



FEDERATION OF YOUNG
EUROPEAN GREENS

GENERAL 27-29 AUG 2020 ASSEMBLY

BRUSSELS, BE / ONLINE

FINANCIAL CONTROL COMMITTEE REPORT 2019-2020



Meetings: January 17th, 2019 in Brussels planned but cancelled in April due to Corona

Attendees: Laura Wohlfart (FCC member), Tornike Kusiani (FCC member), Özgecan Kara (Secretary-General), Caroline Mathieu (Office manager) and Stefanie De Bock (Treasurer).

INTRODUCTION

This year the FCC had one meeting in Brussels with the newly elected office. A second one was planned prior to Corona lockdowns but had to be cancelled at the last minute. However, due to the fact that the first meeting already happened in January, the FCC had the pleasure to meet the new treasurer and new Secretary General. First, we have examined how the previous FCC recommendations have been taken into account. After discussing the financial management we had a look at the bookkeeping. For this, the report from last year was checked.

IMPLEMENTATION OF RECOMMENDATIONS FROM PREVIOUS FCC REPORTS AND MAINTAINED GOOD PRACTICES

First and foremost the FCC is impressed with how the financial management is professionalising during the past years. The FCC is witnessing how the office is fulfilling most of the FCC recommendations, moreover, they take initiative when it comes to the improvement of financial management.

OFFICE

The FCC notes that overall there is an underspending of most Budget Lines, one

Budget Line was overspent, as the part-time office assistant had to work full-time a couple of months in order to balance their overworked hours. The office assistant is mainly responsible for bookkeeping and daily financial management. However, their role is changing and they are taking on more responsibilities, so their hours were increased to 70% and their salary was raised. They are now office managers. FCC welcomes and encourages this step. The rise of salaries should be considered, also given that Belgian law should be followed and minimum wage standards should apply.

From the previous report, we should remember how complicated Belgium benefit systems are and how much additional bureaucratic workload it creates for the office, nevertheless, it is always hard to maintain the system which is in line with regulation. Therefore we ask from the current EC and treasure to make a recalculation of salaries and benefits. Precisely: lower current benefits to basic legal ones (meal vouchers and daily transport); allow employees to choose between eco-cheques and reimbursement for travelling home; give a per diem for expenses during missions abroad (between 70 and 275 euro/missions, based on legal limits per country. Lastly, to make the best use of the benefits system, the office should use all benefit schemes to give as many benefits from budgeted benefits to employees as possible and should make sure that reduction in benefits is compensated in salary rise. By doing so, we will close this matter for good and the recommendation will be fulfilled.

The Treasurer checks the list of expenses, budget lines and the actual documents, using the co-signing system. Additionally, as FCC recommended the treasurer position was filled by a women*/non-male person. These recommendations have been implemented.

FCC recommendation to create and constantly work on the internal financial operational manual has been followed, FYEG has the operational

manual which will ensure consistency in the management of FYEG finances now and in the future.

In order to have precise budgeting FCC recommended analysing historical records about past expenditures. The FYEG financial team analysed the past three-year budget-lines and consequently improved the future budget.

The recommendation to make a reconciliation between the accountancy report and the internal budget report has been taken into account. Consequently, the differences between the accounting report and internal recording are minimised and this system serves as double-check for avoiding errors on one side in the accounting record and on the other side in the internal budget record.

The FCC notes that the safety payroll fund has been calculated and installed. This is an important step to further professional FYEG as an employer and a good way to use previous years savings

Our last recommendation is to create a budget line for employee training related to their task, for instance, financial management training, project management training, human management training and others. We think that this is the responsibility of the organisation, on the one hand towards its dedicated office employees and on the other hand for sound management of the office.

FUNDRAISING/FINANCIAL MANAGEMENT

Projects

Regarding the grant reports, everything seemed in order, even though it is still ongoing. However, the incomes from projects which have in-kind contributions incorporated in sum amount/agreement amount should not directly

go in the budget plan as monetary income. The in-kind part of the agreement amount should be deducted. Otherwise, there is a confusion between planned and actual budget, as planned implies in-kind amount and actual does not. It causes confusion. Donations, Participants' contribution to projects, and fundraising from MEPs should not be overplanned, otherwise, the expenditure side of the budget might not be realised. We recommend that in kind contributions should be accounted in a separate sheet and should be considered as part of the budget.

The FCC welcomes the decision to hire project assistants that can assist the project manager in the future, especially due to the COVID-19 crisis that demands a different approach to projects, campaigns and events in the past months and the coming year.

Covid-19

As far as the FCC was informed the COVID had no effects on any of the incoming funds for this year's budget and all budgeted and incoming funds will still be paid out. However, the FCC underlines the importance to stay vigilant on future fundraising and project funds.

One income that remains for example insatiable for 2020 are the MEP visits that are usually part of the revenue of FYEG for MO visits. The EP has suspended all subsidised and non-subsidised visits for now, it does not seem like this will still change in 2020.

Due to the COVID crises, MEPs have most of their Budgets underspend. To follow up on the previous year's recommendation, we suggest that one person (ideally there would be another position opened at FYEG that deals with tasks around fundraising) in the office will incorporate the task of fundraising with MEPs and create a sustainable way of precisely fundraising with MEPs. Additionally, there should be a chapter in the operational manual about this task, with divided responsibilities, information about what

MEP can fund and others.

FCC recommends to make a COVID 19 overview for the incoming funds and how this can affect the budget in the year(s) to come.

At the time of the FCC meeting, the reports were not finalized; we received most of them afterwards. As we couldn't discuss it during the meeting, the FCC is not able to give a complete comment about this evaluation. FCC recommends to the office and future treasurer to make sure that for FCC meeting budget and accounting report are ready and reconciled. This is however also due to the fact that another meeting was planned prior to the GA.

MO FEES

FCC recommendation to make sure that MOs are sending the budget to maintain high income in the MO fee budget line has been mostly followed. FYEG created a coherent policy of managing MO fee collections, the MO fees are now more transparent than ever before.

However, the FCC notes that MO fees collection remains a tedious and burdensome work for the office and the treasurer. The FCC advocates that MOs support the office and treasurer in this work as much as possible, so the MO fee collection becomes an easier task in the future. The MO fees are a vital part of the FYEG budget and the return to MOs is very valuable, for example the newly instated MO grant.

LIQUIDITY AND SAVINGS

The last couple of years FYEG has maintained the practice to have savings, in the form of money in the savings bank account and carry over from previous years. This year because of the COVID crisis expenditures in the budget are underspent and in some cases, it generated more carryover for FYEG. We recommend that there should be a

policy of managing carry over from this year and the previous years. Possible solutions for this money could be a separate bank account for it to always know how much carry overs there are and how much was allocated for current expenditures. The FCC welcomes the decision that FYEG set up a liquidity board containing a mix of old and new staff and EC members of FYEG. The FCC generally recommends having a separate sub- bank account for each project in the future.

The FCC recommends to find a solution as fast as possible for the said savings as Belgium law has quite strict constraints to non-profit organisations for carry-over and savings of organisations. As mentioned before for staff training could be envisioned, the safety payroll fund is recommended to be set up should amount to 1.5 safety fund. The FCC is pleased to see some spending on office equipment, which was not sufficient before. The FCC recommends to use this money for creative projects that are not usually accepted in project funds. Projects or expenses which are crucial for future en

GENDER BUDGETING

FCC recommendation about Gender budgeting has been adopted. Now Gender budget report contains the approximate results of how much was spent on male/women*/non-male participants to the best possible knowledge of the office. In addition, we recommend that the best-practice of the annual ratio of male/women*/non-male participants should become part of the budget report.

CONCLUSIONS

This year FCC planned to conduct two offline meetings, but because of health crises, we could not meet offline. This has reflected on FCC capacity to check everything, nevertheless, we

did our best to conduct FCC a final audit online. FCC recommends maintaining two meetings per year.

The FCC is pleased to see that all recommendations were at least considered and implemented to the best possible knowledge. FYEG financial management becomes very complex and more professional than the years before and the FCC is content to see that the office is doing such great and detail oriented work with this. Keep up the good work and we will be out of our job:)