

IFSC FINANCIAL REGULATIONS



INTERNATIONAL FEDERATION OF SPORT CLIMBING

Approved by the IFSC Executive Board

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I – BASIS

Article 1 - Scope

The scope of the Financial Regulations is to define the principles and protocols of management of the IFSC finances.

The document is approved by the Executive Board and shared with the General Assembly. It may be completed by more detailed annexes, such as operational and internal policies describing protocols of certain areas or bodies.

Article 2 - References

The Financial Regulations shall refer to the IFSC Statutes in force approved by General Assembly.

Article 3 – Keeping of accounts

Keeping of accounts is managed internally, under the responsibility of the Treasurer and the guidance of the Administration Director.

The Administration Department is in charge of keeping the IFSC accounts in good order, ensuring that the Financial Regulations and their annexes are respected and implemented in all circumstances.

Bookkeeping is managed on the online accounting software “Xero”. The following persons have access to Xero:

- President, read only rights
- Treasurer, read only rights
- General Director, read only rights
- Administration Director, editing rights
- Bookkeeper, editing rights
- Other Administration Department personnel, read only / editing rights, according to the role

No other person is authorized to access the system.

Article 4 – Principles of accounting

The IFSC has its legal seat in Bern, Switzerland.

The yearly Financial Statements are prepared on an accrual basis in accordance with the requirements of the financial reporting framework in Switzerland. The audited Statements are approved by Executive Board and the General Assembly each year.

The financial year of the IFSC runs from January 1st to December 31st.

The basic currency for annual accounting purposes is be the Euro. However, cash accounts and transactions may be in other currencies than EUR.

II – BUDGET

Article 5 – Budget preparation

The annual provisional budget is prepared throughout Q4 of the previous fiscal year.

The Treasurer, together with the General Director and the Administration Director, are responsible of coordinating the compilation of the provisional budget and presenting it to the Executive Board.

Directors of each Department are called to contribute to the preparation of their department internal budget. The Administration Director receives all the figures, prepares the final document and, with prior consultation with the Treasurer and the General Director, presents it to the Executive Board for approval.

Revenues and costs considered in the budget shall follow the IFSC mission and objectives as outlined in the Statutes, as well as in the Strategic Plan approved by General Assembly.



Revenues are estimated according to the principle of prudence. They are calculated on the basis of previous years actual revenues and of an accurate forecast of future revenues. Similarly, the calculation of the expected costs shall consider the result of previous year, as well as other detailed potential expenditures.

In the preparation of the budget, a provision for risk and allocation of funds dedicated to specific projects, should also be considered.

Article 6 – Budget approval

After receiving the approval of the Executive Board, the budget is submitted and presented to the General Assembly who finally validates it during its annual gathering.

A quarterly report on the status of the finances and the implementation of the budget will be made available to the Executive Board.

Article 7 - Budget control

The approved budget may be subject to quarterly internal revisions in the event of major variances between the actual and budgeted incomes and expenditures.

The revisions, if any, shall be approved by the Executive Board.

Procedures are described in Article 17 of this document.

III – FINANCIAL PROCEDURES

Article 8 - General

The President remains the sole legal representative of the IFSC. However, designated members of the Executive Board and of the Staff may be delegated to commit expenditures in accordance with the limits and areas of responsibility established by the *Delegation of Authority* document approved by the Executive Board.

Article 9 - Purchases

Purchasing procedures are outlined in the *Purchasing Policy*, with the aim to secure the most appropriate materials, supplies, equipment, and services at the lowest available price, consistent with the quality requirements and delivery needs of the IFSC.

The Policy applies to all the members of the Executive Board and Staff, as well as whoever requires a purchase. The Administration Department is in charge of implementing the Policy, processing the purchase orders and complying with the rules described.

Article 10 - Control of customer invoices

The Administration Department is in charge of raising invoices and recording their payment.

Each invoice must be supported by the relevant Agreement and / or the IFSC Fee System in force at the time of the invoice.

The accounting software is set to send automatic invoice reminders after the due date (unless other specific agreements are in place).

Under exceptional circumstances, the Administration Director may, with the prior approval of the Treasurer, agree on detailed payment plans to support Member Federations in meeting their financial obligations.

Article 11 – Travel expenses and compensation

Travels of the IFSC Officers (Board Members, Employees, Contractors including appointed Officials) must be justified by a valid reason to attend a specific event / meeting. In particular, the attendance of Executive Board Members shall be authorized by the President; Employees and Consultants travel upon approval of the General Directors; Officials' annual appointments are established by the Sport Department before the start of the events season.



Travel expenses are detailed and regulated by the following documents, divided by category:

- *Executive Board Travel and Compensation Policy*, applying to Executive Board members
- *Staff Travel Policy*, applying to Employees
- *Contractors Travel Policy*, applying to Contractors appointed to events

Each document provides a clear procedure for the IFSC to cover travel expenses incurred to perform the Federation's activities. All Officers are expected to behave in full compliance with the relevant Policy. The Administration Department is in charge of implementing the Policies.

The Executive Board Travel and Compensation Policy, in addition to setting travel expenses reimbursement regulations, defines the terms of the Executive Board members' financial compensation in accordance with what established in the Statutes. Failure to comply with the Policies may result in the total or partial denial of reimbursement of expenses.

Article 12 - Payments

a. Bank transfers

In accordance with the *Delegation of Authority* document, the General Director, the Administration Director and the Bookkeeper are authorized to process payments within the limit established by such document and within thin the approved budget. Above that limit, the authorization of the Treasurer is requested.

b. Credit cards

The President, the Treasurer, the Directors, and the Administration personnel may hold a business credit card upon request. Such requests must be validated by the Treasurer.

All credit card holders are responsible for the use of the card under their name and are requested to follow the IFSC policies. In addition, they are asked to keep the original receipts of all transactions and give them to the Bookkeeper within 30 days from the payment date to ensure the correct recording on the accounting system. In case the card holder is not able to provide the receipts, he/she may be asked to reimburse that amount to the Federation.

Cash withdrawal is authorized only under exceptional circumstances, that is when cash is the only accepted payment method by the service provider. In this case, both the withdrawal and the cash payments receipts must be kept. The remaining cash shall be returned to the Administration Department, which will record it into the cash register.

In case of inappropriate use of the card (non-compliance with the policies, unauthorized expenditures, repeated missing receipts, etc), such card may be suspended and costs must be reimbursed by the user.

c. Cash register

A small cash register may be kept at the Headquarters for exceptional use.

The Administration Department is in charge of managing the register and recording incoming / outgoing cash payments. All transactions in cash must be duly recorded in the accounting software.

d. Expense advances

IFSC Officers who do not hold a credit card may request a reimbursement advance for the expenses to be borne during a mission. Such requests must be submitted in written to the Administration Department at least 10 days in advance. Upon conclusion of such mission, the Officer will send the list of the actual expenses and the relevant receipts to the Bookkeeper. In case the advance exceeds the actual expenses, the Officer will either reimburse the difference to the IFSC or keep the advance for future missions.

e. Telephone costs



The President and the Employees of the Federation may receive a business mobile phone for the performance of their work. The mobile and internet subscription associated to that phone shall be managed by the Administration Department, which shall find the most suitable contract for the operations.

Executive Board members, with the exclusion of the President, are responsible for the costs of their own mobile phone and its subscription. Only under exceptional circumstances (for example on a mission out of their country of residence) they can claim for reimbursement of mobile phone expenses borne to support their work for the IFSC upon presentation of the relevant bill with the details of the costs.

f. Storage of documents

The Administration Department shall store all documents supporting the payments (bills, purchase orders, reimbursement claims, receipts, etc.) in a precise and timely manner on the Federation server.

Such documents must be available any time to facilitate the financial monitoring processes.

Article 13 – Hardware and equipment

All office and computer equipment and appliances must be registered as IFSC tangible assets with a unique identification number and are subject to an annual depreciation. The IFSC is the sole owner of its assets.

The inventory of the assets is updated with the current value at the end of each fiscal year.

All IFSC Officers are required to take good care of the assets and use them for business purposes only.

In case of malfunction or disruption of the assets, the Administration Department is informed immediately and contacts the relevant provider to restore the correct functioning.

Assets used out of the Headquarters shall be duly tracked and must be returned to the IFSC at the end of the mission.

IV – INFORMATION AND INTERNAL CONTROL

Article 14 - Internal control

The Administration Director is responsible for the financial internal control, ensuring the compliance with all the polices and regulations in a timely and accurate manner.

The Administration Director is supported by the Bookkeeper in the implementation of the internal control processes.

Article 15 - General accounting

The accounting recording system aims to ensure the best possible reliability through compliance with the following procedures:

- verification of the expenditure approval protocol before payment;
- systematic reconciliation of invoices with purchase orders and quotes;
- regular monitoring of all accounts payable and receivable balance.

Article 16 - Cash flow

Bank transactions are recorded and reconciled at least on a monthly basis on the accounting software. Cash flow forecasts are revised quarterly.

Article 17 - Budgetary control

The quarterly budgetary control includes:

- monitoring the execution of the approved budget;
- comparison between estimated and actual incomes / expenditures;
- release of the up-to-date Profit and Loss, to be presented to the Executive Board.



Variances from the approved budget are analyzed by the Treasurer, General Director and Administration Director, in addition to the Director(s) of the Department(s) involved if required.

Department Directors may request the Profit and Loss of their Departments between the quarterly controls to facilitate the monitoring of the activities.

Article 18 – Budget overrun

In the event of a proven budget overrun, the Executive Board examines the reasons for such overrun and orders a budget review.

Article 19 - Information

The Treasurer, with the support of the Administration Director, presents the quarterly budgetary control and the financial situation to the Executive Board.

At the end of the financial year, the audited Financial Statements (Balance Sheet, Profit and Loss, Notes) are submitted to the Executive Board for approval. Once approved, the Statements are distributed to the Member Federations with the General Assembly full Agenda and are finally subject to the GA vote.

The Financial Statements can be accepted in digital format.

V – INFORMATION AND EXTERNAL CONTROL

Article 20 – External Auditing

The General Assembly appoints the Auditor for a four-year mandate. He/she audits the Federation's complete Financial Statements as at December 31st of each year in accordance with International Standards on Auditing (ISAs).

External auditing procedures include:

- identification and assessment of the risk of material misstatement of the financial statements;
- understanding of internal control procedures;
- evaluation of the appropriateness of accounting policies;
- control of the correct use of basis of accounting;
- verification of the overall presentation, structure, and content of the financial statements.

The Auditor presents his/her annual report to the General Assembly prior to the vote on the Financial Statements.

VI – CONTINENTAL COUNCILS

Article 21 – Continental Councils finances

According to the IFSC Statutes *“Continental Councils activities are financed by Continental competition fees and a possible annual financial support, included in the annual budget of the IFSC, approved by the Plenary Assembly. To be considered for inclusion in the budget, detailed development and activity plans shall be presented to the Executive Board two months prior to the Plenary Assembly.”*

The Continental Council President/Representative in the Executive Board is responsible to ensure that Continental operations are carried out in full compliance with the IFSC regulations, policies, and protocols in force.

The IFSC is the ultimate responsible for the Continental Council finances and for their compliance with the auditing principles described in Art. 4 of this document.

Continental Councils accounts are subject to the internal and external auditing procedures of the IFSC. Their annual statements as at 31 December are part of the IFSC Financial Consolidated Statements approved by the General Assembly.



Article 22 - Keeping of accounts for Continental Councils

Keeping of accounts is managed by the IFSC Administration Department, under the responsibility of the Treasurer.

Continental Councils shall provide the Administration Department with all the necessary information and documents to keep the accounts in good order, ensuring that the Financial Regulations and their annexes are respected and implemented in all circumstances.

Each Continental Council may request to have a dedicated bank account.

Article 23 - Process

1. Continental Councils approve their revenues and costs within their area of competence;
2. Continental Councils send the IFSC Administration Department instructions to raise invoices and make payments;
3. The Administration Department finally follows the instructions and manages the operations on the bank accounts and accounting software;
4. Continental Councils have access to their dedicated bank account with viewing rights;
5. The IFSC Administration Department sends monthly financial reports to the Continental Councils;
6. Continental Councils must present to the Executive Board a financial report as at 30th June and 31st December of each financial year.

Article 24 – Continental Councils Budget

Continental Councils are asked to submit an annual budget for their activities. The budget is subject to the Treasurer validation and is part of the IFSC overall budget presented to the General Assembly.

Rules of the compilation of such budget shall follow the procedures set in the Financial Regulations, specifically section II – Budget.

Continental Councils shall comply with the deadlines set by the IFSC to submit their annual budget.

VII – COMPLIANCE WITH THE IFSC FINANCIAL REGULATIONS

Article 25 - Non-compliance with the Regulations

All IFSC Officers must act in compliance with the Financial Regulations.

Failure to comply with the Regulations, in particular in the event of unauthorized expenses, may result in disciplinary sanctions and proceedings.

VIII – ANNEXES

The following documents regulate the IFSC policies and protocols in force:

- Delegation of Authority
- Purchasing Policy
- Executive Board Travel & Compensation Policy
- Staff Travel Policy
- Contractors Travel Policy