

# FINANCIAL OPERATING PROCEDURES JUNE 2016 VERSION 3.1

## FINANCIAL OPERATING PROCEDURES PACKAGE

### Versions:

1. July 2004 SI General Assembly – passed
2. November 2004 SI Exco meeting – changed adopted
3. October 2015 SI General Assembly – passed. (Note that the changes that were passed included updates to the FOP that were passed at SI General Assemblies in 2006, 2009 and 2012)
- 3.1 June 2016 – Technical changes recommended by the Internal Audit Committee and SI Exco, to reflect current practice and recent experience

### **Table of Contents:**

	<b><u>Page</u></b>
Introduction	2
Acknowledgment	2
1. Financial duties > General Assembly	3
2. Financial duties > Executive Committee	3
Special Duties of the SI Treasurer	4
3. Financial duties > Audit Committee	6
4. Financial rules> for everyone that receives budgeted funding from S1	7
5. National Groups	9
6. Development Fund Committee	10
7. Donations/Fundraising	11
8. Financial Forms	12

## **Introduction:**

These Financial Operating Procedures are to be read in conjunction with the Servas International Statutes. Where there is a conflict the Servas International Statutes will prevail.

In the application of these Financial Operating Procedures (FOPs) SERVAS officers will strive for both fairness at the individual level and justice for SERVAS.

### Fairness, Justice, Common Sense & Open Dialogue

The application of the present Financial Operating Procedures is an integral part of the duties and responsibilities of any SERVAS Officers involved in SERVAS International and the individual accepts the present Financial Operating Procedures or later version approved by the GA, without reservation. Consequently, SI officers using these Financial Operating Procedures should be driven by fairness, justice, common sense and open dialogue, since a decision could affect the rights, privileges or interests of an individual involved in SERVAS International. This also applies to individuals representing SERVAS National Groups.

Natural justice and administrative fairness are at the forefront of the SI Treasurer and other SI officers involved in finances. Sometimes people find it confusing to differentiate between these two terms. For example, if an individual is not informed of the present Financial Operating Procedures, there is an error in process. Similarly, if an individual who is denied a reimbursement of his expenses is not informed of his or her right to appeal, the process is flawed. It is part of the role of the SI Treasurer to bring fairness to the scrutiny of all claims of reimbursement, considering all factors before taking a decision.

### Right to Appeal:

In cases where an individual feels that he/she is receiving unfair treatment from the SI Treasurer (denial of reimbursement of expenses, not providing a response or delaying a response), the individual is entitled to a full and fair opportunity to present his/her case to the Internal Audit Committee and / or the Conflict Resolution committee in order to solve the issue.

Where there is an opportunity for a decision to be reviewed, the Conflict Resolution committee looks for a review process which is meaningful as well as an opportunity to present arguments or to be heard. An example of this situation could be the non-reimbursement of expenses related to Servas.

Decisions made by the Conflict Resolution committee are “final and binding” on all parties involved.

### Acknowledgements

The necessity to have financial control on all Servas transactions was conceived by Colette Marteau, member of the Internal Audit Committee 2001-2004. Compilation, preparation and review of the first version was done by the Audit Committee 2001-2004, and particular thanks are due to the people who spent countless hours during the workshop of the GA Barcelona 2004 preparing the first versions. Sincere thanks and acknowledgement go to all the volunteers, SERVAS officers and key persons from all National Groups who have been involved in producing and updating the Financial Operating Procedures of SERVAS International.

## **1. FINANCIAL DUTIES > GENERAL ASSEMBLY**

1.1 The General Assembly shall:

- a) review and vote on accepting the financial statements and notes, the external auditor's report and the Internal Audit Committee's Report
- b) adopt a budget showing projected income and expenditures for the next three years including actual amounts from the latest available financial statements. The Budget will also include projected closing cash balances at the end of each year. The Budget will be up to the year of the next regular General Assembly
- c) decide upon fees, regulations and procedures of SERVAS International
- d) elect an Internal Audit Committee , and empower the Executive Committee to pay for independent professional auditing. The external auditor and the Internal Audit Committee shall verify, annually, the Financial Statements and notes of the Treasurer and shall submit a report to the Executive Committee. These reports shall be submitted for adoption to the General Assembly or Distant Vote after consultation with the Internal Audit Committee.

1.2 The General Assembly has the responsibility to provide each committee with a reasonable budget, thus helping a committee to perform its duties and responsibilities.

1.3 A donation (for example one that is bigger than 10% of SI's own budget ) needs another procedure to prevent donor control of SERVAS programs, projects and committees, Only General Assembly (GA) or Distant Vote must decide whether it is appropriate to accept the money and what to do with the money.

## **2. FINANCIAL DUTIES > EXECUTIVE COMMITTEE (SI Exco)**

2.1 The General Assembly determines which members of SI Exco shall be empowered to sign on behalf of Servas International for financial matters and contracts on behalf of Servas International. Two signatures shall be required.

2.1 SI Exco is responsible for the day to day running of SERVAS International between one General Assembly and the next. Its decisions and actions should be in the accordance with decisions made by the General Assembly. Its expenditure is limited to the budget adopted by the General Assembly.

2.2 A 3-year detailed budget should include actual amounts from the latest available financial statements. The Budget, which should also include projected closing cash balances at the end of each year, must be prepared for a three year period within six months of taking office, based on the

three year budget plan adopted by General Assembly, and have it reviewed by the Internal Audit Committee. This budget is binding on SI Exco and regularly monitored on the basis of income and expenditures.

2.3 SI Exco has the responsibility to modify the budget further on an annual basis if necessary and have it reviewed by the Internal Audit Committee.

2.4 SI Exco must publish the three year detailed budget.

2.5 SI Exco must provide an overview of the yearly budget spent using the format of the three year budget and explain the reason for any adverse or favorable variance from the budget as the case may be.

2.6 SI Exco must publish the annual financial statements after an internal and external auditing has taken place within eight months after the end of the financial year. SI Exco will make public the plan to implement the recommendations made by the Internal Audit Committee and the External Auditor, and also the date by which they will be implemented.

2.7 SI Exco should ensure that a current contract for liability insurance for the time of any SI-organized conference including the GA or event has been obtained.

2.8 SI Exco should decide on which officers and national delegates will receive Servas International money or other sponsorship funding for international conferences at least six months in advance. This information should be distributed to all National Secretaries and Area Coordinators at least three months in advance. A consistent form for application to be funded shall be used, with instructions as to how to fill out the form. Funding shall be based In part on evidence of work performed by the applicant for SI or the individual Servas country.

2.9 SI Exco may consider doing online banking.

2.10 SI Exco may consider allowing for credit card payment.

2.11 SI Exco may consider having an ethical savings account.

2.12 SI Exco and the Internal Audit Committee should share any publications about each other with each other before publication. This will include that SI Exco shall not approve the Financial Statements until the Internal Audit Committee has received the final version of these Financial Statements and has submitted its final report.

2.13 SI Exco should collect and approve recommendations for improved Financial Operating Procedures and submit these to the GA or Distant Vote for final approval.

2.14. When a Servas country wants to make a donation to enable another country to send a delegate to participate in a GA, it must inform SI Exco of this intent to donate. A request concerning the recipient(s) can be made but it is for SI Exco and the relevant Area Coordinator if one exists, to use criteria to decide to which country/countries the money will go. After that decision, the money will go directly to the recipient(s). It is highly recommended that donor countries should respect EXCO's decision.

#### **SPECIAL DUTIES OF THE SI TREASURER**

2.15 The SI Treasurer shall:

- a) keep the financial accounts and records of Servas International (including arrangements for retention of full bookkeeping records as required by the Internal Audit Committee and the External Auditor and Swiss law) and arrange for auditing,
- b) send out emails, memoranda or memo notes and collect money owed to Servas International; also phone the National Treasurer when no response is received, to understand any problems.
- c) submit the Annual Financial Statements and Notes to SI Exco, along with the final Internal Audit Committee Report , and
- d) collect financial information from all Servas National Groups.

2.16 The SI Treasurer must refer to the chapter 4 “Financial rules for everyone that receives budgeted funding from SI”, and strictly observe these financial rules for his/her actions, including payment.

2.17 The SI Treasurer must send every year to each Servas National Group an SI form regarding the payment of stamps, including due dates for payment and return of unused stamps, and a form regarding the financial reports, including due dates for submission of the Expense Claim Form, for everyone who received budgeted funding from SI.

2.18 The SI Treasurer is responsible for overseeing the financial and fixed assets of the organisation and must take reasonable steps to prevent and detect fraud or other irregularities and inform SI Exco and the Internal Audit Committee as soon as possible.

2.19 Bookkeeping and expenditure receipts must be checked on a sample basis by the Internal Audit Committee and by an independent third party at least once a year to establish the material correctness of the financial records at least once a year. A report on the audit must be signed by the Internal Audit Committee Chair and must state the extent and result of the audit (no complaints/Individual complaints). It must bear the date of the audit and signature of the person carrying out the audit. One copy of the report will remain with the records of the auditor; the other copy of the audit report will go to the person(s) ordering the audit. (Nat Sec EXCO Nat Assembly etc)

2.20 The SI Treasurer should obtain quotes for the services of at least two external auditors before selecting one of them and the chosen auditor may be appointed for up to three years without obtaining a new quote. The chosen external auditor should be confirmed by Distant Vote or at the next GA.

2.21 Full book keeping documentation and any other related financial information and agreements must be available to the Internal Audit Committee at any time if necessary.

2.22 The SI Treasurer must follow generally accepted accounting principles. It is important to observe accrual accounting practices.

2.23 The annual Financial Statement should contain:

- a) Balance Sheet
- b) Income and Expenditure Statement
- c) Monitoring Budget using the same classifications for income and expenses as shown in the Income and Expenditure Statement: 1) Detailed income breakdown: SERVAS Country fees, Donations/fundraising, SI Conferences- etc. 2) Detailed expenses breakdown: SERVAS Officers, SI Conferences, special projects etc. 3) Comparison of monitored spend budget to the planned budget using the three year budget plan form. 4) A breakdown of the advances as well as expenses for

reimbursement for each officer 5) Number of Stamps received by country (paid and unpaid) and their overall distribution and return of stamps. 6) International Conference income and expenses breakdown when applicable. 7) DFC income and expense statement.

d) Explanatory Notes to the accounts where appropriate including a note on subsequent events occurring after the financial year end and before the external auditor signs the audit report on said financial statements. After the auditor signs the audit report the accounts should be distributed forthwith in order to minimize further significant subsequent events impacting the yearend Financial Statements.

e) Subsequent events: This is to cover events after the balance date which have a material effect (normally not less than 20%) on the reported results, which have not been reported elsewhere in the financial statements (in all examples, for simplicity a financial year of Jan-Dec is assumed):

i. Accruals - All transactions and contractual obligations for which work is completed in the accounting year are to be reflected in that year's financial statements. If work was done but no invoice was raised by the service provider before the year end, since all expenses are accrued, this expense will be included in the financial statements. The work was done and hence a liability was incurred by SERVAS INTERNATIONAL. Accruals are NOT reported as subsequent events.

Example: A final payment of CHF1000 on a contract for CHF5000 is invoiced and paid in Feb 2013. The work was completed by Dec 2012. The payment made in 2013 was 20% of the total contract. Thus there was a liability at Dec 2012 and this should be accrued. If the final payment had been CHF500, then it would be less than 20% and so normally would not be considered material and so normally would not need to be accrued.

ii. Open Commitments under Agreements- Where an agreement is signed during the year or prior to the year-end closure, while some payments have been made but the final work has not been done, there is an open commitment.

Example: For a contract of CHF5000, CHF3500 was paid in Nov 2012. If the work for the remaining CHF1500 was not done until after Dec 31 2012, then there would be an open commitment (but not a liability / accrual) of CHF1500 on this contract.

iii. Write Offs after year end. If SI Exco or the SI Treasurer become aware there is a material write off after year end relating to activity of that years', or prior years', financial statements, then either it is written off in the financial statements or it is shown as a note to those financial statements.

Example: Stamp Income is recorded as income when stamps are issued and the income is written back when stamps are returned. Stamp returns for that year or prior years for material amounts (more than 20% of the value of the stamps issued or more than 20% of the reported result) received after the year end close off, should either be written off in the financial statements or shown as a note to the financial statements

iv. Contingent Liabilities – Where there is potential material liability, the amount of which cannot be determined, this should be shown as a note to the financial statements.

Example: Where Servas International is advised that a Servas Traveller is initiating a law suit against Servas International and /or the Servas National Group for sexual harassment by a Servas Host, there is a contingent liability until the lawsuit is decided and the actual amount of the liability defined.

f) Reports from the Internal Audit Committee and External Audits.

2.24 The Financial Statements shall fairly represent the value of the assets, liabilities, income and expenditure as well as the financial status of the association. Recording of assets would include an itemized list of hardware inventory.

2.25 The SI Treasurer will publish the Financial Statements in the form for a sufficiently documented financial report to all SERVAS Officers for documenting their income and expenses related to their activities on an annual basis. The SI Treasurer and/or the SI General Secretary has the responsibility to provide all activity and financial reports of SERVAS Officers to the Internal Audit Committee.

2.26 The SI Treasurer shall prepare a detailed financial report of the International Conference for examination by the Internal Audit Committee and possible recommendations on cost efficiencies for future conferences.

2.27 The SI Budget allocation for SERVAS International Conference and General Assembly should be split over three years written as a provision for the first two years.

2.28 The SI Treasurer has the responsibility to provide documentation concerning the balance of the Development Committee accounts to the Development Committee.

2.29 An expense reimbursement should be paid as soon as possible after the approval. A request for any excess advances to be refunded should also be made at this time.

2.30 When the SI Treasurer has doubts about a request for reimbursement, a consultation is required – for a constructive analysis – with the claimant or payee in order to reconstitute the circumstances. Such a consultation may include the provision of advice from one or other of Servas International's committees, who may provide additional guidance to the SI Treasurer regarding the case (attestation of joint expenses, common cost and value of claimed expense).

2.31 The SI Treasurer should develop cases, simple practices and studies, if necessary with to the collaboration of the committees (Internal Audit Committee, Conflict Resolution Committee, etc.) for educational purpose.

2.32 The SI Treasurer shall be responsible for requesting any left-over SI funds held by an officer at the end of the officer's mandate or special funds advances earlier if the project the funds were advanced for is complete (see 4.3) and of payment of non-depreciated value of held assets along with the support of SI Exco and Internal Audit Committee (See 4.9).

2.33 The SI Treasurer will arrange for the smooth transition between SI Treasurers at the SI General Assembly:

a) The outgoing SI Treasurer will bring all originals in their possession to the SI GA. (Or alternatively, all the documents for any year that have not been signed off). This expense will be paid by SI.

b) At the SI GA, the outgoing and incoming SI Treasurer will complete transfer of responsibility, negotiating handling of any items that are in progress.

c) The outgoing SI Treasurer will acquire and bring the necessary forms for completion of the banking signatory handover. At the SI GA, the outgoing and incoming Treasurer will arrange for completion of the banking signatory forms.

d) Similar arrangements for the handover will have to be made when the Treasurer resigns or for any reason does not complete the full 3 year term to the next General Assembly.

### **3. FINANCIAL DUTIES > INTERNAL AUDIT COMMITTEE**

3.1 The General Assembly shall: 1) elect an Internal Audit Committee and empower SI Exco to pay for independent professional auditing. The Internal Audit Committee shall verify annually the accounts of the SI Treasurer and shall submit a report to SI Exco. The reports of the Internal Audit Committee and the external auditor shall be submitted for adoption by the General Assembly or by Distant Vote.

3.2 The duties of the Internal Audit Committee include internal auditing of SERVAS International expenses, supervision, analysis, interpretation and advice to SI Exco, as well as on-going monitoring of actual to budget interim financial statements.

3.3 The duties of the Internal Audit Committee include:

1- Review existing guidelines on accounting principles including fundraising policies and procedures.

2- Annual Review of each SERVAS Officer's Financial statements and activity reports collated by the SI Treasurer which should include the subject of money spent and/or received.

3- Collaborate with the SI Treasurer and External Auditor on financial matters related to SERVAS International.

4- Review the SI book keeping documentation whenever necessary. Ensure safe custody of the SI Assets with the respective custodians duly approved by the EXCO.

5- Review SERVAS Annual Financial Statements issued by the SI Treasurer for endorsement by the Internal Audit Committee.

6- Ensure that the SERVAS Annual Financial Statements have been audited and approved by an external auditing company or external professional auditor.

7- Review the modified three year budget plan with comparison to the latest annual Financial Statements available and verification of its adherence to the guidelines agreed at the General Assembly on an annual basis.

8- Identify cost reduction opportunities of SI Budget for any kind of activities (ex Exco meetings, International Conferences Area Conferences etc.) are needed.

9- Provide SI Exco assistance with financial projects as requested.

10- Communicate the Internal Audit Committee findings, presenting the final audit report at the General Assembly after presenting it to SI Exco for comment and action.

11- Important contractual Agreements having financial implications entered into by Servas International and outside parties to be reviewed by the Internal Audit Committee before they are presented to Exco for signature. This will ensure adherence to all rights duties and responsibilities relating to both parties to the contract is well understood and documented before the same is signed.

5 SI Exco and the Internal Audit Committee should share any publications about each other with each other before publication.

#### **4. FINANCIAL RULES > FOR EVERYONE THAT RECEIVES BUDGETED FUNDING FROM SERVAS INTERNATIONAL**

4.1 SI Exco officers, Area Coordinators, and any other person that receive budgeted funding from SERVAS International shall submit annual activity and financial reports for publication by SI Exco.

4.2 All money collected in the name of Servas must be used for Servas purposes only. No one is allowed to collect money in the name of Servas for personal use.



It is strongly recommended that an Annual Financial Statement of Income and Expenses should be submitted by the national treasurer or designated person to the country's members at least yearly and/or on request. A statement to this effect is included in the Servas Handbook.

### **Being in office rules**

4.3 Financial Operating procedures and other SERVAS procedures should always be respected and followed by SERVAS officers and non-compliance by any other officer should be addressed by the Conflict Resolution Committee.

4.4 No SERVAS officers should be allowed to hold any amount of SI Funds beyond the term of their mandate. When SERVAS officers stop holding position at SI, the SI money left over should be immediately transferred back to the SI account. Any excess funds / advances used for special projects should be refunded when the Expense Claim is made and the special project is completed. The SI Treasurer should be advised when the transfer is made back to the SI bank account.

4.5 Payment of advances will be made within two months upon submission of an approved plan.

4.6 SERVAS Officers should not ask the SI Treasurer for advances to cover expenses not budgeted and inconsistent with these Financial Operating procedures. In those cases the SI Treasurer may seek a ruling from SI Exco.

### **SERVAS ASSETS AND EQUIPMENT**

4.7 Any hardware or software purchased paid for or reimbursed by SI is considered as an SI asset.

4.8 A realistic equipment budget must be allocated to each SERVAS officer, including expenses for IT.

4.9 The Information and Communications Team (ICT) should advise on technical aspects of the equipment to be purchased while the Internal Audit Committee works with SI Exco regarding purchase or leasing and depreciation of the equipment required by the SERVAS officers.

4.10 SI Assets should be sent to a SERVAS officer who needs it for further use during his/her mandate. At the end of an officer's term of office, the officer shall pay to SI the non-depreciated portion of the value of any asset held by the officer and then keep the asset. Otherwise the officer shall return the asset at his/her own expense or transfer to the next person to hold that office. The SI Treasurer should be advised the details of any of this transfer.

### **Expenditure Rules**

4.11 Income and Expenditure must always be documented in written form stating exact amount, currency, date and reason for payment linked with SERVAS activities and the relevant budgeted item.

4.12 All Expenditures must be verified by receipt from the payment recipient (amount date and name of recipient) to the SI Treasurer. The Internal Audit Committee may request via the treasurer copies of receipts, invoices and related agreements.

4.13 When receipts are not provided, the officer must provide evidence of actually having incurred the expenditure. Each instance must be considered separately and circumstances must be extreme to permit reimbursement without receipts.

4.14 Advances shall be reimbursed in the spender's currency at the rate of exchange as of the date of the payment of the advance. Expenses shall be reimbursed in the spender's currency at the rate of exchange as of the date of payment of the reimbursement. Currency losses and bank charges can be included.

4.15 Claims for reimbursement should be sent to the SI Treasurer no later than 31 Jan in the following year. Claims received after 31 Dec in the following year will not be considered for reimbursement. It is the responsibility of SERVAS officers to request reimbursements within the deadline.

4.16 Advance payments for travel or any other major budgeted expenses are possible. SI Exco has to approve them; timely receipts must be subsequently submitted. If receipts are not submitted, the advance is considered as not required and the money must be returned to the SI account as soon as possible.

4.17 When an officer receives an advance but does not produce adequate receipts within the deadline, no further advances will be sent until the treasurer receives receipts for the first. Since it is presumed he/she has not used the money for the purpose sent, he/she is expected to return the advance so received to the treasurer.

4.18 Reimbursements of plane travel tickets should be done only if the applicants provide the following two documents: the receipt of payment made to the travel agency or the airline company and the passenger receipt / boarding pass or a copy of it.

4.19 Personal expenses are not reimbursed by SERVAS International.

4.20 The SI Treasurer should send money directly to the SERVAS officer responsible for the expenses and not to an intermediary unless there are extenuating circumstances. In cases where SI Treasurer sends money to a delegate via a third party, the SI Treasurer needs to ensure that the transaction through the third party is clearly documented.

4.21 All business relations between SERVAS International and vendors or service providers shall be based on a written agreement approved by EXCO or by a committee authorized by SI Exco to approve such agreements, if the value of the goods or services to be procured exceeds CHF 500. A singular service/supply contract covering for the annual or more period should be made instead of shorter period contracts to ensure the stipulation of the amount of CHF 500.

### **Conference Funding Rules**

4.22 The budget for a regional area conference should be used on the following:

- 1- Funding only area conferences.
- 2- Funding the attendance of the interested national secretaries,
- 3- Funding the organisation of the event

4.23 The Area Coordinator travel budget is reserved for Area Coordinators to travel within the area if necessary in order to develop their area or any other requirements for the management of their area.

4.24 Candidates for SERVAS International positions who finance themselves to a General Assembly cannot be reimbursed from SERVAS International funds after they have been elected.

4.25 The funding of SERVAS officers to the General Assembly is dependent on the submission of the annually published activity reports documenting their continuing involvement within the two previous years.

4.26 The criteria for travel funding of delegates to the General Assembly and area conferences should be based on the most recent version of the criteria adopted by SI Exco which are:

- 1- Compilation (enabling publication) of a reasonably accurately updated host list within last two years.

- 2- NS has not held office for more than six consecutive years (unless conditions dictate an

exception)

3- Evidence of efforts to maintain SERVAS activity (hosting, travelling, keeping members informed, other as appropriate)

4- Evidence of efforts to cover costs in relation to the capacity of the members (not zero, not excessive)

5- On-going communication with Area Coordinator and SI Exco as necessary.

6- Submission of the Annual Financial Report in a format provided by the SI Treasurer.

7- SERVAS International is ONLY considering financial travel expenses and conference fees for delegates.

4.27 The Criteria for travel funding must be disclosed on the application form.

## **5. NATIONAL GROUPS:**

5.1 Area Coordinators get 10 free stamps in order to facilitate travelers originating from countries where there are no national secretaries or main contact.

### **Duties of the Servas National Group towards SI**

5.2 Primary Responsibility: The obligations of a Servas National Group to SERVAS International consist of and are limited to, paying fees and of following the regulation and procedures as decided by the General Assembly according to Section IV.3f of the Statutes.

### **Financial Contribution to SI**

5.3 Each National Group must declare every year its management of SI stamps using the form sent by the SI Treasurer when possible. The minimum information to be declared includes: the number of stamps used, the number of stamps not used and the fee to be paid to SERVAS International. Moreover the stamps not used must be returned to SI.

5.4 The declaration of SI stamps and the return of stamps not used for the previous years must be made before the deadline March 1<sup>st</sup> of the next year, unless there is exceptional circumstances to be explained to the SI Treasurer.

5.5 SERVAS in any country may have so few travelers that there is not enough income to finance its expenditure. If this is so, the country may ask for financial help from SI. Deadline: usually none but as long beforehand as possible. The request for financial help must be made before the expenditure has been made.

5.6 Any countries requesting SI funding must be surveyed, and their Host List must be at least 70% reliable and fit into the standard format defined by SI HL Coordinator.

### **Relations of the Servas National Group towards another Servas National Group**

5.8 Bilateral Agreement:

Aims: Working together – redistribution of resources

How it works: A Servas National Group with a surplus of certain resources (time, technology, SERVAS experience or expertise) makes these available to another Servas National Group which lacks the same resource(s). The other Servas National Group may have other resources to offer in return.

How to “get connected”: If you have a surplus: if there is a country in which there are special reasons to have connection with, you may offer your resources direct. Otherwise let SI General Secretary know what you have to offer. If you have a shortage: if there is a country which there are special reasons to have connection with you may request resources directly. Otherwise let SI General Secretary know what you lack.

### **Duties of the Servas National Group towards the Servas Travellers:**

5.9 Traveller Fee: SERVAS travellers must pay a fee to SERVAS In the country in which they get the Letter of Introduction since each Servas National Group is expected to pay the normal stamp fees to SERVAS International.

5.10 Stamp Fee: A fee is paid to SERVAS International for each adult traveller leaving the country. The amount to be paid is clearly shown on the form paying for stamps.

### **Duties of the Servas National Group towards the SERVAS Hosts**

5.11 Host Contribution: Servas National Groups may consider asking SERVAS Hosts to pay a host/membership fee if they wish.

## **6. DEVELOPMENT COMMITTEE**

### **Bilateral agreements**

6.1 Aims: Working together: redistribution of resources

How it works: A Servas National Group with a surplus of certain resources (time, technology, SERVAS experience, expertise, money) makes these financial resources available to the Development Committee, which has the duty to distribute these funds to another Servas National Group which lacks the same resource(s).

Development Committee Procedures should be followed.

### **Donations to SI earmarked for Development Committee**

6.2 The SI Treasurer acknowledges every single donation with SI official receipt, both to the donor and the Development Committee within four weeks after a donation was received. This helps Donors/DFC /SI Treasurer to keep proper records.

6.3 The SI Treasurer sends a regular update with regard to the accumulated status of Development Committee finances every six months to the Development Committee.

6.4 The SI Treasurer will obtain guidance from the Development Committee regarding appropriate donors. In the event of doubt and/or controversy, Development Committee and SI Exco will decide if the respective donations should be returned.

### **Development Committee Fund Disbursements**

6.5 The Development Committee must notify the SI Treasurer in writing once an approval has been granted for funding.

6.6 The SI Treasurer disburses funds approved by Development Committee within four weeks from the date a claim is submitted and informs the recipient as well as the Development Committee in writing about when funds have been transferred.

6.7 Recipients of Development Committee grants must submit financial and activity records of funded events to Development Committee/Sl Treasurer within four weeks of said event taking place.

## **7. DONATIONS / FUND RAISING**

7.1 Donations from any person or organisation outside of SERVAS must go to the SI account and not to Individual officers so they can be transparently recorded in the books.

7.2 If a Donor solicits donations on behalf of SERVAS there needs to be transparency about the reason for the donation and the identity of the Donor. The solicitation has to be treated as a SERVAS external account and has to follow the same accounting guidelines that apply within SERVAS. An audited donation financial report has to be included in the SERVAS International Financial Statement noting Donations in the name of SERVAS.

7.3 We only receive donations from persons or organisations that:

- a) Comply with SERVAS Statutes and accept the policies from our handbook and
- b) Who act in accordance with the applicable laws.

7.4 SERVAS National Groups should try to become non-profit tax deductible organisations with the objective that Servas National Groups are enabled to receive donations on behalf of SERVAS International and write receipts for donations.

7.5 A donation (for example i.e bigger than 10% of SI's own budget) needs another procedure to prevent donor control of SERVAS programs projects and committees. Only General Assembly (GA) can decide whether it is appropriate to accept the money and what to do with the money.

7.6 If the Peace Secretary is planning to use Donations for UN representatives to visit UN conferences and to represent the voice of SERVAS, there needs to be a clear mandate about what the position of SERVAS is as well as a report of activities and the documented funding.

## **8. FINANCIAL FORMS**

To be included in the SERVAS International Financial Operating Procedures:

- Payment for Stamps Form
- Expense Claim Form