

European Association
of American Square Dancing Clubs e.V.



EAASDC

Finance Policy

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Introduction/General

The Board of the association is responsible for budget planning (§ 26 BGB (German Civil Code), obligation of management, protection of the association's assets interests). The BGB does not require to submit resp. decide on the budget. Besides, there are no obligations to modify the Statutes due to "customary right".

The fiscal provisions of the German Tax Code and the regulations of the EAASDC regarding the charitable status (§ 3) are to be observed.

This policy is subject to decision-making by the Membership Meeting and governs the protection of the assets interests of the EAASDC e.V. – hereinafter referred to as Association – in the specified areas.

The Board may adopt a supplementary Board Policy on the basis of this Finance Policy, as per Statutes § 9.7, valid for all voluntary services of the Association, which, however, is not subject to decision-making by the Membership Meeting.

I. Principles of efficiency and economy

1. The Association is to be led according to the principles of efficiency.
2. When planning expenses, taxes and earmarking of certain receipts (grants) have to be observed.
3. Regarding financial real valuations, a sound, objective handling of current and previous budget approaches and remaining funds is required.
4. The amount of the expenses has to be appropriate, remunerations have to correspond to the regulatory framework.
5. Reserves for a collateral security margin (5-10% of the predictable budget) for unexpected or higher expenses shall be considered in the budget.
6. As a general rule, the cost covering principle applies to the Association.

II. Budget

1. For each business year the Treasurer prepares a budget. It shall include all receipts and expenses planned in the respective business year as well as all expected financial inflows and outflows.
2. The budget draft is to be prepared during the year previous to the respective business year, distributed to the members, and decided upon by them.
3. The Treasurer monitors compliance with the budget and reports to the Board regarding its implementation, in particular, with regard to expected deviations.

4. In case of subsequent changes of the budget decided by the Membership Meeting the following regulation applies:
 - Budget overruns to the account of the Association fund by a total of EUR 5.000,00 shall be possible without membership decision. Higher deviations are to be approved by the Membership Meeting via supplement to the budget.
 - Budget overruns with regard to cost allocations (as defined by the EAASDC Dues Policy: GEMA, AKM, insurance, etc.) required to cover interests of member clubs worth being protected, shall be possible without limitations and membership decision.

III. Annual financial statement/Cash report

1. The annual financial statement has to list any receipts and expenses of the Association during the expired business year and, additionally, has to include a list of the assets and liabilities of the Association.
2. The annual financial statement shall be verified by the auditors, the result is to be documented in the cash audit report (see IV.3). Furthermore, the auditors are authorized to perform additional audits, if considered necessary. On request, the Board has to grant the auditors access to all required documents and is obligated to furnish particulars. Audit regarding consistency of records and vouchers is basically done at random.
3. The annual report is to be prepared by the Treasurer and is to be published within the Association before the decision-making membership meeting regarding discharge of the Board.

IV. Cash audit

1. Within the annual audit, the auditors verify compliance with the Finance Policy. They, in particular, audit, if:
 - the financial and asset balances correspond to the information in the annual financial statement,
 - the expenses are mathematically correct and properly documented,
 - the regulations regarding receipts and expenses of the EAASDC were observed.
2. The auditors fulfill their task conscientiously and impartially. They are obligated to confidentiality towards third parties and release information only to the Board and the Membership Meeting.
3. The cash audit report shall be submitted to the Board and shall be presented to the first membership meeting after the business year. It may be published within the Association, e.g. in the closed member area of the EAASDC Internet presence.

V. Inventory

1. To record the inventory the Treasurer shall draw up an inventory list. In this list all objects shall be recorded, which are not intended for consumption and have an acquisition value of more than EUR 100,00.
2. The inventory list has to state:
 - date of acquisition
 - name of the object
 - acquisition value, and
 - storage place
3. Objects/inventory may be disposed of or purchased privately after the tax depreciation period at the earliest. For disposals of any kind a voucher has to be issued.

VI. Administration of financial means, payment transactions

1. The Treasurer administers the Association finances via the Association accounts and funds.
2. The Treasurer shall effect payments only, if they correspond to the basics of this Finance Policy, comply with the regulations of a supplementary Board Policy, if existing, and sufficient financial means are still available within the budget.
3. The Treasurer is responsible for preparing and observing the budget.
4. If possible, all payment transactions shall be cashless.
5. Each receipt and expense must be documented. The voucher has to state the amount to be paid, the value added tax (if applicable) and, in case of cash transactions, an acknowledgement of receipt and the intended purpose.

Final remark

The Finance Policy becomes effective with decision by the members and supersedes all previous membership decisions and regulations of the EAASDC By-Laws concerning the above areas.

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