



**EIN: 81-2946808**

**FY18 Budget Proposal  
July 1, 2017 – June 30, 2018**

Prepared by

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Vice Chair, Finance and Operations

With review by

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June 27, 2017

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## 1.0 Executive Summary

The BC FY18 Budget proposal is provided as part of standard management practice to forecast the fiscal health of the Constituency. It is the opinion of the Finance Committee that the state of BC finance is good and that it should be sustained.

The BC FY17 Budget performance was positive. Income which is primarily on membership was fully paid with 8 new members added while 8 resigned giving a closing membership of 64 implying a flat growth. **Account balance for FY17 is US\$160,660.95.**

Total income was **\$56,987.76**; a 20% decrease over that of FY16 (\$71,327.16) due to withdrawal of a number of category 1 members. Though an equal number of new members joined, they were however category 3 members mostly from developing countries.

Total expenditure was \$35,588.38, which is 40% lower than FY 17 projection but a 17% increase over FY16 result of \$30,454.36. FY17 surplus was \$21,399.38, which is 55% higher than projection but 48% lower than FY16 performance. This is not unconnected with resigned Category 1 members (Please see Section 10.0 below) and the high Category 3 beneficiary of discounted dues in FY17.

With Category 1 membership at 36 (of which 2 members from developing region enjoy 70% discount), Category 2 at 7 (of which 2 members from developing regions enjoy 70% discount) and 21 Category 3 members (of which 14 members from developing regions enjoy 70% discount); FY18 income projection based on existing membership and projected changes is **\$44,060.00.**

An expense budget of **\$39,150.00** is proposed for FY18. **51%** of the budget (\$20,000) is earmarked for outreach in Latin America, Africa, Asia and others in line with BC Outreach Strategy to boost BC diversity and increased engagement around the world. BC also plans to take advantage of ICANN Outreach support budget (5 Community Regional Outreach Program - CROP and travel supports) of about **\$62,700.00.**

The BC became a legal entity in FY16 with a registered address at 1775 Eye St NW, Suite 1150, Washington DC, DC 20006 USA 1-775-253-5756 with an Employer Identification Number (EIN) **81-2946808**. In FY17, it opened a new bank account in Washington DC which enables on-line payment using Moolah payment gateway through the BC portal on the Memberclicks' platform.

In summary, projected FY18 surplus is **\$4,910.00.**

## **2.0 Introduction**

Fiscal Year 18 (FY18) will be a consolidation year for the 19-year old Internet Corporation for Assigned Names and Numbers (ICANN) and the Commercial and Business Users' Constituency (aka Business Constituency (BC)) following the successful transition on October 1, 2016 of the Internet Assigned Numbers Authority (IANA) oversight function from the United States (US) government to the global Internet Community in which the BC is an important constituent in the Generic Names Supporting Organisation (GNSO) of ICANN.

As an important constituent of the ICANN ecosystem, the BC with this FY18 Budget is focused on strengthening its strong policy engagement tradition as the most engaging constituency in ICANN with more than 95% public comment performance.

In FY18, the BC is also focused on expanding its diversity to doing more outreaches across 4 ICANN regions namely Latin America, Africa, Asia and (Eastern) Europe while not overlooking continuous engagement in North America. As BC plans to take advantage of ICANN Outreach support budget (5 Community Regional Outreach Program - CROP, travel support), it is also committing its own funds towards this important objective. Between FY14 and FY17, BC has spent more than \$42,000 on Outreach to developing countries.

As projected in FY15, the BC became a legal entity in FY16 with a registered address at 1775 Eye St NW, Suite 1150, Washington DC, DC 20006 USA 1-775-253-5756 with an Employer Identification Number (EIN) **81-2946808**. In FY17, it opened a new bank account in Washington DC which enables on-line payment using Moolah payment gateway through the BC portal on the Memberclicks' platform.

## **3.0 Mission Statement**

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

- promotes end-user confidence because it is a safe place to conduct business
- is competitive in the supply of registry and registrar and related services
- is technically stable, secure and reliable.

## **4.0 Membership**

Members of the Business Constituency use the Internet to conduct business related to electronic commerce in its broad sense. The Business Constituency is a constituency representing customers of other companies, who provide domain name, Internet Protocol address and related services who are typically members of the Contracted Parties House.

## 5.0 Officers

The BC is run by an Executive Committee composed of:

1. The Chair: Andrew Mack – AMGlobal Consulting
2. Vice-Chair of Finance and Operations: Jimson Olufuye – AfICTA, Africa ICT Alliance
3. Vice-Chair of Policy Coordination: Steve DelBianco – Netchoice
4. Commercial Stakeholder Representative (CSG): Barbara Wanner – USCIB
5. Councillor (Large Business): Susan Kawagushi – CNA Consulting
6. Councillor (Small Business): Phil Corwin – Internet Commerce Association

## 6.0 General Operations

BC general operations scope serves to fulfill its mission of ensuring a stable, secure and resilient Internet. The general operations scope covers:

1. Policy Development Process (PDP)
2. Finance management (Account receivable and payable) (FM)
3. Secretariat management composed of invoicing and non-financial activities (e.g. Meeting coordination) (SM)
4. Membership management (MM)
5. Compliance management (CM)
6. Outreach management (OM)
7. Web and publication management (WPM)
8. Commercial Stakeholder Group management (CSG)
9. ICANN staff engagement (ISE)
10. GNSO Council engagement (GCE)
11. Other SO/AC engagements

The above activities are driven by the Executive Committee as stipulated in the BC Charter and GNSO Bye-Law with the support of the Credential Committee, Finance Committee and the Outreach Committee. Adhoc committees also help to deliver specific assignments e.g. the Charter Review Group..

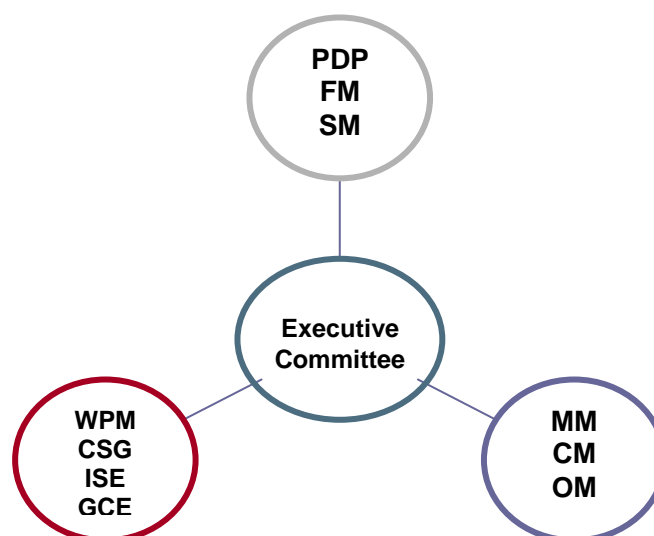


Figure 1: BC General Operations

## 7.0 Review of FY17 Budget Performance

The BC FY17 Budget performance was positive. Income which is primarily on membership was fully paid with 8 new members added while 8 resigned giving a closing membership of 64 implying a flat growth. **Account balance for FY17 is US\$160,660.95.**

Total income was **\$56,987.76**; a 20% decrease over that of FY16 (\$71,327.16) due to withdrawal of a number of category 1 members. Though an equal number of new members joined, they were however category 3 members mostly from developing countries.

Total expenditure was \$35,588.38, which is 40% lower than FY 17 projection but a 17% increase over FY16 result of \$30,454.36. FY17 surplus was \$21,399.38, which is 55% higher than projection but 48% lower than FY16 performance. This is not unconnected with resigned Category 1 members (Please see Section 10.0 below) and the high Category 3 beneficiary of discounted dues in FY17.

The statistics below shows the need for improvement in outreach to grow and further diversify membership.

### Membership Diversity Analysis

North America	40
Africa	7
Asia	7
Latin America	2
Europe	8
	64

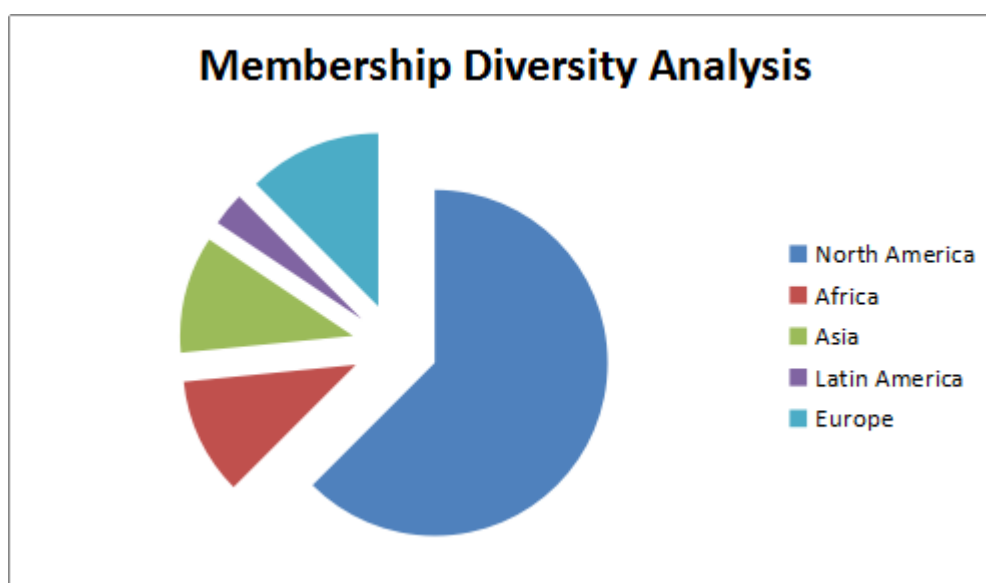


Figure 2: Membership Diversity Analysis

## 7.1 BC FY17 Budget Performance - July 1, 2016 - June 30, 2017

Sn	Description	FY 2015	FY 2016	Projected FY 2017	Actual 2017 US\$
1	Income - Membership fees (Lacaixa+WellsFargo accounts)+ ICANN support for Outreach/ Memberclicks in FY17	67,986.32	71,327.16	72,741.50	56,987.76
2	Expenditure	24,402.07	30,454.36	58,900.00	35,588.38
3	Surplus/Deficit	43,584.25	40,872.80	13,841.50	21,399.38
4	Account Balance @ June 30, 2016				140,831.04
5	Account Balance @ June 30, 2017				160,660.95
6	Membership 46@FY14, 58@FY15, 64@FY16, 64@FY17			70	64
7	Resigned membership			4	8
8	Added membership			9	8

## 7.2 FY17 Actual Expenditure Breakdown

Sn	Description	Amount \$	Remark
1	Newsletter design	2,025.00	
2	Website Maintenance	2,596.10	
3	URL Management	500.00	pending
4	Invoicing	800.00	
5	Banking service	600.00	
6	Bank charges	602.81	
7	Outreach	23,888.79	ICANN to refund \$2,096 per support for Joburg Outreach
8	Memberclicks on bizconst.org	2,417.75	to be refunded by ICANN
9	General Counsel	1,807.93	
10	Donation (Washington Music Fund)	350.00	
	<b>Total \$</b>	<b>35,588.38</b>	

### 7.3 FY17 ICANN Support in Cash

Sn	Description	Amount \$
1	Joburg Outreach Support (for food/Beverage and per diem for 3 travelers)	2,096.00
2	Memberclicks support for bizconst.org	2,417.75
<b>Total \$</b>		<b>4,513.75</b>

### 7.4 FY17 ICANN Support in Kind

Sn	Description	Amount \$	Remarks
1	BC Leadership Travels to 3 ICANN Meetings: 3 Excomm Officers and 2 Councillors	50,000.00	
2	Printing of outreach materials (Newsletters, Factsheets, Meet the BC etc)	4,098.31	
3	CROPP Travel slots for Outreach	10,000.00	
4	Secretariat support	20,000.00	Estimates only
<b>Total \$</b>		<b>84,098.31</b>	

## 8.0 FY18 Budget Proposal

### 8.1 Assumptions

The FY18 Budget is prepared based on the assumptions that

1. Membership dues shall be as reviewed by Excomm on March 30, 2017 as follows:

- i. Category 1: From €1,500 to \$1,000,
- ii. Category 2: From €670 to \$500, and
- iii. Category 3: From €383 to \$200.

Handling/Bank fee from €15 to \$0 (to be borne by BC)

The 70% Discount for members from developing nations per UN categorization stands.

2. ICANN secretariat support will continue
3. The outsourcing of a part of invoicing and banking services will continue in FY18
4. BC is committed to complimenting ICANN outreach budget to foster engagement with commercial and business users of the Internet around the world and particularly in developing countries with the goal to boost diversity by 15%.
5. Memberclicks application for web management, invoicing and account management, member profile management etc will continue to be deployed in FY18.

### 8.2 Income

With Category 1 membership at 36 (of which 2 members from developing region enjoy 70% discount), Category 2 at 7 (of which 2 members from developing regions enjoy 70% discount) and 21 Category 3 members (of which 14 members from developing regions enjoy 70% discount); FY18 income projection based on existing membership and projected changes is **\$44,060.00**. 10 new members are projected to join BC while 6 may resign their membership. Please see details below:

#### FY18 Budget: Income Analysis

Sn	Membership	Qty	Rate	Extension \$
1	Category 1	34	1000	34,000
2	Category 1 - prorated/discounted	2	300	1,500
3	Category 2	5	500	2,500
4	Category 2 -prorated/discounted	2	150	300
5	Category 3	7	200	1,400
6	Category 3 - prorated/discounted	14	60	480
	<b>Subtotal</b>	<b>64</b>		<b>39,640</b>

<b>Sn</b>	<b>New Membership</b>	<b>Qty</b>	<b>Rate</b>	<b>Extension \$</b>
7	Category 1	7	1000	7,000
8	Category 1 - prorated/discounted	2	300	600
9	Category 2		500	-
10	Category 2 -prorated/discounted		150	-
11	Category 3		100	-
12	Category 3 - prorated/discounted	7	60	420
	<b>Subtotal</b>	<b>16</b>		<b>8,020</b>

<b>Sn</b>	<b>Resigned Membership</b>	<b>Qty</b>	<b>Rate</b>	<b>Extension \$</b>
13	Category 1	3	1000	7,000
14	Category 1 - prorated/discounted		300	
15	Category 2		500	-
16	Category 2 -prorated/discounted	-	150	
17	Category 3	3	200	600
18	Category 3 - prorated/discounted	-	60	-
	<b>Subtotal</b>	<b>6</b>		<b>3,600</b>
<b>Total \$</b>				<b>44,060</b>

### 8.3 Expenditure Analysis

An expense budget of **\$39,150** is proposed for FY18. 51% of the budget (**\$20,000**) is earmarked for outreach in Latin America, Africa, Asia and others in line with BC Outreach Strategy to boost BC diversity and increased engagement around the world including North America. It is important to note that the BC Outreach budget is to be complimented by ICANN FY 18 approved Budget Requests for Community Regional Outreach Program (CROP) and leadership development for potential leaders from developing countries. ICANN support in kind is projected to be **\$132,700.00** while direct inflow may be up to **\$10,000.00**.

Full detail of the expenditure breakdown is given below:

#### FY18 Expenditure Proposal

Sn	Description	Amount	Remark
1	Newsletter design	1,650.00	
2	Website maintenance (memberclicks)	2,500.00	
3	Website maintenance (Others - cloud backup services)	5,000.00	
4	URL Management	500.00	
5	Ex-officers' honors -	1,000.00	
6	Invoicing	1,000.00	
7	Banking and finance services	1,000.00	
8	Bank charges	1,500.00	
9	Outreach in Latin America, Africa, Asia & others @ \$5,000 plus additional outreach contingency	20,000.00	ICANN is providing support for 5 regional travelers
10	General Counsel	2,500.00	
11	Miscellaneous	2,500.00	
		<b>39,150.00</b>	

## 8.4 Budget Requests FY18 and Projected Re-imbursable Support

Outlined below is the outcome of budget requests input BC made into ICANN FY18 Budget. The requests range from travel support for 5 officers of the BC (request to cover CSG was part of the BC Comment on the ICANN FY18 Budget proposal) to support for 4 CROPP Travelers in tandem with BC efforts for diversity and further globalization of the BC.

All FY18 budget requests were approved except for request for Continuous Multi-stakeholder Engagement with respect to Internet Governance Forum (IGF) and United Nations Commission on Science and Technology for Development Working Group on Enhanced Cooperation on public policy matters pertaining to the Internet. (That request was modified and re-presented in the FY18 Budget Comment.)

In the final analysis, 2 additional travel supports were provisioned to cater for travels for 2 travelers to ICANN or related events. Community Regional Outreach Pilot Programme (CROPP) was transformed to Community Regional Outreach Programme (CROP) and that would be in the main ICANN Budget going forward. It means there would be no need to request for this support in subsequent Budgets cycles. So, ICANN support in kind is projected to be **\$132,700.00** while direct inflow may be up to **\$10,000.00** giving a total projected support from ICANN to BC to be **US\$142,700.00**.

FY 18 Projected Support in Kind/Cash from ICANN				
Sn	Code	Description (Budget Requests/Memberclicks)	Status	Estimated Cost US\$
1	FY18-08	Leadership Development & Support especially from Developing Countries (enhancing business leaders participation in ICANN and promotion of the M/S approach) – Local Leaders	Travel support for 6 approved per ICANN60, 61 & 62	20,000.00
2	FY18-09	BC Leadership Travel: 3 Excomm Officers and 2 Councilors	Not approved. Existing level of 5 travelers/meeting remains but raised with FY18 Budget Comment	50,000.00
3	FY18-10	Outreach Events (now CROP in core budget with 2 possible out of region travels)	5 Travelers	16,700.00
4	FY18-11	Policy Consultant (Secretariat to add this role) (including Travels, laptop, benefits etc)	Approved	20,000.00
5	FY18-12	Outreach Materials (in core budget)	As already approved	6,000.00
6	FY18-13	Support for 2 active member contributors	New	20,000.00
7		Support for use of Memberclicks (bizconst.org)	Re-imbursable in-Cash support	10,000.00
<b>Total \$</b>				<b>142,700.00</b>

## 8.5 FY18 Budget Summary

<b>Summary of FY18 Budget Forecast</b>	<b>Amount \$</b>
Income	44,060.00
Expenditure	39,150.00
Surplus \$	<b>4,910.00</b>

## 9.0 List of Members FY17

Sn	Company	Country/ Region	Contact	New Member?
1	21st Century Fox Film Corp	USA	Cecilia Smith	
2	Adobe Inc	USA	J. Scott Evans	
3	Africa ICT Alliance - AfICTA	Nigeria/Africa	Jimson Olufuye	
4	AIM - European Brands Association	Belgium	Marie Pattullo	
5	Altronics	USA	B Heimbecker	
6	Amazon.com *	USA	Andrew Harris	
7	AMGlobal Consulting	USA	Andrew Mack	
8	Andalucia.com	Spain	Chris Chaplow	
9	Asian-Oceanian Computing Industry Organization; ASOCIO	Malaysia	David Chang	
10	AT&T	USA	Claudia Selli	
11	Automattic*	USA	Paolo Belcastro	Yes
12	Autoridade Certificadora e Serviços de Certificação Digital Ltda (TARC)	Brazil	Nivaldo Cleto	
13	Blessed Sky Chrome	Nigeria	Joseph Kenneth	
14	Canadian International Pharmacy Association	Canada	Tim Smith	

15	Castello Cities Internet Network; Inc	USA	Michael Castello	
16	Chace System Ltd	Nigeria	Adetola Sogbesan	Yes
17	Clarivate Analytics*	USA	Alison Simpson	Yes
18	CNA Consulting	USA	Susan Kawagushi	Yes
19	Credible Context	USA	John Berard	
20	Cyveillance	USA	Tobias Losch	
21	Digimedia	USA	Jay Chapman	
22	Digisphere	Nigeria	Ola Akinyemi	
23	DomainTools	USA	Tim Chen	
24	Ebay	USA	Olga Yaguez	
25	European Telecommunications Network Operators Association	Belgium	Lise Fuhr	
26	Facebook	USA	Denise Michel	
27	Google	USA	Andy Abrams	
28	HSBC	United Kingdom	Kevin Audritt	
29	I2Coalition*	USA	Jay Sudowski	
30	Instituto Latinoamericano de Comercio Electronico – elInstituto	Argentina/Latin America	Gabriela Szlak	
31	International Chamber of Commerce	France	Elizabeth Thomas-Raynaud	
32	Internet Association	USA	Abigail Slater	
33	Internet Commerce Association	USA	Phil Corwin	

34	Jamil and Jamil	Pakistan	Zahid Jamil	
35	Koltai & Company; LLC.	USA	Steven Koltai	Yes
36	Kvant Corporation	USA	S. McCormick	
37	La Caixa	Spain	Mario Maawad	
38	Lecorpio	USA	Elisa Cooper	
39	LinkedIn Corp	USA	Kat McGowan	
40	Louis Vuitton	France	Claudia Martinuzzi	
41	mCADE	USA	Marilyn Cade	
42	Mecloud	Nigeria	Marcus Eke	Yes
43	MediaWiz	India	Samit Madan	Yes
44	Microboss	Nigeria	Lawrence Olawale-Roberts	
45	Microsoft	USA	Carolyn Nguyen	
46	Motion Picture Association of America*	USA	Alex Deacon	
47	Net Choice	USA	Steve DelBianco	
48	Neustar*	USA	Judy Song	
49	Overstock.com	USA	Chuck Warren	
50	Resonant Stories Ltd.	UK	Phil Kingsland	Yes
51	RookMedia USA; Inc.	USA	Daniel Law	
52	Sala Enterprises	Sri Lanka	Chinthaka Wijewickrama	Yes
53	Symantec Inc	USA	Geoffrey Noakes	
54	Talal Abu-Ghazaleh & Co. International	Jordan	Mahmoud Lattouf	
55	TechNation	Afganistan	Omar Mansoor Ansari	
56	Telepathy Inc.	USA	Nat Cohen	

57	Tencent Holdings	China	Sam Cai	
58	The Walt Disney Company	USA	Ellen M. Blackler	
59	Twitter	USA	Naser Baseer	
60	United States Council for International Business	USA	Barbara Wanner	
61	Verizon	USA	Cheryl Miller	
62	VF Corporation	USA	Lisa O'Hal	
63	Wells Fargo Bank; N.A	USA	Mark Sloan	
64	WhoGoHost	Nigeria	Oluwatoba Obaniyi	
	<b>Members with an * are Non-Voting BC Members</b>			

**New Members: 8**


### 10.0 FY16 Members List

Sn	Company	Joined FY16?
1	<u>21st Century Fox Film Corp</u>	
2	<u>Adobe Inc</u>	
3	<u>Africa ICT Alliance - AfICTA</u>	
4	<u>AIM - European Brands Association</u>	
5	<u>Altronics</u>	
6	<u>Amazon.com *</u>	
7	<u>AMGlobal Consulting</u>	
8	<u>Andalucia.com</u>	
9	<u>Asian-Oceanian Computing Industry Organization, ASOCIO</u>	Yes
10	<u>AT&amp;T</u>	
11	<u>Autoridade Certificadora e Serviços de Certificação Digital Ltda (TARC)</u>	Yes
12	<u>Blessed Sky Chrome</u>	Yes
13	<u>Canadian International Pharmacy</u>	


	<u>Association</u>	
14	<u>Castello Cities Internet Network, Inc</u>	
15	<u>Coalition Against Domain Name Abuse</u>	
16	<u>Council of Better Business Bureaus, Inc</u>	
17	<u>Credible Context</u>	
18	<u>Cyveillance</u>	
19	<u>Digimedia</u>	Yes
20	<u>Digisphere Ltd.</u>	Yes
21	<u>DomainTools</u>	
22	<u>Ebay</u>	
23	<u>eCommerce Institute</u>	
24	<u>European Telecommunications Network Operators Association</u>	
25	<u>Facebook</u>	
26	<u>Fairwinds Partners *</u>	
27	<u>Google</u>	
28	<u>HSBC</u>	
29	<u>I2Coalition*</u>	Yes
30	<u>International Chamber of Commerce</u>	
31	<u>Internet Association</u>	
32	<u>Internet Commerce Association</u>	
33	<u>Jamil and Jamil</u>	
34	<u>Kvant Corporation</u>	
35	<u>La Caixa</u>	
36	<u>Lecorpio</u>	Yes
37	<u>LegitScript</u>	
38	<u>LinkedIn Corporation</u>	
39	<u>Louis Vuitton</u>	Yes
40	<u>mCADE</u>	
41	<u>Microboss</u>	Yes
42	<u>Microsoft</u>	
43	<u>Motion Picture Association of America</u>	
44	<u>Net Choice</u>	
45	<u>Neustar*</u>	
46	<u>Overstock.com</u>	
47	<u>Richemont International *</u>	
48	<u>Rook Media USA, Inc.</u>	
49	<u>Software &amp; Information Industry Association - SIIA *</u>	
50	<u>Symantec Inc</u>	Yes
51	<u>Talal Abu-Ghazaleh &amp; Co. International</u>	
52	<u>TechNation</u>	Yes
53	<u>Telepathy Inc.</u>	
54	<u>Tencent Holdings</u>	
55	<u>The Walt Disney Company</u>	
56	<u>Thomson Reuters</u>	
57	<u>Twitter</u>	
58	<u>United States Council for International Business</u>	

59	<u>Verizon</u>	
60	<u>VF Corporation</u>	
61	<u>WEB Group</u>	
62	<u>Wells Fargo Bank, N.A</u>	
63	<u>WhoGoHost</u>	
64	<u>Yahoo! Inc</u>	

**New members: 11**

 Resigned membership: 8

## 11.0 Conclusion

The VC F/O would like to thank members of the Excomm, Finance Committee, Outreach Committee, the Secretariat and policy support team -  Janice Douma Lange, Joseph De Jesus, Rob Hoggarth, Benedetta Rossi and Chantelle Doerksen for their support throughout FY17 leading to this milestone. I also wish to appreciate all BC members for their candid commitment to continuous diversification of the BC and keeping BC strong.