



# Federation of Young European Greens

# fyeg

## **Report Financial Control Committee**

Meeting on 5<sup>th</sup> of April 2014 in Brussels Attendees: Pieter-Jan Van de Velde (FCC), Merja Kähkönen (FCC), Maggie Dokupilova (Secretary General), Silvio Heinze (treasurer)

### **Introduction**

The FCC had the opportunity to meet with the SecGen and the treasurer for a whole working day. Hence, we were able to discuss the finances of the previous and upcoming year, the bookkeeping as well as the improvements proposed by the FCC last year and the changes implemented.

### **Capacities of the office**

Although the capacities of the office have improved since last year, the fact that the office has too limited capacities for proper accountancy still remains. The FCC recommends to explore possibilities to employing an accountant, which could be achieved in cooperation with other Green organisations situated in Brussels. The proper handover of secretary generals is also a prerequisite for a well functioning office, and the FCC is happy to hear that the current SecGen is aiming for this at the end of her mandate.

### **Cash flow**

The problems with liquidity continued during 2013, due to miscommunications and problems in reporting from projects. This has resulted in some reimbursements being paid later than they ideally would have been paid. However, the situation seems to have been improved during 2014, and the FCC sees it important that the issue should be kept under control.

The FCC emphasises that proper bookkeeping of cash transactions is necessary and that as little cash transactions should be made as possible.

### **Cooperation with member organisations for project funding**

With the new Erasmus+ programme, the need for fluent cooperation between FYEG and its Member Organisations becomes even more vital than previously. The FCC welcomes the plan to make a written contract with MO's of all joint projects. The FCC also urges the office to find a functioning manner of keeping books of the project money flows together with the accountant.

### **Employee salaries**

The Secretary General has found out that the staff remuneration system as it was in place until 2013 could be challenged legally. The office is currently looking for means of substituting this compensation to the employees into a way which does not cause any questions on its legality. Possible ways of doing this could include lunch tickets, travel allowances, or increasing the salary of employees. The FCC strongly recommends that a correct way to remunerate staff is found as soon as possible.

### **Loan from CDN**

The office has found out about a loan taken from CDN some years ago. This loan might still be partially unpaid. The FCC strongly recommends that the initial amount and date of the loan is clarified as soon as possible and that a document be prepared about the initial loan, the amounts paid back and the sum still unpaid.

### **Budget plan for the year 2015**

The office has indicated a wish to provide the GA a budget for the year 2015 as well as for the year 2014, since the financial situation of FYEG is likely to change radically after the election year (less project incomes). The FCC warmly welcomes the idea and recommends that longer-

term financial planning will continue in coming years even if no drastic changes are foreseen and that the preparation of the next year's budget for the GA be added to the IRP's.

### **Implementation of the suggestions from the previous FCC reports**

#### *Accountant*

The last FCC report welcomed the change of accountant; however, the contract was never signed with him and the accountant has been changed again. The FCC sees that cooperation with the new accountant seems to be functioning well but urges to write a contract with him as soon as possible.

#### *Financial decisions*

In the last report, the FCC proposed that the conventions of making decisions regarding the finances be written down for clarification and transparency. The FCC is happy to see that the work is under way. The FCC is also happy to see that the office has prepared guidelines for donations. The FCC urges the next EC and office to continue the job to write down the guidelines followed in financial decisions, including for example what kind of decisions are made and how large expenses approved by the Secretary General, treasurer, the two together, and the EC, and what kind of reimbursement policies are used and who decides upon them. The guidelines could be adopted by the EC.

#### *Budget sheet*

The FCC is happy to see that changes are made to the budget sheet according to the suggestions of the last report. However, the FCC urges the EC and the office to prepare a document explaining the budget for the General Assembly representatives.

#### *Bookkeeping*

The FCC finds that the manner of keeping books has changed along with the Secretary General. The FCC thinks that the accounts can be kept in a manner most suitable for the office, as long as the accountant has found it appropriate. However, the FCC urges the office together with the accountant to create a sustainable system for keeping books in a systematic manner.

#### *Management of the project finances*

The FCC is happy to hear that the suggestions made last year to enhance the cooperation between the office and the project prep teams have been taken into account. The FCC sees that the aim of the office to have an office representative in all projects and prep teams is excellent. The FCC is also happy to hear of the plans to apply for project management training.

#### *Membership fee*

The FCC is happy to hear that the membership fee from 2014 onwards will be collected for the current year and not for the previous year.

#### *Financial updates*

The FCC proposes again that the finances should continue to be followed up in the EC meetings regularly, as is required by the IRP's.

#### *Meeting of the MO responsables of finances*

The FCC sees that an informal meeting regarding the finances of the federation could be reattempted in the GA, or that an optional means of keeping the MO's updated about the financial situation of FYEG searched for.

#### *Check of the books*

Due to the high workload of the Secretary General and the choice not to have an administrative assistant, the bookkeeping had not been done properly at the moment of the FCC Meeting. An additional check will be needed before the GA.

### **General remarks**

All in all, the FCC thinks that the management and presentation of finances is improving still and that the problems raised in earlier FCC reports are addressed. The FCC is happy to see this improvement and the willingness to continue to further improve the financial management of the federation.