



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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Yokohama, Japan (Hybrid Session)

**STATUS OF THE ADMINISTRATIVE ACCOUNT
FOR THE FINANCIAL YEAR 2022**

[Item 6 of the Provisional Agenda]

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SUMMARY STATEMENT ON THE ADMINISTRATIVE BUDGETS

(As at 1 October 2022)

A. Administrative Budget 2022:

1)	Contributions received up to 1 October 2022		
	- Producers	1,456,710.00	
	- Consumers	<u>3,621,645.00</u>	\$5,078,355.00
2)	Estimated contributions expected before 31 December 2022		\$46,302.00
3)	Funds authorized by Council for utilization in 2022		\$0.00
	- Bank interest utilized for 2022 Administrative Budget		\$0.00
4)	Less Estimated Expenditures up to 31 December 2022		<u>(\$5,500,470.15)</u>
	Estimated Surplus (Deficit) in 2022:		<u>(\$375,813.15)</u>

Assessed contribution collection rate for Year 2022 as at 1 October 2022 is **71.88%** of total assessment \$7,064,768.

B. Contributions to be paid to the Administrative Budgets:

1)	Administrative Budget for the Financial Year 2022		
	- Producers	1,842,753.00	
	- Consumers	<u>143,660.00</u>	\$1,986,413.00
2)	Arrears in Contributions to Previous Budgets (1986-2021)		
	- Producers	7,837,932.96	
	- Consumers	461,465.00	
	- Former Members	<u>1,707,005.72</u>	\$10,006,403.68
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 2022:		<u>\$12,068,183.78</u>
4)	Less contributions expected before 31 Dec. 2022		(\$46,302.00)
	Expected Total Arrears and Interest Charges at 31 Dec. 2022:		<u>\$12,021,881.78</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 2021 \$6,229,651.66

Less	Estimated (Surplus) Deficit in 2022:	\$375,813.15
	- Amount expended under Decisior 4(LVI)	\$30,998.15
	- Amount expended under Decisior 4(LVII)	\$7,300.60

Estimated Balance of Working Capital Reserve (as at 31 December 2022): \$5,815,539.76

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

Interest income available as at 31 December 2021 \$228,039.06

Add - Interest earned (during January - September 2022) \$536.18

Balance of Interest Income (as at 1 October 2022): \$228,575.24

Administrative Budget for the Financial Year 2022- Current Expenditures

(As of 1 October 2022)

Part A. BASIC ADMINISTRATIVE COSTS

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Budget Heading	Approved Allocation	Total Estimated Expenditures for 2022			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] {B + C}	[C] {A - D}
A. SALARIES AND BENEFITS					
A1. A01 Salaries	2,426,347	\$1,495,308	\$581,508	\$2,076,816	349,531
A2. A02 Tax Refund	[380,039	205,975	\$66,903	272,878	107,161]*/
A3. A03 Post Adjustment	981,196	462,304	\$213,173	675,477	305,719
A4. A04 Rental Subsidy	2,389	0	\$0	0	2,389
A5. A05 Education Grant (incl. Education Travel)	263,718	43,416	\$87,000	130,416	133,302
A6. A06 Dependency Allowance	193,365	101,295	\$33,765	135,060	58,305
A7. A07 Home Leave	55,217	67,988	-\$12,771	55,217	0]**/
A8. A08 Language Allowance	0	0	\$0	0	0
A9. A09 Overtime	23,618	0	\$0	0	23,618
A10. A10 Mobility & Hardship Allowance	5,292	0	\$0	0	5,292
A11. A11 Separation Benefits	94,552	0	\$0	0	94,552
A12. A12 Removal Costs	17,640	0	\$0	0	17,640
A13. A13 Repatriation/Recruitment Travel	59,200	0	\$0	0	59,200
Component Total:	\$4,122,534	\$2,170,310	\$902,676	\$3,072,986	\$1,049,548
B. INSTALLATION COSTS					
B1. B01 Assignment Grant	59,200	0	\$0	0	59,200
B2. B02 Lumpsum Benefit	64,100	0	\$0	0	64,100
Component Total:	\$123,300	\$0	\$0	\$0	\$123,300
C. OFFICIAL TRAVEL					
C1. C01 Transportation/Tickets	99,746	30,909	\$60,000	90,909	8,837
C2. C02 DSA & Travel Expenses	54,905	30,000	\$20,000	50,000	4,905
Component Total:	\$154,651	\$60,909	\$80,000	\$140,909	\$13,742
D. SOCIAL SECURITY					
D1. D01 Provident Fund	658,267	378,898	\$207,929	586,828	71,439
D2. D02 Accident/Health Insurance	146,463	124,297	\$15,600	139,897	6,566
D3. D03 Japanese National Scheme	159,847	82,933	\$29,027	111,960	47,887
Component Total:	\$964,577	\$586,129	\$252,556	\$838,685	\$125,892
E. SPECIAL ACTIVITIES					
E1. E01 Consultants	30,634	0	\$23,720	23,720	6,914
E2. E02 Workshops and Meetings	10,003	0	\$0	0	10,003
E3. E03 Other Activities (Legal Advisor)	11,690	0	\$6,000	6,000	5,690
Component Total:	\$52,327	\$0	\$29,720	\$29,720	\$22,607
F. DATA PROCESSING					
F1. F01 Computer Software and Servicing	54,891	21,293	\$33,598	\$54,891	0
F2. F02 Network, Hardware and Supplies	83,205	54,414	\$28,791	83,205	0
F3. F03 Training and Staff Development	6,548	0	\$5,238	5,238	1,310
Component Total:	\$144,644	\$75,707	\$67,627	\$143,334	\$1,310

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

**/ In accordance with Rule 5.2 of the Financial Rules, "The Executive Director is authorized to transfer any sum under a heading in the budget Account for the Administrative from one subheading to another subheading or subheadings under the same heading, provided that the total expenditure in this heading is not exceeded. Accordingly, over-expenditures of \$12,771 under subheading A7 has been transferred to A1.

Budget Heading	Approved Allocation	Total Estimated Expenditures for 2022			BALANCE Surplus or (Deficit)
		Actual (Jan. - Sep.)	Estimated (Oct. - Dec.)	Total	
	[A]	[B]	[C]	[D] {B + C}	[E] {A - D}
G. OTHER COSTS					
G1. G01 Communications	35,621	6,381	\$19,143	25,524	10,097
G2. G02 Publications	29,165	0	\$29,165	29,165	0
G3. G03 Transport	68,601	23,059	\$25,621	48,681	19,920
G4. G04 Library	12,765	3,147	\$0	3,147	9,618
G5. G05 Supplies	30,735	11,979	\$5,433	17,411	13,324
G6. G06 Hospitality	15,258	7,253	\$5,000	12,253	3,005
G7. G07 Bank Charges	23,799	10,379	\$5,190	15,569	8,230
G8. G08 Audit	138,472	79,992	\$58,480	138,472	0
G9. G09 Miscellaneous	6,414	316	\$500	816	5,598
Component Total:	\$360,830	\$142,507	\$148,532	\$291,038	\$69,792
H. COUNCIL MEETINGS					
H1. H01 Costs not met by Host Country	8,457	0	\$8,457	8,457	0
H2. H02 Council Session Outside Japan ****/	200,000	0	\$200,000	200,000	0
Component Total:	\$208,457	\$0	\$208,457	\$208,457	\$0
I. COSTS MET BY JAPAN					
I1. I01 Office, equipment, utilities	***/	***/	***/	***/	***/
I2. I02 Council Meetings	***/	***/	***/	***/	***/
I3. I03 Initial Travel	***/	***/	***/	***/	***/
I4. I04 Removal Costs	***/	***/	***/	***/	***/
I5. I05 Supporting Staff	***/	***/	***/	***/	***/
Component Total:	***/	***/	***/	***/	***/
J. CONTINGENCY RESERVE					
Component Total:	--	--	--	--	--
K. ALLOCATION FROM WORKING CAPITAL ACCOUNT					
Component Total:	--	--	--	--	--
GRAND TOTAL:	\$6,131,320	\$3,035,562	\$1,689,568	\$4,725,130	\$1,406,190

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

**** The Council, in its Decision 7(XLVII), 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".

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	
O. COMMUNICATION AND OUTREACH					
O1. O01 Publications (including TFU)	195,000	49,161	\$142,959	192,120	2,880
O2. O02 Outreach (conferences, side events, booths)	155,000	40,314	\$107,001	147,315	7,685
O3. O03 ITTO Website	85,000	18,067	\$43,397	61,464	23,536
Component Total:	\$435,000	\$107,542	\$293,357	\$400,899	\$34,101
P. EXPERT MEETINGS BY COUNCIL					
P1. P01 Expert Meetings/Workshops	110,000	17,442	\$12,000	29,442	80,558
P2. P02 Other Meetings as Decided by Council	0	0	\$0	0	0
Component Total:	\$110,000	\$17,442	\$12,000	\$29,442	\$80,558
Q. POLICY WORK					
Q1. Q01 Action Plan	0	0	\$0	0	0
Q2. Q02 Guidelines, Manuals, Studies, etc.	0	0	\$0	0	0
Component Total:	\$0	\$0	\$0	\$0	\$0
R. STATISTICS, STUDIES & INFORMATION					
R1. R01 Market Information Services (MIS)	210,000	151,150	\$58,850	210,000	0
R2. R02 Market Discussion	35,000	0	\$35,000	35,000	0
R3. R03 Relevant Market Studies	0	0	\$0	0	0
R4. R04 Work on Statistics	20,000	0	\$10,000	10,000	10,000
Component Total:	\$265,000	\$151,150	\$103,850	\$255,000	\$10,000
S. ANNUAL REPORT & BIENNIAL REVIEW					
S1. S01 Annual Report	30,000	0	\$30,000	30,000	0
S2. S02 Biennial Review	60,000	35,000	\$25,000	60,000	0
S3. S03 Promotion of Exchange of Views	0	0	\$0	0	0
Component Total:	\$90,000	\$35,000	\$55,000	\$90,000	\$0
GRAND TOTAL:	\$900,000	\$311,134	\$464,207	\$775,341	\$124,659

ADMINISTRATIVE BUDGET GRAND TOTAL: \$7,031,320 \$3,346,696 \$2,153,775 \$5,500,470 \$1,530,850

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
Triforce Global Solutions KK	Developer of ITTO's accounting system
Inspiring Inc	Maintenance company for ITTO's approval systems
Hakon Holm Grafisk 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.
Stephen Graham	Editing services for 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)

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