



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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2-6 December 2019
Lomé, Togo

**STATUS OF THE ADMINISTRATIVE ACCOUNT
FOR THE FINANCIAL YEAR 2019**

[Item 6 of the Provisional Agenda]

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SUMMARY STATEMENT ON THE ADMINISTRATIVE BUDGETS

(As at 5 Nov 2019)

A. Administrative Budget 2019:

1) Contributions received up to 5 November 2019		
- Producers	1,563,269.77	
- Consumers	<u>3,730,382.00</u>	\$5,293,651.77
2) Estimated contributions expected before 31 December 2019		\$0.00
3) Funds authorized by Council for utilization in 2019		
- Bank interest utilized for 2019 Administrative Budget		\$3.00
4) Less Estimated Expenditures up to 31 December 2019		<u>(\$5,447,344.77)</u>
	Estimated Surplus (Deficit) in 2019:	<u>(\$153,690.00)</u>

B. Contributions to be paid to the Administrative Budgets:

1) Administrative Budget for the Financial Year 2019		
- Producers	1,797,824.03	
- Consumers	<u>78,766.00</u>	\$1,876,590.03
2) Arrears in Contributions to Previous Budgets (1986-2018)		
- Producers	5,533,018.97	
- Consumers	243,562.00	
- Former Members	<u>1,707,005.72</u>	\$7,483,586.69
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 5 Nov 2019:		<u>\$9,442,791.31</u>
4) Less contributions expected before 31 Dec. 2019		\$0.00
Expected Total Arrears and Interest Charges at 31 Dec. 2019:		<u>\$9,442,791.31</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 2018		\$5,111,202.12
Add Arrear Payments and Interests received in 2019		\$556,676.51
- Payments received from Members of Arrears in Contributions to Previous Years' Budgets	556,676.51	
Less Estimated Deficit from Administrative Budget 2019		(\$153,690.00)
Amount expended under Decision 2(LIV)		(\$25,968.34)
Amount expended under Decision 5(LIV)		(\$95,769.35)
Amount expended under Decision 6(LIV)		(\$18,540.80)
Estimated Balance of Working Capital Reserve (as at 31 December 2019):		<u>\$5,373,910.14</u>

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

Interest income available as at 31 December 2018		\$219,730.11
Add - Interest earned (during January - October 2019)		\$9,332.83
Balance of Interest Income (as at 5 November 2019):		<u>\$229,062.94</u>

Administrative Budget for the Financial Year 2019- Current Expenditures

(As of 5 Nov 2019)

Part A. BASIC ADMINISTRATIVE COSTS

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Budget Heading	Approved Allocation	Total Estimated Expenditures for 2019			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	2,375,237	\$1,669,258	\$47,675	\$1,716,934	\$658,303
A2. Tax Refund	[382,632	154,748	\$130,549	285,297	97,335]*/
A3. Post Adjustment	953,278	656,311	\$203,310	859,621	93,657
A4. Rental Subsidy	2,476	0	\$0	0	2,476
A5. Education Grant (incl. Education Travel)	298,730	99,223	\$32,732	131,955	166,775
A6. Dependency Allowance	182,979	124,075	\$36,316	160,391	22,588
A7. Home Leave	96,000	50,388	\$0	50,388	45,612
A8. Language Allowance	0	0	\$0	0	0
A9. Overtime	24,799	9,735	\$6,721	16,455	8,344
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	40,240	0	\$0	0	40,240
Component Total:	<u>\$4,105,409</u>	<u>\$2,608,990</u>	<u>\$326,755</u>	<u>\$2,935,745</u>	<u>\$1,169,664</u>
B. INSTALLATION COSTS					
B1. Assignment Grant	47,430	0	\$0	0	47,430
B2. Lumpsum Benefit	53,035	0	\$0	0	53,035
Component Total:	<u>\$100,465</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$100,465</u>
C. OFFICIAL TRAVEL					
C1. Transportation/Tickets	91,465	79,105	\$12,360	91,465	0
C2. DSA & Travel Expenses	45,754	45,274	\$480	45,754	0
Component Total:	<u>\$137,219</u>	<u>\$124,379</u>	<u>\$12,840</u>	<u>\$137,219</u>	<u>\$0</u>
D. SOCIAL SECURITY					
D1. Provident Fund	620,080	407,995	\$144,142	552,137	67,943
D2. Accident/Health Insurance	251,687	107,905	\$48,557	156,463	95,224
D3. Japanese National Scheme	151,924	97,197	\$19,439	116,637	35,287
Component Total:	<u>\$1,023,691</u>	<u>\$613,098</u>	<u>\$212,139</u>	<u>\$825,236</u>	<u>\$198,455</u>
E. SPECIAL ACTIVITIES					
E1. Consultants	34,728	0	\$20,000	20,000	14,728
E2. Workshops and Meetings	13,069	1,848	\$10,000	11,848	1,221
E3. Other Activities (Legal Advisor)	11,741	0	\$6,000	6,000	5,741
Component Total:	<u>\$59,538</u>	<u>\$1,848</u>	<u>\$36,000</u>	<u>\$37,848</u>	<u>\$21,690</u>
F. DATA PROCESSING					
F1. Computer Software and Servicing	56,052	35,825	\$18,761	\$54,586	1,466
F2. Network, Hardware and Supplies	84,946	68,326	\$16,125	84,451	495
F3. Training and Staff Development	6,670	1,984	\$4,217	6,201	469
Component Total:	<u>\$147,668</u>	<u>\$106,136</u>	<u>\$39,103</u>	<u>\$145,238</u>	<u>\$2,430</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 2019			BALANCE Surplus or (Deficit)
		Actual (Jan. - Oct.)	Estimated (Nov. - Dec.)	Total	
	[A]	[B]	[C]	[D]	[E]
				{B + C}	{A - D}
G. OTHER COSTS					
G1. Communications	46,225	35,893	\$10,022	45,915	310
G2. Publications	29,639	0	\$20,523	20,523	9,116
G3. Transport	85,763	21,680	\$57,813	79,493	6,270
G4. Library	12,894	7,375	\$826	8,201	4,693
G5. Supplies	42,184	22,128	\$15,528	37,656	4,528
G6. Hospitality	13,532	8,727	\$4,600	13,327	205
G7. Bank Charges	24,086	13,986	\$2,797	16,783	7,303
G8. Audit	140,962	140,950	\$0	140,950	12
G9. Miscellaneous	6,415	1,482	\$500	1,982	4,433
Component Total:	<u>\$401,700</u>	<u>\$252,221</u>	<u>\$112,609</u>	<u>\$364,830</u>	<u>\$36,870</u>
H. COUNCIL MEETINGS					
H1. Costs not met by Host Country	8,651	0	\$8,000	8,000	651
H2. Council Session Outside Japan u/	200,000	28,645	\$171,355	200,000	0
Component Total:	<u>\$208,651</u>	<u>\$28,645</u>	<u>\$179,355</u>	<u>\$208,000</u>	<u>\$651</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	--	--	--	--	--
GRAND TOTAL:	\$6,184,341	\$3,735,317	\$918,800	\$4,654,117	\$1,530,224

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

***/ The Council, in its Decision 7(XLVI), decided that "the costs for convening a Council session outside Headquarters, covered by the Administrative budget, in any two-year period shall be budgeted equally between the two years and shall not exceed US\$400,000 in total". The actual expenses incurred under this item will include additionally, the amount reported in the previous year in the amount of US\$200,000.

Part B. CORE OPERATIONAL COSTS

Budget Heading	Approved Allocation	Total Estimated Expenditures for 2019			BALANCE Surplus or (Deficit)
		Actual (Jan. - Oct.)	Estimated (Nov. - Dec.)	Total	
O. COMMUNICATION AND OUTREACH					
O1. Publications (including TFU)	260,000	105,271	\$149,757	255,028	4,972
O2. Outreach (conferences, side events, booths)	90,000	33,676	\$49,338	83,015	6,985
O3. ITTO Website	85,000	38,635	\$41,229	79,864	5,136
Component Total:	<u>\$435,000</u>	<u>\$177,583</u>	<u>\$240,324</u>	<u>\$417,907</u>	<u>\$17,093</u>
P. EXPERT MEETINGS BY COUNCIL					
P1. Expert Meetings/Workshops	140,000	44,983	\$0	44,983	95,017
P2. Other Meetings as Decided by Council	0	0	\$0	0	0
Component Total:	<u>\$140,000</u>	<u>\$44,983</u>	<u>\$0</u>	<u>\$44,983</u>	<u>\$95,017</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)	210,000	137,605	\$68,630	206,235	3,765
R2. Market Discussion	35,000	2,441	\$30,000	32,441	2,559
R3. Relevant Market Studies	0	0	\$0	0	0
R4. Work on Statistics	20,000	14,970	\$0	14,970	5,030
Component Total:	<u>\$265,000</u>	<u>\$155,015</u>	<u>\$98,630</u>	<u>\$253,645</u>	<u>\$11,355</u>
S. ANNUAL REPORT & BIENNIAL REVIEW					
S1. Annual Report	30,000	1,628	\$28,373	30,000	0
S2. Biennial Review	50,000	33,411	\$13,282	46,693	3,307
S3. Guidelines, Manuals, Studies, etc.	0	0	\$0	0	0
Component Total:	<u>\$80,000</u>	<u>\$35,039</u>	<u>\$41,655</u>	<u>\$76,693</u>	<u>\$3,307</u>
GRAND TOTAL:	\$920,000	\$412,619	\$380,609	\$793,228	\$126,772
ADMINISTRATIVE BUDGET GRAND TOTAL:	\$7,104,341	\$4,147,936	\$1,299,408	\$5,447,345	\$1,656,996

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
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 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.
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
Pacifico Yokohama	Venue for the International Tropical Timber Council

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

Banks and financial institutions approved by the Council: (Financial Rules, Annex2, Appendix1)

- Bank of Tokyo-Mitsubishi UFJ
 - Citibank
 - Bank of Yokohama
 - HSBC
 - Daiwa Securities Group
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