



Budget Estimates: FY2022 (for approval)

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PURPOSE

To provide the Commission with the revised budget estimates for FY2022 (1 October 2021 to 30 September 2022) (for approval) noting the informal request from the Contracting Parties to freeze the FY2022 overall budget at FY2021 levels.

BACKGROUND

In accordance with Regulation 5, para. 3, of the IPHC Financial Regulations (2021) (shown below), the budgets for the next three (3) fiscal years consist of FY2022, FY2023, and FY2024, were presented to the FAC097 in January 2021 for consideration.

(Para. 3) *“The Executive Director shall prepare and submit to the FAC, Contracting Parties, and Commissioners, no later than **30 days before** the FAC meeting, budget estimates for the next three fiscal years.”*

At FAC097, the following recommendation was developed and provided to the Commission:

Budget estimates: FY2022

FAC097–Rec.03 ([para. 25](#)) *The FAC **RECOMMENDED** that the Commission **AGREE** for the two Contracting Parties to engage in inter-sessional discussions over the coming months to adopt a budget for FY2022 and the associated Contributions. In doing so, the Contracting Parties may consult with and request assistance from the IPHC Secretariat.*

At AM097, the Commission considered the recommendation from FAC097 (above) and recorded the following:

***Budget estimates: FY2022 (for approval); FY2023 and FY2024 (for information)
FY2022***

IPHC-2021-AM097-R, para. 100: *The Commission **NOTED** the proposed FY2022 budget (financial period: 1 October 2021 to 30 September 2022; [Appendix IX](#)), presented by the IPHC Secretariat.*

IPHC-2021-AM097-R, para 101: *The Commission **NOTED** the IPHC Secretariat proposed Contracting Party contributions for FY2022 as follows:*

a) ***Canadian Contribution:***

- i. ***US\$945,427*** for contributions to the IPHC General Fund;
- ii. ***US\$111,250*** to cover IFC pension deficit payments.

b) **U.S.A. Contribution:**

- i. **US\$4,365,648** for contributions to the IPHC General Fund;
- ii. **US\$139,424** to cover IFC pension deficit payments;
- iii. **US\$475,000** to cover the IPHC Headquarters (lease and maintenance).

IPHC-2021-AM097-R, para 102: *The Commission **AGREED** for the two Contracting Parties to engage in inter-sessional discussions over the coming months to adopt a budget for FY2022 and the associated Contributions. In doing so, the Contracting Parties may consult with and request assistance from the IPHC Secretariat.*

On 3 May 2021, the Secretariat was advised that the budget for FY2022 would not be less than the contributions provided for FY2021. This would result in a contribution of US\$900,407 from Canada, and US\$4,157,760 from the U.S.A. The U.S.A. contribution would be exclusive of payments toward the IFCP (former staff pension plan) liability and the IPHC Headquarters costs.

Discussion

Noting the inter-sessional directive to reduce the overall proposed FY2022 budget to the FY2021 level, this would require a reduction of **US\$252,908** from the originally proposed budget at FAC097 (Table 1).

Table 1. FAC097 proposed, and SS011 revised, contributions to the General Fund to cover IPHC Secretariat expenses for Funds 10 (General), 30 (Statistics) and 20 (Research).

Description	FAC097 proposed	SS011 proposed
Canada – General Fund	\$945,427	\$900,407
United States of America – General Fund	\$4,365,648	\$4,157,760
Sub Total	\$5,311,075	\$5,058,167
Difference		-\$252,908

PROPOSED EXPENDITURES FOR THE FY2022 BUDGET (US\$)

FY2022 INCOME AND EXPENSES – The IPHC budget for FY2022 is proposed at [Appendix I](#), and results in a balanced budget for FY2022 for funds 10, 20 and 30 combined.

To reach the requested total Contracting Party contributions to the General Fund, the IPHC Secretariat has revised down several budget lines. Several of the key reductions are listed in Table 2 for information.

Other budget lines have been ‘refined’ through a detailed budget review process resulting in some increased (meetings and conferences) and decreased budget lines (travel). The IPHC Secretariat’s proposed income and expenses for the IPHC Fishery-Independent Setline Survey (FISS) (Fund 40) are based on the design tentatively endorsed at IM097 and reaffirmed at AM097. Fund 40 will be re-estimated later in 2021 to accommodate market conditions encountered throughout FY2021.

Table 2. Key proposed budget line item reductions for Funds 10 (General), 30 (Statistics) and 20 (Research).

Description	FAC097 proposed (10,20,30 Funds)	Budget reduction	SS011 proposed
Salaries and wages	\$3,786,632.85	<ul style="list-style-type: none"> One FTE – FSSB to be held vacant for FY2022. -\$77,230.00 Re-calculation of all salaries. -\$30,840.85 	\$3,678,562.00
Benefits	\$1,595,241.90	<ul style="list-style-type: none"> Re-assessed benefits. -\$115,354.40 	\$1,479,887.50
Medical Reimbursement - Retiree	\$102,217.50	<ul style="list-style-type: none"> Re-assessed benefits -\$9,258.90 	\$92,958.60
Contingency	\$53,013.00	<ul style="list-style-type: none"> Reduce contingency -\$18,013.00 	\$35,000
Key savings		-\$250,697.15	

The proposed other general cost assumptions include increases in salaries (based on cost of living and step increases, ~2.5%) and predicted annual increases in health care costs. These increases have been offset elsewhere in the budget ([Appendix I](#)).

RECOMMENDATION/S

That the Commission:

- 1) **NOTE** paper IPHC-2021-SS011-04 which provided the Commission with the revised budget estimates for FY2022 (1 October 2021 to 30 September 2022) (for approval) noting the informal request from the Contracting Parties to freeze the FY2022 overall budget at FY2021 levels.
- 2) **ADOPT** the FY2022 budget (1 October 2021 to 30 September 2022), as detailed in [Appendix I](#).

APPENDICES

[Appendix I:](#) FY2022 Financial Budget – Proposed for adoption

Appendix I

FY2022 Financial Budget – Proposed for adoption

Account Number	Account Name	10 - General	20 - Research	30 - Statistics	10,20,30 - TOTAL	40 - FISS	10,20,30,40 - TOTAL
		FY2022	FY2022	FY2022	FY2022	FY2022	FY2022
Income							
40000	Contracting Party Contributions						
40000.01	Canada	\$ 900,407.00	\$ -	\$ -	\$ 900,407.00	\$ -	\$ 900,407.00
40000.02	United States of America	\$ 4,157,760.00	\$ -	\$ -	\$ 4,157,760.00	\$ -	\$ 4,157,760.00
	Total 40000 - Contracting Party Contributions	\$ 5,058,167.00	\$ -	\$ -	\$ 5,058,167.00	\$ -	\$ 5,058,167.00
40050	IFC Pension						
40050.01	IFC Pension - Canada	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
40050.02	IFC Pension - United States of America	\$ 127,848.00	\$ -	\$ -	\$ 127,848.00	\$ -	\$ 127,848.00
	Total 40050 - IFC Pension	\$ 255,696.00	\$ -	\$ -	\$ 255,696.00	\$ -	\$ 255,696.00
40055	Headquarters (Lease & Maintenance)	\$ 475,000.00	\$ -	\$ -	\$ 475,000.00	\$ -	\$ 475,000.00
40060	Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40100	Grants, Contracts & Agreements	\$ -	\$ 44,917.00	\$ 559,975.00	\$ 604,892.00	\$ 48,720.00	\$ 653,612.00
40200	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ 11,550.00	\$ 11,550.00
40200.01	Bank Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40200.02	CD Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total 40200 - Interest Income	\$ 475,000.00	\$ 44,917.00	\$ 559,975.00	\$ 1,079,892.00	\$ 60,270.00	\$ 1,140,162.00
40350	Fish Sales						
40350.01	Fish Sales - Pacific Halibut	\$ -	\$ -	\$ -	\$ -	\$ 5,471,025.00	\$ 5,471,025.00
40350.02	Fish Sales - Byproduct	\$ -	\$ -	\$ -	\$ -	\$ 58,800.00	\$ 58,800.00
	Total 40350 - Fish Sales	\$ -	\$ -	\$ -	\$ -	\$ 5,529,825.00	\$ 5,529,825.00
	Total Income	\$ 5,788,863.00	\$ 44,917.00	\$ 559,975.00	\$ 6,393,755.00	\$ 5,590,095.00	\$ 11,983,850.00
Expense							
Personnel Expenses							
50000	Salaries & Wages	\$ 2,925,000.00	\$ 85,447.00	\$ 668,115.00	\$ 3,678,562.00	\$ 478,584.75	\$ 4,157,146.75
50100	Benefits	\$ 1,260,000.00	\$ 20,335.00	\$ 199,552.50	\$ 1,479,887.50	\$ 14,837.55	\$ 1,494,725.05
50100.09	Medical Reimbursement - Retiree	\$ 92,958.60	\$ -	\$ -	\$ 92,958.60	\$ -	\$ 92,958.60
50200	Training & Education	\$ 5,000.00	\$ -	\$ 21,000.00	\$ 26,000.00	\$ 54,600.00	\$ 80,600.00
50300	Personnel Related Expenses	\$ -	\$ -	\$ 14,700.00	\$ 14,700.00	\$ 36,376.20	\$ 51,076.20
50300.01	Scholarship Awards	\$ 8,000.00	\$ -	\$ -	\$ 8,000.00	\$ -	\$ 8,000.00
	Total Personnel Expenses	\$ 4,290,958.60	\$ 105,782.00	\$ 903,367.50	\$ 5,300,108.10	\$ 584,398.50	\$ 5,884,506.60
Operational Expenses							
51000	Publications	\$ 6,000.00	\$ -	\$ 9,000.00	\$ 15,000.00	\$ -	\$ 15,000.00
51100	Mailing and Shipping	\$ 4,000.00	\$ 2,000.00	\$ 8,400.00	\$ 14,400.00	\$ 79,800.00	\$ 94,200.00
51200	Travel	\$ 70,300.00	\$ 4,150.00	\$ 10,000.00	\$ 84,450.00	\$ 117,516.00	\$ 201,966.00
51300	Meeting and Conference Expenses	\$ 171,000.60	\$ -	\$ -	\$ 171,000.60	\$ -	\$ 171,000.60
51400	Technology	\$ 135,000.00	\$ -	\$ -	\$ 135,000.00	\$ -	\$ 135,000.00
	Total Operational Expenses	\$ 386,300.60	\$ 6,150.00	\$ 27,400.00	\$ 419,850.60	\$ 197,316.00	\$ 617,166.60
Fees and Contract Expenses							
52000	Professional Fees	\$ 240,000.00	\$ -	\$ -	\$ 240,000.00	\$ -	\$ 240,000.00
52200	Other Fees and Charges	\$ -	\$ -	\$ -	\$ -	\$ 590,965.20	\$ 590,965.20
52300	Leases and Contracts	\$ 365,000.00	\$ 76,979.00	\$ 38,850.00	\$ 480,829.00	\$ 2,428,391.70	\$ 2,909,220.70
54000	Communications	\$ 25,000.00	\$ -	\$ 420.00	\$ 25,420.00	\$ 86,782.50	\$ 112,202.50
	Total Fees and Contract Expenses	\$ 630,000.00	\$ 76,979.00	\$ 39,270.00	\$ 746,249.00	\$ 3,106,139.40	\$ 3,852,388.40
Facilities and Equipment Expenses							
53000	Equipment Expense	\$ 28,000.00	\$ -	\$ 18,900.00	\$ 46,900.00	\$ 34,020.00	\$ 80,920.00
53100	Supplies Expense	\$ 32,000.00	\$ 106,452.00	\$ 2,100.00	\$ 140,552.00	\$ 933,980.25	\$ 1,074,532.25
53200	Maintenance and Utilities	\$ 24,000.00	\$ -	\$ -	\$ 24,000.00	\$ 42,000.00	\$ 66,000.00
53300	Facility Rentals	\$ 378,000.00	\$ -	\$ 6,300.00	\$ 384,300.00	\$ 21,000.00	\$ 405,300.00
	Total Facilities and Equipment Expenses	\$ 462,000.00	\$ 106,452.00	\$ 27,300.00	\$ 595,752.00	\$ 1,031,000.25	\$ 1,626,752.25
Other Expenses							
55000	Budget Contingency	\$ 35,000.00	\$ -	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00
55200	Fund Cost Recovery (20 - 30)	\$ 687,808.50	\$ (250,446.00)	\$ (437,362.50)	\$ -	\$ -	\$ -
55201	Fund Cost Recovery (40)	\$ (703,204.70)	\$ -	\$ -	\$ (703,204.70)	\$ 703,204.70	\$ -
	Total Other Expenses	\$ 19,603.80	\$ (250,446.00)	\$ (437,362.50)	\$ (668,204.70)	\$ 703,204.70	\$ 35,000.00
	Total Expense	\$ 5,788,863.00	\$ 44,917.00	\$ 559,975.00	\$ 6,393,755.00	\$ 5,622,058.85	\$ 12,015,813.85
	Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ (31,963.85)	\$ (31,963.85)