

Board Finance Committee (BFC) Activities

1 July 2021 through 31 December 2021

Section I: Completed Activities – 1 July 2021 through 31 December 2021

Item	Description	Completion Date	Accomplishments/Outcome
Funds Under Management	Subsequent Procedures Operational Design Phase (ODP)	01 September 2021	<p>The BFC received a briefing on the Subsequent Procedures (SubPro) Operational Design Phase (ODP) Funding request from ICANN org. The discussion focused on the goal of the ODP, the need to add resources to carry out the work and the funding source to execute on the work. ICANN org proposed utilizing funds from the New gTLD program to cover the estimated work for the SubPro ODP.</p> <p>The BFC recommended that the ICANN Board approve a transfer up to \$9M from the remaining funds of the 2012 New gTLD Program to support the work of the SubPro ODP.</p>
BFC Committee Webinar Discussion	The BFC and ICANN org discussed the upcoming meet the Committee Webinar. The goal of the session and key topics to cover were discussed.	01 September 2021	BFC Committee Webinar was held on 14 September 2021.
Funds Under Management	Bridge Bay Financial, ICANN org’s Financial Consultant, led a discussion regarding the investment performance of the New gTLD application fees and Auction Proceeds.	23 September 2021	Bridge Bay Financial, ICANN org’s Financial Consultant, led a discussion regarding the investment performance of the New gTLD application fees and Auction Proceeds.

Board Finance Committee (BFC) Activities

1 July 2021 through 31 December 2021

Item	Description	Completion Date	Accomplishments/Outcome
Financial Reporting	FY21 Financial Results	23 September 2021	The BFC discussed and reviewed the FY21 financial results pertaining to Overall Net Operating Excess, Funding, Expenses, Headcount, and Funds Under Management
Funds Under Management	The ICANN Investment Policy states that the Operating Fund should be at a level of funds to cover three months of operating expenses. The BFC reviewed the annual net asset allocation recommendation.	13 October 2021	The BFC reviewed and approved recommendations for the allocation of \$26M excess in the Operating Fund for FY21. These recommendations included partial allocation to the Reserve Fund of \$10 million, to the Supplemental Fund for Implementation of Community Recommendations (SFICR) of \$5 million, and to maintaining a temporary financial buffer in the Operating Fund of \$11 million.
Contracting and Disbursement Approvals	<p>The BFC evaluated the request to authorize contracting authority for a service agreement with a language transcriptions vendor. There were three other Language Services contracts that did not require BFC approval but were presented for informational and visibility.</p> <p>The financial aspects evaluated by the BFC include: (i) whether costs are reasonable; (ii) whether the procurement process was respected; and (iii) whether the costs were affordable.</p>	23 September 2021	The BFC reviewed and agreed with the terms of the contract and recommended that the Board authorize the President and CEO, or his designee(s), to take all necessary actions to execute a new contract with the vendor for transcription services. The Board approved the recommendation on 28 October 2021 .

Board Finance Committee (BFC) Activities

1 July 2021 through 31 December 2021

Item	Description	Completion Date	Accomplishments/Outcome
Funds Under Management	The ICANN Investment Policy states that the Operating Fund should be at a level of funds to cover three months of operating expenses. The BFC reviewed the annual net asset allocation recommendation.	13 October 2021	The BFC reviewed and approved recommendations for the \$26M excess in the Operating Fund from FY21. These recommendations included partial allocation to the Reserve Fund of \$10 million, to the Supplemental Fund for Implementation of Community Recommendations (SFICR) of five million, and to maintaining a temporary financial buffer in the Operating Fund of \$11 million. The Board approved the recommended allocation on 28 October 2021 .
ICANN Operating Plan and Budget	In advance of the posting for public comment, the BFC reviewed the FY23-27 Operating and Financial Plan and the FY23 Operating Plan and Budget. As part of its review, the BFC ensured that necessary and appropriate engagement with the Community and the Board had been included in the process.	30 November 2021	By way of its input and guidance throughout the annual planning process, the BFC helped ensure that the Board’s fiduciary responsibility was adequately fulfilled. the BFC also determined that the proper Community engagement has taken place. The BFC gave its approval to publish the ICANN Operating Plan and Budget documents for Public Comment in early December.

Board Finance Committee (BFC) Activities

1 July 2021 through 31 December 2021

Section II: In Progress Activities – 1 July 2021 through 31 December 2021

Item	Description	Completion Date	Accomplishments/Outcome
Contracting and Disbursement Approvals	<p>The BFC evaluated the request to authorize contracting authority for Zensar, Arcsaona, and IT IMRS clusters.</p> <p>The financial aspects evaluated by the BFC include: (i) whether costs are reasonable; (ii) whether the procurement process was respected; and (iii) whether the costs were affordable.</p>	30 November 2021	<p>The BFC reviewed and agreed with the terms of the contract and recommended that the Board authorize the President and CEO, or his designee(s), to take all necessary actions to execute a new contract with the vendor for transcription services.</p> <p>The ICANN Board will review the recommendation at the January 2022 Board Meeting</p>

Section III: Appendix – Board Resolutions Recommended by the BFC

Description	# of BFC Recommendations
Funds Under Management	2
Contracting/Disbursement	2
Grand Total	4*

** 2 BFC recommendations will be presented to the Board in January and have not been approved by the Board during the specific time periods captured in this report.*

Board Finance Committee (BFC) Activities

1 July 2021 through 31 December 2021

List of Board Resolutions

#	Board Approval Date	Resolution Title	Category
1	12 September 2021	New gTLD Subsequent Procedures Operational Design Phase (ODP): Scoping Document, Board Resolution, Funding and Next steps	Funds Under Management
2	28 October 2021	Contract Approval, RC Transcriptions	Contracting and Disbursement Approvals
3	28 October 2021	Transfers to Reserve Fund and Supplemental Fund for Implementation of Community Recommendations	Funds Under Management