

Debut of ICANN's Functional Reporting

- This month marks the debut of “ICANN’s functional reporting” for community review. The functional reports will be available on the ICANN dashboard. The purpose of this new reporting is to support ICANN’s core principles of accountability and transparency. The reports are in response to community requests to better understand the manner in which ICANN’s spending is prioritized. The new reporting more closely aligns with the way the community considers the activities of ICANN (e.g., new gTLD, compliance, and security expenses in contrast with the traditional reporting of expenses by personnel, travel, etc.). This is an evolving process improvement. We welcome suggestions to further improve on this for the future. See the public comments <http://www.icann.org/en/public-comment/>
- The functional reporting categories were determined based upon the strategic plan, operating plan, community suggestions, and Board Finance Committee discussions. As part of the implementation of this initiative, an announcement of the reporting is to be posted along with for community comments. Ultimately, this type of reporting will help facilitate the setting of priorities for ICANN’s budgets as well as help ensure that the budgets are spent efficiently.

The following table includes the YTD actual and YTD budget #'s as well as annual expected and FY09 budget #'s, and the respective variances.

Functions	Dec08-YTD	Budget YTD	Variance	Annual Expected	FY09 Budget	Variance
IANA	1,876,567	2,253,676	377,109	4,253,134	4,507,352	254,218
Security	1,879,577	2,566,117	686,540	4,009,154	5,132,234	1,123,080
Compliance	933,653	1,271,119	337,466	2,117,306	2,542,237	424,931
Meetings	2,029,388	2,614,082	584,694	5,058,776	5,228,163	169,387
Constituency Support	2,097,934	3,047,535	949,601	5,195,868	6,095,069	899,201
Travel support	422,642	737,460	314,818	1,345,284	1,474,920	129,636
Policy Development	1,943,098	2,691,649	748,551	4,686,196	5,383,297	697,101
Broaden Participation	2,603,584	3,305,302	701,718	5,707,168	6,610,604	903,436
Ombudsman	166,580	388,363	221,783	333,160	776,725	443,565
Board Support	459,655	1,219,870	760,215	1,719,310	2,439,739	720,429
Nom Com	128,634	402,250	273,616	757,268	804,500	47,232
Lroot	340,458	538,552	198,094	680,916	1,077,103	396,187
New gTLD	3,778,098	4,444,697	666,599	8,556,196	8,889,394	333,198
IDN	756,445	705,236	(51,209)	1,312,890	1,410,471	97,581
Admin Improvement	519,754	753,842	234,088	1,289,508	1,507,683	218,175
	19,936,067	26,939,750	7,003,683	47,022,134	53,879,491	6,857,357

Explanation of key variances in FY09 Expenses: ICANN expenses in FY09 are below budget as some initiatives and new hires set forth in the Operating Plan are ramping up slower than anticipated. For example:

- Security initiatives include strengthening of ICANN corporate security and continuity programs, enhancing the security and stability of IANA and L-root operations, and conducting security and resiliency capacity building programs with the TLD community are expected to expand the second half of the year. We are working to refine the cross-functional analysis of security, stability and resiliency programs as part of the FY 10 operational planning/budget build.
- Travel expenses are less than budget through the mid-year point. Much of this is due to the scheduling of two out of three meetings in the second half of the year.
- New gTLD communications, RSTEP, Registrar Data Escrow, organizational reviews, technical research for administrative improvements, financial system replacement, regional meetings, and other costly items in the FY09 budget have been delayed or postponed due to community and other environmental requests.

The following table describes the types of activities included in the categories of the functional reporting:

Function	Description
IANA	Strengthen the IANA function and infrastructure including operationally ready to deploy DNSSEC signing of the root, EIANA/RZM on-line, deployed automated process, complete plan for service maintenance/replacement
Security	Carry out security initiatives including establishing plan for ICANN role in enhancing Internet security. Conducting programs, with TLD community related to security/stability/resiliency, develop plans and processes for security of ICANN's information/assets/personnel, , hold first annual DNS risks symposium
Compliance	Expand contractual compliance activities including conducting audits, WHOIS studies, outreach to WIP, Czech Arbitration Court
Meetings	Effectively administer meetings and events including holding ICANN's thrice-annual meetings, developing long term strategic plan for meetings, and publish meetings effectiveness paper.
Constituency Support	Build out registry/registry support including executive outreach, site visits, publish registry failover plan, test plan, and roll out registrar data escrow
Travel support	Travel support for constituencies including At Large, Supporting organizations (SO), and advisory committees (AC)
Policy Development	Further develop policy development processes including complete improvements for GNSO, Board, NomCom, complete organizational review for SSAC and RSSAC
Broaden Participation	Broaden participation includes awareness of ICANN's processes to all stakeholders, global engagement, regional liaisons, the fellowship program, monitoring international activities, extend outreach program, and expanding the translation program.
Ombudsman	Support ombudsman efforts including investigation costs and outreach activities
Board Support	Support Board efforts including Board Members travel, training, and membership.
Nom Com	Support for NomCom meetings and travel support for candidates.
Lroot	Root operation equipment, bandwidth, and license fees.
New gTLD	Complete new gTLD implementation including complete the applicant guidebook, set up application processing (e.g., TAS), and launch worldwide communication program.
IDN	Progress on IDN activities including process for fast track ccIDN allocation determined and launched, IDNA protocol revision, and complete draft variant table criteria.
Admin Improvement	Make administrative improvements including enhance remote participation and post JPA development efforts.