Letter from the CFO

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ICANN's annual planning cycle is an important step in managing ICANN's resources. For the foreseeable future, ICANN's funding is stabilizing around $135 million to $140 million, which is consistent with FY17 levels and what's expected for the rest of FY18.

We should continue to make choices and closely consider financial impacts of projects and work. You, the community, play a critical role to help prioritize ICANN's activities. This may lead to delayed, reduced or eliminated activities, to allow new services and priorities.

I look forward to receiving your comments and suggestions on the Draft FY19 Operating Plan and Budget.

During this public comment proceeding, there are several documents for your review. It is recommended that you start with this Document 1, and then review the other documents based on your interest.

ICANN continues to improve the transparency and information provided in these documents, to increase participation.

We have made the following changes to the documents, based on your feedback in previous years. The Draft FY19 Operating Plan and Budget now includes 6 documents that are designed to help the reader identify, at a first glance, areas of particular interest, without having to go through everything. This is offered to help transparency on ICANN's Operating Plan and Budget, and help readers to access more directly and easily the information offered. Other changes include:

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- Document 1 (this document), which provides an introduction and highlights to better understand the plan and budget. This is in addition to offering, as we did last year, an overview of the Draft FY19 Operating Plan and Budget which is also included in the following pages of this document.
- Document 3, which provides an overview of selected key projects and activities that ICANN org thinks is of particular interest to the community. This allows you to see key projects and activities, which are also disclosed in the comprehensive Document 4 – Operating Plan and Budget.
- Document 4 includes a list of 6 "modules" providing details on some of ICANN's core activities by topic. This is based on community feedback to make it easier to participate in specific areas of interest.

In addition, ICANN has simplified the structure of portfolio and projects, to improve understanding and transparency. This resulted in a reduction of the number portfolios and projects. There are now ICANN now 41 portfolios (versus 60 last year), and 222 projects (versus 318 last year).

What is not changing

ICANN continues to offer:

- ⦿ An overview and highlights of the Draft FY19 Operating Plan and Budget: Document 1.
- ⦿ The total ICANN Budget: Document 2.
- ⦿ The entire Operating Plan by Portfolio: Document 4.
- ⦿ The 5-year Operating Plan update: Document 5.
- ⦿ The ICANN Budget detailed by project and categories of spend, in PDF and Excel formats: Document 6.

For those who are not familiar with the roles and responsibilities of the Board, org and community, I have summarized the usual process that leads the ICANN org to perform its work, as documented in the annual operating plan and budget. This is important context to understand how work gets planned into the budget.

Once draft recommendations are finalized by the community working groups, the decision process includes a broad community input process (with potential revision iterations), before it goes for full Board review and decision (also subject to review iterations with the authoring community group and the wider community). Resources requirements are part of the Board-approval process. Finally, the ICANN org can schedule the implementation work, and allocate resources.

It is difficult to plan and budget these activities until the decision-making process within the community and Board is complete. For good governance, clarity and transparency, only activities and projects resulting from ICANN Board-approved policies or review recommendations, for which implementation work can be evaluated and planned, are specifically itemized in the Draft FY19 Operating Plan and Budget.

Any work after the FY19 Operating Plan and Budget is finalized and approved can only be carried out if funding is identified, by using resources reallocated from existing activities or projects that would need to be reduced, delayed or canceled.

To accommodate this natural and likely occurrence, the ICANN org can either reprioritize budgeted work, or elect to use contingency funding, which is included in the budget for such requirements that are unknown at the time the Operating Plan and Budget is finalized.