



86

POLICY
FORUM



ICANN86 Prep Week

Finance and Planning Update

20 May 2026

Introduction



This session is recorded



This session is scheduled to last one hour



Presentation is published on [ICANN86 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
- ICANN's Investment Policy Overview
- ICANN FY27 Budget
- ICANN FY27–31 Operating and Financial Plan and ICANN FY27 Operating Plan
- Strategy Review Process
- FY28 Planning Preliminary Timeline
- Q&A

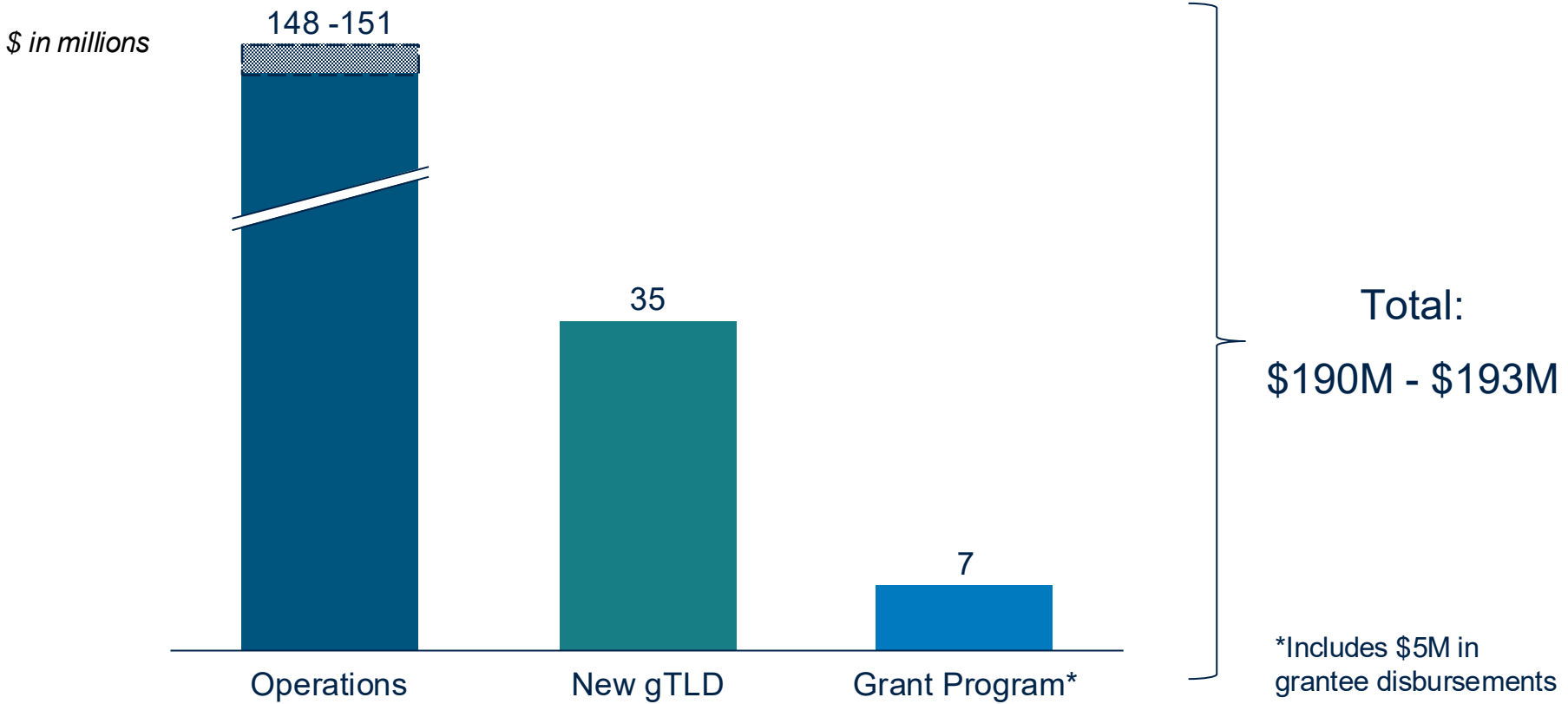
FY26 Financial Update

*All monetary figures are in US Dollars unless otherwise stated
Any arithmetic inconsistencies are due to rounding*

FY26 Financial Update

- FY26 financials for the first ten months of the fiscal year (July 2025 – April 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.

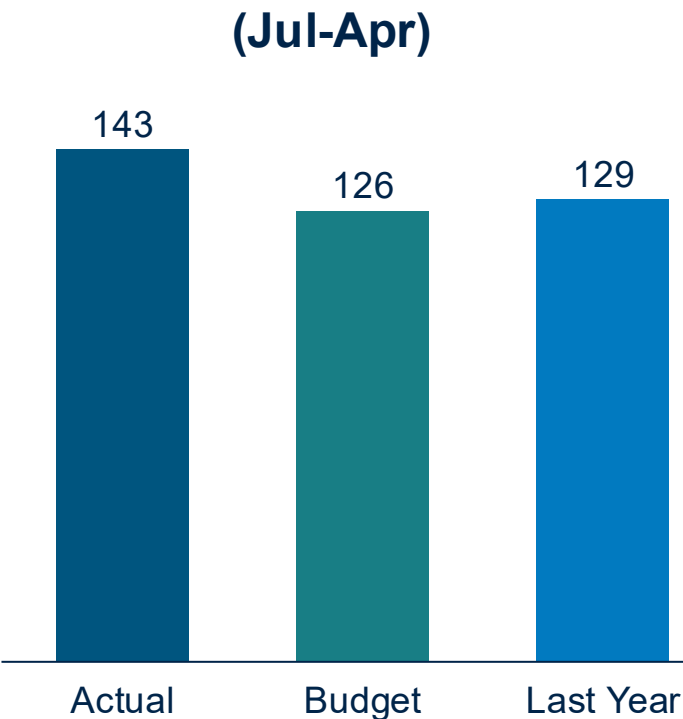
FY26 Total ICANN Expenses by Segment – Full Year



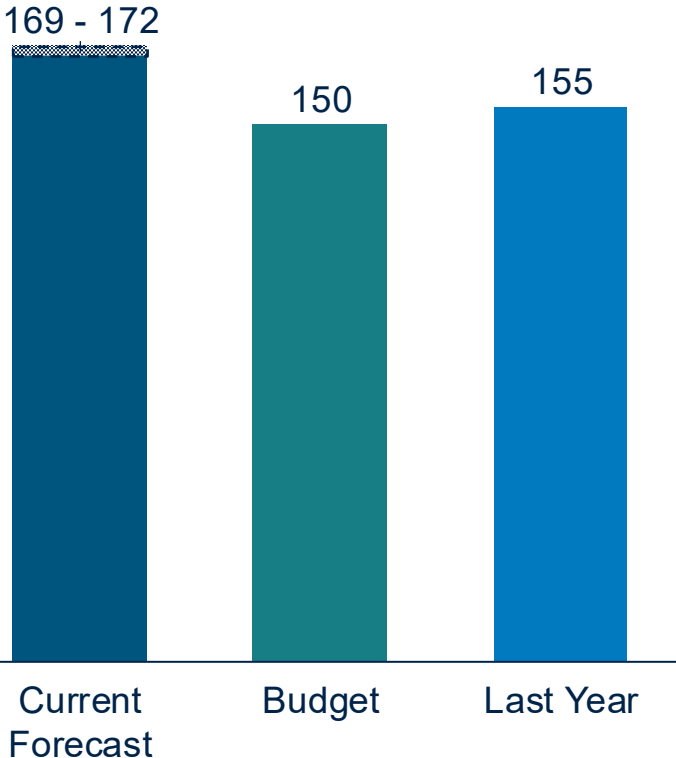
FY26 Funding Status

\$ in millions

10 months (Jul-Apr)

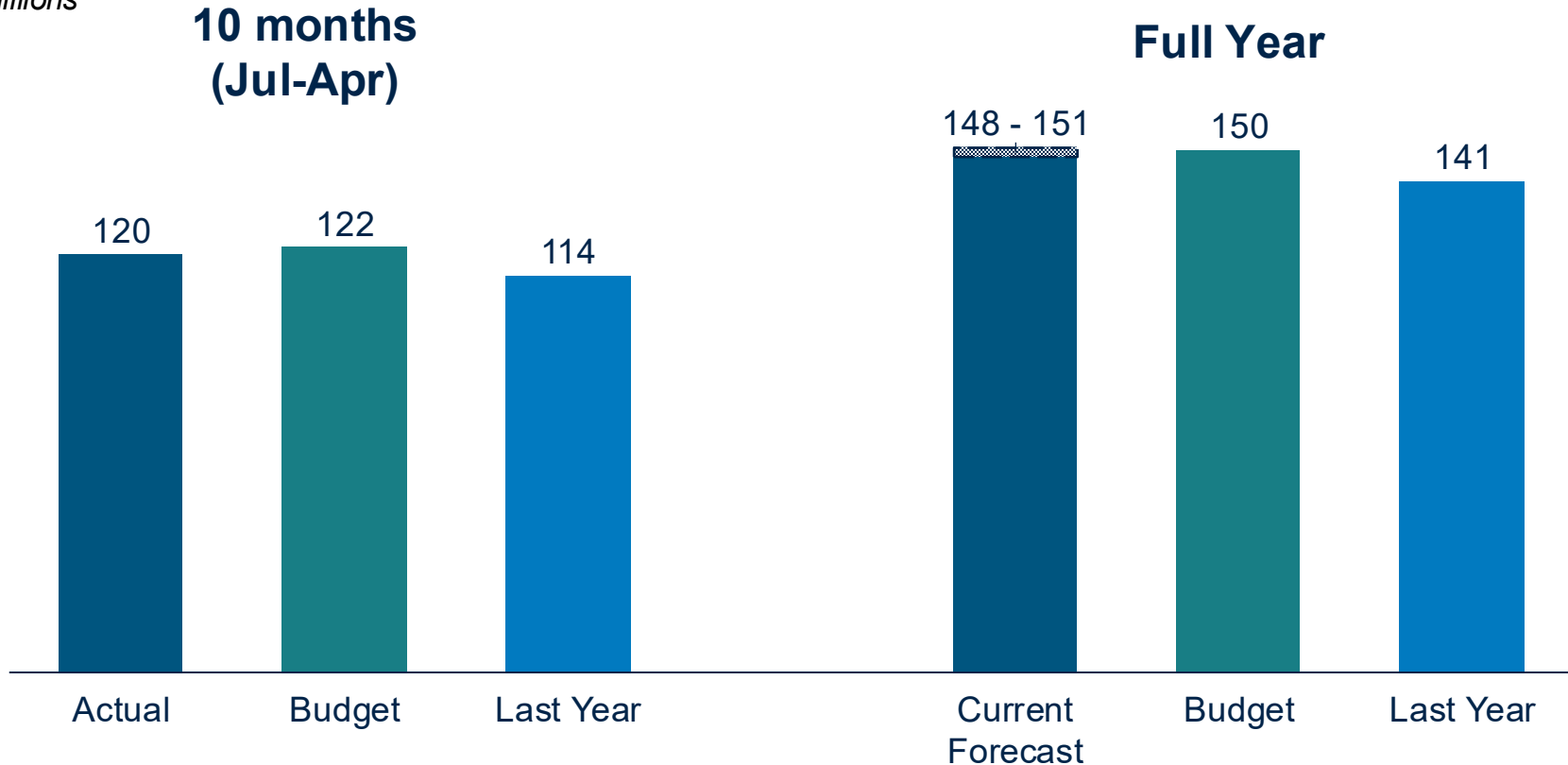


Full Year



FY26 ICANN Operations Expenses Status

\$ in millions



Financial Overview - 2026 Round

New gTLD Program: 2026 Round - \$384M Total Budget

Implementation - \$70M Total Budget

ASP

2026 Round

To Date: \$63.0M Spend
To Go: \$6.9M Spend

Processing - \$314M Total Budget

ASP

2026 Round

SSSE

To Date: \$6.0M Actual Spend

Registry Service Provider (RSP) Evaluation Program - \$3.7M Total Budget

To Date: \$3.2M Actual Spend

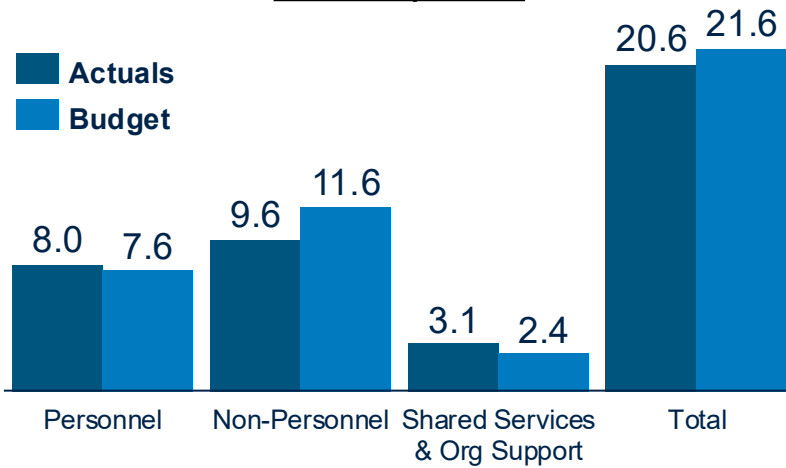
- \$6.9M of under spend on implementation is due to timing. The final development of the TLD Application Management System (TAMS) and Name Collision activities will utilize the remaining implementation funds.
- Processing activities are under budget due to timing of the Applicant Support Program (ASP) activities and the delay of starting work for Systems, Scaling and Services Enhancements (SSSE).
- Registry Service Provider (RSP) Evaluation Program is under budget due to performing technical evaluations in house instead of utilizing an external vendor.

Implementation Expenses - Overview

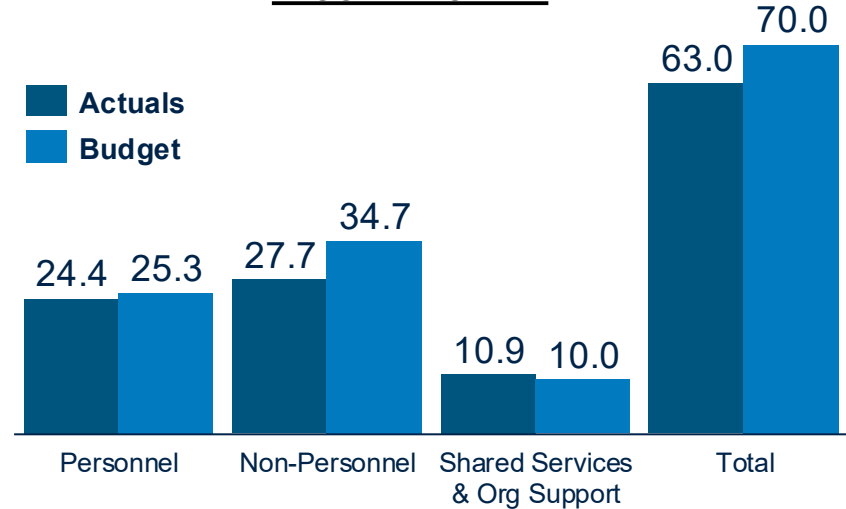
PLANNING ACTIVITIES

\$ in millions

CURRENT FISCAL YEAR 2026
As of 30 April 2026



PROGRAM TO DATE



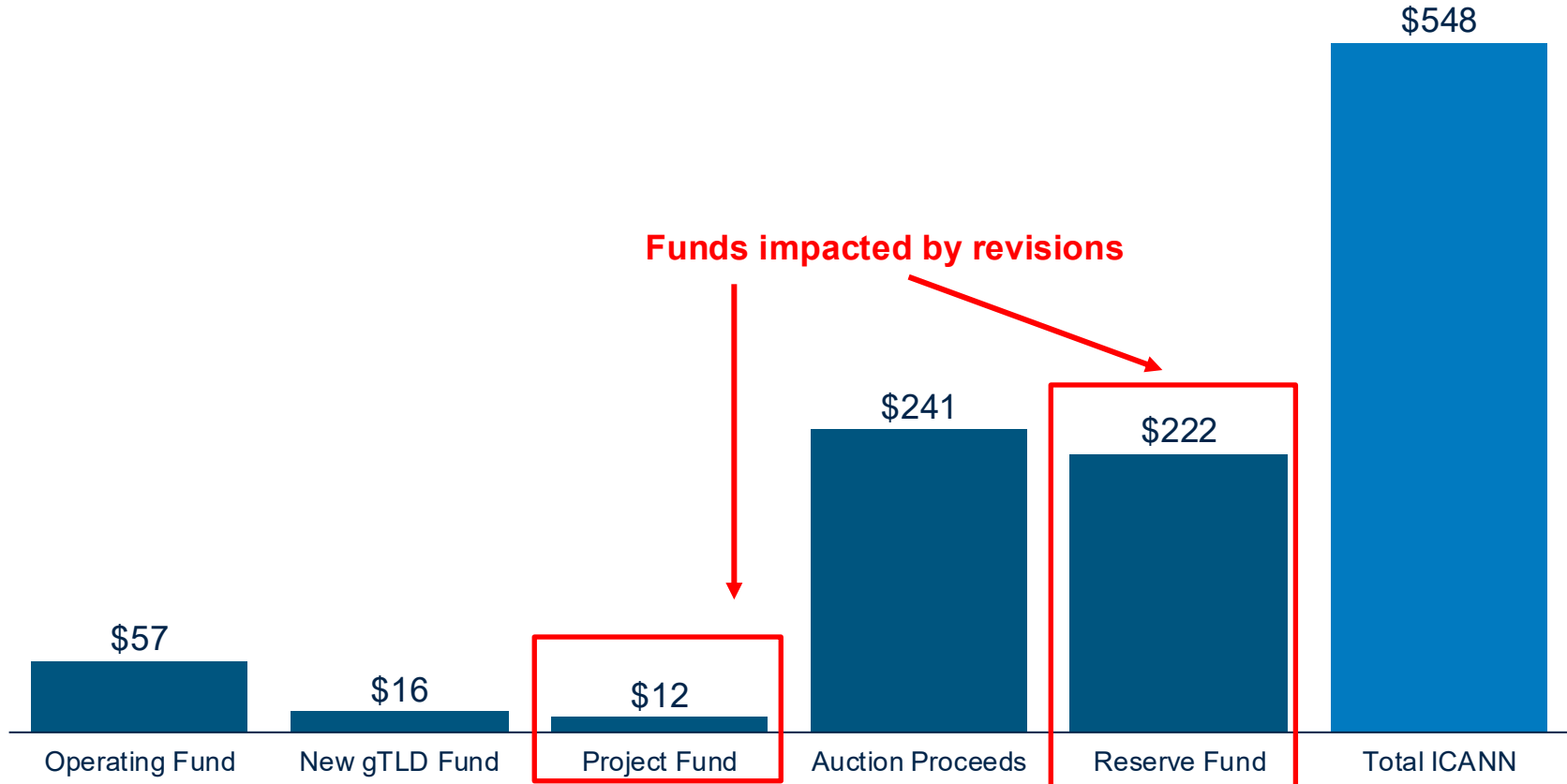
- Program to date is \$7M under budget driven primarily by non-personnel expenses
 - TAMS development and Name Collision activities will continue into FY27
 - Lower translations and engagement expenses than planned
- Expenses increased in March and April 2026 due to the launch of the program
 - Readiness activities, trainings, onboarding of application processors and systems development
- FY26 average staff full-time employee (FTE) is 39.2 and program to date average staff FTE is 34.2

ICANN's Investment Policy Overview:

- **Revisions to Reserve Fund and Supplemental Fund for Implementation of Community Recommendations (SFICR)**

*All monetary figures are in US Dollars unless otherwise stated
Any arithmetic inconsistencies are due to rounding*

Funds Under Management- as of 30 Apr 2026



Background and Overview

- In December 2025, as part of its Draft FY27 Plans, ICANN included the following proposals to solicit Public Comments:
 - **SFICR***: convert to a “Project Fund” by expanding the scope of the SFICR to fund any qualifying project, instead of just projects resulting from Board-approved community recommendations as it is currently limited
 - **Reserve Fund**: establishing both target and maximum values for the Reserve Fund that are higher than the minimum balance of 12 months of budgeted operating expenses
- The Public Comment respondents understood the rationale for the SFICR’s expanded scope and requested definitions of qualified projects and assurances of proper oversight over use of the fund
- There was no consensus regarding target and maximum levels for the Reserve Fund but there was general concern that the balance should not be too high

*SFICR= Supplemental Fund for Implementation of Community Recommendations

Outcomes and Next Steps

SFICR

- Earlier this month, the Board approved expanding the scope of the SFICR to become the Project Fund
- ICANN will work to define project eligibility criteria, which are expected to align with criteria for projects that are funded by the SFICR in that the projects will be large and not fit within the operating budget of a fiscal year
- As with the SFICR, any use of the Project Fund will need approval from the Board
- The community will have opportunities to opine on the Project Fund activities through the annual Budget process

Reserve Fund

- The Board approved a 16-month target and a 21-month maximum (monthly amounts based on budgeted expenses of the most current fiscal year)
- Setting a maximum supports the concern that the balance should not be too high; funds can be reallocated if the balance reaches that level
- Setting a target helps ICANN maintain an appropriate balance that is between the minimum and maximum

ICANN FY27 Budget

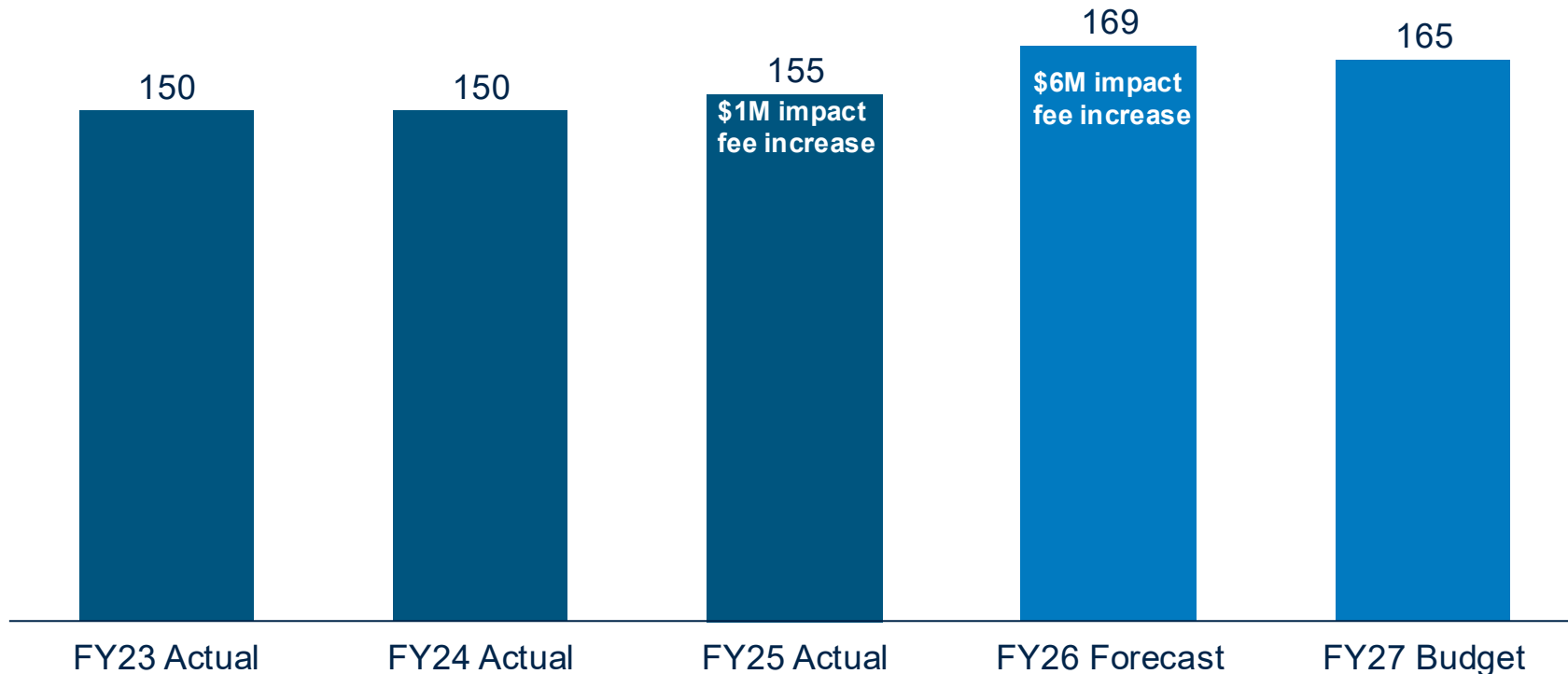
*All monetary figures are in US Dollars unless otherwise stated
Any arithmetic inconsistencies are due to rounding*

Budget Overview

- ICANN Operations' financial projections for FY26 continue to be strong driven by stable expenses and higher than planned funding from domain name registrations
 - As a result of reassessing the funding forecast, the **FY27 Budget funding has been revised to \$165M, an increase of \$4M**
 - Based on current understanding of inflation and other macroeconomic trends, no fee increase is currently expected in FY27; future fee increases will be assessed at a later date
 - **Expense budget remains at \$161M** and the **\$4M surplus is planned to be a contribution to the Project Fund** (pending Board approval at the conclusion of FY27)
- 2026 Round opened on 30 April 2026 with an assumption of 2,000 applications received
 - FY27 is planned with the highest resources as new processors will be onboarded and the primary work performed will be the reveal and confirmation of applied for strings, string evaluations, and community input, objections, and appeals
- In FY27, the Grant Program is expected to complete the first cycle of grant awards. Based on findings of internal review, ICANN is designing next steps of the Program

Funding Trends

- FY25 Actual and FY26 Forecast are impacted by fee increases which went into effect in January 2025 for registries and July 2025 for registrars.
- FY27 does not include Security, Stability, and Resiliency (SSR) contributions.



Funding Assumptions/ Risks

FY27 and future funding is achievable and conservatively projected given the following assumptions:

- Macro-economic
 - Stable inflation
 - World economic average Gross Domestic Product (GDP) growth
- Base case funding scenario
 - Stable number of contracted parties
 - Stable registration per-unit fees (\$0.258 and \$0.20 per transaction)
 - Moderate growth of domain registrations (1.7% average growth per year)
 - No Security, Stability, and Resiliency (SSR) contributions

Risks:

- Economic downturn (financial market crisis, inflation, unemployment increase)
 - Impact would include financial loss of investment and potential funding decrease, largely resulting from fewer domain registrations and reduction of number of registrars

Five-Year Financial Projections

ICANN OPERATIONS with inflationary increases in funding and expenses (in Millions USD)

Multi-Year Projections	FY27 Projections	FY28 Projections	FY29 Projections	FY30 Projections	FY31 Projections
Funding	\$165	\$168	\$173	\$178	\$181
Fee Increase Portion of Funding	-	-	\$2	\$4	\$4
Cash Expenses	\$161	\$168	\$173	\$178	\$181
Inflationary Portion of Expenses	-	\$6	\$6	\$6	\$6
Free Cash Flow	\$4	\$0	\$0	\$0	\$0
Average FTE*	407	407	407	407	407

*FTE: Full-Time Equivalent

- Figures do not include impact from new gTLD delegations from the 2026 Round
- Five-year funding projections reflect the base case scenario (1.7% average growth rate on domain registrations)
- Expenses assume inflation of 3-4% in all cost categories
- Fee increases projected to be needed beginning January 2029 to absorb inflationary expense increases


Total ICANN FY27 Overview

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 (A)	165	384	-	-	-	549
Personnel	(93)	(17)	-	(1)	-	(111)
Non-Personnel	(59)	(32)	-	(1)	-	(91)
Depreciation and non-cash items	(5)	(2)	-	-	-	(8)
Contingency	(8)	(5)	-	-	-	(13)
Projected Grants Distributed	-	-	-	(3)	-	(3)
Subtotal Expenses	(165)	(56)	-	(4)	-	(226)
(+) Depreciation and non-cash items	5	2	-	-	-	8
(-) Capital expenditures	(1)	(2)	-	-	-	(2)
Cash Expenses (B)	(161)	(55)	-	(4)	-	(220)
Net Increase/(Decrease) (A - B)	4	329	-	(4)	-	329
Investment Income/(Decline)	0.5	3.5	0.1	2.3	2.0	12
Funds Under Management - 30 Jun 2027	\$52	\$350	\$12	\$230	\$205	\$853
Average FTEs	407	58	-	3	-	468
End of Period FTEs	406	59	-	3	-	468

- SFICR= Supplemental Fund for Implementation of Community Recommendations
- Funding in ICANN Operations has increased by \$4M versus the Draft FY27 Budget

ICANN Operations FY27 Budget vs FY26 Forecast

USD in \$M	FY27 Budget	FY26 Forecast	Notes
Funding	\$165	\$169	Budget and Forecast reflect revised figures from Draft publication
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	\$4	\$18-21	<ul style="list-style-type: none"> • Budget plans for \$4M contribution to the Project Fund (pending Board approval) • Forecast reflects range of expected surplus
Average FTEs	407	395	

A faint, dotted world map is visible in the background of the slide, centered behind the main text.

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

Annual Operating Plan and Budget Process and Timeline



**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

Today



**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.

FY27 Operating Plan and Budgets Adopted

- ICANN held two Public Comment proceedings which included the four Bylaw mandated documents
- The Public Technical Identifiers (PTI) FY27 Operating Plan and Budget (OP&B) was adopted by the PTI Board on 17 April 2026
- The ICANN Board adopted the ICANN FY27–31 Operating and Financial Plan, the ICANN FY27 OP&B, and the IANA FY27 OP&B on 3 May 2026

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

- a. ICANN FY27–31 Highlights Document
- b. **ICANN FY27–31 Operating and Financial Plan** and **ICANN FY27 Operating Plan**
- c. **ICANN FY27 Budget**
- d. **IANA FY27 Operating Plan and Budget**

#2 PTI FY27 Operating Plan and Budget

ICANN Bylaws, Article 22, Section 22.5.(a)
ICANN Operating Plan is developed every year for the period of next 5-years

ICANN Bylaws, Article 22, Section 22.4.(a)
ICANN's Operating Plan and Budget is developed every year

ICANN Bylaws, Article 22, Section 22.4.(b)
Internet Assigned Numbers Authority's (IANA) Operating Plan and Budget is developed every year

PTI Bylaws Article 9, Section 9.2.(e)
PTI Operating Plan and Budget is developed every year

Overview of Changes from Draft FY27 Plans

As result of Public Comments, updates and enhancements to the Draft Plans were in narratives and presentation only. Additional updates relate to the updated funding forecast. A detailed table of changes is included in the Highlights document

Funding Forecast Update	Description or rationale
Increase to FY27 Funding	Base case funding projection for FY27 updated from \$161M to \$165M. Five-Year Projections adjusted to reflect the new starting point (same assumed growth rates as Draft plans)
Based on Public Comments	Description or rationale
Updated Planning Assumptions	Added reference to Annual Strategy Review Program (periodic evaluation of Strategic Plan)
Updated description for Strategic Initiatives (SI) in “To Initiate” phase	Clarification added in relevant areas, that resources are not allocated until a project plan is developed
Updated Strategic Initiative project plans	SI 25: New gTLD Program: 2026 Round. Added link to Board Resolution for the Updated Base Registry Agreement and updates to milestones SI 28: Technological Development Assessment and Responsiveness: Added definition of KINDNS and ITHI acronyms and relevant links SI29: Enhanced text to communicate SI builds out and implements a long-term strategy for system development and enhancements
Link to FY27 Headcount and Expense by Service Group	Added clarification that a detailed breakdown of expenses can be found in the FY27 Headcount and Expense by Service Group table
IANA FY27 OP&B	Added explanatory alternative text to Figure 1 and Figure 2 to improve accessibility
Total ICANN Infographic	Total ICANN graphic added to ICANN Budget document to explain segments and their sources of funding

Next Steps

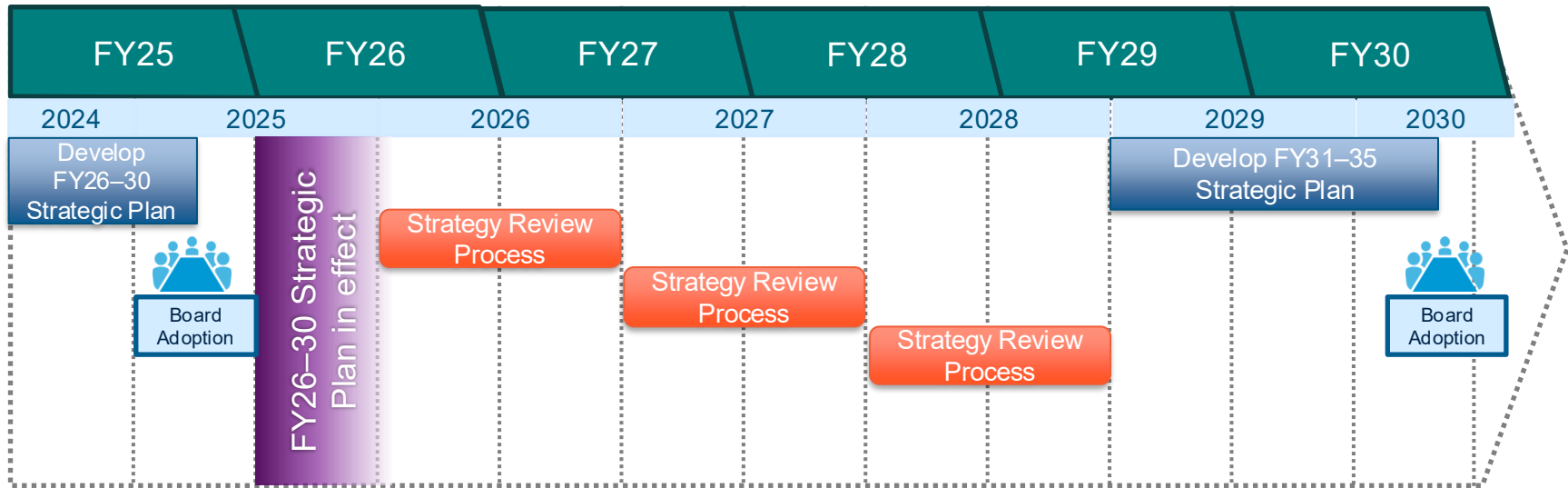
#	Key Step	Dates
1	✓ FY27 Planning Prioritization Process	May – July 2025
2	✓ Community Webinar: Planning Updates on Drafts and Timeline	ICANN 84 Prep Week
3	✓ Public Comment Proceedings and Community Webinars	16 December 2025 – 12 February 2026
4	✓ Draft ICANN/ IANA and PTI Summary Reports on Public Comment Published	02 April 2026
5	✓ PTI Board Reviews for adoption PTI Operating Plan & Budget	17 April 2026
6	✓ Revised Plans Published on PC Proceeding and Community Webinar Held	23 April 2026
7	✓ BFC to recommend the ICANN Board adopt the ICANN and IANA plans	29 April 2026
8	✓ ICANN Board Reviews for Plan adoption of ICANN and IANA plans	3 May 2026
9	Empowered Community Period for ICANN/ IANA Plans	11 May– 8 June 2026 (28 days)
10	FY27 Fiscal Year Starts	1 July 2026

Strategy Review Process

Purpose of the Strategy Review Program

- The Strategy Review program is designed to strengthen ICANN's agility and adaptability by systematically reviewing both our external environment and internal capabilities
- This program provides a structured way to assess whether our Strategic Plan remains aligned with current realities
- The Board Strategic Planning Committee oversees this program on behalf of the Board
- The review concludes with a BSPC recommendation to the Board on whether updates to the Strategic Plan are needed, to reflect changes in the external environment and ICANN's internal capability
- Additional information and related updates will be posted on the [ICANN's Annual Strategy Review Program webpage](#) on ICANN.org

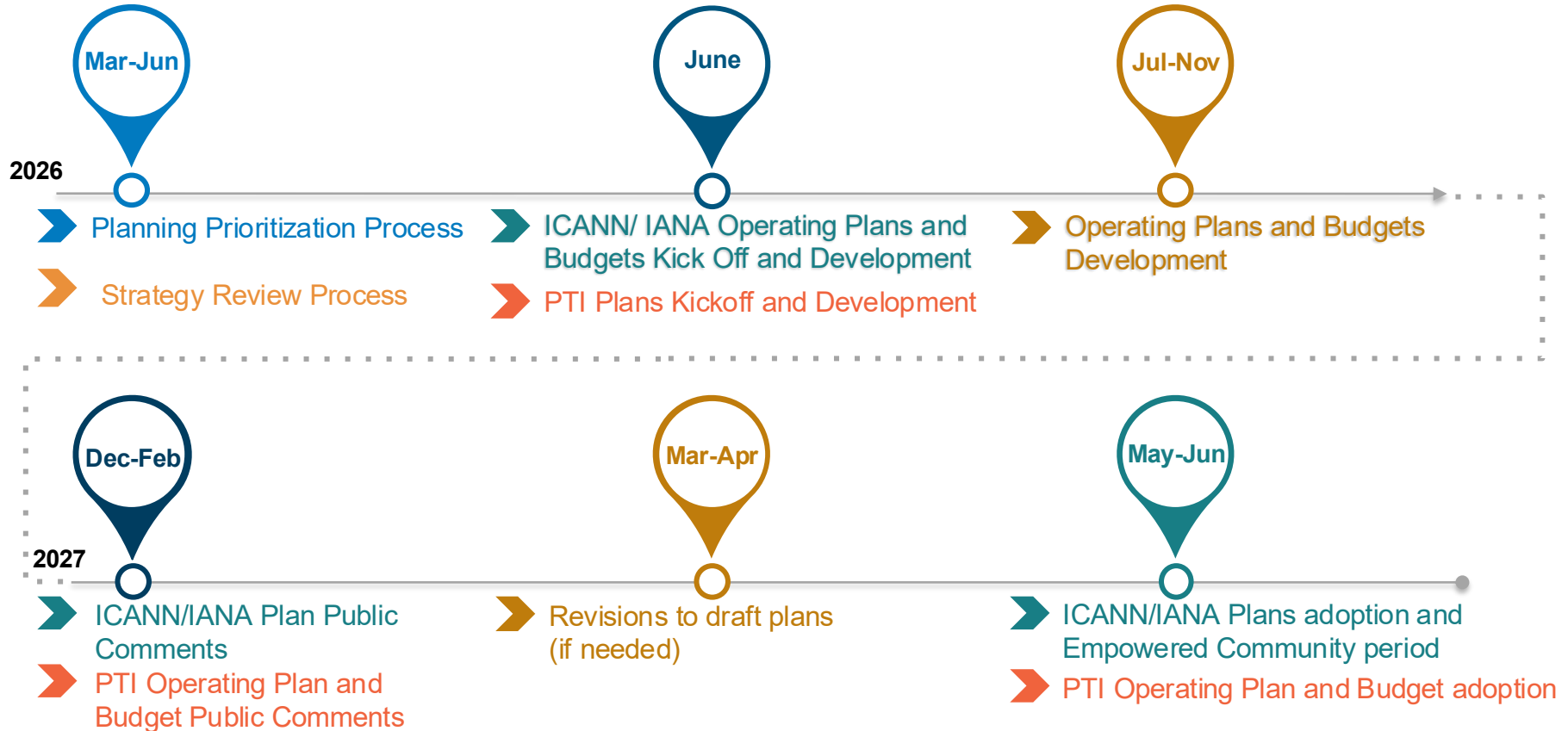
Overview of FY26–30 Planning Schedule



- During the period of FY26–30, ICANN will conduct the strategy review process three times
 - The first cycle will run from January 2025 through May 2026, in advance of the FY28 annual planning process, which launches in July 2026
- ICANN Board shall initiate the development process of a NEW Strategic Plan for FY31–35, during FY29

FY28 Planning Process

FY28 Planning Process/ High-Level Timeline



Community-led Planning Prioritization Group

- The community-led planning prioritization process is a step during the “consultation” phase of the draft plan development process
- The purpose of this Prioritization step in the planning process, is to ensure that all parts of the ICANN ecosystem can collaborate efficiently and effectively as part of the annual Operating Plan and Budget process
- The Planning Prioritization Members and Alternate Members are nominated by their SO/AC Leaders
- Should there be Board-approved implementation work that needs to be taken into consideration while developing detailed work plans and resource allocations in the upcoming Operating Plan and Budget process, this group will meet to prioritize these activities

Please visit the [Planning Prioritization Process Community workspace](#) for more information



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 Process



Subscribe to the
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to receive
notifications of
upcoming activities/
proceedings



Visit the Finance
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Send an email to
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finance@icann.org](mailto:community-finance@icann.org)**
to subscribe to
regular updates on
planning and
finance activities

Appendix

Communication on Revisions to Community

- Utilizing the Framework for Revisions to ICANN Plans, the team communicated out the changes in the Operating Plan and Budget to the community

Activity	Link
Revised Plans published on the Public Comment Proceeding page	
Standalone Table of Changes document published on the Wiki	
Table of Changes included in the Highlights document	
Announcement on ICANN.org on Webinar	
Email to Community Mailing List	
Recorded Community Webinar	
Announcement of Board Decision	

PTI Operating Plan and Budget Adoption

- ICANN received input from PTI as input into the IANA Operating Plan and Budget (OP&B)
- The IANA OP&B includes the PTI OP&B plus additional ICANN expenses
- Both Operating Plans and Budgets were posted in separate Public Comments on 16 December 2025 through 12 February 2026
- The Summary Reports were published on 02 April 2026
- The PTI Board adopted the FY27 PTI OP&B on 17 April 2026

FY27 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.

- 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
- Versus the FY26 Budget, services remain the same for core operations and higher for 2026 Round in the FY27 Budget

2026 Budget Estimation Assumptions

The following assumptions apply to the New gTLD Program: 2026 Round:

- 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
- The 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
<i>Personnel</i>	\$12.5	\$62.8
<i>Contractors – Staff Augmentation</i>	\$3.3	\$13.2
<i>Travel</i>	\$0.5	\$2.7
<i>Initial & Extended Evaluations - Vendors</i>	\$16.9	\$44.1
<i>QA, Objections, & Auctions - Vendors</i>	\$4.5	\$14.1
<i>Program Administration - Vendors</i>	\$5.7	\$15.7
<i>Shared Services & Org Support</i>	\$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

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 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	\$0.5	\$3.0 - \$4.0	\$5.8 - \$6.8
T&M	\$0.1	\$0.1	\$0.1	\$0.2 - \$0.3	\$0.4 - \$0.5
Prof Svcs	\$0.9	\$0.3	\$0.5	\$2.0 - \$3.0	\$3.6 - \$4.6
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	\$0.2	\$0.3	\$1.5 - \$2.5	\$2.7 - \$3.7
Total Expenses	\$3.4	\$1.3	\$1.5	\$7.1 - \$10.6	\$13.2 - \$16.7
Estimated Grant Distributions***	\$2.3	\$5.0	\$2.7	\$230 - \$235	\$240 - \$245
Expenses as a % of Distributions	146%	25%	54%	3% - 5%	5% - 7%

* 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.

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 . The Five-Year Strategic Plan is reviewed on a periodic basis to ensure it remains aligned with current realities through the Annual Strategy Review Program
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

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
- Project Plans and resourcing will be updated for Strategic Initiatives in the “To Initiate Planning” status when project plans are finalized

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

Strategic Initiatives Progression

- The 35 Strategic Initiatives are grouped by the four Strategic Objectives set forth in the Adopted Strategic Plan
- The FY27 Operating Plan includes the project resourcing plans for the Strategic Initiatives (Appendix B)
- The FY27 Operating Plan reflects progress in the planned execution of the FY26-30 Strategic Initiatives over the five years

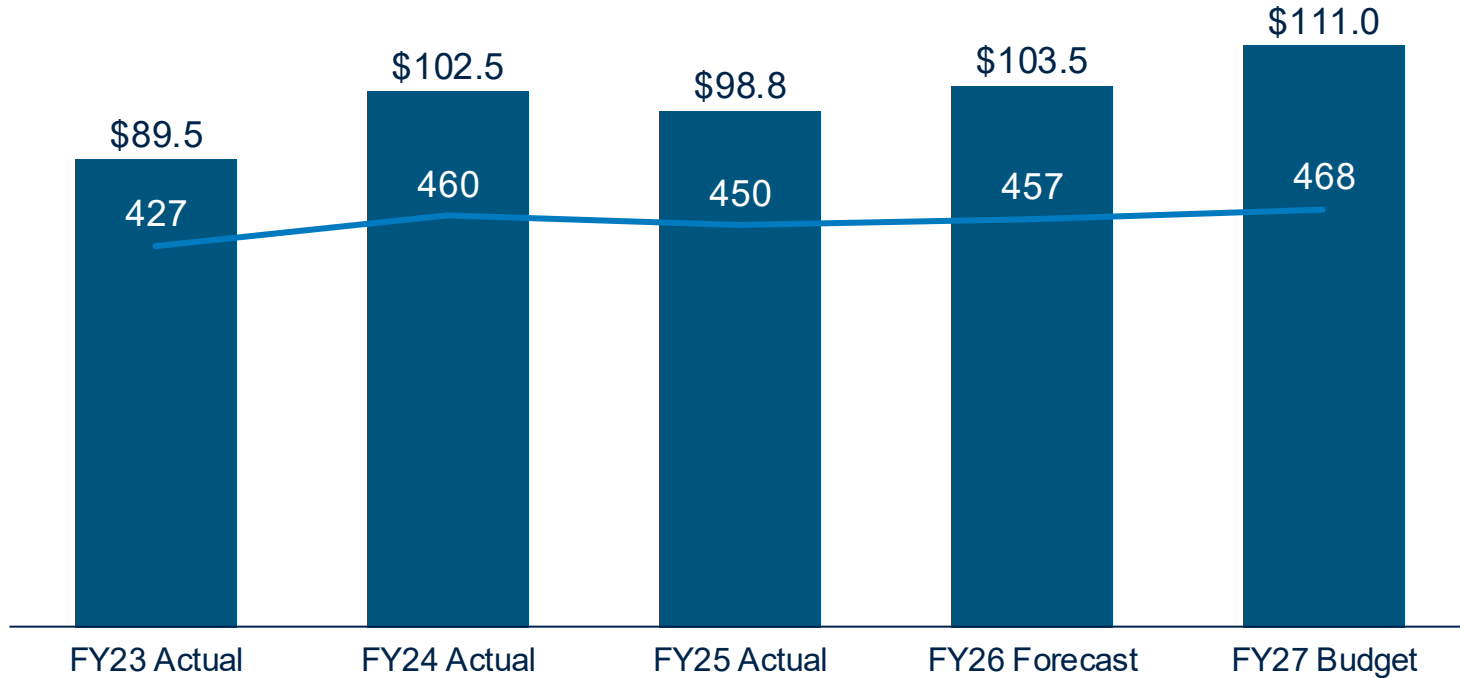
FY26-30 Strategic Objectives	
<p>1. Evolve and promote ICANN's multistakeholder model to sustain its inclusive approach to Internet governance</p> <p>Strategic Initiatives: 16</p>	<p>3. Collaborate with relevant stakeholders to evolve the Internet's unique identifier systems</p> <p>Strategic Initiatives: 6</p>
<p>2. Enhance organizational excellence</p> <p>Strategic Initiatives: 7</p>	<p>4. Strengthen the stability and security of the Internet's unique identifier systems</p> <p>Strategic Initiatives: 6</p>

FY27 Budget vs Draft FY27 Budget

USD in \$M	FY27 Budget	Draft FY27 Budget	Notes
Funding	\$165	\$161	Budget reflects \$4M higher funding than Draft per updated trends
Personnel	(93)	(93)	
Non-Personnel Expenses	(58)	(58)	
Depreciation and non-cash items	(5)	(5)	
Contingency	(8)	(8)	
Operating Expenses	(\$165)	(\$165)	
(+) Depreciation and non-cash items	5	5	
(-) Capital expenditures	(1)	(1)	
Cash Expenses	(\$161)	(\$161)	
Free Cash Flow	\$4	\$0	Budget plans for \$4M contribution to the SFICR (pending Board approval)
Average FTEs	407	407	

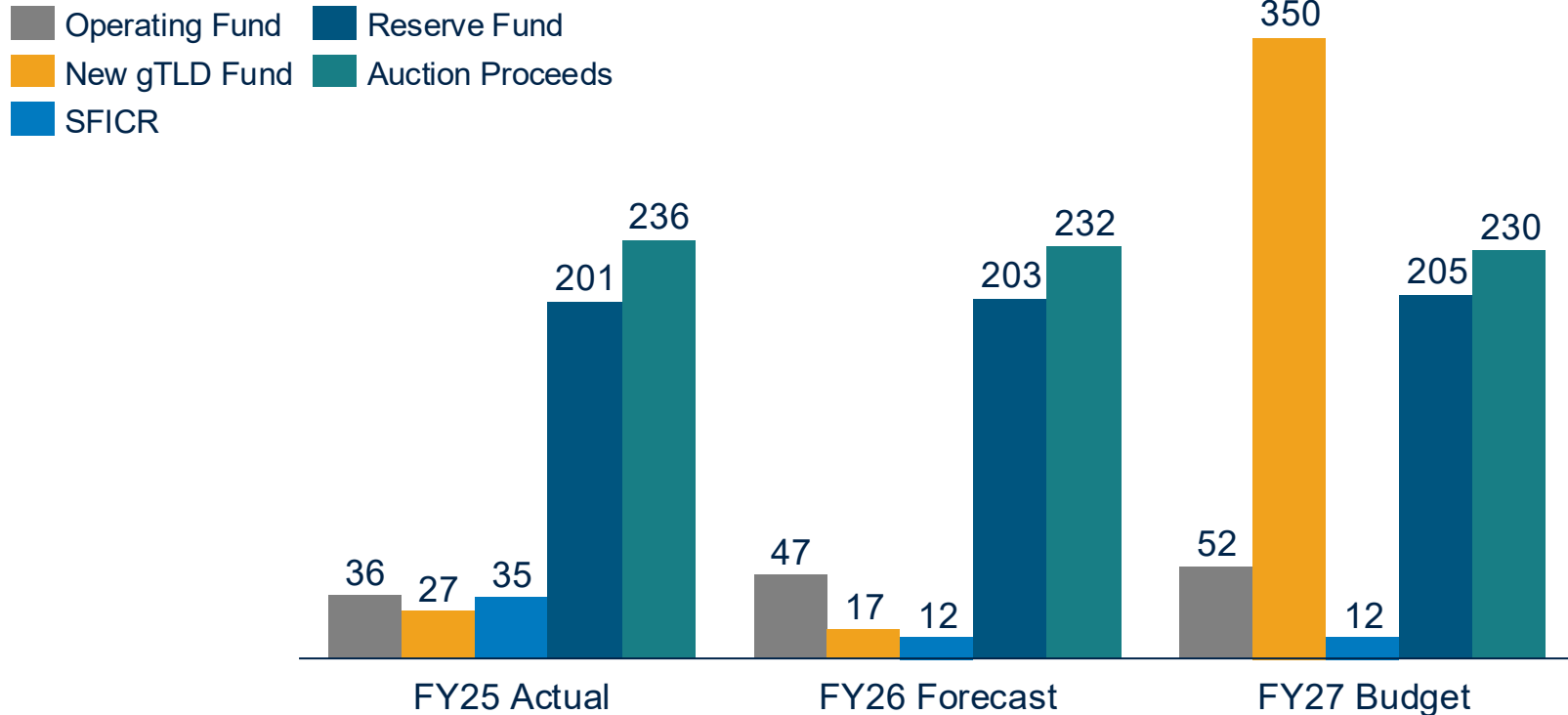
Total ICANN Personnel and Headcount

— Average Headcount
■ Personnel Expense



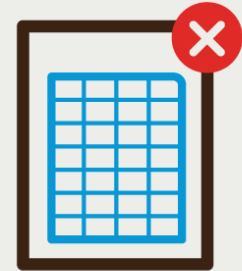
Funds Under Management

Assumes 2026 Round application fees will be collected entirely in FY27



Empowered Community and Caretaker Budget

- Empowered Community(EC) process per Bylaws:
 - Community has the power to reject the ICANN and IANA strategic / operating plans and budget (OP&B)
 - Initial EC period is 21 days +7 Days = 28 Days
 - If the Board-approved OP&B is rejected, a Caretaker Budget developed in alignment with the Caretaker Budget Principles will be in force, to allow the necessary work to continue while not funding actions that were the subject of the EC rejection
- Caretaker Budget - suggested approach:
 - Base: The Budget that the ICANN Board approved.
 - Less: Budgeted new positions for hire (from date of rejection until until a new Budget is approved by the Board)
 - Less: 10% reductions in Travel & Meetings and Professional Services
 - Less: expenses that triggered the rejection, if such expense can be reasonably isolated and avoided



**REJECT BUDGET
OR STRATEGIC/
OPERATING PLAN**

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