



Handling of the Annual Budget Carryover

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PURPOSE

To remind the Commission of the endorsed methodology used for parsing the IPHC General and Supplemental Fund carryovers into two distinct accounts. These accounts will be used to independently track annual carryovers related to IPHC Core operations and to the IPHC Fisheries-Independent Setline Survey (FISS).

BACKGROUND

At the 93rd Session of the IPHC Interim Meeting (28-29 November 2017), the Commission reviewed the draft methodology to be used for parsing the IPHC General and Supplemental Fund carryovers into two distinct accounts, and agreed on the following course of action:

12.2 Handling of the annual budget carryover

- 86. The Commission NOTED paper IPHC-2017-IM093-16 which provided the methodology to be used for parsing the IPHC General and Supplemental Fund carryovers into two distinct accounts. These accounts will be used to independently track annual carryovers related to IPHC Core operations and to the fisheries-independent setline survey and other related setline survey program income and expenses.*
- 87. The Commission AGREED that the IPHC Secretariat should revise the IPHC Financial Regulations (2014) to incorporate the new methodology, for the consideration of the Commission at its 94th Annual Meeting in January 2018.*
- 88. The Commission AGREED that a goal of revenue neutrality for resource use (fish sales) or long-term revenue neutrality for the IPHC fishery-independent setline survey (FISS) data collections may not be necessary or feasible, particularly given periodic expansion programs into fiscally negatively geared areas. However, the general objective of aligning resource use to cost recovery for research activities should be maintained.*

DISCUSSION

PARSING OF HISTORICAL CARRYOVERS: Methodology

The following steps were used to calculate the values and proportions for the 10-year carryover.

1. Parse income and expense for Core Operations vs. FISS for FY2006-2015 (10 years)
2. Determine related Income, Expense and Carryover for each year
3. Use 10-year data as a proxy to prorate carryover prior to FY2006 (~\$3.8M).
4. Assign UW lease Accounts Receivable and Agency Bycatch Fund Accounts Payable separately.
5. Split carryover into two funds and assign at fiscal year-end (carryover assigned to dept. 10 and 50).

RECOMMENDATION/S

That the Commission:

- 1) **NOTE** paper IPHC-2018-AM094-19 which reminded the Commission of the endorsed methodology used for parsing the IPHC General and Supplemental Fund carryovers into two distinct accounts. These accounts will be used to independently track annual carryovers related to IPHC Core operations and to the IPHC Fisheries-Independent Setline Survey (FISS) respectively.

ADDITIONAL DOCUMENTATION / REFERENCES

Nil.

APPENDICES

Nil.