Finance and Planning Update

ICANN85 Prep Week

23 February 2026

Webinar Information

This session is recorded

This session is scheduled to last 1 hour

Presentation is published on ICANN85 Prep week web page and ICANN Finance and Planning Community Wiki page

Q&A will be during and at the end of the presentation

Agenda

- FY26 Financial Update
- Draft ICANN FY27–31 Operating and Financial Plan and Draft ICANN FY27 Operating Plan
- Draft FY27 Budget
- Overview of Public Comments Received
- Next Steps
- Q&A

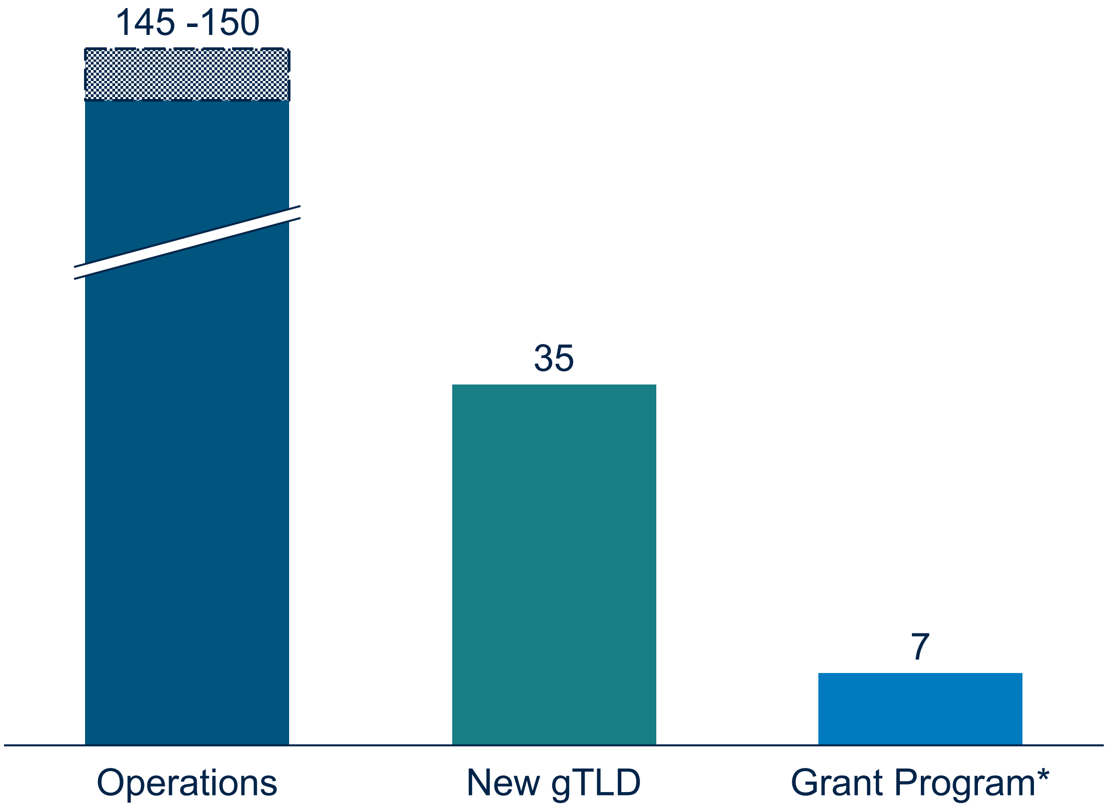
FY26 Financial Update

FY26 Financial Update

- FY26 financials for the first seven months of the fiscal year (July 2025 – January 2026) are strong compared to both budget and prior year.
- Strong financials have been achieved through higher than planned funding and expenses remaining at or below budget.
- FY26 expenses forecast for ICANN Operations is projected to be lower than funding, resulting in a surplus at the end of the fiscal year.
- FY26 expenses forecast for the New gTLD Program: 2026 Round and Grant Program are also aligned to their respective budgets.

FY26 Total ICANN Expenses by Segment – Full Year Forecast

$ in millions

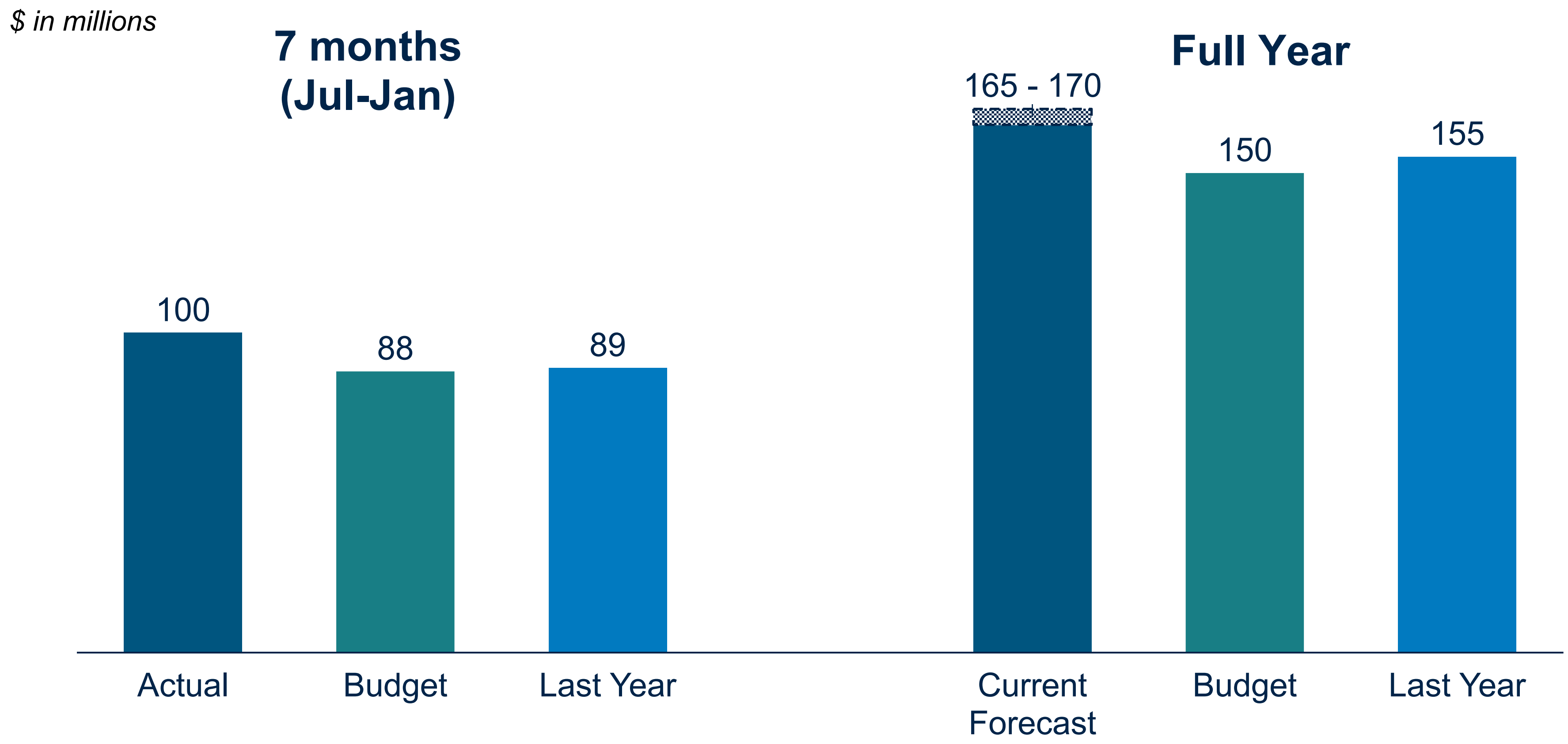


Total:

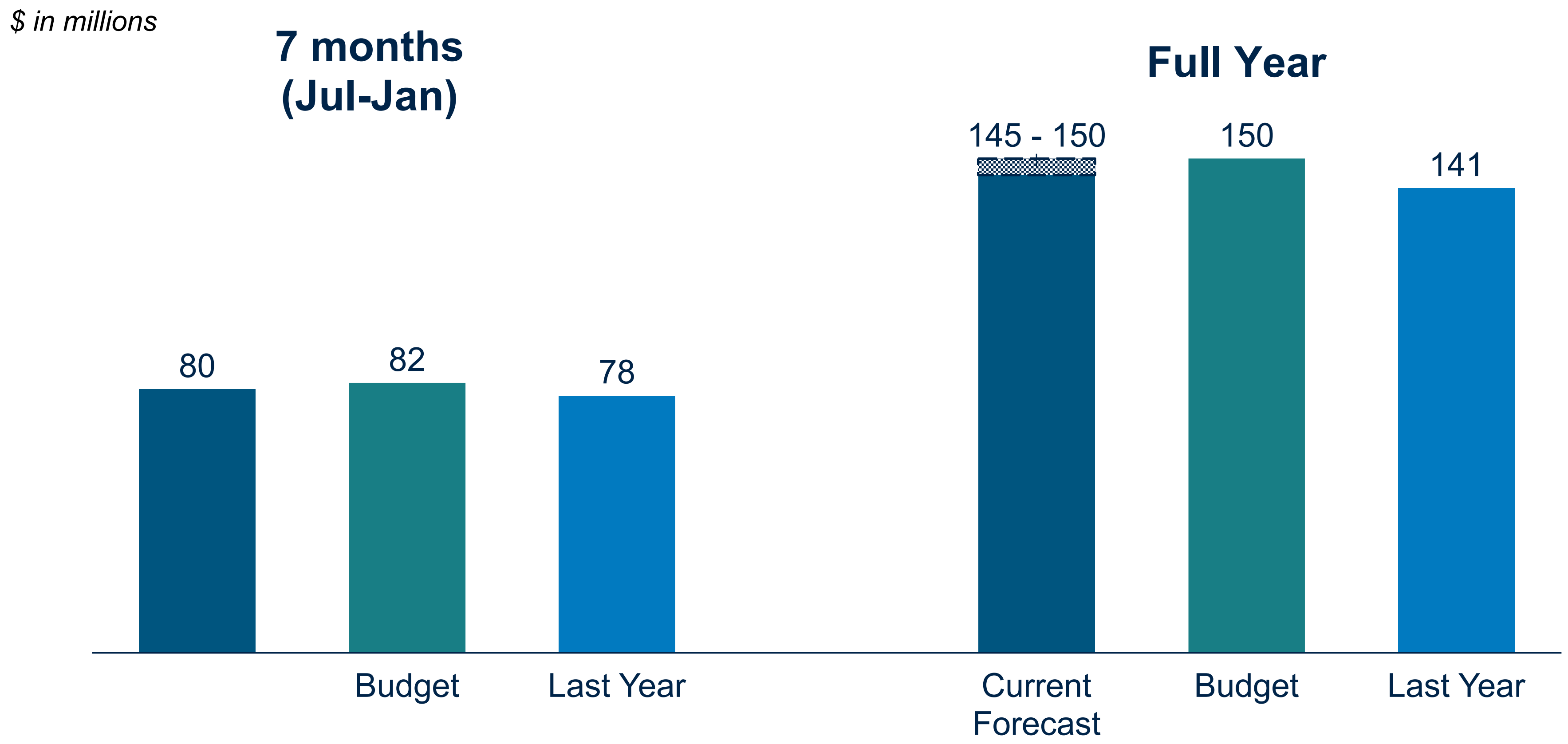
$187M - $192M

*Includes $5M in grantee disbursements

FY26 Funding Status

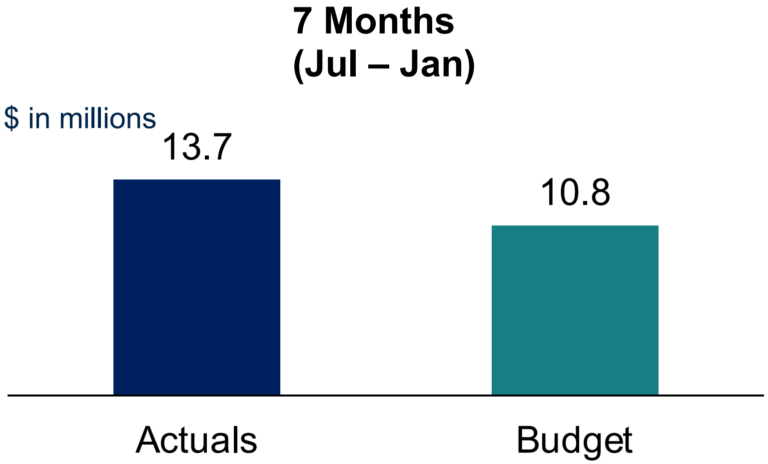


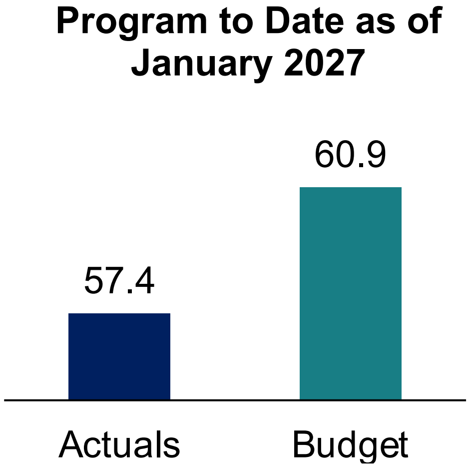
FY26 ICANN Operations Expenses Status

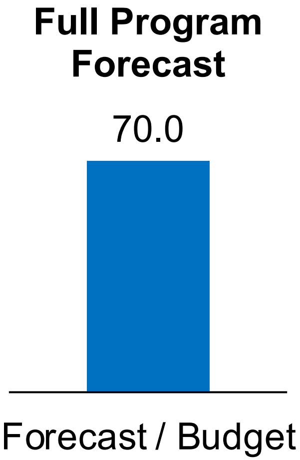


2026 Round - FY26 YTD Expenses and Program to Date

- Program to date is $3.5M under budget driven primarily by delay of non-personnel expenses
  - TAMS development schedule and timing of translations and engagement
  - Current FY26 spend is higher than budget as the program under spend to date is occurring now
- Expenses are increasing as the application opening approaches in April 2026
  - Readiness activities, trainings, onboarding of application processors and systems development.
- FY26 average staff FTE is 38.1 and program to date average staff FTE is 34.8







FY26 $1.1M over budget due to catch up from earlier delays. Program to date is $3.5M under spend

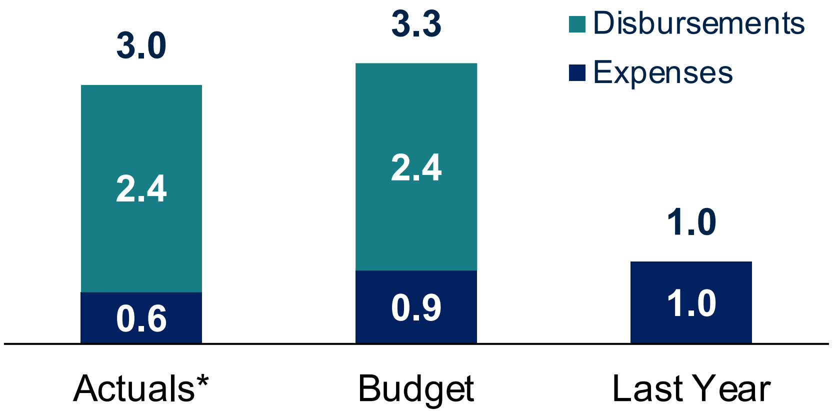
Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

Grant Program - FY26 YTD Expenses and Program to Date

- Program to date is $0.3M under budget driven primarily by non-personnel expenses
  - Application eligibility reviews and unused contingency
- The first cycle of grantee awards began in FY25 and will continue through FY27
  - $4.8M of disbursements made and another $2.6M planned for FY26

7 Months (Jul – Jan)

$ in millions

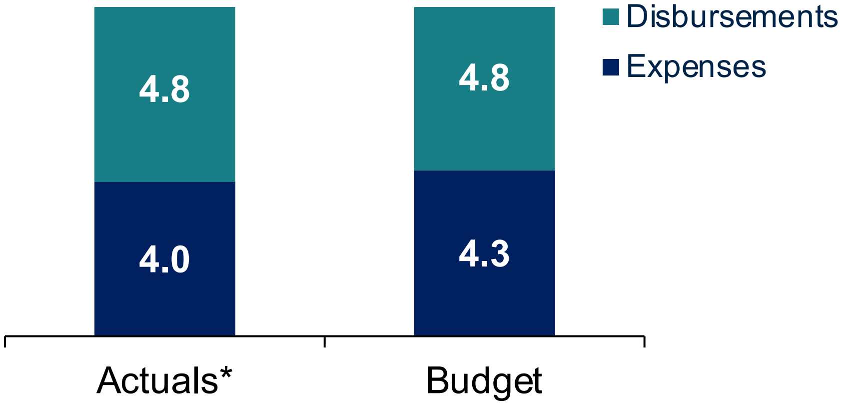


* First cycle disbursements were awarded beginning May 2025.

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

Program to Date as of January 2026

$ in millions



* Actuals and budget include $4.8M of grantee disbursements awarded

Draft ICANN FY27–31 Operating and Financial Plan and Draft ICANN FY27 Operating Plan

Annual OP&B Planning Process and Timeline

Today

Community
Planning Prioritization
Apr - Jun

The planning prioritization process is a step during the “consultation” phase of the draft plans' development process

ICANN
Draft Plans Development
Jul - Nov

ICANN develops the draft plans

Community
Public Comment
Dec - Feb

Community provides further input to the draft plans via Public Comment Proceeding

ICANN
updates plans, if needed
Mar - Apr

ICANN produces the Summary Report and updates the draft plans as needed

Board
Adoption
May

ICANN Board considers and adopts the plans

Community
Empowered Community
Jun

Empowered Community Period

Community input is a key part of the annual planning process. The process starts with community input received during the Planning Prioritization phase. Community input is then requested on the draft plans through the Public Comment proceedings.

Key FY27 Planning Assumptions

Five-Year Strategic Plan	The FY27–31 Operating and Financial Plan and FY27 Operating Plan and Budget are developed based on the FY26–30 Strategic Plan
Annual Updates	ICANN plans are reviewed at least once a year and updated as needed to account for changing circumstances and developments at the direction of the ICANN Board
Financial Sustainability	Sustainability is a cornerstone of the FY27–31 Operating and Financial Plan. ICANN plans for ICANN's Operations expenses to remain at or lower than funding available
Macro Economic Factors	The plans are developed based on the current understanding of inflation and other macro economic trends for FY27–31
Planning For Board Approved Activities	Implementation work for community-led activities are only included in the plans when recommendations and policies are Board approved and prioritized through the community-led Planning Prioritization Process

ICANN FY27–31 Operating and Financial Plan and FY27 Operating Plan

The ICANN FY27–31 Operating and Financial Plan includes all the activities ICANN will undertake to achieve its Five-Year Strategic Plan and operate the organization and implement its mission and mandate

Total ICANN

Strategic Initiatives (FY26–30)

35 Strategic Initiatives are the activities that support the achievement of the strategies set forth in the Adopted ICANN Five Year Strategic Plan for FY26–30

Functional Activities (FY27–31)

33 Functional Activities in five service groups describe ICANN's continuing operations to implement ICANN's mission and mandate and support the organization

Strategic Initiatives Overview

- As published in the Adopted FY26 Plan Appendix, the Strategic Initiatives are color coded and grouped by the four Strategic Objectives set forth in the Adopted Strategic Plan
- Strategic Initiatives with a current status of “Execute” have a project and resource plan outlined for the 2026–2030 fiscal year period

1. Evolve and promote ICANN’s multistakeholder model to sustain its inclusive approach to Internet governance	**3. Collaborate with relevant stakeholders to evolve the Internet’s unique identifier systems**
2. Enhance organizational excellence	**4. Strengthen the stability and security of the Internet’s unique identifier systems**

Definition of Terms	
To Initiate Planning	Determine at a high level what is needed for the project to be successful. There are no resources assigned yet
Plan	Plan all tasks and deliverables needed for timely project completion. Project Management resources have been allocated, and cross-functional resource needs are being evaluated
Execute	Complete all tasks and deliverables needed to finish the project. Resources budgeted to meet project deliverables
Complete or Shift to Continuing Operations	Activity moves to steady state and continuing operations

Draft FY27 Budget

Draft FY27 Budget – Total ICANN

Total ICANN Financials	For the Twelve Months Ending 30 Jun 2027					
In Millions, US dollars	ICANN Operations	New gTLD Program	SFICR Projects	Grant Program	Reserve Fund	Total
Funds Under Management - 30 Jun 2026	**$47**	**$17**	**$12**	**$232**	**$203**	**$512**
Funds Collected	161	384	-	-	-	545
Personnel	(93)	(17)	-	(1)	-	(111)
Non-Personnel	(59)	(32)	-	(1)	-	(91)
Depreciation and non-cash items	(5)	-	-	-	-	(5)
Contingency	(8)	(5)	-	-	-	(13)
Projected Grants Distributed	-	-	-	(3)	-	(3)
Subtotal Expenses	(165)	(53)	-	(4)	-	(223)
(+) Depreciation and non-cash items	5	-	-	-	-	5
(-) Capital expenditures	(1)	(2)	-	-	-	(2)
Cash Expenses	(161)	(55)	-	(4)	-	(220)
Net Increase/(Decrease)	0	329	-	(4)	-	325
Investment Income/(Decline)	0.5	3.5	0.1	2.3	2.0	11.8
Funds Under Management - 30 Jun 2027	**$48**	**$350**	**$12**	**$230**	**$205**	**$849**

Average FTEs	**407**	**58**	**-**	**3**	**-**	**468**
End of Period FTEs	**406**	**59**	**-**	**3**	**-**	**468**

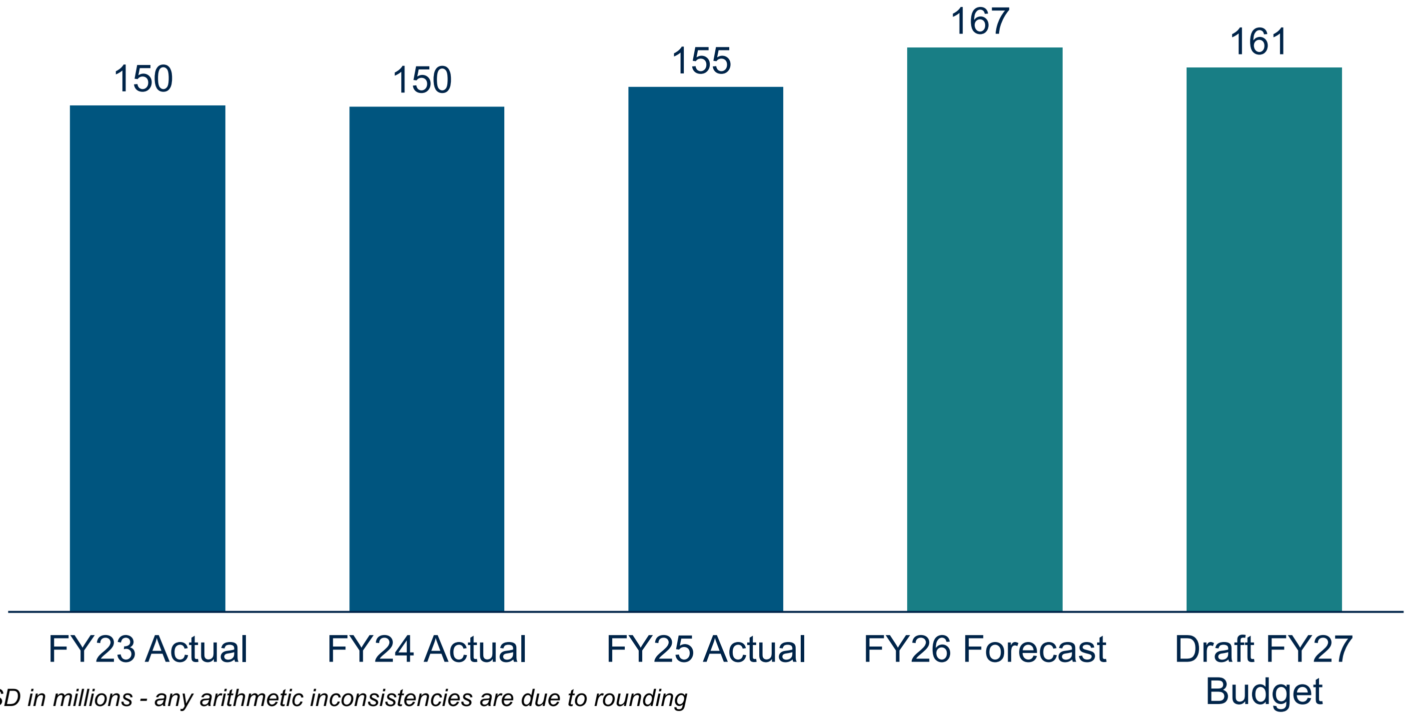
Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

ICANN Operations

Consists of ongoing activities such as the technical coordination of the Domain Name System (DNS) and coordination of the development and implementation of policies concerning top-level domains

Draft FY27 Budget – Funding Trends

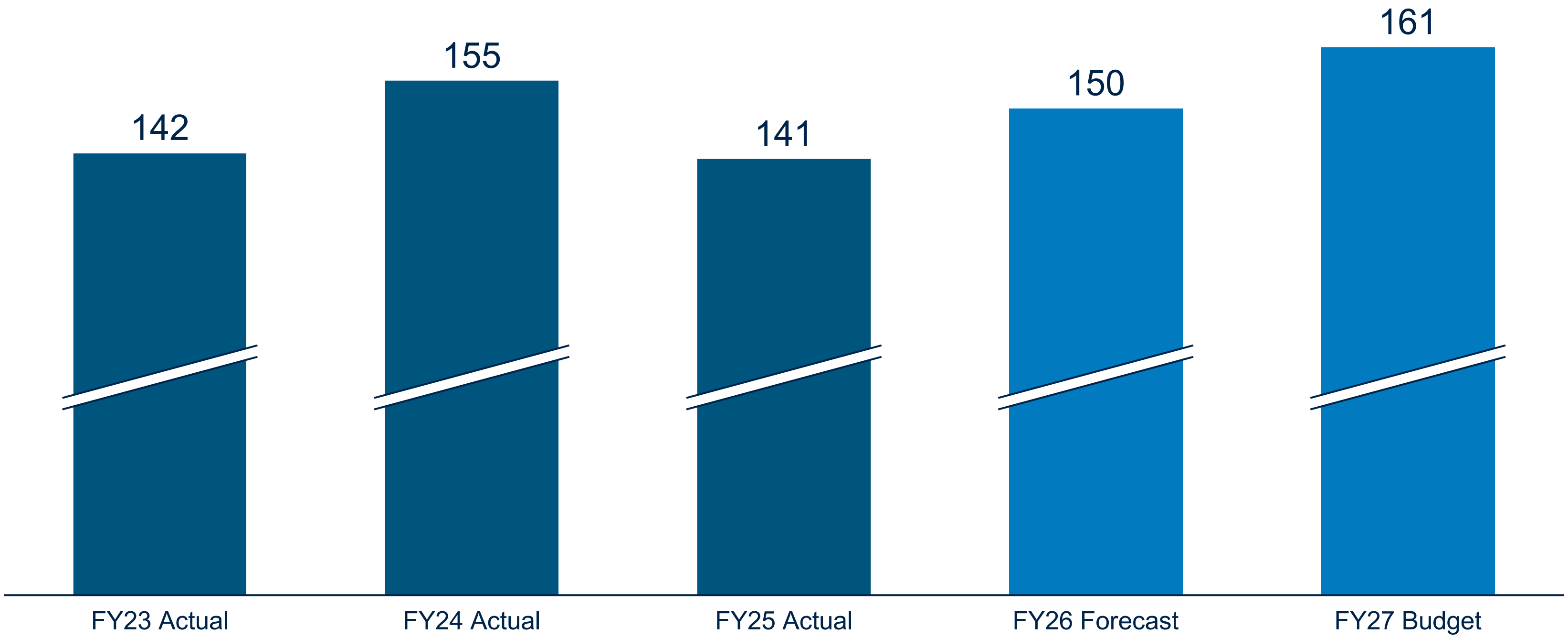
- Funding projections account for multiple scenarios; the base scenario is displayed below and used for planning purposes.
- FY26 Forecast is projected based on seven months of actual data.



Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

ICANN Operations Expense Trends

- Increase in costs from FY23 to FY24 due to travel resumption, new work, and inflation. Cost reductions implemented to balance budget.
- See next slide for variance from FY26 Forecast to FY27 Budget



Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

Draft FY27 Budget vs FY26 Forecast

USD in $M	FY27 Budget	FY26 Forecast	Notes
Funding	**$161**	**$167**	
Personnel	(93)	(87)	• Budget includes inflationary increases and higher full-time equivalents (FTEs)
Non-Personnel Expenses	(58)	(54)	• Budget includes increases to reflect current expense rates and investments in training, internal audit, and data escrow
Depreciation and non-cash items	(5)	(5)	• Included for greater financial visibility and transparency
Contingency	(8)	(8)	
Operating Expenses	**($165)**	**($154)**	
(+) Depreciation and non-cash items	5	5	
(-) Capital expenditures	(1)	(1)	
Cash Expenses	**($161)**	**($150)**	
Free Cash Flow	**$0**	**$17-22**	• Forecast range of expected surplus
Average FTEs	407	395	

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

New gTLD Program: 2026 Round Budget

2026 Round Budget Estimation Assumptions

- Application period opens in April 2026 and remains open for 12 - 15 weeks
- Volume of 2,000 applications received
- FY27 processing activities focused on training and onboarding new resources, application payment reconciliation, reveal day, replacement strings, confirmation day, prioritization draw, community inputs and objections, and string evaluations
  - The order of processing for the 2026 Round is different than the 2012 Round for more efficiency in processing
  - A larger portion of the administrative work for objections and contentions will occur in the first part of the application round
- It is anticipated that a majority of new gTLDs will be delegated in FY28 and FY29.
  - First gTLD delegated starting November 2027 (FY28)

Financial Projections are aligned with these assumptions and may increase or decrease based on these outcomes, most notably number of applications

New gTLD Program: 2026 Round - Overview

New gTLD Program: 2026 Round FY27 and Total Program Budget - 2,000 Applications		
Program Category **(USD in Millions)**	**FY27**	**Total Program**
Implementation Costs	**$0.0**	**$70.0**
Processing Costs	**$49.4**	**$177.8**
Personnel	$12.5	$62.8
Contractors – Staff Augmentation	$3.3	$13.2
Travel	$0.5	$2.7
Initial & Extended Evaluations - Vendors	$16.9	$44.1
QA, Objections, & Auctions - Vendors	$4.5	$14.1
Prrogram Administration - Vendors	$5.7	$15.7
Shared Services & Org Support	$5.9	$25.1
Contingency & Risk Allocation	**$5.0**	**$136.2**
Total Costs of Program	**$54.4**	**$384.0**
Personnel FTE	**57.5**	**49.0**
Estimated Program Cash to be Received		
$227K Application Fee: 2,000 Applications	**N/A**	**$454.0**
Volume Refund*	**N/A**	**($70.0)**
Net Cash Received	**N/A**	**$384M**

**The application fee assumed 1,000 applications as a risk mitigation tactic for cost recovery of implementation costs. If more than 1,000 applications are received a volume refund will be issued*

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

Grant Program Budget

Grant Program

- First cycle of the Grant Program launched in March 2024
- The first cycle grantees were approved by the ICANN Board in January 2025
- The grantee awards are approved in installments with the final installment of the first cycle occurring in FY27

Grant Program *(USD in Millions)*	**Actuals FY23-FY25**	**FY26 Forecast**	**FY27 Budget**	**FY28 - FY32 Budget***	**Total Grant Program**
Personnel	$1.7	$0.6	$0.6	$4.0 - $5.0	$6.9 - $7.9
T&M	$0.1	$0.1	$0.1	$0.1 - $0.3	$0.3 - $0.5
Prof Svcs	$0.9	$0.4	$0.5	$2.0 - $3.0	$3.8 - $4.8
Admin	$0.0	$0.0	$0.0	$0.1 - $0.3	$0.2 - $0.4
Contingency	$0.0	$0.1	$0.1	$0.3 - $0.5	$0.5 - $0.7
Shared Services Support**	$0.7	$0.3	$0.4	$2.0 - $3.0	$3.5 - $4.5
Total Expenses	**$3.4**	**$1.5**	**$1.7**	**$8.5 - $12.1**	**$15.1 - $18.7**
Estimated Grant Distributions***	**$2.3**	**$5.0**	**$2.7**	**$230 - $235**	**$240 - $245**
Expenses as a % of Distributions					**6% - 8%**

* Budget expenses for FY28 - FY32 are given as a range estimate for total expenses over those five years.
** Shared Services Support represents allocated costs from ICANN for administrative costs.
*** Estimated Grant Distributions are based on current Auction Proceeds balance less estimated expenses for Grant Program administration.

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

FY27 Public Technical Identifiers(PTI) Budget and FY27 Internet Assigned Numbers Authority (IANA) Budget

FY27 PTI and IANA Budget

FY27 PTI Budget in Millions, USD	FY27 Budget	FY26 Budget	Fav/(Unfav) vs. FY26 Budget		FY25 Actual	Fav/(Unfav) vs. FY25 Actual	
			Total	%		Total	%
FUNDING	**$11.5**	**$11.7**	**($0.2)**	**-2%**	**$10.2**	**$1.3**	**13%**
Personnel	($7.5)	($7.6)	$0.0	1%	($7.5)	($0.0)	0%
Travel & Meetings	($0.5)	($0.4)	($0.0)	-9%	($0.3)	($0.2)	-56%
Professional Services	($2.0)	($1.9)	($0.1)	-7%	($1.4)	($0.6)	-41%
Administration	($0.9)	($1.2)	$0.3	26%	($0.9)	$0.0	0%
Depreciation and non-cash items	($0.1)	($0.1)	$0.0	0%	($0.1)	$0.0	0%
Contingency	($0.5)	($0.5)	$0.0	0%	$0.0	($0.5)	0%
Subtotal Expenses	($11.5)	($11.7)	$0.2	2%	($10.2)	($1.3)	-13%
(+) Depreciation and non-cash items	$0.1	$0.1	$0.0	0%	$0.1	$0.0	0%
(-) Capital expenditures	($0.1)	($0.1)	$0.0	4%	($0.1)	($0.0)	-69%
TOTAL CASH EXPENSES	**($11.5)**	**($11.7)**	**$0.2**	**2%**	**($10.2)**	**($1.3)**	**-13%**
SURPLUS/(DEFICIT)	**$0.0**	**$0.0**	**$0.0**	**0%**	**$0.0**	**$0.0**	**0%**
Average Full-Time Equivalents	23.5	23.8	0.3	1%	23.7	0.2	1%

FY27 IANA Budget in Millions, USD	FY27 Budget	FY26 Budget	Fav/(Unfav)		FY25 Actual	Fav/(Unfav)	
			Total	%		Total	%
PTI Services	($11.5)	($11.7)	$0.2	2%	($10.2)	($1.3)	-13%
IANA Support Activities (a)	($0.4)	($0.4)	$0.0	2%	($0.6)	$0.1	24%
TOTAL	**($11.9)**	**($12.1)**	**$0.2**	**2%**	**($10.7)**	**($1.2)**	**-11%**
Average Full-Time Equivalents	24.3	24.6	0.3	1%	25.2	0.9	4%

(a) IANA Support Activities includes the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee and IANA Naming Function reviews. These costs are funded by ICANN org.

Unaudited - USD in millions - any arithmetic inconsistencies are due to rounding

- The FY27 PTI Budget remains stable to the prior year's budget with lower budgeted costs in PTI's Direct Shared support partially offset by higher budgeted support of the 2026 Round
- The IANA Support Activities component remains flat to the support activities component in the FY26 IANA Budget
- Overall, the services remain the same as the FY26 Budget

Draft FY27 Plans Overview of Public Comments Received

1. Draft ICANN FY27–31 Operating and Financial Plan, ICANN Operating Plan and Budget,
   IANA FY27 Operating Plan and Budget

2. Draft PTI FY27 Operating Plan and Budget

Two Public Comment Proceedings

#1 ICANN FY27–31 Operating and Financial Plan, ICANN and IANA FY27 Operating Plans and Budgets

a. Draft ICANN FY27–31 Highlights Document
b. Draft ICANN FY27–31 Operating and Financial Plan and Draft ICANN FY27 Operating Plan
c. Draft ICANN FY27 Budget
d. Draft IANA FY27 Operating Plan and Budget
e. Proposal for Changes to ICANN's Funds

#2 Draft PTI FY27 Operating Plan and Budget

Subscribe to get alerts on the Public Comment Proceedings opening

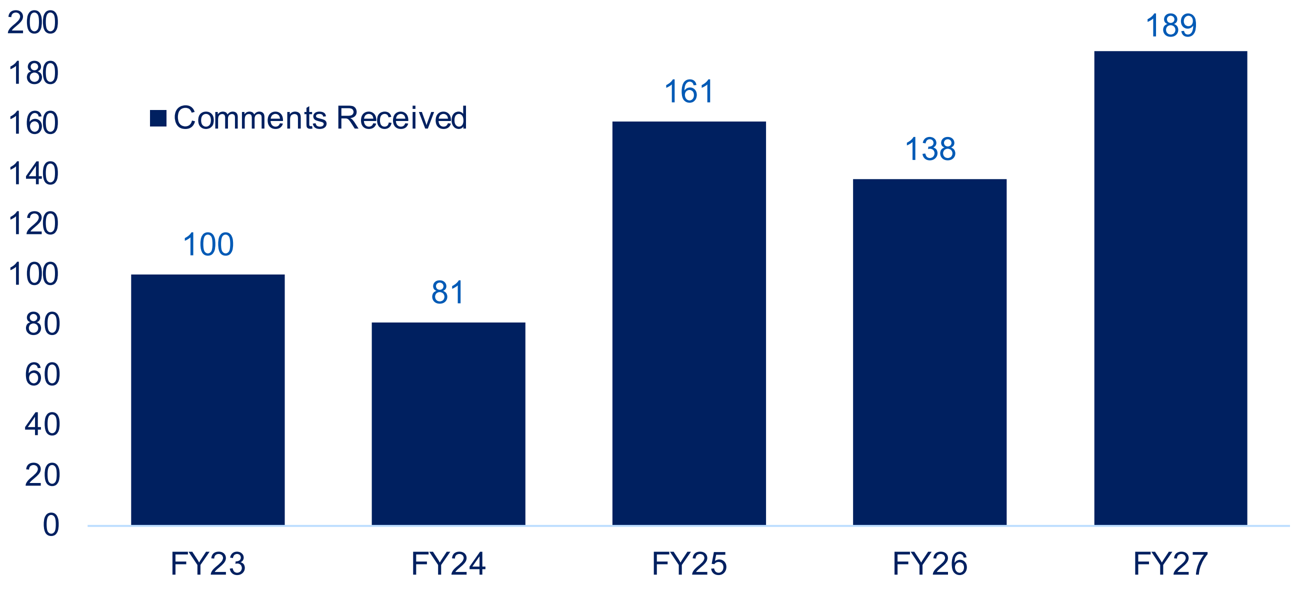
Open for Public Comment
16 December 2025

Closed for Public Comment
12 February 2026

Staff Summary Report Published
ICANN - 02 April 2026
PTI - 02 April 2026

Summary of Number of Comments by Year

ICANN received eight submissions with a total of 189 individual comments on the Draft ICANN FY27–31 Operating and Financial Plan, ICANN FY27 Operating Plan and Budget and IANA FY27 Operating Plan and Budget



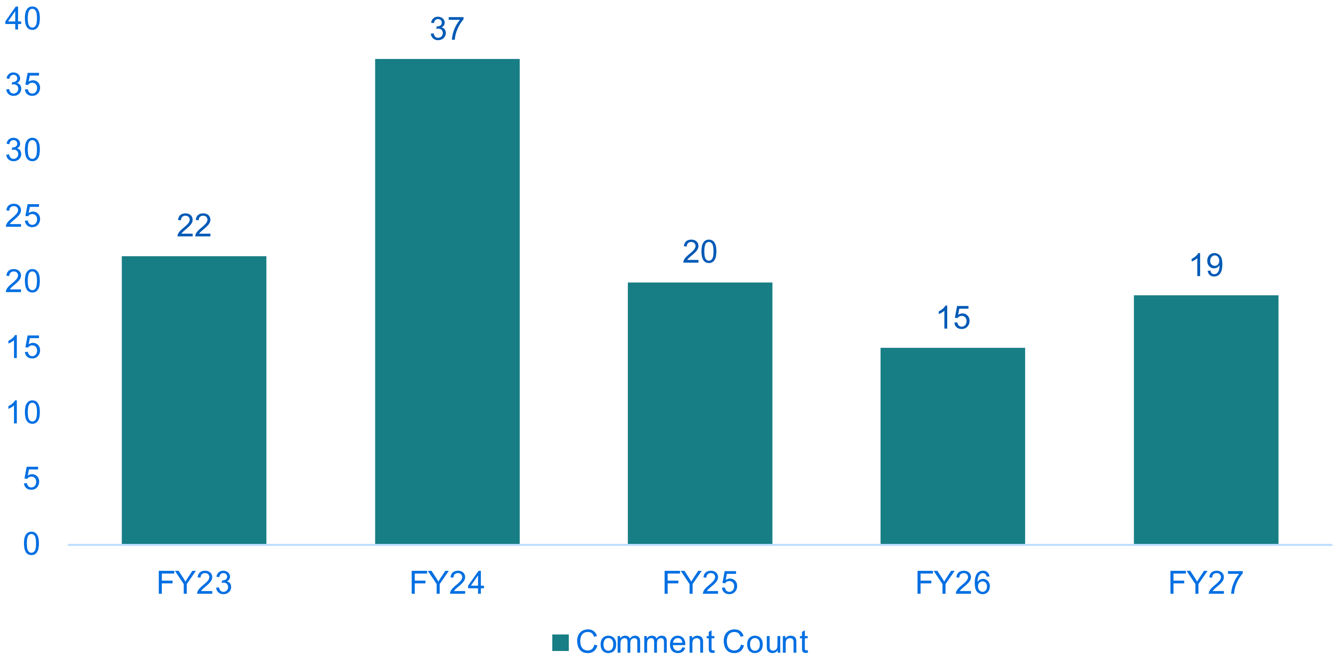
# of Submissions	6	6	11	7	8

Preliminary Public Comments Theme

Theme	Total Number	At-Large Advisory Committee (ALAC)	ccNSO Strategic and Operational Planning Committee (SOPC)	Individuals (2)	IPC	NCSG	RrSG	RySG
Financials Management	35	5	5	11	2	7	2	3
Functional Activities Plans	26	13	2	2	2	7	-	-
Plan Structure	4	1	2	1	-	-	-	-
Planning Assumptions	8	3	2	3	-	-	-	-
Strategic Initiatives Plans	72	13	34	3	-	2	1	19
ICANN Funds Proposal	20	6	4	4		1		5
Other	17	4	4	5	-	2	1	1
IANA OP&B	7	3	2	2	-	-	-	-
Total	**189**	48	55	31	4	19	4	28

Summary of PTI OP&B Comments Year Over Year

The PTI Operating Plan and Budget received four* submissions with a total of 19 comments



**One group's comment on PTI OP&B was submitted through the ICANN OP&B proceeding*

Preliminary Public Comments Theme- PTI

SO-AC Organization/ Individual	Theme			
	Other	PTI FY27 Budget	Scope of Work	Grand Total
ALAC	2	1	7	10
ccNSO SOPC	-	5	1	6
RrSg	1	-	-	1
NCSG	1	-	1	2
Grand Total	**4**	**6**	**9**	**19**

Next Steps: Timeline

#	Key Step	Dates
1	✓ FY27 Planning Prioritization Process	May – July 2025
2	✓ Community Webinar: Planning Updates on Drafts and Timeline	ICANN 84 Prep Week
3	✓ Public Comment Proceedings and Community Webinars	16 December 2025 – 12 February 2026
4	Draft ICANN/ IANA and PTI Summary Reports on Public Comment Published	02 April 2026
5	PTI Board Reviews for adoption PTI Operating Plan & Budget	Mid April 2026
6	ICANN Board Reviews for Plan adoption of ICANN and IANA plans	Early May 2026
7	Empowered Community Period for ICANN/ IANA Plans	May–June 2026 (28 days)
8	FY27 Fiscal Year Starts	1 July 2026

Questions

- Please raise your hand in zoom if you want to ask a question
- Unmute your microphone to ask questions when it is your turn
- Mute your microphone when not speaking

- Type your questions in the chat

For questions or information, email the planning team ▶ **planning@icann.org**

How to Participate in ICANN's Planning

Subscribe to the **ICANN Public Comment page** to receive notifications of upcoming activities/ proceedings

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