

ICANN BOARD PAPER NO. 2013.07.18.1h

TITLE: **FY2014 Budget Approval Timing**

PROPOSED ACTION: **For Consent Agenda**

EXECUTIVE SUMMARY:

Since the FY2014 Budget was initially posted for public comment, additional items that should be included in the Budget have been identified by staff and shared with the community on 5 July 2013 for comment. To allow sufficient time to review the comments received during the Durban meeting and for the Board consideration of such comments, the Budget approval process needs to be delayed past Durban, which was the intended time for approval. Accordingly, the Board must now pass a resolution allowing for operations under the draft budget pending approval of the final FY2014 Budget.

BOARD FINANCE COMMITTEE RECOMMENDATION:

The Board Finance Committee has recommended that the Board approve the below recommendation to allow operations to move forward pending approval of the final FY2014 Budget.

PROPOSED RESOLUTION:

Whereas, the resolutions 2013.05.18.02 and 2013.05.18.03 stated that ICANN Board intended to approve the FY2014 Budget during the public meeting in Durban, South Africa and authorized the President and CEO to operate in a manner consistent with the Draft FY2014 Budget posted for public comment, respectively.

Whereas, the public comment period for the Draft FY2014 Budget closed on 20 June 2013.

Whereas, changes to the Draft FY14 Budget posted for public comments have been identified subsequent to posting.

Whereas, the ICANN Board wishes to receive comments on such changes during the public meeting in Durban, and be able to review such comments prior to approving the FY2014 Budget.

Whereas, the Board Finance Committee has recommended that the Board pass the two resolutions below.

Resolved (2013.07.18.xx), the ICANN Board intends to approve the FY2014 Budget after the Durban meeting and no later than end of August 2013.

Resolved (2013.07.18.xx), for the period of time beginning on 1 July 2013 through to the date the Board approves the FY2014 Budget, the Board directs the President and CEO to operate ICANN in a manner consistent with the Draft FY2014 Budget that was posted for public comment.

PROPOSED RATIONALE:

The public comment forum on the FY2014 Draft Budget closed on 20 June 2013. Since the FY2014 Budget was initially posted for public comment, additional items that should be included in the budget have been identified by staff and shared with the community on 5 July 2013.

As the changes were not part of the Draft FY2014 Budget that was submitted for public comments, staff recommended to the Board Finance Committee (BFC) that community comments on the changes be gathered during the Durban meeting. To allow sufficient time for review of the comments received during the Durban meeting and for the Board consideration of such comments, staff recommended that the approval of the final FY2014 Budget, including the recommended changes from the Draft version, be delayed until after the Durban meeting.

The BFC agreed and recommended that the Board resolve to approve the FY2014 Budget after the Durban meeting and no later than by the end of August 2013. This action enhances ICANN's transparency and accountability to the community, and allows the

Board sufficient time to consider all community inputs prior to taking a decision on the FY2014 Budget.

In order to allow for ICANN to operate during the beginning of FY2014, beginning on 1 July 2013 through to the date the Board approves the FY2014 Budget, ICANN requires Board authorization. Therefore, the Board is authorizing the President and CEO to operate during this period in accordance with the FY2014 Budget that was posted for public comment. This action will allow for ICANN to maintain its current operations pending formal approval of the FY2014 Budget.

The delay in approval of the budget, as it is accompanied with a measure to allow the operations of ICANN to continue, is not expected to have a material impact on the planned fiscal operations of the organization or the community. This decision will not have an impact on the security, stability or resiliency of the DNS.

This is an Organizational Administrative Function of ICANN not requiring public comment.

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