July 5th, 2013

By Email to Budget community members

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To ICANN Community, and all interested parties:

Since the published FY14 Draft budget was built early April (published early May), there has been a continued evolution of the new gTLD program, and consequently the staff work and required support to adequately manage it has expanded. Furthermore the recently announced restructuring of Akram Atallah's organization into 3 separate departments has resulted in additional requirements and changes to the budget. For your information, these 3 new departments are the Generic Domain Division (led by Akram Atallah, President), the administrative functions (led by Susanna Bennett, COO), the Technical functions (led Akram Atallah by interim).

As a result, an increase in resource needs of $3m to $4m (less than 5% of the total spend) is anticipated. Since most of this increase is driven by the increased focus on the new gTLD program, and as a result of more analysis, the allocations to the new gTLD program would also increase, leaving the original spend on operations largely unchanged.

Separately, a number of one-time initiatives are moving ahead with various degrees of certainty of materializing in FY14. These initiatives include the following: the President’s Strategic Committees (that Fadi Chehade will be announcing in Durban), the ALAC summit (ATLAS II), the potential initiative in discussion with the African Development Bank and the World Bank to develop registrar accreditation, or the DNS Security Institute in cooperation with the Indian Government,. As a result, we are proposing to increase slightly the contingency from the current 5% to approximately 8% to accommodate these one-time initiatives that were not contemplated early April. This would enable the organization to continue making progress, while accounting for the fact that such events may not materialize during the fiscal year, and therefore no expense would be incurred.

In an effort to maintain transparency and allow the ICANN community to be informed and able to provide feedback, comments on these changes will be received during the upcoming Durban ICANN meeting. Once these comments will be received in Durban, and reviewed, the Board Finance Committee and the Board will review and approve the final budget after the Durban meeting.

Sincerely,

Xavier Calvez