

INTERNATIONAL PACIFIC



HALIBUT COMMISSION

# FY2023 Budget update

Agenda Item 6

(IPHC-2023-FAC099-06)

(D. Wilson, A. Keikkala)



# Purpose

To provide the FAC with an update on the approved FY2023 budget (financial period: 1 October 2022 to 30 September 2023) and suggested amendments to 1) accommodate the final 2023 FISS design adopted at IM098; 2) the move to full fund accounting in FY2023; and 3) reductions in external funding.



# Background

**IPHC-2022-ID001 (16 March 2022):** Total contributions from Contracting Parties: **US\$5,058,167** to the General Fund

The Commission **ADOPTED** the FY2023 budget (1 October 2022 to 30 September 2023... including the Contracting Party contributions to the General Fund as follows:

- Canada: Contribution to the General Fund: **US\$900,407 (~17.8%)**  
**RECEIVED: 26 October 2022**
- U.S.A.: Contribution to the General Fund: **US\$4,157,760 (~82.2%)**  
**INVOICED – RECEIVED – 10 Jan 2023 (-US\$65,010)**
- Fund 10 – General (general operations – HQ)
- Fund 20 – Research (Biological & Ecosystem Sciences)
- Fund 30 – Statistics (In-port sampling, logbooks, fish ageing)



# Background

**IPHC-2022-ID001 (16 March 2022):** Extra-Budgetary contributions

1) **NOTED** the extra-budgetary (IFCP Fund deficit and Headquarters lease/maintenance) contributions from each Contracting Party for FY2023 as follows:

- Canada:
  - 50% Contribution to the IFCP Fund deficit (former staff pension plan):  
**US\$127,848 (optional payment to the IFCPF)**  
**WILL BE INVOICED AT THE START OF CALENDAR YEAR 2023**
- U.S.A.:
  - 50% Contribution to the IFCP Fund deficit (former staff pension plan):  
**US\$127,848 (optional payment to the IFCPF)**  
**WILL BE INVOICED AT THE START OF CALENDAR YEAR 2023**
  - Contribution to the headquarters building lease and maintenance costs:  
**US\$489,250**  
**INVOICED – RECEIVED - 10 January 2023**



# Discussion

FY2022 was the IPHC's second year implementing a Fund-based accounting system by the IPHC Secretariat.

As such, there were areas identified throughout the year where expense allocation to specific Funds was deemed appropriate and subsequently implemented.

An example being salary & wages, and benefits, which are now allocated fully across funds on a monthly schedule based on actual Secretariat work schedules.

This has brought a heightened level of accounting accuracy across our core programs and activities.

It should be noted that amendments proposed here, do not result in an overall budget adjustment that would impact Contracting Party contributions for FY2023, but rather, will assist the Secretariat in better reporting our expenses.



# Discussion: Fund – 10 General

## Fund 10 - General: Contracting Party Contributions

**Update:** The Commission approved the FY2023 budget with a balanced fund by approving the use of US\$76,745 from 50 – Reserve.

In addition, at SS011, the Commission removed the 98<sup>th</sup> Session of the Interim Meeting from the budget, with the intention to hold a fully electronic/remote meeting.

In late 2022, the Commission Chairperson and Vice-Chairperson requested that the meeting be held in-person for the Commissioners, their advisors, and key Secretariat staff. It was informally agreed that the meeting shall be paid for using funds from 50 – Reserve.

Thus, the Secretariat is requesting that the Commission formally approved the US\$12,000 transfer of funds from 50 – Reserve to 10 – General as part of the FY2023 budget update.

**Action:** The FAC **RECOMMEND** that the Commission **APPROVE** the transfer of an additional US\$12,000 from 50 – Reserve to 10 General to cover the costs of the IM098 meeting, held in Bellingham in November/December 2022.



# Discussion: Fund – 30 Statistics

**Fund 30 - Statistics:** Contracting Party Contributions & NOAA-Port Sampling Grant for Pacific halibut and sablefish

**Update:** The Commission approved the FY2023 budget with **US\$664,458.64** expected from the NOAA Port sampling grant (the grant).

The NOAA grantors have indicated that they will only be providing **US\$621,605.00** for FY2023.

Shortfall: **US\$42,853.64**

**Action:** The IPHC Secretariat has reviewed the overall budget for 30 – Statistics and made reductions in sampling to accommodate the shortfall. The budget remains balanced with the reductions in sampling.



# Discussion: Fund - 40 FISS

**Fund 40 - FISS:** Noting that the budget for Fund 40 – FISS is tentative until the final 2023 design is agreed to (at IM098 in November 2022), the Secretariat is providing a revised FY2023 budget for adoption.

**Fund 40 - FISS** does not receive funding from Contracting Party contributions, but rather has a goal of long-term revenue neutrality.

The design adopted at IM098 resulted in modifications to the originally adopted Fund 40 – FISS budget from the 12<sup>th</sup> Special Session of the Commission (SS012) ([Appendix I](#)).

The revised FY2023 Fund 40 - FISS budget is provided at [Appendix III](#).

The updated FY2023 FISS budget (40 – FISS) will run at a deficit of:  
**-US\$226,286.81** (+/- US\$500,000)





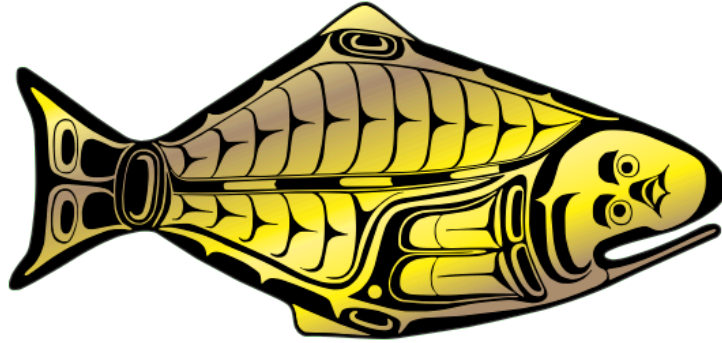
# ACTIONS

That the FAC:

- 1) **NOTE** paper IPHC-2023-FAC099-06 which provided a 1<sup>st</sup> quarter update on the FY2023 budget (financial period: 1 October 2022 to 30 September 2023) as well as proposing a revised budget be adopted based on the final 2023 FISS design, and other amendments to continue the IPHC's move to Fund accounting.
- 2) **RECOMMEND** that the Commission adopt the amended FY2023 budget (1 October 2022 to 30 September 2023), as detailed in [Appendix III](#), noting that the amendments do not change the previously adopted Contracting Party contributions for FY2023:
  - **ADOPT** the FY2023 budget (1 October 2022 to 30 September 2023), as detailed in [Appendix III](#), including the Contracting Party contributions to the General Fund as follows:
    - Canada: Contribution to the General Fund: **US\$900,407**
    - U.S.A.: Contribution to the General Fund: **US\$4,157,760**
  - **NOTED** the extra-budgetary (IFCP Fund deficit and Headquarters lease/maintenance) contributions from each Contracting Party for FY2023 as follows:
    - Canada:
      - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
    - U.S.A.:
      - 50% Contribution to the IFCP Fund deficit (former staff pension plan): **US\$127,848**
      - Contribution to the headquarters building lease and maintenance costs: **US\$489,250**



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