

NORTH PACIFIC MARINE SCIENCE ORGANIZATION (PICES)
PROJECT ON “EFFECTS OF MARINE DEBRIS CAUSED BY THE GREAT TSUNAMI OF 2011”
FINANCIAL REPORT FOR YEAR 1 (APRIL 15, 2014 – MARCH 31, 2015)

1. Background

The overall goal of the PICES ADRIFT (Assessing the Debris-Related Impact From Tsunami) project, funded by the Ministry of the Environment of Japan (MoE), was to assess and forecast the effects of debris generated by the tsunami that followed the 2011 Great East Japan Earthquake, especially those related to non-indigenous species (NIS), on ecosystem structure and function, the coastlines and communities of the Pacific coast of North America and in Hawaii, and to suggest research and management actions to mitigate any impacts. This 3-year project began in April 2014, with the ending date set as March 31, 2017.

In accordance with the organizational principles agreed to by MoE and PICES, the project was directed by a Project Science Team (PST), co-chaired by three PICES members, one each from Canada (Dr. Thomas Therriault, Department of Fisheries and Oceans; Thomas.Therriault@dfo-mpo.gc.ca), Japan (Dr. Hideaki Maki, National Institute for Environmental Studies; hidemaki@nies.go.jp) and the USA (Ms. Nancy Wallace, NOAA Office of Response and Restoration; nancy.wallace@noaa.gov). The PST Co-Chairmen are responsible for the scientific implementation of the project and annual reporting to MoE and PICES Science Board. The final report should be submitted to MoE within 90 days after the project completion on March 31, 2017.

2. Financial principles and budget categories

The following financial principles, agreed to by MoE and PICES, apply to the project:

- A separate bank account shall be established to deposit the remitted funds.
- The Project Coordinator (PICES Executive Secretary or a person designated by the Executive Secretary) is responsible for the management of the fund and for reporting annually on its disposition to MoE and PICES Governing Council, within 90 days after the close of each project year ending March 31. Dr. Alexander Bychkov (bychkov@pices.int) was appointed as the Project Coordinator.
- The Project Coordinator may enter into a contract with a responsible organization based on the advice of the PST to implement the project smoothly and effectively. The details of this contract shall be decided by agreement between the Project Coordinator and the responsible organization. In case of transferring part of funds to others, the responsible organization shall establish a separate account to deposit the remitted funds for the execution of the contract. This separate account shall be managed strictly by the responsible organization, and the transaction details shall be periodically reported to the Project Coordinator.
- Transfers of up to 10% of allocations between the budget categories are allowed based solely on the decision by the Project Coordinator. In special cases, transfers up to 20% between the budget categories can be authorized by MoE. All transfers shall be reported at the end of the fiscal year.
- A 13% overhead on the annual budget shall be retained by PICES to offset expenses related to the Secretariat’s involvement in the project.
- The interest earned by the fund shall be credited to the project and used in consultation with MoE.
- Any funds remaining after the completion of every fiscal year of the project shall be reported and disposed of in consultation with MoE.

The main elements of the budget are organized into the following categories:

- Travel and meetings
This category covers travel costs associated with project activities such as field studies, organizational trips, project meetings, workshops, scientific sessions and public events.
- Contracts and grants
This category covers grants/fees to be paid to consultants and experts employed to implement the project. Tasks and deliverables for researchers/contractors are to be determined by the PST Co-Chairmen. To support the objectives of the project and to ensure that its activities have minimal impact on the workload of the existing staff of the PICES Secretariat, the Project Coordinator can employ additional staff as required.

- Equipment
This category covers purchases and shipment of equipment and supplies for laboratory work, field sampling, data processing and analysis, and computer hardware/software for the development of database(s) and the project website.
- Miscellaneous
This category covers minor expenses associated with the project (mail and phone charges, bank charges, etc.) and includes contingencies such as fluctuations in currency exchange rates.

3. Project bank account and payment history

The special account for the project was established at the bank used by PICES:

Bank name: TD Canada Trust
 Bank number: 004
 Branch number: 00721
 Branch address: 2406 Beacon Avenue, Sidney, B.C., Canada V8L 1X4
 SWIFT code: TDOMCATTOR
 Account number: 721 5220355
 Account holder: North Pacific Marine Science Organization (PICES)
 Account holder address: 9860 West Saanich Road, Sidney, B.C., Canada V8L 4B2

The set of documents requesting funding for Year 1 (FY 2014: April 1, 2014–March 31, 2015) was sent to the Consulate General of Japan in Vancouver (Canada) on June 3, 2014, and funds in the amount of \$1,099,691 were transferred to the PICES/MoE bank account on July 14, 2014 (all numbers in the report are in Canadian dollars).

4. Budget execution for fiscal Year 1

The MoE contribution for Year 1 was \$1,099,691. The initial allocations for main budget categories were reviewed and adjusted at the first PST meeting (July 30–August 1, 2014, Seattle, USA) when the decision was made that the most appropriate approach for the scientific implementation of the project would be to solicit and select proposals for individual projects to be conducted with the framework of the PICES/MoE project. The initial and adjusted Year 1 allocations and actual expenses for each budget category are shown in Table 1. Table 2 provides more details on expenses for specific activities.

The project account balance as of March 31, 2015, is \$130,346. Considering the late start of the project in Year 1 (funding from MoE was received in mid-July, and individual projects were approved in September), permission was requested, and subsequently granted, to move the unused portion of the Year 1 budget (\$126,679) and the interest earned on the bank account (\$3,667) to Year 2.

Table 1 Allocations and expenses for Year 1 (April 1, 2014 – March 31, 2015)

Category	Initial Year 1 Allocations	Final Year 1 Allocations	Year 1 Expenses	Year 1 Balance
Travel and meetings	270,000	90,000	77,904	12,096
Contracts	600,000	850,000	742,230	107,770
Equipment	82,000	15,000	9,105	5,895
Miscellaneous	4,731	1,731	813	918
Overhead	142,960	142,960	142,960	0
Total	1,099,691	1,099,691	973,012	126,679
Interest earned			(3,667)	3,667
Account Balance				130,346

Table 2 Expenses for various budget categories for Year 1 (April 1, 2014 – March 31, 2015)

Category/Activity	Expenses
Travel and meetings	77,904
1st Project Science Team meeting (July 30–August 1, 2014, Seattle, USA)	30,125
1st Project Co-Chairmen meeting at PICES-2014 (October 17, 2014, Yeosu, Korea)	7,546
Project Visiting Scientist travel (Vancouver, November 2014; Seattle, February 2015)	858
Project Coordinator travel (2nd Int’l Ocean Research Conference, November 17–21, 2014, Barcelona, Spain; Consulate General of Japan, Vancouver, Canada, March 2015)	4,188
2nd Project Co-Chairmen meeting (February 25–26, 2015, Sidney, Canada)	2,371
2nd Project Science Team meeting (March 16–18, 2015, Honolulu, USA)	32,816
Contracts and grants	742,230
Modeling studies in support of research on impact of alien species transported by marine debris from the 2011 Great Tohoku Tsunami in Japan (Maximenko/Univ. of Hawaii, USA)	102,827
Japanese Tsunami Marine Debris (JTMD) and alien species invasions: Invasive species biodiversity, genetics, population biology and reproductive status, and debris interception and characterization (Carlton <i>et al.</i> /Williams College, USA)	315,000
Marine algae arriving on JTMD (Japanese Tsunami Marine Debris) and their invasion threat to the coasts of Oregon and Washington, USA (Hansen/Oregon State Univ., USA)	44,668
Japanese collaborative projects: Webcam monitoring of marine debris at the Northwestern Pacific coast (Isobe/ Kyushu University, Japan – 94,599 Debris dispersion simulations and error fields estimation by climatological simulation (Kamachi/Meteorological Research Institute, Japan) – 21,633 Marine algae arriving on JTMD (Japanese Tsunami Marine Debris) and their invasion threat to the Northwestern Pacific coast (Kawai/Kobe University, Japan) – 11,633 Project coordination (JANUS, Japan) – 19,107	146,972
BC coast aerial survey (Lightspeed Digital, Canada)	97,673
Project Visiting Scientist (Murray/PICES)	35,090
Equipment and supplies	9,105
Miscellaneous	813
Overhead	142,960

5. Account audit

For the period from April 15 to December 31, 2014, the status of the MoE account was assessed during the regular external PICES audit for FY 2014 (January 1–December 31, 2014). In the auditor’s opinion, *the financial statements present fairly, in all material respects, the financial position of the North Pacific Marine Science Organization as at December 31, 2014, and the results of its operations and changes in fund balances for the year then ended.* The financial statements for the rest of Year 1 (January 1–March 31, 2015) will be evaluated during the regular PICES audit for FY 2015 (January 1–December 31, 2015).

6. Budget and proposed allocations for Year 2

The set of documents requesting funding for Year 2 was sent to the Consulate General of Japan in Vancouver on May 4, 2015, and funds in the amount of \$1,290,929 were transferred to the PICES/MoE bank account on May 29, 2015.

Moving the Year 1 account balance (\$130,346) to Year 2 brings the total available funding for this year to \$1,421,275. The proposed Year 2 budget breakdown is shown in Table 3 (Year 1 bank interest is split between the two categories: \$1,437 is allotted for “Travel and meetings” and \$2,230 is allotted for “Contracts”).

Table 3 Allocations for Year 2 (April 1, 2015 – March 31, 2016)

Category	Year 2 Allocation	Year 1 Transfer	Total Allocation
Travel and meetings	167,000	12,096	180,533
Contracts and grants	950,000	107,770	1,060,000
Equipment and supplies	5,000	5,895	10,895
Miscellaneous	1,108	918	2,026
Overhead	167,821	0	167,821
Interest earned in Year 1		3,667	
Total	1,290,929	130,346	1,421,275