

Board Finance Committee (BFC) Activities

December 31, 2018

Section I: Completed Activities – July 2018 to December 2018

Item	Description	BFC Completion Date	Accomplishments/Outcome
Operating Plan and Budget	<p>The BFC reviewed the PTI FY20 Operating Plan and Budget (OP&B) in September 2018 as input into the IANA Budget. The BFC recommended the adoption of FY20 IANA OP&B. The BFC reviewed the Draft FY20 Five Year Operating Plan Update (5-YOPU) prior to posting for public comment on 17 December 2018.</p> <p>During each review above, the BFC ensured that necessary and appropriate engagement with the Community and the Board had been included in the process.</p>	13 December 2018	<p>Through the input and guidance provided during the review of each milestone of the annual planning process, the BFC has ensured that the fiduciary responsibility of the Board is adequately fulfilled. In addition, the BFC has ensured that the process for engagement has taken place.</p> <p>During ICANN 63 in Barcelona, two Budget working group sessions were held with the community to review and discuss the FY10 Operating Plan and Budget process and assumptions.</p>

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Review of Funds Under Management	The BFC reviewed the Annual Net Asset Allocation recommendation.	03 October 2018	The BFC reviewed the recommendation that of the \$5M Net Excess Cash, \$3M be transferred to the reserve fund and \$2M be allocated to funding projects such as ITI and GDPR.
Reserve Fund	<p>The BFC reviewed the recommendation for the reserve fund replenishment strategy composing of the following elements:</p> <ol style="list-style-type: none"> 1. 5 Year replenishment period funded by ICANN Operations 2. A contribution from the Auction Proceeds 3. A contribution from the New gTLD program remaining fees 	03 October 2018	<p>As part of the Reserve The BFC recommended to the Board the approval of the reserve fund replenishment strategy , the proposed replenishment strategy entails allocating to the Reserve Fund: (i) annual operational excess of funding over expenses for a total of US\$32 million over an eight-year period; and (ii) US\$36 million of new gTLD auction proceeds.</p> <p>4.</p>
Contracting and Disbursement Approvals	The BFC evaluated the financial aspects of all required contracting and disbursement decisions for items exceeding the Officers' authority of US\$500,000 during July through December 2018. The financial aspects evaluated by the BFC include: (i) whether costs are reasonable; (ii) whether the	03 October 2018 13 December 2018	BFC discussed and recommended approval to the Board of the following contracts: 1) Disbursement for legal invoice.

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	procurement process was respected; and (iii) whether the costs were affordable.		2) Contracting for the calendar 2021 ICANN Public Meeting venue of Seattle.

Section II: Appendix – Board Resolutions Recommended by the BFC

Description	# of BFC Recommendations
Contracting/Disbursement	2
Funds Under Management	1
Operating Plan and Budget	1
Reserve Fund	1
Grand Total	5

List of Board Resolutions

#	Board Approval Date	Resolution Title	Category
1	3-Oct-2018	Net Asset Excess Contribution	Funds Under Management
2	3-Oct-2018	Reserve Fund Replenishment Strategy	Reserve Fund
3	3-Oct-2018	Approval of Legal Fees above \$500K	Contracting/Disbursement
4	13-Dec-2018	Adoption of FY20 IANA Operating Plan and Budget	Operating Plan and Budget
5	13-Dec-2018	Contracting for the calendar 2021 ICANN Public Meeting venue-ICANN 72 Seattle	Contracting/Disbursement