

## DotAsia Board Finance Committee (BFC) Meeting Minutes

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| <b>Date(s) &amp; Time:</b> | March 17, 2020 (Tuesday)<br>16:00 – 17:15 HKT   |
| <b>Location:</b>           | DotAsia Zoom Meeting Room: <a href="http://aji.asia/zoomboardfinance">http://aji.asia/zoomboardfinance</a>  |
| <b>Attendees:</b>          | Satish BABU*<br>Edmon CHUNG<br>Atsushi ENDO<br>Maureen HILYARD<br>LIM Choon Sai<br>Rebecca CHAN (DotAsia Team)<br>Freda CHEUNG (DotAsia Team)<br><br>* Left meeting after completion of Discussion Item 6.4 |

| No.          | Action Items:   | Owner        | Remarks                                      |
|--------------|---|--------------|--|
| F2020.03.A01 | Seek legal advice on the updated SOP Finance & Procurement and Company Document Director Request Process then send to the Board for adoption. | Edmon CHUNG  | Completed.                                   |
| F2020.03.A02 | Send the BFC endorsed DotAsia Budget 2020-2022 to the Board for adoption at the next Board Meeting.   | Edmon CHUNG  | Completed.                                   |
| F2020.03.A03 | Formal job description, procedure and obligation for the accounting firm quotation to be developed and proposed to BFC.                       | Edmon CHUNG  | To be circulated before next BFC meeting.    |
| F2020.03.A04 | Provide details on requirement for adding new signatories from HSBC and ICBC to BFC.  | Rebecca CHAN | To be circulated to before next BFC meeting. |

### Discussions:

#### 1. Roll Call

- 1.1. Mr. LIM Choon Sai continued to Chair the BFC meeting on Mar 17, 2020.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

#### 2. Updates to BFC Documents

- 2.1. Based on the discussion at the F2F Board Workshop in Feb 2020, a section for updates to the documents was added to the SOP Finance & Procurement and Company Document Director Request Process documents.

- 2.2. It was suggested and agreed to seek legal advice on the updated documents then send to the full Board for adoption. (F2020.03.A01)

### **3. Discussion DotAsia Budget 2020-2022**

- 3.1. Budget 2020-2022 Draft 1.3 with detail figures was presented. It was noted that the same was presented in the Feb 2020 F2F Board Workshop.
  - 3.1.1. It was clarified that Rebates under Marketing & Travel referred to the pricing promotion with registrars.
  - 3.1.2. It was highlighted that Team Travel and Board Travel Expenses are budgeted separately.
  - 3.1.3. A question was raised on the Salary & Cost Allocations under Other Income.
    - 3.1.3.1. It was clarified that it is not really considered "income" but used to balance out the allocation of the salaries to DotAsia Foundation and Namesphere to avoid double counting of expenses.
    - 3.1.3.2. It is agreed that a new section be created for salary and cost allocations.
  - 3.1.4. A question was raised if there may be any concerns for DotAsia on a month-to-month basis given there are positive and negative net figures shown in the 2020-2022 Budget proposal.
    - 3.1.4.1. It was clarified that the budget presents a modest annual surplus overall. Negative months generally occur when events and F2F Board meetings take place
    - 3.1.4.2. It was further clarified that monthly ups and downs are monitored and managed through the monthly cash flow reports.
  - 3.1.5. A question was raised if capital budget (for light assets) was considered.
    - 3.1.5.1. It was clarified that capital budget is included in Equipment & Capital Expenditures for assets such as computers, office furnishing, etc.
- 3.2. Budget 2020 Framework and Allocations in pie chart was presented. (same as presented in the Feb 2020 F2F Board Meeting)
  - 3.2.1. It was highlighted that the majority of Community Contributions are salary based, i.e. DotAsia personnel supporting community projects such as NetMission.Asia and APriGF secretariat.
  - 3.2.2. It was highlighted that the Promotion Rebates is a major component of Market Development & Travel.
- 3.3. BFC agreed to endorse the presented DotAsia Budget 2020-2022 and proceed to send to the Board for adoption at the Mar 2020 Board Meeting. (F2020.03.A02)

### **4. Additional Independent Financial/Accounting Support**

- 4.1. It was proposed in Oct 2019 F2F meeting to outsource some of the finance and/or accounting works to enhance transparency and accountability.
  - 4.2. DotAsia is awaiting suppliers' quotation for outsourcing accounting firm to perform financial validation and management. Cost of the outsourcing has been considered in the budget allocation.
  - 4.3. It was clarified that the service scope includes monthly oversight on book keeping, examination of invoices and receipts, financial statement preparation and account management. DotAsia will provide knowledge transfer on accounting software and review DotAsia's SOP and other financial processes with the supplier.
    - 4.3.1. It was further clarified that Rebecca will continue to work on DotAsia's financial operation; and the outsourced accounting firm will validate and ensure proper reporting to enhance governance. A more detailed listing of the responsibilities and an SOP between the accounting firm and Rebecca will be developed over time.
    - 4.3.2. It was also suggested to ask the outsourced accounting firm to provide report directly to the BFC/ Board where appropriate.
  - 4.4. It was agreed that a formal job description for the selection of the outsourced accounting firm be developed for BFC consideration before finalization of quotations with potential providers. (F2020.03.A03)
- 5. Adoption of Minutes of last BFC Meeting on Feb 11, 2020**
- 5.1. BFC meeting minutes 2020.02.11 and action items were discussed.
  - 5.2. BFC Meeting Minutes 2020.02.11 approved unanimously.
- 6. DotAsia's Application on Foundation and Government Grants**
- 6.1. DotAsia had previously applied and received foundation and government funds for the promotion of the DotAsia brand and community works. Question was previously raised if DotAsia maybe over-extending and if it is appropriate to continue applying for such funding.
  - 6.2. It was explained that DotAsia's existing practice is to use the funds to scale up DotAsia's works (e.g. NetMission, APrIGF and Universal Acceptance) to enhance development.
  - 6.3. Besides the BUD Program in 2019, DotAsia had also applied for Government grants for the work on Universal Acceptance, and is exploring opportunities to work with APNIC Foundation to pitch for additional funding to reinforce DotAsia's work in APrIGF.
  - 6.4. It was reported that there was discussion in BCC on separating financial accounts for DotAsia Foundation and DotAsia Organisation. BFC agreed on the direction of separating financial accounts of DotAsia Foundation and DotAsia Organisation.
  - 6.5. It was emphasized that the intention of grants are to be utilized to enhance the .Asia registry operation and community works; not to replace operational directives. Perhaps, future grant proposals for .Asia registry can entail the promotion of Asian collaboration which the organization feels is a big part of what .Asia stands for.

- 6.6. Further discussion to continue and a framework should be developed to drive a set of principles on how DotAsia should develop community projects and when grants should or should not be applied.

**7. Signatory of HSBC and ICBC Bank Account**

- 7.1. An observation was raised that some existing signatories for HSBC and ICBC (Atsushi ENDO, LIM Choon Sai, Dr. THAM Yiu Kwok) will expire in 2021 as the respective Board term expires. There was proposal to add new signatories.
- 7.2. DotAsia Team will provide updates to BFC upon receiving details from HSBC and ICBC and further discussed in next the BFC meeting. (F2020.03.A04)