



Subject: IETF/IASA/Trust Financial Reporting Process

Adopted: IAOC 5 February 2009

Monthly Financial Reports

ISOC's Accounting staff will produce monthly financial statements similar to those produced in 2008, in the format outlined in my certification to the IAOC dated October 3, 2008 (attached).

We will work with the IAD on the following schedule:

| | |
|-----------------------------------|--|
| 15 th day of the month | ISOC provides preliminary financial statements to IAD; |
| 20 th day of the month | IAD provides any revisions and information requests; the IAD provides brief commentary on significant variances to the year-to-date budget; |
| 24 th day of the month | ISOC provides a copy of the IETF/IASA financial statements to the IAOC Budget Subcommittee with the IAD's commentary; |
| 28 th day of the month | ISOC sends the financial statements to the full IAOC, incorporates IETF/IASA financials in the ISOC financial statements, and unless requested not to, forwards the monthly IETF/IASA, IETF Trust statements to the Secretariat for public posting, and posts the Detail statement to the IAOC private wiki. |

In order to hold to this schedule, estimates will be required for a limited number of vendors. Most notably, RFC Editor invoices typically are not submitted by the 15th of the following month. Therefore, ISOC's Accounting Department will include an estimate of the most recent month's expense for the RFC Editor (which does not vary substantially from month to month). The actual amount will be reflected in the following month's statement.

The statements provided to the IAOC will include sufficient details of IAB, IASA and IETF support expenses for the Chairpersons of those organizations. This Detail will not be publicly posted, but will be posted, as reflected on the schedule above, to the IAOC private wiki.

Note that the Budget Subcommittee will be responsible for the review of the financials on a monthly basis prior to the public posting by the Secretariat. Unless requested to not publish by the Budget Subcommittee or the IAD prior to the public posting, ISOC will send the financial statements for posting on the 28th day of the month, or the following

business day. However, see the next section for full IAOC review of periodic Year End Forecasts (YEF).

Year-End Forecasts

After results are known for the first IETF meeting of the calendar year, the IAD will develop a year-end forecast (YEF). This initial forecast will usually occur with the presentation of the March financial statements (presented in late April or early May). This forecast information will be used by the IAD and IAOC to manage operations against the annual budget and take appropriate actions. The YEF, together with a narrative and an advice for the following calendar year, will also be provided to the ISOC Board at its mid-year meeting in June,.

A second YEF will be developed with the July financial statements (presented in August), based on preliminary information from the second IETF. This second YEF will be used by the IAD and IAOC to manage operations against the current annual budget, take appropriate actions, and prepare a Budget for the next three-year period.

This forecast process will be undertaken within the applicable monthly schedules outlined above, but may cause a short delay in statement production for those two months in which a new forecast is presented. *Note that the resulting financial reports with year end forecast will be presented to the full IAOC before releasing for public posting.*

Monthly reports issued in months in which revised forecasts are not undertaken will continue to reflect the most recent YEF. Of course, should a major deviation from the prior forecast be foreseen, the IAD will review these circumstances with the IAOC, and may revise the YEF on the next month's financial statement.

Exceptions to Monthly Financial Report Schedule

ISOC is currently installing new Accounting software to give more current access to financial information. In the past, ISOC did not close its accounts for the year until after the annual audit, resulting in a delay of several months in reporting financials each year.

The new software will allow ISOC Accounting staff to perform a "soft close" at the end of a fiscal year. Therefore, by mid-February the IETF/IASA financial statement for the prior year will be available to the IAOC and, if desired, for public posting with the legend "Unaudited Statements" at that time. Should the audit require subsequent adjustments, the final IETF statements for the year may be amended and posted publicly.

Meeting Financial Statements

Within sixty (60) days after an IETF meeting, the IAD will produce a financial statement of results from the meeting. This statement will be presented to the Budget Subcommittee, and posted publicly by the Secretariat upon approval by the Subcommittee. In addition, upon approval by the Budget Subcommittee, meeting statements may be published in the meeting program at the subsequent IETF meeting.

Summary of Publicly Available Financial Information

Financial information will be published in the following timeframes and locations:

| <u>Report</u> | <u>Location</u> | <u>Target Date</u> | <u>Review By</u> |
|--------------------------|---|--------------------|------------------|
| Monthly IETF Financials | http://iaoc.ietf.org/fstatement_detail.html | EOM* | BDGT Subcmte |
| Monthly Trust Financials | http://trustee.ietf.org/budget_finance.html | EOM | Trust Chair |
| Meeting Financials | http://iaoc.ietf.org/fstatement_detail.html | Within 60 days | BDGT Subcmte |

Summary of IAOC Private Information

Financial information will be published in the following timeframes and locations:

| <u>Report</u> | <u>Location</u> | <u>Target Date</u> | <u>Review By</u> |
|--------------------------|---|--------------------|------------------|
| Monthly IETF Financials | | | |
| - Financial Details | http://wiki.tools.ietf.org/group/iaoc/private/wiki | EOM | BDGT Subcmte |
| - With Forecast Revision | http://wiki.tools.ietf.org/group/iaoc/private/wiki | May/Aug | IAOC |

* *EOM = End of Month*