STRATEGIC INITIATIVES TO SUPPORT THE STRATEGIC PLAN	FY26	FY27	FY28	FY29	FY30
1	Pilot Holistic Review	Execute	Execute / Complete	Shifting to Continuing Operations		
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	Shifting to Continuing Operations		
7	New Skills and Leadership Training for the Community	To Initiate Planning in FY26				
8	Developing Pathways to Community Leadership	Plan	Plan / Execute	Execute / Complete		
9	Coalition for Digital Africa	Execute	Execute	Execute	Execute	Execute / Complete

ICANN Operating Plan: Strategic Initiatives (pg. 2 of 3)

#	STRATEGIC INITIATIVES TO SUPPORT THE STRATEGIC PLAN	FY26	FY27	FY28	FY29	FY30
10	Facilitating Consensus in Policy and Advice Development	To Initiate Planning in FY26				
11	Improving ICANN Hybrid Meetings	Plan / Execute	Execute	Execute	Execute	Execute / Complete
12	Advice Consideration Process Improvements	To Initiate Planning in FY26				
13	Geopolitical Monitoring, Engagement, and Mitigation	Execute	Execute	Execute	Execute	Execute / Complete
14	Policy Development and Implementation Process Improvements	Plan	Execute	Execute	Execute	Execute / Complete
15	Evolving Communications on ICANN's Multistakeholder Model	To Initiate Planning in FY26				
16	WSIS+20 Review Project and Outreach Network	Execute / Complete				
17	Improving ICANN Org Agility	To Initiate Planning in FY26				
18	Annual Strategy Review Program	Execute	Execute	Execute / Complete		
19	Evaluating ICANN's Funding Structure	To Initiate Planning in FY26				
20	Improving Forecasting and Financial Planning	Execute	Execute	Execute	Execute	Execute / Complete
21	Enhancing ICANN's Fiscal Responsibility	Execute	Execute	Execute	Execute	Execute / Complete
22	Evolving ICANN's Hybrid Working Model	Plan / Execute	Execute	Execute	Execute	Execute / Complete
23	Ecological Responsibility	Execute	Execute	Execute / Complete	Shifting to Continuing Operations	

ICANN Operating Plan: Strategic Initiatives (pg. 3 of 3)

#	STRATEGIC INITIATIVES TO SUPPORT THE STRATEGIC PLAN	FY26	FY27	FY28	FY29	FY30
24	Universal Acceptance	Execute	Execute	Execute	Execute	Execute / Complete
25	New gTLD Program	Execute	Execute	Execute	Execute	Execute / Complete
26	Identify Opportunities to Enhance the Stable and Secure Operations of Unique Identifiers	To Initiate Planning in FY26				
27	Evolve Understanding of the Identifier System Landscape	Execute	Execute	Execute / Complete		
28	Technological Development Assessment and Responsiveness	Execute	Execute	Execute / Complete		
29	Implement an IANA Long-Term Sustainability Plan	Execute	Execute	Execute	Execute	Execute / Complete
30	Regional Events Redesign	Execute	Execute	Execute / Complete		
31	Security Risk Identification and Mitigation	Execute	Execute	Execute	Execute	Execute / Complete
32	Increase ICANN's Coordination and Collaboration with the Numbers Community	To Initiate Planning in FY26				
33	Implementation of the Recommendations of the Root Server System Governance Working Group (RSSGWG)	To Initiate Planning in FY26				
34	Redundancy and Accessibility of Root Zone Generation and Distribution	To Initiate Planning in FY26				
35	Support Coordinated Plans to Address DNS Root Server System Attacks	Execute	Execute	Execute	Execute	Execute / Complete

FY27 Planning Tentative Timeline

Key Step	Proposed Date(s)
FY27 Planning Prioritization Process	May – July 2025
Community Webinar: Planning Updates on Drafts and Timeline	ICANN 84 Prep Week
Draft ICANN FY27–31 Operating and Financial Plan, Draft ICANN FY27 Operating Plan and Budget, Draft IANA FY27 Operating Plan and Budget Public Comment Proceeding	December 2025 – February 2026 (60 days)
Community Webinar: Launch of Public Comment Proceeding	December 2025
ICANN Summary Report on Public Comment	March 2026
BFC Recommends ICANN and IANA FY27 Plans Approval	April 2026
ICANN Board Reviews for Plan adoption of ICANN and IANA plans	April/May 2026
Empowered Community Period	May–June 2026 (28 days)
FY27 Fiscal Year Starts	1 July 2026