

Board Finance Committee (BFC) Activities

December 31, 2020

Section I: Completed Activities – July 2020 to December 2020

Item	Description	BFC Completion Date	Accomplishments/Outcome
Financial Reporting	FY20 Financial Results	23 September 2020	The BFC discussed and reviewed the FY20 financial results pertaining to Overall Net Operating Excess, Funding, Expenses, Headcount, and Funds Under Management.
Financial Reporting	FY21 Forecast	23 September 2020	The BFC discussed and reviewed the FY21 Forecast as of 31 August 2020 for Funding, Expenses, and Operating Cash Flows.
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.	06 November 2020	The BFC reviewed recommendations for the \$29M excess in the Operating Fund. These recommendations included partial allocation to the Reserve Fund, potential partial allocation to what would be a Supplemental Fund for Implementation of Community Recommendations (SFICR), and maintaining a temporary financial buffer in the Operating Fund due to current economic uncertainties from COVID-19. The BFC requested additional information regarding the potential SFICR for further discussion.

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Item	Description	BFC Completion Date	Accomplishments/Outcome
IANA Operating Plan and Budget	The BFC reviewed the Draft FY22 IANA Operating Plan and Budget on 6 November 2020, prior to posting for public comment.	06 November 2020	The BFC ensured that necessary and appropriate engagement with the Community and the Board had been included in the process.
Funds Under Management	<p>The BFC further discussed a potential Supplemental Fund for Implementation of Community Recommendations (SFICR).</p> <p>The meeting focused on the potential purpose of such a fund, which would be to support multi year activities and projects that have just recently been approved or soon to be approved by the Board, but not currently included in the organization expense planning, but nonetheless included in the Strategic/Operating plans.</p>	02 December 2020	In a future meeting, ICANN org will present to the BFC an action plan that details how such a fund would work, the exact amounts, and the projects that would be supported by the fund.
Contracting and Disbursement Approvals	<p>The BFC evaluated the request to authorize contracting authority for a three-year renegotiated service agreement with a credit card processing vendor.</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>	09 December 2020	<p>The BFC reviewed and agreed with the terms of the renegotiated 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 credit card processing services.</p> <p>Board Resolution:</p>

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			https://www.icann.org/resources/board-material/resolutions-2020-12-17-en#1.d
ICANN Operating Plan and Budget	In advance of the posting for public comment, the BFC reviewed the FY22-26 Operating and Financial Plan and the FY22 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.	09 December 2020	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.

Section II: Appendix – Board Resolutions Recommended by the BFC

Description	# of BFC Recommendations
Contracting/Disbursement	1
Grand Total	1

List of Board Resolutions

#	Board Approval Date	Resolution Title	Category
1	17-Dec-2020	Change to Credit Card Payments Processing Service Agreement	Contracting/Disbursement