



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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5-9 November 2018
Yokohama, Japan

**STATUS OF THE ADMINISTRATIVE ACCOUNT
FOR THE FINANCIAL YEAR 2018**

[Item 7 of the Provisional Agenda]

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SUMMARY STATEMENT ON THE ADMINISTRATIVE BUDGETS

(As at 2 November 2018)

A. Administrative Budget 2018:

1) Contributions received up to 2 November 2018		
- Producers	1,409,005.82	
- Consumers	<u>3,732,441.00</u>	\$5,141,446.82
2) Estimated contributions expected before 31 December 2018		\$0.00
3) Funds authorized by Council for utilization in 2018		
- Bank interest utilized for 2018 Administrative Budget		\$4.00
4) Less Estimated Expenditures up to 31 December 2018		<u>(\$5,965,114.79)</u>
Estimated Surplus (Deficit) in 2018:		<u>(\$823,671.97)</u>

B. Contributions to be paid to the Administrative Budgets:

1) Administrative Budget for the Financial Year 2018		
- Producers	1,888,288.18	
- Consumers	<u>78,808.00</u>	\$1,967,096.18
2) Arrears in Contributions to Previous Budgets (1986-2017)		
- Producers	4,577,801.18	
- Consumers	204,158.00	
- Former Members	<u>1,707,005.72</u>	\$6,488,964.90
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 2 Nov 2018:		<u>\$8,538,675.67</u>
4) Less contributions expected before 31 Dec. 2018		\$0.00
Expected Total Arrears and Interest Charges at 31 Dec. 2018:		<u>\$8,538,675.67</u>

C. Special Reserved Fund (To be utilized at Council's approval)

\$2,500,000.00

D. Working Capital Reserve:

Funds available as at 31 December 2017		\$4,156,723.71
Add Arrear Payments and Interests received in 2018:		\$605,421.12
- Payments received from Members of Arrears in Contributions to Previous Years' Budgets	605,421.12	
- Payments received from "Late/New Joining Members"	0.00	
Estimated Surplus in 2018:		(\$823,671.97)
Less - Amount expended under Decision 9(LIII)		(\$112,710.83)
Estimated Balance of Working Capital Reserve (as at 31 December 2018):		<u>\$3,825,762.03</u>

E. Interest Income (for hiring Consultants/Contractors) - Financial rule (Rule5.10):

Interest income available as at 31 December 2017		\$205,074.51
Add - Interest earned (during January - Septembe 2018)		\$10,211.76
Balance of Interest Income (as at 2 November 2018):		<u>\$215,286.27</u>

Administrative Budget for the Financial Year 2018- Current Expenditures

(As at 1 October 2018)

Part A. BASIC ADMINISTRATIVE COSTS

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Budget Heading	Approved Allocation	Total Estimated Expenditures for 2018			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] {B + C}	[E] {A - D}
A. SALARIES AND BENEFITS					
A1. Salaries	2,308,296	\$1,591,465	\$519,534	\$2,110,999	\$197,297
A2. Tax Refund	[367,627	153,768	\$110,129	263,897	103,730]*/
A3. Post Adjustment	926,412	632,554	\$210,000	842,554	83,858
A4. Rental Subsidy	2,476	0	\$0	0	2,476
A5. Education Grant (incl. Education Travel)	298,730	0	\$250,000	250,000	48,730
A6. Dependency Allowance	177,822	122,907	\$33,000	155,907	21,915
A7. Home Leave	96,398	91,828	\$4,570	96,398	0
A8. Language Allowance	0	0	\$0	0	0
A9. Overtime	24,100	4,893	\$18,518	23,411	689
A10. Mobility & Hardship Allowance	10,800	0	\$0	0	10,800
A11. Separation Benefits	91,170	0	\$0	0	91,170
A12. Removal Costs	29,700	0	\$0	0	29,700
A13. Repatriation/Recruitment Travel	74,400	0	\$0	0	74,400
Component Total:	<u>\$4,040,304</u>	<u>\$2,443,648</u>	<u>\$1,035,622</u>	<u>\$3,479,269</u>	<u>\$561,035</u>
B. INSTALLATION COSTS					
B1. Assignment Grant	94,102	0	\$0	0	94,102
B2. Lumpsum Benefit	104,525	0	\$0	0	104,525
Component Total:	<u>\$198,627</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$198,627</u>
C. OFFICIAL TRAVEL					
C1. Transportation/Tickets	91,465	39,624	\$45,000	84,624	6,841
C2. DSA & Travel Expenses	45,754	23,142	\$20,828	43,970	1,784
Component Total:	<u>\$137,219</u>	<u>\$62,766</u>	<u>\$65,828</u>	<u>\$128,594</u>	<u>\$8,625</u>
D. SOCIAL SECURITY					
D1. Provident Fund	602,604	379,463	\$147,569	527,031	75,573
D2. Accident/Health Insurance	244,594	96,783	\$32,261	129,043	115,551
D3. Japanese National Scheme	147,642	63,369	\$24,643	88,012	59,630
Component Total:	<u>\$994,840</u>	<u>\$539,614</u>	<u>\$204,473</u>	<u>\$744,087</u>	<u>\$250,753</u>
E. SPECIAL ACTIVITIES					
E1. Consultants	34,728	11,936	\$20,000	31,936	2,792
E2. Workshops and Meetings	13,069	0	\$10,000	10,000	3,069
E3. Other Activities (Legal Advisor)	11,741	0	\$6,000	6,000	5,741
Component Total:	<u>\$59,538</u>	<u>\$11,936</u>	<u>\$36,000</u>	<u>\$47,936</u>	<u>\$11,602</u>
F. DATA PROCESSING					
F1. Computer Software and Servicing	56,052	30,559	\$25,492	\$56,052	0
F2. Network, Hardware and Supplies	84,946	69,322	\$15,624	84,946	0
F3. Training and Staff Development	6,670	364	\$6,306	6,670	0
Component Total:	<u>\$147,668</u>	<u>\$100,246</u>	<u>\$47,422</u>	<u>\$147,668</u>	<u>\$0</u>

*/ 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 2018			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] (B + C)	[E] (A - D)
G. OTHER COSTS					
G1. Communications	46,225	25,983	\$14,922	40,906	5,320
G2. Publications	29,639	26,738	\$2,000	28,738	901
G3. Transport	85,763	12,814	\$64,587	77,401	8,362
G4. Library	12,894	12,135	\$759	12,894	0
G5. Supplies	42,184	40,665	\$1,518	42,184	0
G6. Hospitality	13,532	8,337	\$5,000	13,337	195
G7. Bank Charges	24,086	10,838	\$13,248	24,086	0
G8. Audit	140,962	140,962	\$0	140,962	0
G9. Miscellaneous	6,415	573	\$500	1,073	5,342
Component Total:	\$401,700	\$279,045	\$102,535	\$381,580	\$20,120
H. COUNCIL MEETINGS					
H1. Costs not met by Host Country	8,651	0	\$8,000	8,000	651
H2. Council Session Outside Japan	200,000	0	\$200,000	200,000	0
Component Total:	\$208,651	\$0	\$208,000	\$208,000	\$651
I. COSTS MET BY JAPAN					
I1. Office, equipment, utilities	**/	**/	**/	**/	**/
I2. Council Meetings	**/	**/	**/	**/	**/
I3. Initial Travel	**/	**/	**/	**/	**/
I4. Removal Costs	**/	**/	**/	**/	**/
I5. Supporting Staff	**/	**/	**/	**/	**/
Component Total:	**/	**/	**/	**/	**/
J. CONTINGENCY RESERVE					
Component Total:	--	--	--	--	--
K. ALLOCATION FROM WORKING CAPITAL ACCOUNT					
Component Total:	--	--	--	--	--
GRAND TOTAL:	\$6,188,547	\$3,437,254	\$1,699,880	\$5,137,134	\$1,051,413

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

Part B. CORE OPERATIONAL COSTS

Budget Heading	Approved Allocation	Total Estimated Expenditures for 2018			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
O. COMMUNICATION AND OUTREACH					
O1. Publications (including TFU)	260,000	86,588	\$172,904	259,492	508
O2. Outreach (conferences, side events, booths)	90,000	48,821	\$40,274	89,095	905
O3. ITTO Website	85,000	41,648	\$43,207	84,854	146
Component Total:	\$435,000	\$177,056	\$256,384	\$433,440	\$1,560
P. EXPERT MEETINGS BY COUNCIL					
P1. Expert Meetings/Workshops	140,000	39,541	\$15,000	54,541	85,459
P2. Other Meetings as Decided by Council	0	0	\$0	0	0
Component Total:	\$140,000	\$39,541	\$15,000	\$54,541	\$85,459
Q. POLICY WORK					
Q1. Action Plan	0	0	\$0	0	0
Q2. Guidelines, Manuals, Studies, etc.	0	0	\$0	0	0
Component Total:	\$0	\$0	\$0	\$0	\$0
R. STATISTICS, STUDIES & INFORMATION					
R1. Market Information Services (MIS)	210,000	136,300	\$73,700	210,000	0
R2. Market Discussion	35,000	0	\$30,000	30,000	5,000
R3. Relevant Market Studies	0	0	\$0	0	0
R4. Work on Statistics	20,000	9,854	\$10,146	20,000	0
Component Total:	\$265,000	\$146,154	\$113,846	\$260,000	\$5,000
S. ANNUAL REPORT & BIENNIAL REVIEW					
S1. Annual Report	30,000	465	\$29,535	30,000	0
S2. Biennial Review	50,000	26,369	\$23,631	50,000	0
S3. Guidelines, Manuals, Studies, etc.	0	0	\$0	0	0
Component Total:	\$80,000	\$26,834	\$53,165	\$80,000	\$0
GRAND TOTAL:	\$920,000	\$389,585	\$438,395	\$827,981	\$92,019

ADMINISTRATIVE BUDGET GRAND TOTAL: \$7,108,547 \$3,826,839 \$2,138,276 \$5,965,115 \$1,143,432

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
Substantial Aps	Printing company with capabilities for designing and printing in ITTO's official languages and can distribute products globally to ITTO member countries at a competitive price.
Sumitomo Denko	Developer and web hosting service provider for ITTO's electronic approval system.
Design One	Design company which has been providing design and layout services for ITTO publications, such as Policy series, Technical series, TFU, annual reports and others, giving a unified look.
Increase Corporation	Japanese design and Public relations company which provides design and PR solutions for Japanese audience.
Sarre et Al	Writing and editing services specialize in forestry topics.
CIG	Interpreting and translation service provider

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
N/A	N/A