



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

**COMMITTEE ON  
FINANCE AND ADMINISTRATION**

Distr.  
GENERAL

CFA(XXXV)/4  
1 October 2020

Original: ENGLISH ONLY

THIRTY-FIFTH SESSION  
9-13 November 2020  
Virtual Session

**STATUS OF THE ADMINISTRATIVE ACCOUNT  
FOR THE FINANCIAL YEAR 2020**

[ Item 6 of the Provisional Agenda ]

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**SUMMARY STATEMENT ON THE ADMINISTRATIVE BUDGETS**

(As at 1 October 2020 )

<b>A. Administrative Budget 2020:</b>		
1)	Contributions received up to 1 October 2020	
	- Producers	1,566,706.03
	- Consumers	<u>3,701,634.00</u>
		\$5,268,340.03
2)	Estimated contributions expected before 31 December 2020	\$0.00
3)	Funds authorized by Council for utilization in 2020	
	- Bank interest utilized for 2020 Administrative Budget .	\$0.00
4)	Less Estimated Expenditures up to 31 December 2020	<u>(\$5,969,870.95)</u>
	<b>Estimated Surplus (Deficit) in 2020:</b>	<b><u>(\$701,530.91)</u></b>
<b>B. Contributions to be paid to the Administrative Budgets:</b>		
1)	Administrative Budget for the Financial Year 2020	
	- Producers	1,744,951.97
	- Consumers	<u>78,196.00</u>
		\$1,823,147.97
2)	Arrears in Contributions to Previous Budgets (1986-2019)	
	- Producers	6,161,991.77
	- Consumers	282,945.00
	- Former Members	<u>1,707,005.72</u>
		\$8,151,942.49
3)	Interest charges levied on late contributions	
	- Producers	44,323.54
	- Consumers	0.00
	- Former Members	<u>31,043.56</u>
		\$75,367.10
	Total Arrears and Interest Charges as at 1 October 2020:	<u>\$10,050,457.56</u>
4)	Less contributions expected before 31 Dec. 2020	\$0.00
	Expected Total Arrears and Interest Charges at 31 Dec. 2020:	<u>\$10,050,457.56</u>
<b>C. Special Reserved Fund (To be utilized at Council's approval)</b>		
		<u>\$2,500,000.00</u>
<b>D. Working Capital Reserve:</b>		
	Funds available as at 31 December 2019	\$5,167,832.56
<b>Add</b>	Arrear Payments and Interests received in 2020:	\$888,617.28
	- Payments received from Members of Arrears	
	in Contributions to Previous Years' Budgets . . . . .	888,617.28
	- Payments received from "Late/New Joining Members .	0.00
<b>Less</b>	Estimated (Surplus) Deficit in 2020:	\$701,530.91
	- Amount expended under Decision 2(LIV)	\$0.00
	- Amount expended under Decision 5(LIV)	\$6,100.21
	- Amount expended under Decision 6(LIV)	\$0.00
	Estimated Balance of Working Capital Reserve (as at 31 December 2020):	<u>\$5,348,818.72</u>
<b>E. Interest Income (for hiring Consultants/Contractors) - Financial rule (Rule5.10):</b>		
	Interest income available as at 31 December 2019	\$231,743.81
<b>Add</b>	- Interest earned (during January - September 2020)	\$2,349.61
	Balance of Interest Income (as at 1 October 2020):	<u>\$234,093.42</u>

Administrative Budget for the Financial Year 2020- Current Expenditures

(As of 1 October 2020)

Part A. BASIC ADMINISTRATIVE COSTS

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Budget Heading	Approved Allocation	Total Estimated Expenditures for 2020			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] (B + C)	[C] (A - D)
<b>A. SALARIES AND BENEFITS</b>					
A1. A01 Salaries	2,394,968	\$1,754,157	\$595,829	\$2,349,986	44,982
A2. A02 Tax Refund	[ 283,692	203,800	\$67,933	271,733	11,959 ]*/
A3. A03 Post Adjustment	969,103	752,467	\$213,199	965,666	3,437
A4. A04 Rental Subsidy	2,512	0	\$0	0	2,512
A5. A05 Education Grant (incl. Education Travel)	293,244	86,920	\$80,000	166,920	126,324
A6. A06 Dependency Allowance	197,841	126,918	\$42,306	169,224	28,617
A7. A07 Home Leave	89,400	53,925	\$0	53,925	35,475
A8. A08 Language Allowance	0	0	\$0	0	0
A9. A09 Overtime	23,859	8,967	\$3,601	12,568	11,291
A10. A10 Mobility & Hardship Allowance	5,346	0	\$0	0	5,346
A11. A11 Separation Benefits	90,248	23,236	\$0	23,236	67,012
A12. A12 Removal Costs	29,403	0	\$0	0	29,403
A13. A13 Repatriation/Recruitment Travel	67,838	0	\$0	0	67,838
Component Total:	<u>\$4,163,762</u>	<u>\$2,806,591</u>	<u>\$934,935</u>	<u>\$3,741,526</u>	<u>\$422,236</u>
<b>B. INSTALLATION COSTS</b>					
B1. B01 Assignment Grant	53,221	0	\$0	0	53,221
B2. B02 Lumpsum Benefit	59,357	0	\$0	0	59,357
Component Total:	<u>\$112,578</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$112,578</u>
<b>C. OFFICIAL TRAVEL</b>					
C1. C01 Transportation/Tickets	101,295	9,161	\$0	9,161	92,134
C2. C02 DSA & Travel Expenses	54,905	3,266	\$1,836	5,103	49,802
Component Total:	<u>\$156,199</u>	<u>\$12,428</u>	<u>\$1,836</u>	<u>\$14,264</u>	<u>\$141,936</u>
<b>D. SOCIAL SECURITY</b>					
D1. D01 Provident Fund	648,303	433,750	\$144,583	578,333	69,970
D2. D02 Accident/Health Insurance	158,629	106,601	\$35,534	142,134	16,495
D3. D03 Japanese National Scheme	168,191	108,352	\$36,117	144,470	23,721
Component Total:	<u>\$975,123</u>	<u>\$648,703</u>	<u>\$216,234</u>	<u>\$864,938</u>	<u>\$110,185</u>
<b>E. SPECIAL ACTIVITIES</b>					
E1. E01 Consultants	30,822	0	\$20,000	20,000	10,822
E2. E02 Workshops and Meetings	10,158	0	\$0	0	10,158
E3. E03 Other Activities (Legal Advisor)	11,782	0	\$6,000	6,000	5,782
Component Total:	<u>\$52,762</u>	<u>\$0</u>	<u>\$26,000</u>	<u>\$26,000</u>	<u>\$26,762</u>
<b>F. DATA PROCESSING</b>					
F1. F01 Computer Software and Servicing	56,953	30,729	\$26,224	\$56,953	0
F2. F02 Network, Hardware and Supplies	86,299	62,467	\$23,832	86,299	0
F3. F03 Training and Staff Development	6,764	10	\$6,079	6,089	675
Component Total:	<u>\$150,016</u>	<u>\$93,206</u>	<u>\$56,135</u>	<u>\$149,341</u>	<u>\$675</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 2020			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] {B + C}	[E] {A - D}
<b>G. OTHER COSTS</b>					
G1. G01 Communications	36,980	28,318	\$6,735	35,053	1,927
G2. G02 Publications	30,010	133	\$20,523	20,656	9,354
G3. G03 Transport	71,103	23,130	\$7,710	30,840	40,263
G4. G04 Library	12,995	7,268	\$1,247	8,515	4,480
G5. G05 Supplies	31,826	14,265	\$16,906	31,171	655
G6. G06 Hospitality	15,701	1,652	\$5,000	6,652	9,049
G7. G07 Bank Charges	24,312	11,659	\$3,886	15,545	8,767
G8. G08 Audit	142,903	122,002	\$20,000	142,002	901
G9. G09 Miscellaneous	6,416	745	\$500	1,245	5,171
Component Total:	<u>\$372,246</u>	<u>\$209,171</u>	<u>\$82,507</u>	<u>\$291,678</u>	<u>\$80,568</u>
<b>H. COUNCIL MEETINGS</b>					
H1. H01 Costs not met by Host Country	8,801	0	\$8,000	8,000	801
H2. H02 Council Session Outside Japan **/	200,000	0	\$200,000	200,000	0
Component Total:	<u>\$208,801</u>	<u>\$0</u>	<u>\$208,000</u>	<u>\$208,000</u>	<u>\$801</u>
<b>I. COSTS MET BY JAPAN</b>					
I1. I01 Office, equipment, utilities	**/	**/	**/	**/	**/
I2. I02 Council Meetings	**/	**/	**/	**/	**/
I3. I03 Initial Travel	**/	**/	**/	**/	**/
I4. I04 Removal Costs	**/	**/	**/	**/	**/
I5. I05 Supporting Staff	**/	**/	**/	**/	**/
Component Total:	<u>**/</u>	<u>**/</u>	<u>**/</u>	<u>**/</u>	<u>**/</u>
<b>J. CONTINGENCY RESERVE</b>					
Component Total:	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>K. ALLOCATION FROM WORKING CAPITAL ACCOUNT</b>					
Component Total:	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>GRAND TOTAL:</b>	<b>\$6,191,487</b>	<b>\$3,770,099</b>	<b>\$1,525,647</b>	<b>\$5,295,746</b>	<b>\$895,742</b>

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

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\*\*\*/ 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 2020			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
<b>O. COMMUNICATION AND OUTREACH</b>					
O1. O01 Publications (including TFU)	260,000	77,675	\$162,539	240,213	19,787
O2. O02 Outreach (conferences, side events, booths)	90,000	12,525	\$68,881	81,406	8,594
O3. O03 ITTO Website	85,000	14,714	\$31,079	45,792	39,208
Component Total:	<u>\$435,000</u>	<u>\$104,913</u>	<u>\$262,499</u>	<u>\$367,412</u>	<u>\$67,588</u>
<b>P. EXPERT MEETINGS BY COUNCIL</b>					
P1. P01 Expert Meetings/Workshops	110,000	0	\$0	0	110,000
P2. P02 Other Meetings as Decided by Council	0	0	\$0	0	0
Component Total:	<u>\$110,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$110,000</u>
<b>Q. POLICY WORK</b>					
Q1. Q01 Action Plan	0	0	\$0	0	0
Q2. Q02 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>
<b>R. STATISTICS, STUDIES &amp; INFORMATION</b>					
R1. R01 Market Information Services (MIS)	210,000	142,094	\$67,906	210,000	0
R2. R02 Market Discussion	35,000	0	\$0	0	35,000
R3. R03 Relevant Market Studies	0	0	\$0	0	0
R4. R04 Work on Statistics	20,000	3,729	\$2,984	6,713	13,287
Component Total:	<u>\$265,000</u>	<u>\$145,824</u>	<u>\$70,890</u>	<u>\$216,713</u>	<u>\$48,287</u>
<b>S. ANNUAL REPORT &amp; BIENNIAL REVIEW</b>					
S1. S01 Annual Report	30,000	2,651	\$27,350	30,000	0
S2. S02 Biennial Review	60,000	30,000	\$30,000	60,000	0
S3. S03 Guidelines, Manuals, Studies, etc.	0	0	\$0	0	0
Component Total:	<u>\$90,000</u>	<u>\$32,651</u>	<u>\$57,350</u>	<u>\$90,000</u>	<u>\$0</u>
<b>GRAND TOTAL:</b>	<b>\$900,000</b>	<b>\$283,387</b>	<b>\$390,738</b>	<b>\$674,125</b>	<b>\$225,875</b>
<b>ADMINISTRATIVE BUDGET GRAND TOTAL:</b>	<b>\$7,091,487</b>	<b>\$4,053,486</b>	<b>\$1,916,385</b>	<b>\$5,969,871</b>	<b>\$1,121,617</b>

### 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
Utmost	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
\$34,005.97	A policy imposed by previous management for the purchase of non-refundable flight tickets between 2012-2015 which for various reasons could not be used, hence invalidated.

(JPY3,587,290 @ UN Sep. 2020 rate of US\$1=JPY105.49)

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

- MUFG Bank, Ltd.
- Citibank
- Bank of Yokohama
- HSBC
- Daiwa Securities Group