



<b>FRAMEWORK FOR FINANCES</b>			
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## **1. Introduction**

This framework outlines the responsibilities and duties of the Member-institutes and Expert Working Groups and gives practical rules for the ENFSI finances. This framework does not apply for the financial grants that are governed by other regulations.

## **2. Financial year**

The ENFSI financial year shall run from January 1 (calendar year T) till December 31 (calendar year T+1).

## **3. Income**

The income for ENFSI shall be the Annual Fees from the Member-institutes, external funding and/or other resources.

## **4. Budget**

The budget regarding the ongoing financial year will be presented by the ENFSI Board to the Membership for approval at the Annual Meeting.

## **5. Budget rules**

- The Board shall present to the Membership an itemised estimate of revenues and expenditures for the ongoing financial year not later than three weeks prior to the Annual Meeting.
- In order to facilitate the work of ENFSI statutory bodies the above mentioned estimate shall include an itemised estimate of expenditures for funding travel costs of ENFSI statutory bodies (ENFSI Board, Standing Committees, Expert Working Groups, Steering Committees, Task Forces and Liaison Persons).
- The Board shall present to the Membership an income and expenditure account regarding the past financial year and a balance sheet not later than three weeks prior to the Annual Meeting.
- The Board shall not exceed the approved total expenditures more than 15% without prior consent by the Membership.

## **6. Bookkeeping**

The Board shall be responsible for a reliable, updated and transparent bookkeeping system, carried out by the ENFSI Secretariat.

## **7. Financial transactions**

- All financial transactions shall be done by the ENFSI Secretariat under the authority of the Board.
- Payments over 5000 euro need the written approval by the ENFSI Chairman; this approval should be recorded. This rule does not apply for payments based on already signed, formal contracts.

## **8. Bank account**

The ENFSI Secretariat shall carry out all transactions from and to ENFSI bank accounts. In case of transactions related to money deriving from funds, other financial managers might be involved to ensure “4-eye-principle”.

## **9. Audit**

- An external audit shall be performed in accordance with the German Law.
- The audit report shall be presented to the membership at the Annual Meeting.

## **10. Annual Fee**

### **10.1 Structure**

- The fee structure for Member-institutes is based on the World Bank classification of countries.
- Three economic categories are distinguished:
  - High Income Group (Classification A)
  - Upper Middle and Lower Middle Income Group (Classification B)
  - Low Income Group (Classification C)
- The classification does not affect the duties and rights of the Members.
- Member-institutes that join ENFSI prior to 1 July of the running ENFSI year pay the full fee. Member-institutes that join ENFSI on or after 1 July of the running ENFSI year pay 50% of the full fee.

### **10.2 Scope**

Honorary Members shall not pay any fee.

### **10.3 Amount**

The Membership shall decide on the amount of Annual Fee for Member-institutes specified for the defined categories regarding the year to come at the Annual Meeting.

### **10.4 Deadlines for payment**

- The Annual Fee shall be paid before 1 May of each year.
- Member-institutes that have missed the 1 July payment deadline shall be sent a final reminder by 1 September.
- Member-institutes that have not fulfilled their financial requirements by 31 December shall be suspended until the fees are fully paid.
- If the suspended member does not fully meet the financial obligations within one year after the suspension, the member shall be removed from ENFSI membership.

## **11. Expert Working Groups**

### **11.1 Basic assumptions**

- It is recognised that EWGs have financial needs with regard to their regular activities.
- The EWGs shall organise their meetings and other activities in a cost neutral way as much as possible.
- Associate Members and Guests of the EWG shall be charged with a surplus of at least 20% to each fee the Expert Working Group is raising. 20% surplus shall be allocated to the central ENFSI budget.
- The income and expenses shall be transparent for the members of the particular EWG as well as the ENFSI membership.
- The financial transactions shall take place under the responsibility of ENFSI as the EWGs are an integral part of ENFSI.
- The financial transactions of the EWGs shall be carried out by the ENFSI Secretariat upon request by the concerned chairperson or treasurer.
- Each WG shall nominate a person responsible for WG's financial operations (Treasurer). Each WG has its own account under the responsibility of ENFSI association.
- The Chairperson and Treasurer of each WG shall have reading access to their WG's bank account through online banking.

- The access rights can be obtained through the ENFSI Secretariat and have to be requested on one's own responsibility by the responsible individuals
- 11.2 Incomes of Expert Working Groups are expense allowances related to:
- Surplus from EWG meeting fees.
  - Surplus from proficiency tests and collaborative exercises fees
  - Donations from the (general) ENFSI budget\*
  - Funding from the European Union or similar institutions.
- \* *It is the Working Groups initiative to apply for these donations.*
- 11.3 Sponsors
- Sponsors may support particular EWG meetings or events; it is not acceptable that sponsors support a EWG itself.
  - The Steering Committee of EWG shall make sure that sponsors do not receive any disproportional privilege or influence in return.
- 11.4 Reporting on EWG's finances
- An overview of the EWG finances shall be presented to the membership at the Annual Meeting.

## 12. Amendments against previous version

Paragraph 1, amended by: This framework does not apply for the financial grants that are governed by other regulations.

Paragraph 2, change of financial year: 1<sup>st</sup> April-31<sup>st</sup> March replaced by calendar year.

Paragraph 5, Statutory Bodies amended by: Steering Committees, Task Forces and Liaison Persons.

Paragraph 5, deleted:

- This estimate shall at least contain a maximum amount of funding per meeting and person, the maximum number of persons funded per meeting and the maximum number of meetings funded per year. If statutory bodies of ENFSI, i.e. the Expert Working Groups are using resources from their own ENFSI sub account for funding travel costs, they are requested not to exceed the maximum amount of funding per meeting and person.
- Present a balance sheet as at 1 April.
- In the period between 1 April (calendar year T) and the approval of the (new) budget at the Annual Meeting (calendar year T), the Board shall not spend more than 10% of the total Annual budget of the previous financial year. This rule shall not apply for payments based on already signed, formal contracts.
- Commitment to expenditure will be considered to be the equivalent of actual expenditure.

Paragraph 6, amended by: carried out by the ENFSI Secretariat.

Paragraph 8, replaced by: The ENFSI Secretariat shall carry out all transactions from and to ENFSI bank accounts. In case of transactions related to money deriving from funds, other financial managers might be involved to ensure "4-eye-principle".

Paragraph 9, completely deleted and replaced.

Paragraph 10, changed:

10.1: Four economic categories mingled to three economic categories and 1 October of the running ENFSI year changed into 1 July of the running ENFSI year.

10.4 payment of Annual Fee: 1 October changed into 1 May.

10.4. payment deadline: 1 October changed into 1 July.

10.4. final reminder: 1 December changed into 1 September.

10.4. deleted: In case of a raise of the fee a member-institute may choose to pay the additional part of the fee after 1 October but prior to 1 March of the running ENFSI year.

10.4. amended: If the suspended member does not fully meet the financial obligations within one year after the suspension, the member shall be removed from ENFSI membership.

Paragraph 11:

11.1. changed: Working Group changed into EWG.

The financial transactions of the EWGs shall be carried out by the ENFSI Secretariat upon request by the concerned chairperson or treasurer.

11.1. deleted:

- The Secretariat will be informed about the nominated persons and their contact data.
- All the management of the collection and payment shall be carried out in an official bank account of ENFSI.
- All the information in relation with the economic aspect of EG regular activities shall be at disposal of the Board and Secretariat at any time.

11.1. amended:

- Each WG has its own account under the responsibility of ENFSI association.
- The Chairperson and Treasurer of each WG shall have reading access to their WG's bank account through online banking.
- The access rights can be obtained through the ENFSI Secretariat and have to be requested on one's own responsibility by the responsible individuals.

11.2. changed: Incomes of Working Groups changed into Incomes of Expert Working Groups are expense allowances related to.

11.4. deleted:

- Each Working Group shall present - not later than 1 February of each year - to the ENFSI Board an income and expenditure account regarding the past calendar year as well as a balance sheet as at 31 December of the past calendar year.
- Each Working Group shall present - not later than 1 February of each year - to the ENFSI Board an itemised estimate of revenues and expenditures for the ongoing calendar year.
- The ENFSI Board shall evaluate the financial reports not later than 1 March of each year. In case of incorrect financial acts, the Board has the right to interfere.

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