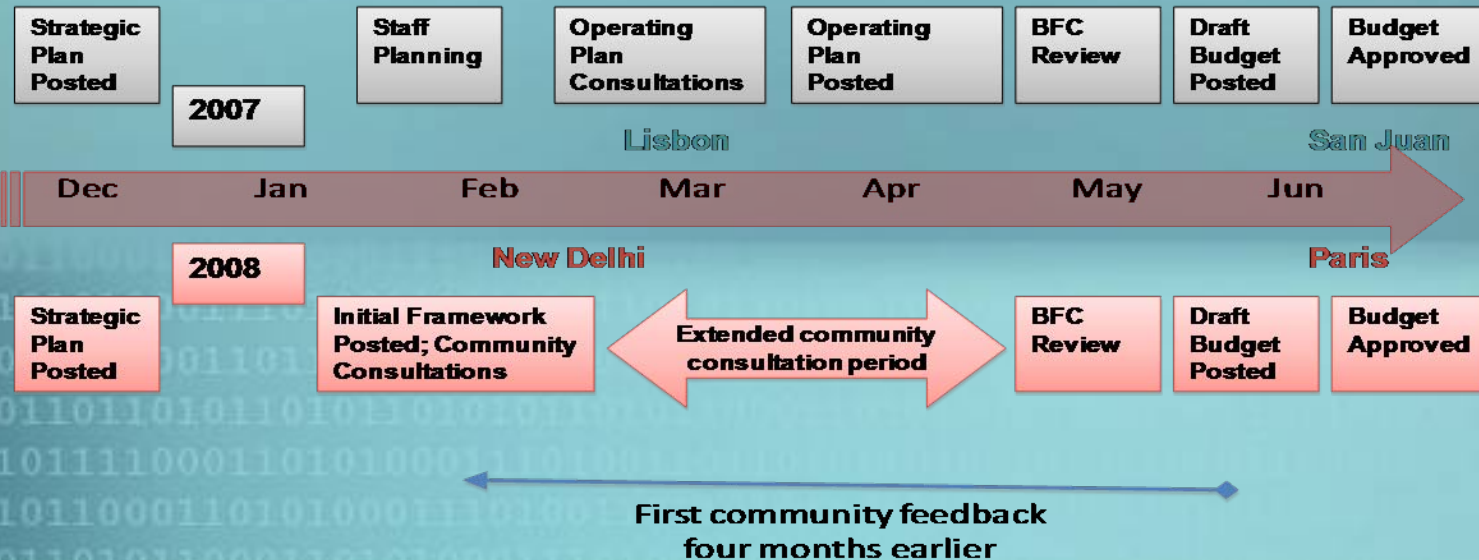


Constituency Update to the FY09 Operating Plan and Budget



FY09 Operating Plan and Budget Process

Process Goal: Maximize Participation





Numerous Opportunities for feedback from Community

Constituency Meetings in New Delhi and follow up calls

Registrar Constituency, Registry Constituency, ALAC, GNSO

Constituency Calls after posting draft FY09 Operating Plan and Budget

IPC , ccNSO, ALAC, SSAC, Registrar Constituency, Registry Constituency, GNSO,

Planned for Paris

ISP Constituency

Others presentations included:

APTLD Theresa Swinehart

ccTLD meeting in Greece: Kim Davies

Registrars/Registries in New Orleans: Tim Cole

LACTLD: Raimundo Beca



Highlights of Constituency Comments

- Process feedback: Most appreciated extra time and cycles for feedback; some still learning about the process
- Questions about specific expense items: Bad debt expense, contingency , travel expenses (high and low)
- Allocation of costs and benefits among constituencies
- Travel support: some see this as too high, some too low
- Improved reporting: Additional clarity on baseline, large spend increases, category analysis, more clarity on currency in charts, spend/revenue by constituency



II. Constituency Feedback

Highlights of Constituency Comments

- Transaction fees: Budget for registrar fee reduction to incent RAA adoption
- Compliance: Positive comments about increased resource allocation
- Security: SSAC comments (not yet posted); while there may be broader Board discussion about security priorities, core priorities covered in budget
- new gTLD separate budget: Lots of questions and interests as to details
- Budget development process. Need for FAQ/primer
- Reserve Fund: Magnitude and possible use for funding projects today
- Better accounting for .net funds



III. Amendments to the draft FY09 Operating Plan and Budget

- Suggested Changes to the Budget

| | <u>Draft FY09 Budget</u> | <u>Amendments</u> | <u>Final FY09 Budget</u> |
|----------------------|--------------------------|-------------------|--------------------------|
| Revenue | 60.7 Mil | | 60.7 Mil |
| Operating Expenses | (51.8) Mil | | (51.8) Mil |
| Bad Debt | (1.8) Mil | -0.6 Mil | (1.2) Mil |
| Depreciation | (0.9) Mil | | (0.9) Mil |
| Contingency | (4.0) Mil | -0.75 Mil | (3.3) Mil |
| Change in Net Assets | <u>2.2 Mil</u> | <u>(1.4) Mil</u> | <u>3.6 Mil</u> |

Thank You