



FINANCIAL POLICY

2017



Table of Contents

Financial Policy.....	3
Financial Procedures.....	3
1. Organisational Information	3
2. Bank Accounts	3
3. Annual Budget.....	4
4. Financial Reports	4
5. Membership invoicing.....	4
6. Membership collections.....	4
7. Membership to be deleted/discontinued.....	5
8. Debt provision	5
9. Percentage of reserve funds	5
10. Accounting and other financial records	5
11. Authorisation and Payment.....	5
12. Reimbursement.....	6
12A. Travel Reimbursement:.....	6
12B. Board meeting reimbursements and honoraria	6
12C. Funded travel reimbursements.....	6
13. INQAAHE Conference/Forum Registration fees, cancellations and refund policy	7
14. INQAAHE Funding Scheme	7
15. Audit requirements	8
16. Insurance.....	8
17. Provision depreciation.....	8

Financial Policy

1. The Executive Committee is responsible for:
 - Safeguarding the assets (Bank accounts)
 - Preventing fraud
 - Avoiding mistakes
 - Keeping financial records
2. Approving Annual Accounts that will be prepared by the secretariat and presented by the treasurer in accordance with the NZ authorities and relevant legislation, before presenting it to the Board.
3. To enable the Board members to carry out their responsibilities, the Financial Procedures detailed below must be followed at all times by all Board members and Secretariat staff.
4. A copy of this policy and procedures will be given to all Board members and Secretariat on their election/appointment.
5. The policy and procedures will be reviewed after each new board election or as needed, by the Board members and revised as necessary.

Financial Procedures

1. Organisational Information

- a) Our Financial Year runs from January 1 to December 31.
- b) Nature of Business: Non-profit association
- c) Registered office: Register of Incorporated Societies, Auckland, New Zealand.
- d) Incorporation Number: AK / 93 7808
- e) Name of Bankers: BBVA S.A. (Barcelona, Spain)

2. Bank Accounts

- a) All bank accounts must be in the name of INQAAHE.
- b) No account may ever be opened in the name of an individual or individuals or under Secretariat name.
- c) New accounts may only be opened by a decision of the Executive Committee under petition of the Secretary, which must be minuted.
- d) Changes to the bank mandate may only be made by a decision of Executive Committee, which must be minuted.
- e) All Internet Bank Transfers must be authorised by Secretary
- f) The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to authorising a Bank Transfer.
- g) Blank cheques must **never** be signed.

3. Annual Budget

- a) The treasurer and secretary will prepare an annual budget proposal for the next year and a revised current year budget. Board members will approve both in the annual INQAAHE Board meeting.
- b) The next year draft budget and current year revised budget will be updated by the Treasurer and Secretariat before the end of the first half of the year, and approved by the Board and sent to the General Assembly for approval.

4. Financial Reports

- a) The financial report consist of:
 - Profit & Loss
 - Balance Sheet
 - Cash-Flow
 - Equity
 - Aged receivables
- b) The financial reports will be prepared by the INQAAHE Secretariat and Treasurer.
- c) Secretariat will prepare half yearly reports that will be reviewed by the Treasurer and approved by the Executive Committee, to be sent one month after the close of the quarter for board approval.
- d) The Annual Financial Report will be circulated to all Board members and discussed at the annual Board meeting before presented by the Treasurer to the General Assembly for approval.
- e) Financial statements report will be issued end January.
- f) The financial statements must be filed with the Register of Incorporated Societies in New Zealand one month after the annual general meeting.

5. Membership invoicing

- a) Membership Invoices will be raised within January-February and sent to members latest end February.
- b) Payment terms: 30 days.
- c) Discount for LDC/LIC Countries:

Members from LDC/LIC countries are eligible for a reduced fee and receive a discount of 50%. The LDC/LIC countries are listed by OECD as less developed countries or low income countries.
- d) Currency: US Dollars (USD)

6. Membership collections

- a) INQAAHE accepts payments through Bank transfer and Credit cards, and exceptionally by Bank check (marginal payment, rarely used by organisations as their only existing payment system).
- b) Bank commissions must be supported by the INQAAHE member and not by INQAAHE.

7. Membership to be deleted/discontinued

INQAAHE membership will expire upon non-payment of annual dues. However, INQAAHE will make every effort to notify members of the need to pay their dues to avoid being dropped and will carry members on the INQAAHE membership directory for not more than one year after non-payment of annual dues. Members will receive a final notice that their membership has been removed for non-payment of dues after being invoiced two years in a row and failing to pay the annual dues by the specified dates in the invoices.

8. Debt provision

Provision of doubtful debtors will be calculated on December 31 listing all members with outstanding balances, giving each a percentage of the probability of collection and accumulating the balances to get the ending balance of the provision account.

9. Percentage of reserve funds

The percentage of reserve funds that should be maintained by INQAAHE is 50% of budgeted expenditure.

10. Accounting and other financial records

- a) Every transaction will be entered into the appropriate book and will include:
 - The date of the transaction.
 - The name of the organisation and money received from or paid to and the full amount.
 - A brief description of why the money was received or paid.
 - Analytic account register of each amount under its relevant budget heading, where applicable.
- b) All documents relating to receipts and payments will be filed in the month they are input into the system.

11. Authorisation and Payment

- a) All membership fees invoices must be recorded and quoted on their invoice.
- b) The Secretary (or Treasurer in their absence) must approve the purchase/payment of any item.
- c) No staff member may authorise payment to themselves, their partner or relatives.
- d) Invoices (or other receipts) should be matched and checked before payment is authorised.
- e) Before bank transfer payment is made, it must be authorised in writing.
- f) For Internet Bank Transfer Secretary must sign the Authorisation form.
- g) Once payment has been made the invoice (or other receipt) should be marked "Paid", together with the bank transfer copy and date.
- h) All payments must be entered in the computerised accounting system only after being authorised.

12. Reimbursement

12A. Travel Reimbursement:

a) INQAAHE limits for travel reimbursements:

- Economy Class (air fare, trains, etc.), upgrade is possible as long as the funds are from other sources.
- Subsistence and accommodation is supported at UNESCO's per diem rate for the relevant country based on location of travel

(<http://apps.who.int/bfi/tsy/PerDiem.aspx>)

b) The travel expenses should be reviewed by the Secretariat staff and approved by the Secretary. The person travelling cannot approve his/her own travel.

12B. Board meeting reimbursements and honoraria

When an INQAAHE Board Member attends, in its entirety, the meetings of the INQAAHE Board of Directors held before and after INQAAHE events (i.e., biannual conferences or fora), the Members' agencies are provided with USD 1,000 to be used toward partial reimbursement of travel-related costs to attend the meeting (e.g., airfare, hotel, meals). In addition, each Board Member in attendance will receive a USD 500 personal honorarium.

Board members are elected to serve on the board by virtue of their agencies' respective memberships in INQAAHE. Agencies are expected to support the board members' commitments through travel-related costs. Similarly, Board members give personal time and energy to fulfilling their commitments and deserve a small token of appreciation.

12C. Funded travel reimbursements

a) Financial support to attend the biennial Conference/Forum

INQAAHE has a limited budget allocated to assist its members from Low Income and Lower middle income countries as per recent World Bank classification to attend INQAAHE Conferences and Forums.

QA representatives wishing to apply for financial support from INQAAHE to attend biennial Forum/Conference should complete an application form. The assigned amount to all beneficiaries will correspond to the total allocated budget, up to USD 2,500 to each individual applicant.

Exceptional funding situations should be studied by the Board of Directors and the corresponding budget allocated.

b) INQAAHE funding for keynote speakers of the biennial Conference/Forum invited by INQAAHE

Keynote speakers, who are invited directly by INQAAHE. INQAAHE will reimburse the keynote speakers the fare of an economy ticket and provide him/her with accommodation and full board, in addition, no registration fees is charged.

This clause won't apply if the keynote speaker is a Board member, as he/she will receive the BM reimbursement funding.

c) INQAAHE funding for workshop facilitators of the biennial Conference/Forum invited by INQAAHE.

Workshop facilitators, who are invited directly by INQAAHE. INQAAHE will reimburse the workshop facilitator the fare of an economy ticket and provide him/her with accommodation and full board, in addition, no registration fees is charged.

This clause won't apply if the workshop facilitator is a Board member, as he/she will receive the BM reimbursement funding and if the nominated person has already registered in the biennial Conference/Forum.

d) UNESCO and ICDE meetings funding

When an INQAAHE Board Member attends an UNESCO / ICDE meeting, the Board member representing INQAAHE will be reimbursed up to USD 1,500 and the funding will be authorised by the Board of Directors and corresponding budget allocated.

13. INQAAHE Conference/Forum Registration fees, cancellations and refund policy

Host organisation staff, keynote speakers and workshop facilitators, will register in the biennial INQAAHE Conference/Forum but do not have to pay the corresponding registration fees.

INQAAHE Conference/Forum host reserves the right to refuse/cancel the registration to the Conference/Forum registrants based on circumstances which the INQAAHE Board deemed reasonable and will accept their request and refund their fees on the following sliding scale:

- Registrations cancelled **more than 2 weeks or longer notice** before the Conference/Forum will be refunded **100%** of the registration fees.
- Registrations cancelled **less than 2 weeks and more than 3 days** before the Conference/Forum will be refunded **50%** of the registration fees.
- Registrations cancelled **less than 3 days** before the Conference/Forum will not be eligible for a refund.

14. INQAAHE Funding Scheme

INQAAHE Funding Scheme (IFS) envisions provision of small grants to INQAAHE members on competitive basis to promote implementation of innovative and enhancement projects aimed at enhancement of quality assurance systems worldwide.

a) Capacity Building proposals

In case of need for pre-financing, and based on a well-justified proposal, up to 20% of the proposed budget could be transferred to the grant-holder subject to financial reporting. In case of failure to report in due manner on the pre-financing, the instalment of the rest of the amount as well as the grant will be terminated. If this is the case, the pre-financing amount should be paid back to INQAAHE.

b) QA Graduate Program Scholarships

INQAAHE offers QA Graduate Program scholarships to support outstanding candidates from less developed or low income countries.

Successful applicants will have to apply for admission and first instalment of 30% scholarship will be transferred directly to the awarded students (not to the University) against enrolment certificate as admitted student.

Second instalment of 70% scholarship will be settled to the awarded students against QA Graduate program completion certificate. In case the enrolment fee is lower than the scholarship, INQAAHE will fund the remaining amount up to the complete enrolment fee.

c) Research and innovation proposals

Funding amount will be limited and published in the corresponding Calls, which will be transferred against receipt of the final report.

Funding will be transferred against submission of final version of the research and innovation paper after it has been typeset by the publisher, as the culmination of the proofing process.

d) INQAAHE funding to attend the biennial Conference/Forum

QA representatives wishing to apply for financial support from INQAAHE to attend biennial Forum/Conference should complete an application form. Assigned amount to all beneficiaries will correspond to the total allocated budget, up to USD 2,500 to individual applicant.

Exceptional funding situations should be studied by the Board of Directors and corresponding budget allocated.

15. Audit requirements

Accounts will be externally audited every four years and exceptionally under General Assembly or Executive Committee request.

The INQAAHE financial accounts are now held separately in INQAAHE's name and not the name of the agency that is serving as the host Secretariat. Audits conducted on a regular basis, at time of secretary transfer before an audit period was due, will insure that the financial accounting procedures being used are up-to-date and fall within good accounting practices.

16. Insurance

No Liability insurance policies.

17. Provision depreciation

Provision of depreciation of assets will be registered each corresponding year on December 31.

The depreciation of **fixed assets** is calculated using the straight-line method over their estimated useful lives for the assets concerned, based on the actual decline in value caused by wear and tear, being the period time **four years** after the asset is brought into operation.

The depreciation of **intangible fixed assets** is calculated using the straight-line method over their estimated useful lives for the assets concerned, based on the actual decline in value, being the period time **three years** after the asset is brought into operation.

This Financial Policy and the Financial Procedures detailed above were agreed at the INQAAHE electronic Board meeting held on June 4, 2017.



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