FEDERATION EUROPENNE DES GEOLOGUES EUROPEAN FEDERATION OF GEOLOGISTS FEDERACION EUROPEA DE GEOLOGOS	Number: N6 Issue: Ver 5 Date: May 2011
REGULATIONS	Approval Authority
Financial Management	COUNCIL

1 OBJECTIVE

To ensure the financial affairs of the European Federation of Geologists are managed in a professional manner.

2 SCOPE

This Regulation covers the procedures to be followed for the management of the following matters:

- Establishing and administering the bank accounts for the EFG
- Issue of invoices for payment of subscriptions, fees, provision of services and for other monies properly due to the EFG;
- Preparation of annual budgets for the EFG;
- Preparation of financial statements for the EFG and reporting of these to Council;
- Arrangements for auditing of Annual Accounts of the EFG;
- Payment of reimbursable expenses to Officers;
- Payment of reimbursable expenses to individuals undertaking projects on behalf of EFG; and
- Other matters related to the financial management of the EFG.

3 RELATED REGULATIONS

Reference should be made to the following related Regulations:

Regulation N2: Subscriptions and Fees for Members of EFG

Regulation N4: Operation of the Office Regulation N5: Projects and Contracts Regulation N8: Council Meetings

Regulation N9: The Board

Regulation E7: Subscriptions and Fees for European Geologists

4 PROCEDURES

General

- 4.1 The powers and responsibilities of Council and the Officers of the EFG in relation to financial matters are as set out in the Statutes.
- 4.2 This Regulation (N6) establishes procedures for managing the financial affairs of the EFG. Nothing stated in this Regulation changes the powers and responsibilities of Council or the Officers.
- 4.3 In the event of any possible contradiction between this Regulation and the Statutes related to the financial management of the EFG, the Statutes shall take precedence.
- 4.4 The Treasurer is responsible to Council for ensuring that the financial affairs of the EFG are managed in accordance with all legal and statutory requirements and in accordance with sound financial practices.
- 4.5 The Financial reporting period for the EFG shall be the calendar year (1 January to 31 December).

Bank Accounts

- 4.6 The Treasurer shall be responsible for establishing bank accounts in the name of the European Federation of Geologists appropriate for the proper management of the funds of the EFG.
- 4.7 The EFG bank shall be located in the same city as the EFG Office and approved by the Board.
- 4.8 The following bank accounts shall be maintained solely for the management of the finances of the EFG:
 - the EFG Main Account for all credits and payments other than specifically provided for below.
 - (ii) an EFG Office Account for covering the day-to-day running expenses related to the operation of the EFG Office. The balance in this account shall be maintained to allow the efficient running of the office.
 - (iii) separate EFG bank account(s) for any projects and contracts being properly undertaken by the EFG. The Treasurer shall determine what projects and contracts may require separate bank accounts.
 - (iv) an EFG Deposit Account for the deposit of surplus funds belonging to the EFG in order to secure the maximum return on such investments.
- 4.9 Transactions related to the EFG bank accounts shall be subject to the following controls:
 - funds shall be transferred from the EFG Main Account to the EFG Office account in amounts and at times as determined by the Treasurer in consultation with the President.
 - (ii) funds shall be transferred between the EFG Main Account and the EFG Deposit Account in amounts and at times as determined by the Treasurer.
 - (iii) all payments from the EFG Main Account and EFG Deposit Account shall be by hard copy authorisation and require two signatories; normally the Treasurer and President or the Vice President when authorised by the President or when the President is unavailable.
 - (iv) payments from the EFG Office Account will require authorisation by the Treasurer and President (or Vice President when acting as President) but only require one signatory. The authorisation may be in the form of a general authority (for example to pay staff salaries monthly or regular office expenses up to a pre-determined maximum value for any transaction). The signatory for payments will normally be the EFG Office Director. Other signatories on the account will be the President, Vice President and Treasurer.

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- (v) payments from an EFG project account shall be authorised by the Treasurer, or other Board member appointed as EFG project liaison officer (Reg. N5, 4.3(v)). Two signatories shall be required for every payment. Signatories shall be the President, Vice president and Treasurer. Other signatories may be approved by the Board.
- 4.10 Under no circumstances shall funds that rightly belong to the EFG be deposited into any bank account that is not an official EFG account or into an account that is in the name of one or more individuals irrespective of whether they are or are not Officers of the EFG.

Issue of Invoices for Payments due to the EFG

- 4.11 All notices of payments due to the EFG shall be issued as an invoice bearing the name and logo of the EFG. Invoices shall be sequentially numbered, shall state the amount due to the EFG, the due date for payment to be received by the EFG and full details of the bank account into which payment is to be made.
- 4.12 The Treasurer shall be responsible for the preparation and issue of all invoices, for monitoring receipt of payment of the invoices and for maintaining a record containing a copy of each invoice issued.
- 4.13 The Treasurer shall take such actions as considered appropriate to secure payment of overdue invoices. Details of any overdue invoices and of actions being taken to secure payment of overdue invoices shall be reported to the Board at regular intervals and to Council at each Council Meeting.
- 4.14 Identified bad debts shall be written off with the approval of the Board and notified to Council.

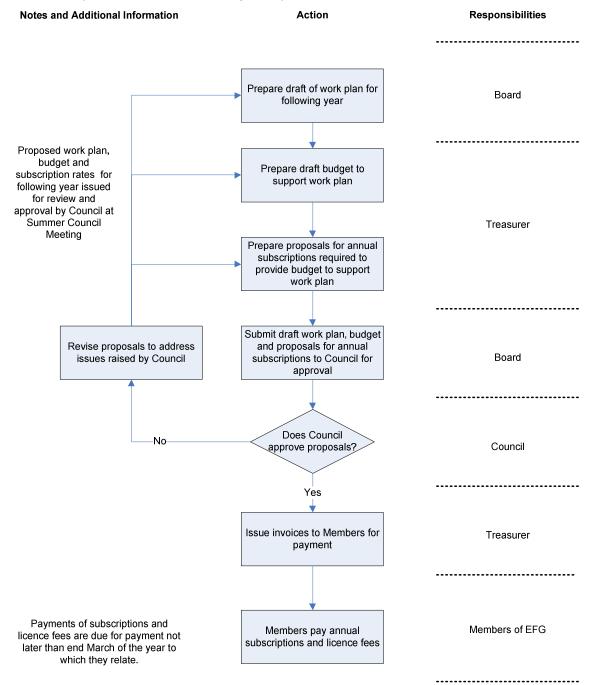
Payments

- 4.15 No payments shall be made from the EFG bank accounts without the existence of an appropriate invoice, expenses claim or other form of written voucher. This documentation shall indicate the reason/justification for the payment and the amount of the required payment.
- 4.16 Under no circumstances shall any individual authorise a payment to themselves.
- 4.17 The Treasurer shall be responsible for maintaining a record of all vouchers and other documents related to all payments made by the EFG.

Preparation of Annual Budget

- 4.18 The Board is responsible for preparing an annual budget for the EFG. The annual budget shall be accompanied by a work plan to indicate the activities that are to be covered by the budget and a proposal for the level of subscriptions and fees that will be required from the Members in order to meet the expected expenditure during the year.
- 4.19 The draft budget, work plan and proposal for subscriptions and fees shall be presented to Council at the Summer Council Meeting that precedes the year to which the proposal relates. Thus, the budget, work plan and proposals for subscriptions and fees for the calendar year 2012 shall be presented to Council at the Summer Council Meeting in 2011.
- 4.20 The adoption of the budget, work plan and proposal for subscriptions and fees are subject to approval by Council.
- 4.21 In the event that Council does not approve the budget, work plan and proposal for subscriptions and fees, Council may require the Officers to make amendments to all or parts of the proposals and documents.
- 4.22 Council shall determine how they wish to proceed with further review and approval of the proposals and documents. Possible options are:
 - as a later agenda item at the Summer Council Meeting;
 - at an Extraordinary General Meeting;
 - at the Winter Council Meeting; or

by some other means to be agreed by Council.



Financial Statements

- 4.23 The Treasurer shall be responsible for preparing financial statements for the EFG. These statements shall identify:
 - Actual expenditure versus predicted expenditure as defined by the approved budget;
 - Actual income versus predicted income as defined in the budget;
 - Identification of any significant variations in income or expenditure between actual and predicted.

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- 4.24 The Treasurer shall be responsible for proposing the format of these financial statements for approval by the Board.
- 4.25 The Treasurer shall provide a year to date financial statement to the Board at regular intervals (at least quarterly) and a year to date summary of accounts to Council at each Council Meeting at least 2 weeks in advance of the meeting.
- 4.26 The Board shall be responsible for immediately notifying Council of any significant variations that are noted between actual and predicted income or expenditure.
- 4.27 Expenditure against any budget item shall not exceed the approved budget by more than 10% for that item without the formal approval of Council.

Preparation and Audit of Annual EFG Accounts

- 4.28 The Treasurer shall be responsible for preparing the annual accounts of the EFG.
- 4.29 At the summer council meeting during the relevant reporting year, Council will determine whether the formal audit of the annual accounts is to be by external auditor or by internal commissaires (see 4.31).
- 4.30 If external audit is to be carried out, the prepared accounts will be reviewed by the internal commissaires before submission to the auditor. Where there is to be an external audit, the commissaires are not expected to examine original records unless they have serious concerns about the accuracy or completeness of the management accounting information.
- 4.31 Council will elect three internal commissaires to serve for one year. None of the commissaires shall be serving Officers of the EFG
- 4.32 Where Council determines that the accounts should be audited by an external auditor, the auditor shall be proposed by the Treasurer and shall be subject to approval by Council.
- 4.33 The preparation of the annual accounts and audit or examination of those accounts shall be completed in time for the audited accounts to be presented to Council at the Summer Council Meeting following the end of the calendar year to which the accounts relate. Thus, the audited accounts for 2010 shall be presented to Council at the Summer Council Meeting in 2011.

Payment of Reimbursable Expenses

- 4.34 Expenses incurred by Officers and Officials in undertaking their duties should be reimbursed. The allowable reimbursable expenses are as defined in Regulations N8 and N9.
- 4.35 All claims for reimbursement of expenses shall be supported by receipts that detail the expenditure incurred and claimed.
- 4.36 The Treasurer is responsible for ensuring that valid claims for expenses are settled with the minimum of delay and for maintaining records of expenses claimed and paid.
- 4.37 The expenses claimed by individual Officers and Officials shall be reported as a line item in the financial statements prepared by the Treasurer.

Project and Contract Accounts and Payments

- 4.38 The Project Manager shall be responsible for maintaining records of income and expenditure for each contract and project undertaken by EFG and for notifying the Contract Liaison Officer and Treasurer of all payments due.
- 4.39 The income and expenditure for each contract and project shall be reported as line items in the financial statements prepared by the Treasurer.

5 RECORDS

- 5.1 The Treasurer is responsible for maintaining the following records:
 - Records of all EFG bank accounts including names of approved signatories;

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- Copies of all invoices issued for payments to EFG together with records showing the dates when payment was received and the actions taken to secure payment of outstanding payments;
- Payments made by the EFG together with the reasons for the payments;
- Financial Statements and the reports on them that have been submitted to the Board and to Council;
- · Copies of audited EFG Accounts;
- Copies of all claims for reimbursable expenses including the supporting information (receipts, vouchers);
- Income and expenditure for contracts and projects undertaken by EFG; and
- Other documents related to the good management of the EFG finances.
- 5.2 The above records shall be maintained in the EFG Office. Appropriate arrangements shall be made to ensure that the records are protected from loss or damage.