



# ***AEGEE Toolkit***

## ***Treasury***



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## 1. Who is the Treasurer?

What are the tasks of the person occupying position of the Treasurer in one local?

- To make an initial budget of the local and to update it according to the recent changes.
- To bookkeep on a regular basis and keep the financial report updated.
- To make sure that the debtors pay back as well as the creditors are being paid back.
- To make sure that the expenditures do not structurally exceed the income, and if so inform the entire board so together a solution can be found.
- To inform the board about the financial situation of the local on a regular basis, and adjust the policy of the entire board according to the financial needs.
- To assist with financial management to the projects carried out by the local.
- To pay membership fee to AEGEE-Europe twice or once per year.

## 2. Financial report

Why is it important?

1. To have an overview of current financial situation in the local
2. To have an important document ready for different stakeholders (members, universities, private companies, donors, authorities)
3. To fulfil the antenna criteria according to the CIA (Corpus Iuridicum AEGEEense)

What the treasurer should know to be able to compile the Financial Report:

### 2.1. Double-entry bookkeeping system

A good treasurer should have a basic knowledge in bookkeeping.

The most common system of bookkeeping is the "Double-entry bookkeeping system".

Double-entry bookkeeping is governed by the accounting equation.

	DEBIT	CREDIT
<b>ASSET</b>	Increase	Decrease
<b>LIABILITY</b>	Decrease	Increase
<b>INCOME</b>	Decrease	Increase
<b>EXPENSE</b>	Increase	Decrease

This means that each transaction creates two entries: one on the credit side and one of the debit side of the categories in question.

### Example 1

AEGEE-XXXXX pays 200€ of rent for their office and their treasurer used cash.

	DEBIT	CREDIT
Rent Office	200€	
Cash		200€

In this case Rent Office is an Expense and Cash is an Asset.

### Example 2

Mr. Y paid 200€ of rent for the office of AEGEE-XXXXX.

	DEBIT	CREDIT
Rent Office	200€	
Creditor		200€

We have to give him a reimbursement!

	DEBIT	CREDIT
Creditor	200€	
Cash		200€

In this case we have 2 steps for the same operation. But still each step follows the aforementioned principle (each transaction creates two entries).

## 2.2. Profit and Loss statement and Balance Sheet

It's important to distinguish two elements forming the Financial Report: The **Profit and Loss Statement** and the **Balance Sheet**.

The Balance Sheet is a snapshot of the financial situation in the beginning of the period in question (Opening Balance), and in the end of one (Closing Balance).

The Profit and Loss Statement on the contrary is the story. It explains what happened within this period in question, displays the evolution of the incomes and expenses during the period, how the opening balance transformed into the closing one.

Each year the Profit and Loss starts from 0, while the Balance Sheet keeps as an Opening Balance the Closing one from the previous year.

## 2.3. Financial Report in AEGEE

There are two types of Financial Reports available for locals to use.

One is very simple and is appropriate rather for small and medium-sized locals with quite simple accountancy. The other, "extended" one is used mostly by antennae with more complex systems of bookkeeping.

Templates of both financial reports are provided upon request by the Audit Commission of AEGEE-Europe, and also can be found [here](#).

A detailed explanation of each line of the financial report and the way how to fill it in correctly can be found [here](#) as well.

*IMPORTANT: In the beginning of each calendar year, the Audit Commission of AEGEE-Europe sends a request to all locals to submit their yearly financial reports through a special web form which mirrors the templates of financial reports mentioned above (can be found [here](#)). A Financial Report of good quality submitted on time equals to one fulfilled antennae criteria for the local 😊.*

### Tip:

It is important to work on accountancy and update the Financial Report constantly during the year. Otherwise the treasurer risks to be overwhelmed by the amount of bills and notes in the end of the year, not being able to recall where they come from and how they relate with each other.

## 3. Membership fee system of AEGEE-Europe

### 3.1. Membership fees

According to the Working Format Antenna Criteria, every local needs to **pay membership fees to AEGEE-Europe**.

The general rule for membership fees is that every local has to pay to AEGEE Europe 25% of the fees collected from its members, but not less than 4 euro per member per year (= 2 euro per member per Agora).

Exceptions from the rules can be done by the Financial Director of AEGEE-Europe. Therefore in case the local wants to increase its membership fee to the amount which exceeds the internal maximum (50 euro), the treasurer of this local should contact Financial Director of AEGEE-Europe for approval.

The payment should be done per member before each Agora. Payment can be done for one year in advance, but if the number of members increases, this should be corrected after half a year.

An email with all the information regarding the payment is sent to the locals one month prior to Agora by the Financial Director. In this email, locals are asked to pay via bank transfer. You can find all the data of our bank accounts [here](#).

The Financial Director prepares the receipts according to the number of members your local has. It is therefore important to make all your members sign up on the intranet. Until the new system is not fully filled with information, you will still need to send a members list to the Network Director before each Agora.

If you make your payments via bank transfer, please write an email to the Financial Director to confirm if the fee arrived to AEGEE-Europe's bank-account.

For the locals paying by cash directly at the Agora, the Financial Director will accept only Euro.

### **3.1. Summer University fees**

Besides membership fees, there is one other type of fees that have to be paid to AEGEE-Europe once per year – Summer University fees.

This is the payment of 2.5 euro for each member applying from the local to participate in the Summer University project.

This payment is usually done at the Autumn Agora, following the Summer University period. The information regarding the amount is being communicated as well by Financial Director of AEGEE-Europe by email one month prior to the start of the Agora.

*More information on how the fees to AEGEE-Europe are calculated can be found in this [manual](#).*

## **4. Intro to Audit Commission**

The Audit Commission consists of 3 members with experience and knowledge in the financial sphere: accountancy, budgeting, etc.

Their initial task is to ensure the quality of the finances in the Network by:

- Auditing financial documents and accounts of AEGEE-Europe twice per year;
- Checking financial reports of the locals once per year.
- Assisting all bodies of AEGEE-Europe in solving financial issues.

Besides, they can provide the treasurer with answers to the specific questions related to the financial management of his local, especially at the stage of creation of the local.

Therefore, in case of the financial questions, ex.:

- How to set the membership fee in the local?
- How to manage accountancy?
- How to report?
- .....

...locals are strongly advised to approach the Audit Commission at [audit-l@lists.aegee.org](mailto:audit-l@lists.aegee.org).