

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	Jun 20, 2024 (Thu) 12:00 PM - 13:01 PM (HK Time)
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	Satish BABU Thomas BARRETT Edmon CHUNG Jose LAY Akinori MAEMURA Rupesh SHRESTHA Rebecca CHAN (DotAsia Team) Timothy LI (DotAsia Team) Apologies: Jordan CARTER

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	Suggested to be suspended until after mediation.
F2024.04.A02	Update draft SOP (BFC-001) v.2 and draft brief paper with rationale and summary of changes for Board consideration.	Edmon CHUNG	Completed.
F2024.06.A01	Table revised SOP (BFC-001) for full board consideration at the next meeting.	Edmon CHUNG	To be tabled for Jul 2024 Board Meeting.

Discussions:

1. Roll Call

- 1.1. Akinori MAEMURA continued as BFC chair after receiving unanimous support from committee members.
- 1.2. Akinori MAEMURA chaired the BFC meeting on Jun 20, 2024.
- 1.3. Roll call. Those present for all or part of the meeting are included in the Attendees section.

2. Adoption of Last BFC Meeting Minutes (Apr 18, 2024)

- 2.1. Draft 2 of BFC meeting minutes on Apr 18, 2024 was presented.
- 2.2. The BFC meeting minutes of Apr 18, 2024 was adopted.

3. Review of SOP on Finance and Payment (BFC-001)

- 3.1. A Board Paper outlining updates to the organization's Standard Operating Procedures (SOP) on Finance & Procurement was presented alongside an updated draft of BFC-001 based on discussions at the previous BFC meeting was presented.
- 3.2. It was highlighted that the key proposed changes include:
 - Adding a Specified Quotation category for purchases over \$7,500, with a process requiring outreach to at least 3 potential providers;
 - Introducing a new Incidental Purchase category for urgent/on-the-spot purchases under US\$250, to avoid the need for the full Small Value Purchase procurement approval process for minor expenses;
 - Clarifying references to "Board Treasurer" to be the "BFC (Board Finance Committee) Chair" in accordance to the Board Governance Framework (BGC-001).
- 3.3. It was noted that the risk management section of the Board Paper identified a slight risk on the implementation of the Incidental Purchase category which will be monitored by management.
- 3.4. It was further noted that the proposed increase from US\$1,250 to US\$1,500 for SVP accounts for inflation. A suggestion was raised that the specific dollar amount thresholds can be included in a separate exhibit which could be reviewed from time to time instead of revising the entire SOP document. It was agreed that this should be included in a future revision of the SOP.
- 3.5. The revised Standard Operating Procedures (SOP) on Finance & Procurement (BFC-001) was approved by the BFC to be presented at the next full board meeting. (F2024.06.A01)

4. Quarterly Financials ending Mar 31, 2024

- 4.1. The DotAsia quarterly financials for January to March 2024 were circulated and presented by Fusion.
- 4.2. DotAsia team presented additional Management Notes along with Domain Income report and Expenditures report.
- 4.3. It was highlighted that the legal costs, though significantly reduced from last year, are still a major contributor to the overall financial losses, but the organization expects to improve the situation as the remaining legal issues are being resolved.
- 4.4. A question was raised regarding the comparative renewal rates of domains given a rebate versus domains that were not. It was explained that renewal rates of new registrations under low promotional pricing are significantly lower than those registered without such promo, but that the net effect experienced contributed to positive increase of DUM even if only a few percent renewed.
- 4.5. A question was raised on whether DotAsia should pursue additional arrangements similar to the .MO project. It was responded that in the past, the organization had

been reactive in such projects. Going forward, perhaps a more proactive approach should be explored in alignment with the strategic plan and as part of community engagement.

5. Update on audits & assessment

- 5.1. The Draft Engagement Letter for the risk assessment was presented and discussed.
- 5.2. There was agreement based on the discussion to proceed with the engagement.

6. Synchronization of Budget with Financial Year

- 6.1. An updated Budget 2024-2026 was circulated and presented.
 - 6.1.1. It was noted that the aim of the update is to align the budget cycle (historically from Apr-Mar), with the fiscal year (Oct-Sep).
 - 6.1.2. It was further noted that the update adds 6 additional months to the previously approved budget based on the same general assumptions and conditions.
- 6.2. Several key features of the budget was highlighted especially to incoming Board Directors.
 - 6.2.1. It was noted that the budget structure includes annual allocations of salaries and office expenses from the DotAsia Organisation to the DotAsia Foundation, .KiDS, and Namesphere subsidiaries, based on worktime allocation surveys.
 - 6.2.2. It was highlighted that the budget includes a subsidy from DotAsia Organisation to the DotAsia Foundation, aiming to result in a nil profit/loss situation for the Foundation at the end of each year.
- 6.3. It was also highlighted there was one main change from the previously adopted budget is based on the price adjustment for .Asia domain registrations announced to Accredited Registrars.
- 6.4. The adjusted Budget 2024-2026 is planned to be reviewed by the BFC and then presented to the full board in September, to be in place by October.