



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

Distr.
RESTRICTED

CFA(XXXII)/4
20 November 2017
ENGLISH ONLY

THIRTY-SECOND SESSION
27 November-2 December 2017
Lima, Peru

**STATUS OF THE ADMINISTRATIVE ACCOUNT
FOR THE FINANCIAL YEAR 2017**

[Item 7 of the Provisional Agenda]

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SUMMARY STATEMENT ON THE ADMINISTRATIVE BUDGETS

(As at 20 Nov 2017)

A. Administrative Budget 2017:		
1)	Contributions received up to 20 November 2017	
	- Producers	2,316,385.32
	- Consumers	<u>3,713,439.00</u>
		\$6,029,824.32
2)	Estimated contributions expected before 31 December 2017	\$37,104.00
3)	Funds authorized by Council for utilization in 2017	
	- Bank interest utilized for 2017 Administrative Budget	\$3.00
4)	Less Estimated Expenditures up to 31 December 2017	<u>(\$5,252,424.19)</u>
	Estimated Surplus (Deficit) in 2017:	<u>\$814,501.13</u>
B. Contributions to be paid to the Administrative Budgets:		
1)	Administrative Budget for the Financial Year 2017	
	- Producers	1,072,232.00
	- Consumers	<u>76,460.00</u>
		\$1,148,692.00
2)	Arrears in Contributions to Previous Budgets (1986-2016)	
	- Producers	4,630,766.30
	- Consumers	164,802.00
	- Former Members	<u>1,792,113.72</u>
		\$6,587,682.02
3)	Interest charges levied on late contributions	
	- Producers	51,571.03
	- Consumers	0.00
	- Former Members	<u>31,043.56</u>
		\$82,614.59
	Total Arrears and Interest Charges as at 20 Nov 2017:	<u>\$7,818,988.61</u>
4)	Less contributions expected before 31 Dec. 2017	(\$37,104.00)
	Expected Total Arrears and Interest Charges at 31 Dec. 2017:	<u>\$7,781,884.61</u>
C.	Special Reserved Fund (To be utilized at Council's approval)	<u>\$1,850,000.00</u>
D.	Working Capital Account (WCA):	
	Funds available as at 31 December 2016	\$4,157,286.00
	Add Arrear Payments and Interests received in 2017:	\$131,135.42
	- Payments received from Members of Arrears	
	in Contributions to Previous Years' Budgets	131,135.42
	- Payments received from "Late/New Joining Members .	0.00
	Estimated Surplus in 2017:	\$814,501.13
	Less - Amount expended under Decision 4(LII)	(\$167,051.65)
	- Amount expended under Decision 9(LII)	(\$36,409.85)
	- Amount expended under Decision 4(LI.I)	<u>(\$53,403.94)</u>
	Estimated Balance of Working Capital Reserve (as at 31 December 2017):	<u>\$4,846,057.11</u>
E.	Interest Income (for hiring Consultants/Contractors) - Financial rule (Rule5.10):	
	Interest income available as at 31 December 2016	\$189,877.00
	Add - Interest earned (during January - October 2017)	\$10,796.04
	Less - Bank interest utilized for 2018 Administrative Budget	(\$3.00)
	Balance of Interest Income (as at 20 November 2017):	<u>\$200,670.04</u>

Administrative Budget for the Financial Year 2017- Current Expenditures
(As at 20 Nov 2017)

Part A. BASIC ADMINISTRATIVE COSTS

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Budget Heading	Approved Allocation	Total Estimated Expenditures for 2017			BALANCE Surplus or (Deficit)
		Actual (Jan. - Oct.)	Estimated (Nov. - Dec.)	Total	
	[A]	[B]	[C]	[D] {B + C}	[C] {A - D}
A. SALARIES AND BENEFITS					
A1. Salaries	2,479,880	\$1,435,008	\$178,937	\$1,613,945	\$865,935
A2. Tax Refund	[212,831	236,620	\$47,324	283,943	(71,112)]*/
A3. Post Adjustment	874,083	504,028	\$133,688	637,715	236,368
A4. Rental Subsidy	2,407	0		0	2,407
A5. Education Grant (incl. Education Travel)	293,984	136,788	\$75,993	212,781	81,203
A6. Dependency Allowance	98,505	93,275	\$3,466	96,741	1,764
A7. Home Leave	196,783	44,045	\$0	44,045	152,738
A8. Language Allowance	0	0	0	0	0
A9. Overtime	27,040	7,829	\$4,349	12,178	14,862
A10. Mobility & Hardship Allowance	14,850	0	\$3,489	3,489	11,361
A11. Separation Benefits	154,194	32,951	31,304	64,255	89,939
A12. Removal Costs	22,000	15,000	6,000	21,000	1,000
A13. Repatriation/Recruitment Travel	61,600	6,540	13,146	19,685	41,915
Component Total:	\$4,225,326	\$2,275,464	\$450,371	\$2,725,835	\$1,499,491
B. INSTALLATION COSTS					
B1. Assignment Grant	49,459	13,110	20,321	33,431	16,029
B2. Lumpsum Benefit	57,750	19,305	25,869	45,174	12,576
Component Total:	\$107,209	\$32,415	\$46,189	\$78,604	\$28,605
C. OFFICIAL TRAVEL					
C1. Transportation/Tickets	88,283	48,918	\$38,048	86,966	1,317
C2. DSA & Travel Expenses	45,746	16,204	\$19,805	36,009	9,737
Component Total:	\$134,029	\$65,122	\$57,852	\$122,974	\$11,055
D. SOCIAL SECURITY					
D1. Provident Fund	645,101	388,767	\$237,580	626,346	18,755
D2. Accident/Health Insurance	257,739	65,780	\$69,434	135,214	122,525
D3. Japanese National Scheme	151,830	59,806	\$29,903	89,709	62,121
Component Total:	\$1,054,670	\$514,353	\$336,917	\$851,270	\$203,400
E. SPECIAL ACTIVITIES					
E1. Consultants	34,236	30,942	\$3,064	34,005	231
E2. Workshops and Meetings	12,614	957	7,120	8,077	4,537
E3. Other Activities (Legal Advisor)	11,528	0	\$11,528	11,528	0
Component Total:	\$58,378	\$31,899	\$21,712	\$53,611	\$4,767
F. DATA PROCESSING					
F1. Computer Software and Servicing	39,052	18,310	20,742	\$39,052	0
F2. Network, Hardware and Supplies	60,946	58,812	2,134	60,946	0
F3. Training and Staff Development	6,204	369	1,292	1,661	4,543
Component Total:	\$106,202	\$77,491	\$24,168	\$101,659	\$4,543

*/ Applied to Japanese Staff only, and payable by Japan. This item is not included in the budget total.

Budget Heading	Approved Allocation	Total Estimated Expenditures for 2017			BALANCE Surplus or (Deficit)
		Actual (Jan. - Oct.)	Estimated (Nov. - Dec.)	Total	
	[A]	[B]	[C]	[D] (B + C)	[E] (A - D)
G. OTHER COSTS					
G1. Communications	42,539	17,529	\$13,634	31,162	11,377
G2. Publications	27,794	0	25,000	25,000	2,794
G3. Transport	79,193	15,075	\$41,874	56,949	22,244
G4. Library	12,377	4,631	\$1,544	6,175	6,202
G5. Supplies	39,029	7,221	\$16,047	23,268	15,761
G6. Hospitality	12,689	4,013	\$1,338	5,350	7,339
G7. Bank Charges	13,418	12,679	\$655	13,334	84
G8. Audit	80,962	80,962	\$0	80,962	0
G9. Miscellaneous	6,411	156	2,835	2,991	3,420
Component Total:	<u>\$314,412</u>	<u>\$142,266</u>	<u>\$102,925</u>	<u>\$245,191</u>	<u>\$69,221</u>
H. COUNCIL MEETINGS					
H1. Costs not met by Host Country	7,921	0	7,921	7,921	0
H2. Council Session Outside Japan	200,000		200,000	200,000	0
Component Total:	<u>\$207,921</u>	<u>\$0</u>	<u>\$207,921</u>	<u>\$207,921</u>	<u>\$0</u>
I. COSTS MET BY JAPAN					
I1. Office, equipment, utilities	**/	**/	**/	**/	**/
I2. Council Meetings	**/	**/	**/	**/	**/
I3. Initial Travel	**/	**/	**/	**/	**/
I4. Removal Costs	**/	**/	**/	**/	**/
I5. Supporting Staff	**/	**/	**/	**/	**/
Component Total:	<u>**/</u>	<u>**/</u>	<u>**/</u>	<u>**/</u>	<u>**/</u>
J. CONTINGENCY RESERVE					
Component Total:	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
K. ALLOCATION FROM WORKING CAPITAL ACCOUNT					
Component Total:	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
GRAND TOTAL:	\$6,208,147	\$3,139,010	\$1,248,056	\$4,387,066	\$1,821,081

**/ Paid directly or reimbursable by Japan based on actual expenditures.

Part B. CORE OPERATIONAL COSTS

Budget Heading	Approved Allocation	Expenditures			BALANCE Surplus or (Deficit)
		Actual (Jan. - Oct.)	Estimated (Nov. - Dec.)	Total	
O. COMMUNICATION AND OUTREACH					
O1. Publications (including TFU)	260,000	154,215	105,785	260,000	0
O2. Outreach (conferences, side events, booths)	84,654	15,258	69,396	84,654	0
O3. ITTO Website	84,021	26,131	57,890	84,021	0
Component Total:	<u>\$428,675</u>	<u>\$195,603</u>	<u>\$233,072</u>	<u>\$428,675</u>	<u>\$0</u>
P. EXPERT MEETINGS BY COUNCIL					
P1. Expert Meetings/Workshops	140,000	104,683	0	104,683	35,317
P2. Other Meetings as Decided by Council	0	0	0	0	0
Component Total:	<u>\$140,000</u>	<u>\$104,683</u>	<u>\$0</u>	<u>\$104,683</u>	<u>\$35,317</u>
Q. POLICY WORK					
Q1. Action Plan	0	0	0	0	0
Q2. Guidelines, Manuals, Studies, etc.	0	0	0	0	0
Component Total:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
R. STATISTICS, STUDIES & INFORMATION					
R1. Market Information Services (MIS)	207,000	152,850	54,150	207,000	0
R2. Market Discussion	35,000	3,468	31,532	35,000	0
R3. Relevant Market Studies	40,000	40,000	0	40,000	0
R4. Work on Statistics	20,000	17,496	2,504	20,000	0
Component Total:	<u>\$302,000</u>	<u>\$213,814</u>	<u>\$88,186</u>	<u>\$302,000</u>	<u>\$0</u>
S. ANNUAL REPORT & BIENNIAL REVIEW					
S1. Annual Report	30,000	9,283	20,718	30,000	0
S2. Biennial Review	0	0	0	0	0
S3. Guidelines, Manuals, Studies, etc.	0	0	0	0	0
Component Total:	<u>\$30,000</u>	<u>\$9,283</u>	<u>\$20,718</u>	<u>\$30,000</u>	<u>\$0</u>
GRAND TOTAL:	\$900,675	\$523,383	\$341,975	\$865,358	\$35,317
ADMINISTRATIVE BUDGET GRAND TOTAL:	\$7,108,822	\$3,662,393	\$1,590,031	\$5,252,424	\$1,856,398

Annex 1: Disclosures required by the Financial Rules

List of payments greater than \$100,000 subject to Bid and Tender process and to be reported to the CFA (Financial Rules, Annex6, 3.1.i)

Amount of payment	Description
N/A	N/A

List of sole suppliers subject to CFA endorsement (Financial Rules, Annex6, 3.1.m)

Name of Supplier	Description
Brainweb	Developer and web hosting service provider for the Online Project Monitoring System
Diverta	Developer and web hosting service provider for ITTO's homepage
Generali	Fund management company for ITTO's provident fund
Globe	Developer and troubleshooter for ITTO's IT infrastructure
Grant Thornton Taiyo	Developer of ITTO's accounting system
Print Provider International Aps	Printing company with capabilities for designing and printing in ITTO's official languages and can distributes products globally to ITTO member countries at a competitive price.
Sumitomo Denko	Developer and web hosting service provider for ITTO's electronic approval system.

List of bad debt write offs subject to approval by the Council through the CFA (Financial Rules, Annex6, 4.9)

Amount of write off	Description
\$59,413.75	For airplane tickets ordered between 2012-2015 under a policy imposed by previous management to buy non-refundable tickets, which for various reasons could not be used.