

## VSE Finance Policy

Adopted by the VSE Executive Board on 18 November 2024, with the aim to assure transparency of financial operations, while also setting clear rules for the staff and the rest of the organisation to follow to ensure good financial governance.

The policy is built as a robust, but also detailed document, which contains the following main chapters:

Chapter 1 General provisions

Chapter 2 Governance and Oversight

Chapter 3 Budgeting, reporting and monitoring

Chapter 4 Budget Execution

Chapter 5 Risk identification and management

Chapter 6 Financial reporting and transparency

Chapter 7 Banking and bank payments

Chapter 8 Payment and expense management

Chapter 9 Procurement

Chapter 10 Travel expenses and reimbursement policy

Chapter 11 Grant management

Chapter 12 Effective date and applicability

Full text of the policy as well of applicable annexes is available on VSE intranet



## Contents

Chapter 1 General provisions .....	4
Article 1. Background and Purpose .....	4
Article 2. Scope and Applicability .....	4
Article 3. Objectives of the Finance Management Policy.....	4
Article 4. Language of the policy .....	4
Article 5. Legal and Regulatory Framework.....	5
Article 6. Conflict of Interest .....	5
Chapter 2 Governance and Oversight.....	5
Article 7. General Assembly .....	5
Article 8. Appoints the external auditor. Executive Board .....	5
Article 9. Management Team .....	5
Article 10. Treasurer.....	6
Article 11. Executive Director and Deputy Director.....	6
Article 12. Finance and Administration Team .....	6
Article 13. External Accountant .....	7
Article 14. Budget owners.....	7
Chapter 3 Budgeting, reporting and monitoring.....	8
Article 15. Types of budget .....	8
Article 16. Types of income and expenditure .....	8
Article 17. Types of cost.....	8
Article 18. Organisational budget .....	9
Article 19. Project budgets.....	9
Article 20. Project Leads .....	10
Article 21. Activity budgets .....	10
Article 22. Cost categories .....	10
Article 23. Corrective actions for budget variance .....	10
Article 24. Financial reports and financial calendar of VSE .....	11

Chapter 4 Budget Execution .....	11
Article 25.    Budget management .....	11
Article 26.    Budget Owner .....	12
Article 27.    Budget Supervisor .....	12
Article 28.    Expenditure request.....	13
Article 29.    Payment approvals .....	13
Article 30.    Internal Controls .....	13
Article 31.    Approval and workflow for payments.....	13
Chapter 5 Risk identification and management.....	14
Article 32.    Risk identification .....	14
Article 33.    Risk assessment .....	15
Article 34.    Risk monitoring and management.....	15
Chapter 6 Financial reporting and transparency .....	16
Article 35.    Definitions .....	16
Article 36.    Annual financial report .....	16
Article 37.    Selection of auditors .....	16
Article 38.    External audit .....	17
Article 39.    Project financial reports .....	17
Article 40.    Other periodic financial reports .....	17
Chapter 7 Banking and bank payments .....	18
Article 41.    VSE Bank Accounts.....	18
Article 42.    Access to Bank Account .....	18
Article 43.    Payment execution .....	18
Article 44.    Standing orders .....	19
Article 45.    VSE Credit cards .....	19
Article 46.    Credit card reconciliation.....	19
Chapter 8 Payment and expense management .....	19
Article 47.    Payment and expense allocation .....	19
Article 48.    Cost reimbursement .....	20
Article 49.    Accountancy system.....	20
Article 50.    Cost centres.....	20
Chapter 9 Procurement.....	20
Article 51.    Principles of procurement .....	20

Article 52.	Conflict of interest .....	21
Article 53.	Eligibility criteria .....	21
Article 54.	Types of procurement .....	21
Article 55.	List of trusted suppliers .....	21
Article 56.	Exception from application of procurement procedures .....	22
Article 57.	Preparing procurement procedure .....	22
Article 58.	Single tender and negotiate procedure procurement .....	22
Article 59.	Open tender .....	23
Article 60.	Insufficient number of offers .....	23
Article 61.	Unsuccessful tender procedures .....	24
Article 62.	Selection of supplier and signature of contract .....	24
Article 63.	Processing procurement .....	24
Article 64.	Exceptional procedure.....	24
Article 65.	Auxiliary nature of VSE procurement procedures .....	25
Chapter 10	Travel expenses and reimbursement policy.....	25
Article 66.	Travel Authorisation form.....	25
Article 67.	Booking flights .....	26
Article 68.	Other means of transportation .....	26
Article 69.	Booking accommodation .....	27
Article 70.	Modifications to the travel itinerary or dates for personal reasons.....	27
Article 71.	Subsistence .....	27
Article 72.	Reimbursement of travel costs .....	27
Article 73.	Advance payment .....	28
Article 74.	Costs related to externally funded travel .....	28
Chapter 11	Grant management .....	28
Article 75.	Development of project applications.....	28
Article 76.	Preparation of grant agreements and service contracts .....	28
Article 77.	Rules applicable to grant management.....	29
Chapter 12	Effective date and applicability.....	29
Article 78.	Entry into force.....	29
Annex I –	Spending authorisations & approvals .....	29
	Framework for budgetary responsibility (Art. 12 and 13) .....	29
	Credit card authorisations (Chapter 6Article 35) .....	29

Payment approvals flowchart () .....	<b>Error! Bookmark not defined.</b>
Annex II – Procurement procedure .....	30
Procurement workflow form:.....	33
Selection of procurement procedure by value .....	34
Annex III – Budget owners and supervisors .....	<b>Error! Bookmark not defined.</b>
Annex IV – Other forms .....	30
Cost reimbursement form .....	<b>Error! Bookmark not defined.</b>
Travel authorisation form (TAF) .....	30
Terms of Reference (ToR) for a Single Tender .....	32

## Chapter 1 General provisions

### Article 1. *Background and Purpose*

The purpose of the present Financial Management policy is to establish clear guidelines and procedures for Managing Victim Support Europe's Financial resources. This policy aims to ensure prudent financial practices, transparency, accountability and compliance with applicable laws and regulations.

### Article 2. *Scope and Applicability*

The policy applies to all VSE employees, contractors and individuals involved in the financial management and decision making within Victim Support Europe. It encompasses all aspects of financial management, including budgeting, financial reporting, internal/ external controls and financial decision making.

VSE financial management needs to be ensured in line with this policy, as well as to respond to any requirements stemming from funding terms and conditions, such as grant agreements, sponsorship agreements, as well as with any requirements of the bookkeeping and accountancy.

In the case of conflict or inconsistencies between VSE internal rules and any external rules of applicable Belgian or EU legislation, or financial rules of funders, the stricter rule will apply. In case of doubt as to which rule is stricter, the following ranking of the rules will be followed:

- EU legislation
- Belgian legislation
- Rules of funders or contractual conditions
- VSE Financial Policy

### Article 3. *Objectives of the Finance Management Policy*

The main objectives of the present Finance Management Policy are:

- Ensure Stability, Liquidity, and Efficiency of use of VSE resources.
- Achieve High Operational Efficiency.
- Maintain a Balanced Financial Structure.
- Mitigate Risks to the Lowest Possible Level.
- Foster VSE financial viability.
- Maximise VSE reserves in a Sustainable Manner.

### Article 4. *Language of the policy*

For the purposes of the implementation of the present policy, and for daily communication with the Executive Board, staff and external stakeholders, the primary language is English (working language).

For the communication with Belgian stakeholders and statutory reporting purposes, the primary language is French (administrative language).

## Article 5. *Legal and Regulatory Framework*

The present policy is to be implemented in view of the relevant EU acquis, in particular [the EU Financial Regulation](#) and [the EU VAT Regulation](#). Moreover, relevant Belgian legislation and rules apply, as the law of the country where VSE is incorporated and has its seat. Finally, VSE's Constitution internal policies also apply.

## Article 6. *Conflict of Interest*

A conflict of interest relates to any event influencing the capacity of a candidate, tenderer, contractor or grant beneficiary to give an objective and impartial professional opinion, or preventing at any moment, from giving priority to the interests of the VSE. It may also refer to any consideration relating to possible contracts in the future or conflict with other commitments, past or present, of a candidate, tenderer, contractor or grant beneficiary. These restrictions also apply to any sub-contractors and employees of the candidate, tenderer, contractor or grant beneficiary.

# Chapter 2 Governance and Oversight

## Article 7. *General Assembly*

The General Assembly (GA) is constituted of all VSE full Members, and in line with the relevant Belgian legislation, VSE Constitution and the present policy it:

- § Adopts VSE annual accounts;
- § Appoints the external auditor.

## Article 8. *Executive Board*

The Executive Board is the main governing body of VSE, acting in line with the VSE Constitution and the relevant organisational bylaws. As such, as regards this Policy, the Executive Board:

- § Adopts the financial policies and procedures;
- § Adopts annual budgets and changes thereto;
- § Reviews periodic financial reports;
- § Reviews financial risk register;
- § Ensures that all financial activities adhere to established financial and accounting policies, authorities, and guidelines as outlined in the present policy;
- § Regularly reviews and ensures the fitness for purpose of the present and any other VSE policies related to the financial management and operations.

## Article 9. *Management Team*

The Management Team is the operational governing body of VSE, acting in line with the VSE Constitution and the relevant organisational bylaws. As such, as regards this Policy, the Management Team:

- § Reviews and endorses reports, financial plans, budgets as required by the Executive Board;

- § Reviews and endorses the audited annual accounts prior to the submission to the Executive Board;
- § Pre-approves VSE participation in projects, when required by the present Policy;
- § Performs other tasks as required and prescribed by VSE Constitution or relevant bylaws

#### Article 10. *Treasurer*

- § Presents budgets and financial reports to the Executive Board and the General Assembly;
- § Ensures general financial compliance and good financial governance of VSE;
- § Oversees the financial health of the organisation;
- § Provides guidance to the VSE staff, Executive Board and the General Assembly regarding financial operations and governance, when needed;
- § With the support of VSE staff, proposes the appointment of the external auditor;
- § Acts as the final authority in the implementation of the present Policy.

#### Article 11. *Executive Director and Deputy Director*

Executive Director is responsible for ensuring the effective implementation of this policy and the effectiveness of the financial management system, ensuring adherence to established financial and accounting policies, authorities, guidelines, practices, and procedures.

Deputy Director is responsible for the daily implementation of this policy, organisation of necessary audits and preparation of financial reports to be presented to the relevant VSE and external bodies, as required.

Executive Director and Deputy Director are accountable to the Treasurer and the Executive Board for their actions and decisions.

VSE Executive Director and Deputy Director, in particular, ensure:

- § Payments, bank transfers and inter-account bank transfers;
- § Preparation of budgets and financial reports for the approval of the Treasurer;
- § Monitoring of the execution of VSE budgets; Development of VSE annual and other budgets;
- § Development of annual spending plans and oversight of their implementation;
- § Monitoring of bank statements, identification of any irregularities and review of monthly bank reconciliations;
- § Monitoring of grant reporting and compliance with any financial rules of grantors;
- § That the External Accountant is appointed and that their work is timely commissioned to ensure full compliance with the statutory requirements;
- § Oversight and the adherence to all internal financial controls;
- § Any other action that is required to ensure good financial governance and compliance of the organisation.

Executive Director and Deputy Director ensure that the above tasks are executed either directly by them, or delegated to a staff member for execution.

#### Article 12. *Finance and Administration Team*



VSE Finance and Administration Team (FA Team) is appointed by the Executive Director. The FA Team is tasked with the daily implementation of financial policies and the preparation of all necessary financial documents and reports. They ensure that all transactions are appropriately documented. The team is responsible for creating and maintaining all pertinent financial records to effectively manage the organisation's finances. They produce and present regular financial management reports, prepare annual accounts, and submit them to the external auditor.

In particular, the FA Team has the responsibility to deliver the following tasks:

- § Process invoices;
- § Review and process all reimbursements and fund requests;
- § Review and process all payroll calculations;
- § Review and process other payments and purchases;
- § Review and manage cash flow;
- § Review and process all incoming and outgoing invoices;
- § Review, propose revision to and maintain internal accounting controls and procedures;
- § Support the preparation of the financial reports;
- § Review expense allocations;
- § Entry of data in the accountancy system;
- § Maintain the filing system;
- § Perform other tasks defined by the Executive Director, the Deputy Director or the External Accountant.

#### Article 13. *External Accountant*

VSE External Accountant is selected from the pool of chartered accountants in Belgium, with the experience and expertise in supporting financial operations of organisations with the same or similar statute as VSE.

The External Accountant is appointed by the Executive Director, with the approval of the Management Team. The Management Team revises the appointment of the External Accountant at least once a year, with view of extending their contract or identifying the new External Accountant.

The external accountant supports VSE in maintaining statutory requirements regarding financial management. In particular, the external accountant:

- § Controls the data in the accountancy system;
- § Maintains general ledger and other journals;
- § Prepares end year legal financial reports;
- § Prepares and submits to the VAT authorities and other tax returns, as required;
- § Supports the delivery of annual and other financial audits;
- § Otherwise supports the Finance and Administration team as needed in daily financial management of the organisation.

#### Article 14. *Budget owners*

VSE staff members can be assigned as budget owners, in line with the present Policy.

Budget owners are responsible for the management and monitoring of budget execution and to ensure that activities, projects and programmes are delivered to budget and standing.

## Chapter 3 Budgeting, reporting and monitoring

### Article 15. *Types of budget*

VSE's financial operation organisation (organisational budget). However, the daily financial operations are organised through sub-budgets that are available for projects or for specific activities.

### Article 16. *Types of income and expenditure*

Restricted income is the type of income that is specifically committed to the delivery of a certain type of activity or to cover a specific type of cost. This is usually related to project funding and sponsorships, but can also be designated as such by the Management Team or the Executive Board.

Unrestricted income is the type of income that is not related to any specific reporting requirements and with which VSE can freely dispose in line with its strategy and mission. This is usually related to membership fees, donations or income generated by programmatic activities.

### Article 17. *Types of cost*

VSE cost is principally divided into five main categories: operating cost, staff; travel; equipment; cost of subcontracting.

Operating cost is the shared cost of operating the office, and includes the cost of office rental, any related property tax, electricity and other utilities or other cost related to ensuring the safe and pleasant working space for VSE staff.

Staff cost is any cost related to ensuring the necessary work force to deliver VSE work, including the cost of salaries and any benefit related to employment. For the purposes of this policy, VSE staff is understood to be the employees, interns, volunteers or individual consultants hired to deliver specific services.

Travel cost is the cost related to travel of VSE staff or any other individual (e.g. consultants, members etc.) whose travel cost is covered through VSE budgets.

Equipment cost is the cost of any equipment needed to be purchased, rented or otherwise obtained to ensure safe and effective execution of work by VSE staff.

Cost of subcontracting is the cost related to outsourcing any work that VSE is not able to deliver through engagement with VSE staff, that needs to be confided to external legal persons.

Any cost that does not fall within the above categories is seen as other cost.

For the bookkeeping and accountancy purposes, the above costs are categorised across different cost centers. The list of cost centers is updated regularly, to respond to the needs of VSE bookkeeping and accounting. The list is attached to this policy by [Annex II \(table 3\)](#).

## Article 18. *Organisational budget*

VSE will prepare an **annual organisational budget** for the next fiscal year that outlines projected revenues, expenses and capital expenditure. The budget will be aligned with the organisation's strategic priorities.

The annual organisational budget will be based on the balance between the available confirmed funding, the projection for funding to be obtained during the fiscal year and the ability to maintain growth.

The annual budget will also factor in the impact of budgeting to the VSE reserves.

The draft annual budget for the forthcoming year will be prepared by the VSE Executive Director, under the guidance of the Treasurer, and presented for the approval of the Executive Board not later than 30 September of the ongoing fiscal year.

If, during the implementation of the annual budget, changes occur that result in the changes of projections of either income or expenditure of more than 20% of the total organisational budget, the revised budget will be presented to the Executive Board for approval as soon as possible, and not later than six weeks after the changes have become known to the FA Team, the Executive Director or the Deputy Director.

## Article 19. *Project budgets*

**Project budgets** are designed to ensure costing and funding for specific VSE project activities. This includes VSE Operating Grant, action grants funded by the European Commission or other institutional funders, funding from philanthropic organisations or projects delivered as service contracts to institutional, organisational or individual clients.

Project budgets need to be developed in line with this policy, as well as to respect any regulations or rules imposed by the funders.

Project budgets are developed to ensure funding for VSE operational and programmatic cost. Project budgets are planned across the duration of the project – and can either be short term (up to 6 months), medium term (up to 36 months), or long term (longer than 36 months).

Project budgets will be prepared for each VSE project, based on the estimate of the resources needed to deliver the project activities, the need to cover for any gaps in funding identified by the annual budget, as well as the organisational growth plan. Project budgets are determined for each individual project, depending on the type of activities, deliverables and the VSE resources required to deliver it.

In projects that VSE coordinates in collaboration with partner organisation(s), only the budget assigned to VSE is considered as project budget for the purposes of this Policy.

Apart from the VSE Operating Grant, project budgets must, as a rule, ensure at least the full coverage of VSE resources utilised for its implementation. Only exceptionally shall project budgets not ensure the full coverage of VSE cost. Any such exception, which concern up to 10% of VSE contribution to funding, participation in projects will require preapproval of the VSE Management Team.

Each VSE project will be assigned a project lead, who is also the owner of the project budget.

## Article 20. *Project Leads*

Project leads are nominated from VSE staff or, when applicable, external experts, to ensure successful delivery of VSE projects. Project leads are, as such, responsible for the execution of VSE projects, and in particular, they:

- § Execute expenditure related to projects;
- § Monitor all expenses related to projects;
- § Assure projects financial reporting, together with the Finance and Administration team.

## Article 21. *Activity budgets*

Activity budgets are elements of the operating or project budgets and are designed for specific activities, when the nature of the activity so requires. This will particularly be the case for events, but also for other types of activities that incur expenditure other than staff cost or operating cost (e.g. development of promotional materials, subcontracting etc.).

Activity budgets are owned by any VSE staff member who is responsible for the implementation of an activity. Staff members are assigned activity budgets by respective project leads.

## Article 22. *Cost categories*

For the purposes of this Policy, main budget categories are: staff cost, travel cost, events, equipment, overheads and subcontracting.

**Staff cost** is the cost of all VSE staff, including employees, consultants and interns. Due to its nature and functioning, staff cost expenditure is not subject to the application of the procurement rules set out in the present policy.

The Executive Director and Deputy Director are owners of staff cost across different project and activity budgets.

**Travel cost** is cost related to authorised travel of VSE staff, as well as persons who are travelling on VSE budget to deliver VSE activities, projects or programmes. This may include cost of transportation, accommodation and subsistence related to travel.

**Cost of events** is related to the costs of rental of rooms and equipment for the organisation of VSE events, as well as cost of catering, speakers and other cost that is incurred related to the organisation of VSE events, other than travel.

Budget categories, as described in this article, do not necessarily have to align with the definition of budget and cost categories defined in reporting rules for any specific line of funding. When there is a difference in budget categories, the Finance and Administration Team will need to ensure administration and budgeting and execution for both categories – the one from this Policy and the one as required by funding terms and conditions.

## Article 23. *Corrective actions for budget variance*

It is expected that budget owners will deliver activities and projects within the budget specified. To this end regular monitoring and reporting against the budget will be conducted to ensure that financial performance aligns with the budgetary projections. Variance will be analysed and corrective actions will be taken when necessary, as described in **Error! Reference source not found..**

To this end, ED and DD will organise regular, at least quarterly meetings with relevant staff, to revise execution of all ongoing project and activity budgets.

Should the budget owner notice a risk of running over budget, they will immediately inform the budget supervisor and suggest mitigation measures. Mitigation measures will be put in place in agreement with the budget supervisor. Budget supervisor may decide to elevate the overspending risk to the VSE Treasurer and/or Management Team, if the overspend is risking to:

- § Decrease VSE reserve by more than 3% [ o r a f i x e d a m o u n t i n € ? ]
- § Jeopardise VSE reputation;
- § Jeopardise the execution of the V S E ' s c o n t r a c t u a l o b l i g a t i o n s t o w

Budget variance can occur as a difference between budget lines, budget categories and in overall budget execution.

For variance between budget lines, that are within the same budget category, any variance that does not affect the total budget execution does not need to be specifically authorised.

For variance between different cost categories, budget owner needs to get approval from the budget supervisor to transfer the cost between categories. This will only be approved when allowed by the f u n d e r ' s o r d o n o r ' s f i n a n c i a l r u l e s .

#### Article 24. *Financial reports and financial calendar* ~~of the VSE~~

**Statutory financial statements** are prepared in line with the applicable rules of Belgian legislation, including the rules related to annual accounts, VAT and other taxation declarations, as well as any other financial or budgetary requirements of the Belgian authorities.

**Annual VSE organisational budget and financial plan** are presented to the Executive Board not later than 30 September of the current year for the next fiscal year. The format and content of the regular annual budget is preapproved by the Treasurer, but it includes at least: the planned expenditure, the planned income strategy and funding gap, impact on reserves, annual activities and cashflow plan.

**Organisational financial reports** that include, as a minimum, the status of the organisational budget implementation, cashflow statements and reserve statements are prepared by the VSE Finance and Administration Team, in collaboration with the Treasurer and presented to the Management Team at least quarterly and to the Executive Board at least twice a year.

## Chapter 4 Budget Execution

#### Article 25. *Budget management*

The ED is responsible for the execution of the VSE annual organisational budget, under the oversight of the Treasurer.

For project and activity budgets, budget supervisor oversees the execution of the budget and approves any expenditure that is related to the budget they supervise. ED, DD or other senior staff delegated by them, act as budget supervisors for each project or activity budget. Budget supervisors determine budget owners among the VSE staff.

Budget owners can delegate execution of some parts of their budgets to other staff, with the approval of the budget supervisor, and in line with the limits set by [Annex I \(table 1\)](#) to this Policy.

Budget owners must be aware of reporting rules and requirements, in particular regarding eligibility and justification of expenditure to funders, and make sure that any expenditure is executed in line with these reporting obligations. Budget supervisors must verify if the funding rules are being applied in relation to any expenditure.

#### *Article 26. Budget Owner*

Budget owners are VSE staff members who are responsible for any budgets that are assigned to them, up to the limits of their responsibilities, set out in [Annex I](#) to this Policy.

Budget owners:

- Monitor daily expenditures and track budget performance against the plan;
- Approve expenses and ensure they are within the approved budget;
- When required, prepare detailed financial reports and updates for the budget supervisor;
- Monitor for budget variances and provide explanations for any discrepancies;
- Implement cost control measures to prevent budget overruns;
- Provide necessary financial records and documentation of the expenditure to the Finance and Administration Team, to ensure that precise records of cost are kept;
- E n s u r e   t h a t   e x p e n d i t u r e   i s   c o m p l i a n t   w i t h   t h e   rules;
- Coordinate with budget supervisor and Finance and Administration Team when needed to ensure financial discipline and accurate reporting.

#### *Article 27. Budget Supervisor*

ED, DD or senior staff delegated by them, act as budget supervisors, and in that role they:

- Validate and authorise expenditure, as approved by budget owners;
- Approve the initial project and/or activity budgets and any subsequent changes or amendments;
- Monitor overall budget performance and ensure adherence to financial guidelines;
- Make critical financial decisions, including reallocating funds and approving expenditures;
- Provide financial budget reports to the Management Team and the Executive Board, highlighting variances and corrective actions;
- Identify and mitigate financial risks associated with the project;
- Ensure that financial resources are allocated efficiently to meet project and/or activity goals;

- Ensure that the project complies with financial regulations and organisational policies;
- Ensure that financial reports are duly prepared and submitted to the donors and funders, when required.

#### Article 28. *Expenditure request*

Expenditure request can be initiated by any VSE staff member or external supplier. All expenditure requests need to be submitted to the email address: [finance@victimsupporteurope.eu](mailto:finance@victimsupporteurope.eu).

Requests for expenditure are submitted in three ways:

- Invoice
- Purchase request (see form in [Annex III](#))
- Expense report or reimbursement request (see form in Annex III)

#### Article 29. *Payment approvals*

All expenditure needs to be approved and authorised prior to being incurred, with the exception of credit card charges, which can be post-validated, as foreseen in Chapter 7 Article 45.

Before expenditure is made, each request must be **approved by the budget owner** and **authorised by budget supervisor**.

Authorisations are made through the special MS Teams channel, created for that purpose and accessible to the Finance and Administration Team and budget supervisors only.

#### Article 30. *Internal Controls*

To ensure a proper separation of duties, for any expenditure, VSE will ensure a strict separation of roles for expenditure to the effect that:

- The expenditure request will be approved by the budget owner;
- Approved expenditure will be authorised by the budget supervisor, who must be different person from budget owner;
- The bank payment for the expenditure will be prepared in the online banking system by the authorised member of the Finance and Administration Team;
- The bank payment will be approved by the authorised manager, who must be different person than the person who prepared the payment.

VSE Management Team, ED and DD, as well as designated staff members, will be allocated different duties, to ensure transparency and control in the budget execution, which will include different levels of authorisation and approval responsibilities, depending on the type of expenditure and their role in the organisation.

Depending on the staff structure and responsibilities, different staff members will be able to request and approve payments up to a limit, as set out in Annex 1 to the present Policy.

#### Article 31. *Approval and workflow for payments*

When an expenditure request is received, the Finance and Administration Team processes the document by:

- Filling-in the date of reception;
- Verifying compliance with Belgian law and the VAT regime of the payment;
- Assigning the analytical reference number;
- Preparing a note to the file, with any VAT and other instructions if relevant;
- Submitting the expenditure request to the budget owner for approval before being sent to the budget supervisor for authorisation.

Before approving an expenditure request, the budget owner:

- Verifies expenditure and amount;
- Verifies compliance with donor's or funder's financing or requirements;
- Submits to the budget supervisor for authorisation;

Before authorising an expenditure, budget supervisor:

- Re-verifies compliance with financing or procurement procedures and funder requirements
- Verifies that the expense complies with the approved budget;
- Verifies appropriate information regarding allocation to projects, cost categories etc.
- Authorises the expenditure for payment.

When required by payment limits, as set out in **Annex XX**, the payment will further be validated by the Management Team, before payment can be executed.

The Finance and Administration Team:

- Processes entry in the accounting system
- Books the payment into the accounting system and sets out the accountancy number
- Books bank statements
- Settles outstanding incoming and outgoing invoices
- Archives the documentation into the bookkeeping system.

## Chapter 5 Risk identification and management

### Article 32. *Risk identification*

The ED and DD will maintain rigorous financial control and look in advance aiming to identify financial risks, in particular related to:

- Loss of funding stemming the anticipation of ending of major funding streams;
- Own contribution for funding, in particular regarding operating grant;
- Investment into resources with view of developing new income opportunities;
- Overspend of resources due to unplanned expenditure or inappropriate budgeting;
- Financial loss due to the inability to benefit (fully) from existing funding sources;



- Exposure to litigation or conflict of interest.

The ED and DD organise regular at least bi-monthly meetings with budget owners and budget supervisors to discuss and identify financial risks related to their budget execution. During these meetings the financial risks register will be discussed, risks graded and flagged and the risk register updated if needed.

### Article 33. *Risk assessment*

Budgeting and budget execution need to always be accompanied by a risk assessment. Risk assessment is based on three elements: the definition of risk, the likelihood of their occurrence, the estimated impact in case the risk is realised. Risk assessment needs to be presented with the grading that follows from these elements.

According to the **probability of occurrence**, risks can be ranked as **(1) low**: possibility of occurrence of an event likely to generate or contain risk, **(2) medium**: possibility of a damaging event, frequent in related activities and **(3) high**: strong possibility of a risk event occurring.

Depending on the **estimated impact**, risks can similarly be ranked as (1) low: damage to the optimisation of organisational performance; (2) medium: occurrence can cause loss of management operations and can require redistribution of resources, postponement of delivery or cause additional expenditure; and (3) high: can damage the financial stability of the organisation or jeopardise its reputation or integrity.

Based on the scoring on the above criteria, the risks will be flagged through the red-amber-green colour coding.

When it is estimated that the risk will be avoidable or controllable through mitigation measures and that, even if it would occur it would not affect the scheduling and would not require additional resources, it will be **graded as weak and flagged as green**.

When the risk assessment indicates that a risk can be avoided or controlled through mitigation measures, but if occurs would require a redistribution of resources and/or rescheduling in order to mitigate, it will be deemed as **moderate and will be flagged as amber**.

When a risk is estimated to be able to cause significant financial turbulence, jeopardise financial operations or financial stability of the organisation and would be difficult to be controlled, even through additional decisions and actions – it will be **deemed as high and flagged as red**.

### Article 34. *Risk monitoring and management*

Management Team and the Executive Board will regularly revise financial risks register and be kept informed about the status of existing risks. Risks register will be presented to the Management Team at least once every trimester and to the Executive Board at least twice a year.

Risks flagged as red will be communicated to the Treasurer immediately, and not later than one week since flagging. Based on the consultations with the Treasurer, an extraordinary meeting of the Management Team will be convened to discuss the risk and mitigation measures not later than two weeks since flagging. Following the initial discussion with the Treasurer and the Management Team, Executive Board will be informed about the risks flagged as red on an earliest opportunity and their action may be required, depending on the specific circumstances and mitigation measures proposed.

ED and DD will submit regular reports to the Treasurer, Management Team and the Executive Board in relation to the risk progress and the implementation of mitigation measures.

Risks flagged as amber will be discussed with the Treasurer at the earliest opportunity and a specific mitigation plan will be developed. Based on the discussion with the Treasurer, the Management Team will be informed and their action may be required, depending on the specific circumstances.

Risks flagged as green will be presented to the Management Team and the Executive Board during regular sessions for information and, if needed, for action.

## Chapter 6 Financial reporting and transparency

### Article 35. *Definitions*

Financial operations of VSE are presented through statutory and internal financial reports, as well project financial reports and statements.

Statutory external financial reports are defined by applicable legislation and are prepared and submitted accordingly. To support such reports, statutory financial statements will be prepared in accordance with the applicable accounting standards and regulations to be presented to various statutory authorities.

VSE annual financial report and statement are prepared once a year and presented to the General Assembly for adoption.

Internal financial reports are instruments of internal budgetary control and monitoring and are prepared and presented to VSE Executive Board at least twice in every fiscal year.

Project financial statements are prepared, when required in line with the financial reporting obligations, and are submitted according to contractual reporting obligations.

### Article 36. *Annual financial report*

VSE's annual report and statement are prepared in line with the Belgian accountancy rules. The financial statement is prepared by VSE External Accountant, in collaboration with VSE Finance and Administration (FA) Team.

The annual financial report will include balance sheet, statement of income and expenses, accounts receivable ageing, accounts payable register and ageing and any other requested reports.

### Article 37. *Selection of auditors*

VSE subjects itself to statutory and non-statutory external audits by chartered auditors in Belgium.

Finance and Administration Team, under the guidance of the Treasurer, draw up a list of at least three qualified external auditors to be presented to the Executive Board. From the list, the Executive Board selects one auditor to be proposed to be appointed by the General Assembly at intervals regulated by Belgian legislation.

During the validity of their appointment by the General Assembly, in addition to the statutory annual audit, whenever possible, the same auditors will be commissioned to audit the VSE operating grant, as well as other grants that might require an external audit to be conducted for financial reporting purposes.

#### Article 38. *External audit*

Statutory financial audit ensures external control of VSE 1 accounts. Statutory audit is organised in line with the applicable legislation in Belgium.

In view of organising the statutory audit, accounts and financial statements are presented to the ED and DD who organise the annual financial audit in accordance with the Belgian legal requirements. The audit needs to be scheduled to take place not later than the end of April in the current fiscal year for the previous year.

DD is the main contact for the auditors. DD reports to the ED and the Treasurer about the preliminary findings and prepares the annual financial report for the approval of the Executive Board.

The annual financial report needs to be presented to the Executive Board at least 4 weeks before it is presented to the General Assembly.

The annual financial report for the previous fiscal year is audited and presented to the VSE General Assembly for adoption not later than 30 June. The financial report will be referenced for publication in the *Moniteur belge* and shared with other national authorities, as required by Belgian legislation.

#### Article 39. *Project financial reports*

When required by statute or grant agreement, financial statements will be prepared for projects, in line with the reporting requirements and accountancy procedures. Requirements for this reporting will normally be set by funding terms and conditions, e

Project financial reports are prepared by VSE FA Team, in collaboration with project leads and under the supervision of VSE Deputy Director.

When so required by the grant agreement, VSE Deputy Director will organise the audit of project financial statements and be the main point of contact for the auditors.

VSE Deputy Director reports on project financial results to the Executive Director, and upon the approval of the Executive Director, project financial reports are submitted to the funding authorities by the Deputy Director.

The financial reporting to the donors notwithstanding, project funding remains part of the VSE organisational budget, and any internal reporting requirements are applicable to project funding, in line with the present Policy.

#### Article 40. *Other periodic financial reports*

In addition to the annual financial report from Article 36, at least twice a year the Finance and Administration Team, in coordination with the Treasurer, prepares internal financial reports to the Executive Board.

The first financial report is presented to the Board before the end of the first trimester of the financial year, and focuses on the closure of the previous financial year, in particular regarding year end results, the status of the annual audit and the preparations for the closure of the financial year. The second financial report to the Board is prepared before the end of the third trimester of the financial year, and presents the overview of the budget execution for the current financial year, in particular regarding any variance, reallocation or revisions of the annual budget.

Internal financial reports present the state of the annual budget execution, present any risks and opportunities and inform the Executive Board about the financial health of the organisation.

Additional periodic reports may be presented to the Executive Board for information.

## Chapter 7 Banking and bank payments

### Article 41. *VSE Bank Accounts*

VSE holds one principal EUR bank account no BE75 7370 6710 5451, BIC KREDBEBB, at KBC Bank Brussels.

If needed, additional accounts, related to the same account number, can be opened in other currencies, to facilitate non-EUR payments.

Other accounts can be opened for specific purposes, with the approval of the Treasurer.

### Article 42. *Access to Bank Account*

Access to VSE Bank Account is made available to: President, two Vice Presidents, Treasurer, Executive Director, Deputy Director, Finance Assistant/Officer and Administrative Assistant/Officer.

For any payment to be done from VSE Bank Account, at least two signatories need to sign.

The first signatory is always the Finance Assistant/Officer or Administrative Assistant/Officer.

The second signatory is always the Executive Director or Deputy Director.

For any individual payment above €10,000, with the exception of staff salaries, a third signature is required by the Treasurer.

For any payments to a single supplier, exceeding a certain amount, also required by the Treasurer.

### Article 43. *Payment execution*

Once approved, the first bank signatory will prepare the payment in the online payment system of KBC Bank. The payment will subsequently be verified and signed by the second bank signatory.

If needed, the third bank signatory will then be asked to sign the payments.

Payments are normally executed once a week, on Fridays, and only exceptionally on other days of the week.

#### Article 44. *Standing orders*

For recurring costs, such as utilities or office rental, the FA Team may suggest signing a standing order, to facilitate processing of such costs.

To introduce and sign a standing order, the level of authorisation relevant for each instalment of the recurring payment apply.

#### Article 45. *VSE Credit cards*

Members of FA Team, ED, DD and other senior staff may be issued a credit card charged to VSE bank account, with the approval of the Treasurer.

The use of VSE credit cards is to be limited for purchases that cannot be performed by bank transfer, or where bank transfer might be difficult to ensure. In particular, the use of credit cards will be practiced for online purchases and on the spot purchases.

Annex I indicates the staff members and limits to hold a VSE credit card i o n

#### Article 46. *Credit card reconciliation*

Since the two step payment prior authorisation is not practicable for credit cards, all credit cards statements will be reconciled once a month, and any purchases will be authorised by relevant budget owners and supervisor post facto, applying the same rules as for all other purchases as foreseen by Chapter 4.

Staff members are required to submit to the FA Team any receipts and justification for any credit card charges incurred not later than three days after the end of the charging period.

All credit card statements that might be delivered personally to the card holder are to be given unopened to the FA Team, who reconcile any credit card charges with the documentation submitted by the card holder and prepare the card transactions for post-validation by budget owners and budget supervisors.

For any credit card expenditure that is not duly validated, staff members will be held personally responsible and will be required to cover the unauthorised cost themselves.

## Chapter 8 Payment and expense management

#### Article 47. *Payment and expense allocation*

All suppliers' invoices must be encoded in the book of:

- Project that the invoice should be assigned to
- Budget owner who pre-approved the cost
- Budget supervisor who approved the cost
- Date of receipt of the invoice
- Date of payment

#### Article 48. *Cost reimbursement*

Staff can request reimbursement of costs incurred during the execution of VSE work – in particular travel, but also other running costs that cannot be, by their nature approved and authorised prior to their incurring (e.g. smaller travel cost that is not reimbursed by external organiser, or postage and other small costs incurred by FA Team).

For any cost incurred by the staff member themselves, the reimbursement form, presented in Annex III to this Policy will need to be completed not later than 60 days after the cost has occurred.

All evidence of purchases, receipts and other proof of costs will need to be submitted to the FA Team. Unless a proof of payment is provided, reimbursement will not be possible.

Once introduced, reimbursement requests will be considered in line with rules applicable for all purchases, as laid out in Chapter 4 Article 29.

#### Article 49. *Accountancy system*

To ensure the smooth running of VSE's financial o appropriate accountancy and bookkeeping software which can support specific requirements of the business operations of the organisation while at the same time ensuring compliance with Belgian legislation.

#### Article 50. *Cost centres*

In order to properly report costs across different income streams and to ensure satisfactory system for financial reporting, VSE will adopt a Chart of Analytical accounts.

The Executive Director and Deputy Director, in collaboration with the External Accountant will draw such Chart ensuring that costs booked into accounting system can be reported in accordance with the diverse financial reporting requirements.

Most non-salary expenses that benefit more than one cost centre (e.g. office cost, utilities etc.) will be spread across centres using a shared cost method. Under this method, the number of full-time equivalents (FTEs) within a VSE team are divided by the total number of FTEs at the organisation to determine the percentage of shared costs they should bear. This is done on a monthly basis by the FA Team. Occupancy expenses may be split between VSE teams based on the percentage of the total office space that is used by each team.

## Chapter 9 Procurement

#### Article 51. *Principles of procurement*

The following principles should guide any procurement procedure:

- § best value for money (best price-quality ratio) or, as appropriate, best price;
- § transparency;
- § fair competition for potential contractors, including sufficient time to allow interested parties to submit a tender;

- § avoiding conflict of interest.

#### Article 52. *Conflict of interest*

A conflict of interest will arise when personal interests or relationships of VSE staff members may risk to interfere with their professional responsibilities in the procurement process.

To avoid conflict of interest, VSE staff members as well as any external experts involved in the procurement must disclose any potential conflict of interest, including but not limited to:

- § Financial interest in a supplier or contractor;
- § Close personal relationship with individuals representing suppliers or contractors;
- § Prior employment with a supplier or contractor.

When conflict of interest is disclosed, the staff member may not participate in procurement decisions.

Failure to disclose a conflict of interest will be seen as a serious breach of work duties and will be treated accordingly, in line with the applicable human resources policies.

#### Article 53. *Eligibility criteria*

Depending on the conditions of funding stream through which the procurement will be financed, it might be important to set eligibility and exclusion criteria. This may be related to a number of elements, such as nationality rule (e.g. in many funding programmes, notably VSE Operating Grant, only goods and services provided by suppliers from EU Member States will be eligible for funding and for any non-EU expense a prior approval needs to be requested) or previous experience, for example.

#### Article 54. *Types of procurement*

Depending on the € estimated value of the entire c  
the following procurement procedures put in place:

- § Single tenders – where direct orders are placed with a single supplier, without checking the market;
- § Negotiated procedure – where three pre-selected suppliers will be requested to submit a quotation to provide a specific service; or
- § Open tender – that are published and made known to the general public by which tenderers are invited to submit their offer in accordance with the Terms of Reference.

Value guidance for the determination of the procurement procedure is presented in Annex II to this Policy.

#### Article 55. *List of trusted suppliers*

The Finance and Administration Team will maintain a list of trusted suppliers, who will be regularly requested to provide services through single tenders or negotiated procedures. The list will be created based on the existing supplier contacts of VSE, but will continuously be expanded through market research and consultations with VSE, to continuously ensure value for money.

The Finance and Administration Team will keep track of the total value of contracts given out to each individual supplier. When the total value of contracts per supplier reaches an approval of the Treasurer/Management Team will be needed to continue contracting the said supplier. In case of multi-annual contracts with the same supplier, the value of contract will be determined based on the pro-rata basis.

#### *Article 56. Exception from application of procurement procedures*

Procurement rules do not apply to the execution of partnership contracts for the implementation of projects where VSE is the project coordinator and is expected to transfer pre-payments to project partners.

Purchase of goods and services related to staff travel is also not subject to procurement rules, but to rules laid out in Chapter 10 below.

#### *Article 57. Preparing procurement procedure*

Prior to the selection of the procurement procedure, the budget owner will:

- § Estimate budget based on market prices and factoring in the VAT status of the purchase;
- § Make sure that a proper procurement is recommended to the budget supervisor, based on the value of the contract as well as on any external or contractual requirements (e.g. Grant Agreement etc.).

In case of doubt, budget owner may send an explorative inquiry with one or more trusted suppliers to explore the market and decide on the type of procedure to be followed.

Budget owner prepares a **procurement note** which sets out the main elements of the purchase, including the description of the type of goods and services to be purchased, maximum budget, delivery timeframe and other important elements that need to be set out in the request for quotation or the terms of reference.

Budget supervisor confirms the selection of the procedure and approves the procurement note.

FA Team makes sure that the procurement note is kept on the file. An example of a procurement note is presented in Annex II to this Policy.

#### *Article 58. Single tender and negotiate procedure procurement*

When single tender or negotiated procedure is selected, the budget owner contacts at least one (in the case of single tender) or three (in the case of negotiated procedure) suppliers from the trusted suppliers list and requests quotation, in line with the purchase details set out in the procurement note.

When the quotation is not fully compliant with the procurement note budget owner will consult with budget supervisor on whether (1) the procurement note should be aligned with the quotation; (2) if the conditions need to be renegotiated with the supplier at question or (3) if another supplier should be contacted.



In the case of negotiated procedure, it is sufficient if one of the three offers are aligned with the procurement note.

When the quote exceeds the limit set for the procedure selected, the appropriate more stringent procedure will be launched, in line with the actual amount set by the quote and the consequent applicable procedure set out by Annex II to this Policy.

When the quotation is in line with the expectations from the procurement note, budget owner will conclude the procurement procedure and request the budget supervisor to authorise the purchase, in line with Chapter 4 of the present Policy.

#### Article 59. *Open tender*

When open tender is selected as a procedure, the budget owner will set up a Procurement Committee.

The Committee will include:

- ◁ The Executive Director, Deputy Director, or the Senior Project Manager - as the lead of the committee;
- ◁ The budget supervisor; and if needed
- ◁ A technical member - who will ensure that the product or service meets technical requirements

Where VSE does not have a staff member to check the technical requirement, an external advisor can be requested to play the role of a technical member after the approval of the lead of the Committee.

The Procurement Committee will revise and approve the procurement note and instruct the FA Team to publish the call for tender with the terms of reference in the appropriate communication channels, including, but not limited to inviting suppliers from the trusted supplier list to consider submitting a bid.

The tender will remain open for a sufficient amount of time to allow tenderers to prepare and submit bids, but also in view of the foreseen timeline for the delivery of service.

The criteria for awarding a contract will be based on the best value for money. When required to make a decision, the procurement note will set out an evaluation grid for assessing the score, with the assistance of the FA Team if needed.

#### Article 60. *Insufficient number of offers*

Normally three bids are required for a Negotiated Procedure to be awarded.

If less than three tender bids are submitted, justification for non-submission of bids may be requested from the selected tender participants. Based on the responses received, additional companies may be invited to submit a tender.

When the nature of works, the timeframe for completion or other objective criteria so justify – the Procurement Committee can seek approval of the Treasurer or Management Team may to authorise finalisation of the negotiation procedure based on two bids.

If, having consulted the tender submissions – in the negotiated or open tender procedure, only one tender is considered administratively and technically valid, the contract may be awarded provided that the award criteria are met.

#### Article 61. *Unsuccessful tender procedures*

A tender procedure needs to be relaunched if:

- § The budgets of the offer actually received are over the threshold of the chosen procurement procedure;
- § No offer was received;
- § Offers received for open tender do not meet the necessary minimum requirements of the terms of reference.

#### Article 62. *Selection of supplier and signature of contract*

In case of single tender or negotiated procedures, payments are conducted against invoices submitted.

For open tenders, the FA Team will prepare a contract, that will be revised by the budget owner and approved by the budget supervisor, in line with the terms of reference and the conditions of the successful bid. FA Team will have at their disposal standard contract templates that will be used for this purpose.

Draft contracts, as approved by budget supervisor, will be shared with the supplier for their signature. Any changes to contracts prepared by the FA Team need to be tracked and signalled to the FA Team for their information and action if necessary.

If the supplier suggests changes to the terms of contract, including price, VAT regime, terms of delivery etc., budget owner will consult budget supervisor for advice and potential further action.

When the text of the contract was agreed with the supplier, the budget owner will submit the validated contract to the FA Team to process for signature, in line with the relevant signature authorisations.

#### Article 63. *Processing procurement*

Budget owner initiates procurement procedure, via completing the procurement workflow form, presented in Annex II of the present Policy.

FA team and budget owner will agree in advance of the procurement procedure the communication channels and will decide who the principal correspondent for the procurement will be – with the other party always being kept in copy of the correspondence.

The workflow is maintained by the FA Team, in collaboration with the budget owner. It contains the procurement note and the history of the procurement process, including at least: the justification for the selection of the procedure; justification for the selection of the provider and any documents related to the delivery – such as contract, invoice or similar.

#### Article 64. *Exceptional procedure*

In the cases below, it is possible to derogate from the standard procurement rules and use the Exceptional Procurement Procedure:

- Contracts extend activities already under way;
- For additional deliveries by the original supplier intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the VSE to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- For additional works not included in the initial contract concluded which have, through unforeseen circumstances, become necessary for carrying out the works.
- If the tender procedure has been unsuccessful, then VSE may negotiate with one or more tenderers of its choice, from among those that took part in the tender procedure, provided that the initial request is not substantially modified;
- For technical reasons, or for reasons connected with the protection of exclusive rights, the contract can be awarded only to a particular service provider;
- Where restrictions exist such as the contract is exclusively reserved for the holders of patents or licences to use patents;
- For the issue of the expenditure verification report and the financial guarantee;
- For contracts declared to be secret, or for contracts whose performance must be accompanied by special security measures;
- For contracts in respect of supplies quoted and purchased on a commodity market;
- For contracts in respect of purchases on particularly advantageous terms, either from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national law.
- Services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to people in the social field;
- Where a new contract has to be concluded after early termination of an existing contract.
- For the purposes of humanitarian aid and civil protection operations or for crisis management aid.

Exceptional procurement procedure can only be started after the approval of the Treasurer or the President.

#### *Article 65. Auxiliary nature of VSE procurement procedures*

Rules related to procurement need to always be checked against any procurement rules foreseen in funding contracts and agreements. Should funding agreements require any specific adjustment to the present rules, the applicable rules of this Policy will be derogated to ensure compliance with contractual obligations. This derogation will only happen where funding terms and condition have a higher standard of scrutiny than the provisions of the present Policy.

## Chapter 10 Travel expenses and reimbursement policy

#### *Article 66. Travel Authorisation form*

Staff who are expected to travel on VSE business need to complete a travel authorisation form (TAF). TAF needs to be completed before every work-related travel and always approved by staff-member's line manager.

When travel cost is covered by VSE, budget owner needs to validate the TAF, unless budget owner is also the line manager, in which case only this one approval is sufficient for the travel to be authorised.

For external participants in the events organised by VSE, budget owner is responsible for preparing travel authorisation forms for such participants. Unless otherwise required by funding terms and conditions, wherever applicable, the same rules apply to external participants as to VSE staff regarding travel budget and expenditure.

TAF will indicate the total travel budget, as set out by the budget owner.

Local travel in duration of less than a full working day and that does not incur cost reimbursement is exempt from this requirement.

#### *Article 67. Booking flights*

To book flights, staff should send the completed relevant parts of the TAF to the FA Team, including details of the time/dates that they wish to travel and an itinerary proposal.

Itinerary proposal should suggest, as a matter of preference, the cheapest most-direct flight available in Economy Class. If a derogation from this rule is needed (e.g. due to unsuitable timetables), an approval from the budget owner is required. Where needed to provide an explanation for the choice of the ticket purchased, justification is to be recorded in a note to the file giving information about the date of purchase, destination, airlines included in the search and price of ticket as well as attaching a print screen from online travel meta-search engines.

Flights on business class or flights with price of which exceeds unit costs (if applicable) may only be purchased based on fully justified circumstances such as for medical reasons and with the approval of the budget supervisor.

Staff are required to keep boarding passes for their air travel and submit it to the FA Team as soon as possible and not later than two weeks after the completion of travel. It is recommended to do online booking to reduce the risk of the loss of boarding passes.

In case of a loss of a boarding pass, staff member will be required to submit a statement to explain the conditions of the loss of the boarding pass and ideally submit other document proving their travel.

Exceptionally, in agreement with the FA Team, applying the same rules, staff member can pay for their own travel which will be reimbursed by VSE.

#### *Article 68. Other means of transportation*

When available, staff can travel by other means of transport, including rail, bus, boat or car. The decision on which means of transportation will be used will be based on the elements such as: travel time, comfort, price and convenience.

For rail, bus or boat travel, the same rules apply as for flights.

Use of rent-a-car or personal car will be authorised only exceptionally, when no viable options of public transportation are available. For car travel, use of personal vehicle will be reimbursed at the rate determined by the relevant authorities and accountancy procedures.

#### *Article 69. Booking accommodation*

Unless the FA Team has been tasked to ensure a group booking, staff will submit in their TAF a proposal for the booking of accommodation. Accommodation will be booked on the best value for money principle, including the criteria such as: distance from the accommodation to the mission venue, availability of breakfast and other meals, access to transport etc.

The VSE Secretariat will book the travel and pay the accommodation in advance. Exceptionally, in agreement with the FA Team, applying the same rules, staff member can pay for their own accommodation which will be reimbursed by VSE.

#### *Article 70. Modifications to the travel itinerary or dates for personal reasons*

Should the VSE staff member wish to book a travel itinerary different from the one officially foreseen for the mission (e.g. with a stop-over, different departure/arrival airport or extended stay) for private purposes, the TAF needs to present the comparison between the travel costs for the two itineraries. If the flights preferred by the staff member are more expensive, then the staff member concerned shall pay the difference.

In case of extended stay, these extra days do not qualify for subsistence and accommodation and – unless during the weekend – such days will be deducted from the annual leave balance of the staff member. Similarly, any other extra cost exclusively deriving from the choice of a different itinerary will be deducted from the cost reimbursement claim.

#### *Article 71. Subsistence*

Staff members are authorised to incur additional cost, such as the cost of local transport, meals or snacks during their work-related travel. Consumption of alcohol will be accepted for reimbursement only for up to two alcoholic drinks with the dinner. Other alcoholic beverages will not be reimbursed.

#### *Article 72. Reimbursement of travel costs*

Upon the termination of travel, staff member is required to sign off the TAF arrival section and submit any boarding passes or receipts to the FA Team not later than two weeks after their return. Any cost that was borne by the staff member personally will be documented and reimbursed to the staff member within two weeks following the submission of receipts.

Staff are required to keep their travel cost within the budget set by TAF, and any exceeding cost need to be approved by the budget owner or budget supervisor. Any failure to get pre-approval for exceeding the travel budget may result in the refusal of reimbursement of the exceeding amount.

### Article 73. *Advance payment*

Staff member may request, in their TAF, an advance to be paid to them, of up to 60% of the value of travel budget, but only for the type of cost that VSE has not prepaid for the staff member (e.g. if the flight ticket was bought, travel cost will not be advanced).

### Article 74. *Costs related to externally funded travel*

In case when travel cost is covered by an external organisation, TAF will normally indicate no cost, and will only relate to the approval for absence from office.

However, if the external organisation only provides limited cost coverage (e.g. do not reimburse local travel or only provide partial funding for accommodation), TAF needs to indicate any such financial implication of travel.

## Chapter 11 Grant management

### Article 75. *Development of project applications*

VSE develops project applications in line with the organisational strategic priority, budgetary and growth targets and availability of resources.

New project applications are developed either with VSE as a coordinator or as a beneficiary. Strategy for project applications development is prepared by the Secretariat and submitted for approval to the Management Team.

Management Team and the Executive Board are kept informed about the type of projects that VSE is developing and submitting for funding.

### Article 76. *Preparation of grant agreements and service contracts*

Once an award of a project has been announced to VSE, the Executive Director and Deputy Director will make sure that the Management Team is informed as soon as possible. In particular, the Management Team will be reminded about the project priorities, the role of VSE, the resources needed to deliver the project and the budget available. A recommendation will be made as to whether to sign the grant agreement or not and approval of the Management Team will be sought.

Based on the information provided, the Management Team will advise the Secretariat on how to proceed. Based on their recommendation, the Secretariat will proceed to either accept or refuse project funding.

When the recommendation is given to proceed with accepting the project funding, VSE Executive Director or Deputy Director will be authorised to sign agreements and contracts with relevant organisations and/or authorities.

Amendments or other changes to Grant Agreements or service contracts that have financial implications that change the value more than 20% will need to be submitted for approval to the Management Team before signature.

#### Article 77. *Rules applicable to grant management*

Grant management is conducted in line with the rules applicable to the specific funding stream and this Policy. When in conflict, precedence should be given to the rule that provides for stricter conditions (e.g. if the grant agreement does not require procurement, rules on procurement from this Policy will apply).

## Chapter 12 Effective date and applicability

#### Article 78. *Entry into force*

This Financial Policy is effective from \_\_\_\_\_ and defines instructions in the context of finance management.

## Annex I Spending authorisations & approvals

Table 1: Framework for budget ownership (Chapter 4)

	Executive Board	Management Team	Executive Director & Deputy director	Senior manager	Manager	Junior Manager	Senior Officer	Officer	Junior Officer	Assistant
≤ € 5 , 0 0 0	•	•	•	•	•	•	•	•	•	•
≤ € 1 0 , 0 0 0	•	•	•	•	•	•	•	•	•	
≤ 50,000	•	•	•	•	•	•	•	•		
≤ € 2 5 0 , 0 0 0	•	•	•	•	•	•	•			
≤ € 5 0 0 , 0 0 0	•	•	•	•	•	•				
≤ € 7 5 0 , 0 0 0	•	•	•	•	•					
≤ € 1 , 0 0 0 , 0 0 0	•	•	•	•						
∞	•	•	•							

### Credit card authorisation (Chapter 7 Article) 45

V S E C r e d i t c a r d , w i t h t h e c r e d i t o f u p t o € 5 , 0 0 0 c a n b e i s s u e d t o :

- President
- Executive Director
- Deputy Director
- Senior Project Manager

In addition, if justified and approved by the Treasurer , T e a m L e a d e r s c a n b e i s s u e d w i t h a V S E c r e d

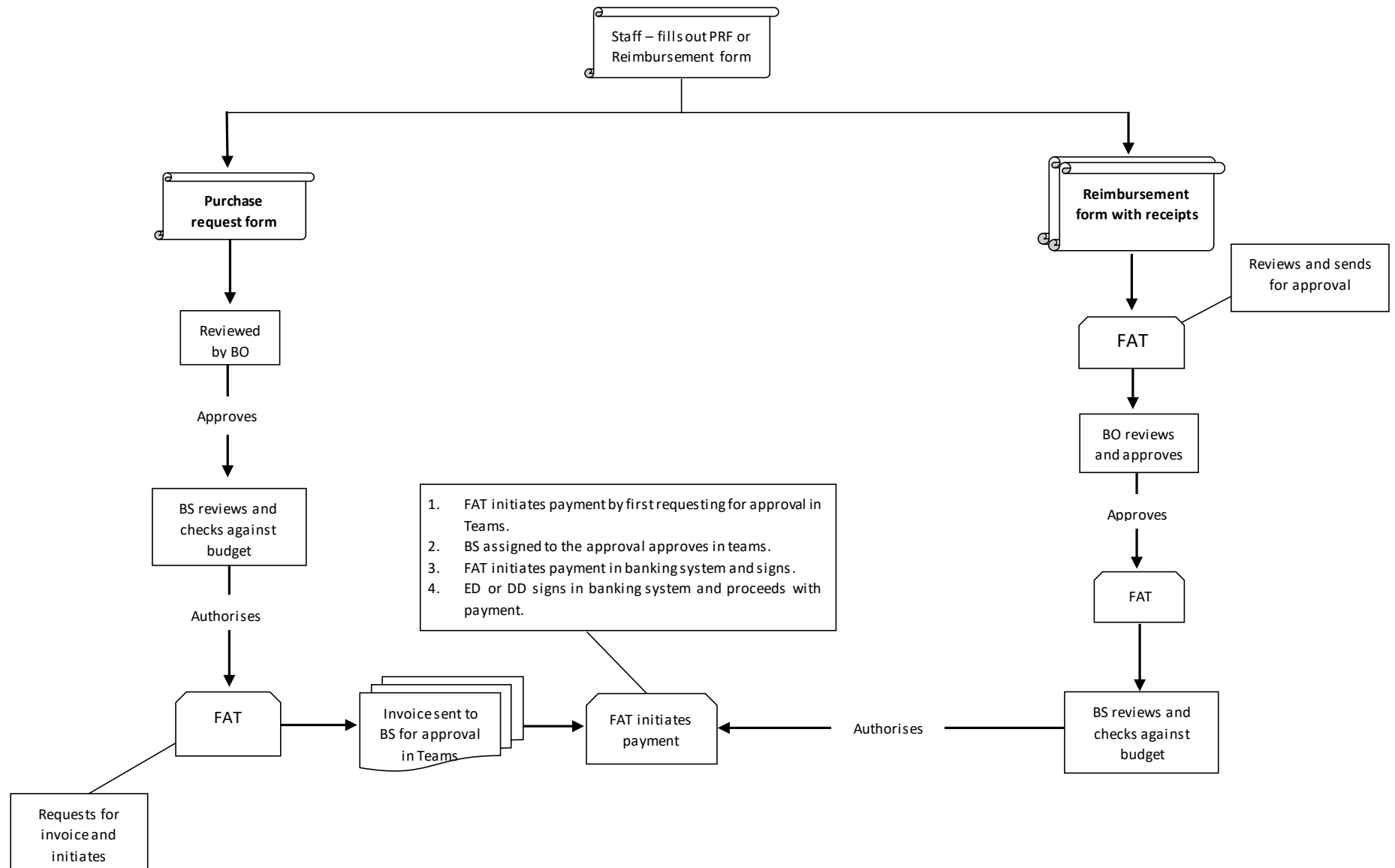
<sup>1</sup> NB – this table only indicates values for the total budget ownership, not for the approval for the individual payments – that is set out in Table 2 below.



Table 2.VSE Level of authorizations

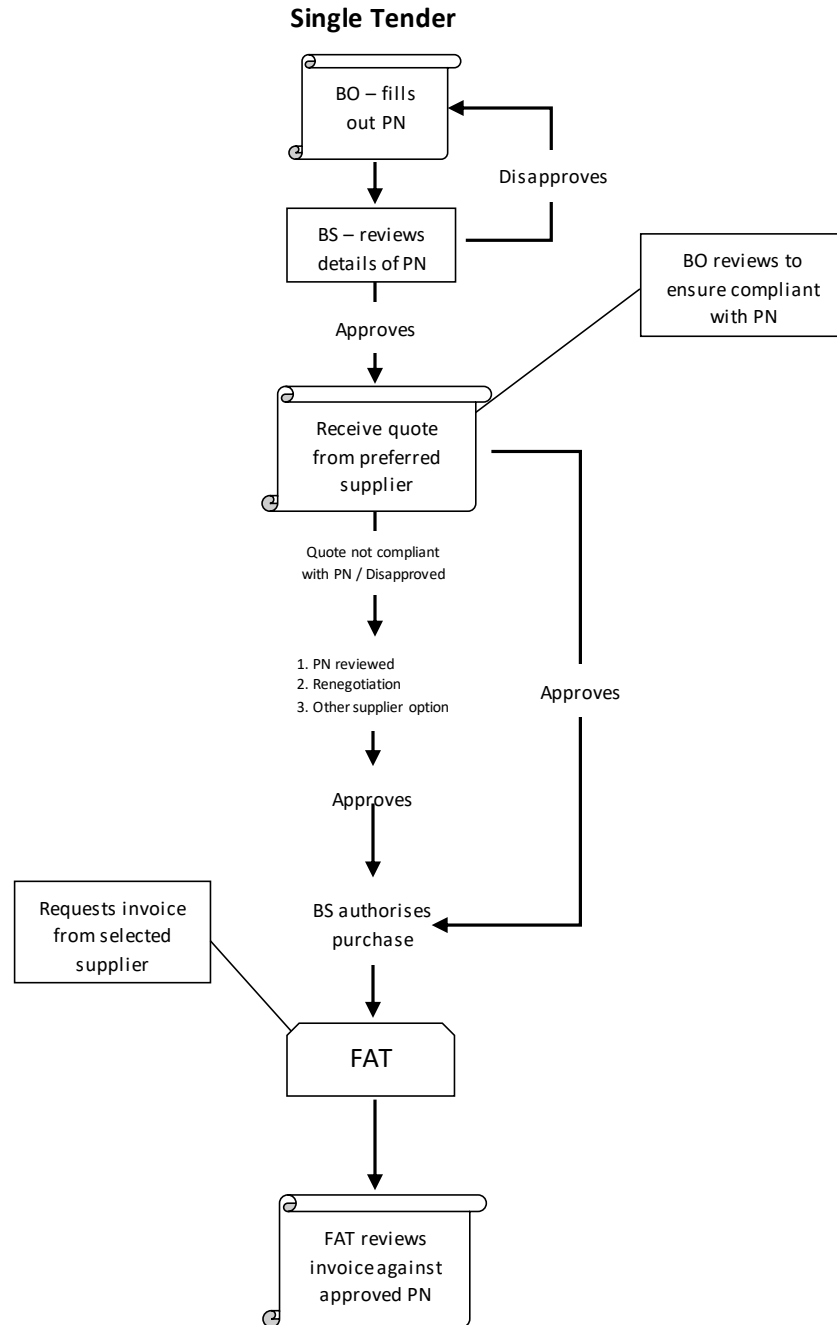
Victim Support Europe -Level of authorizations																				
Y	Yes	A	Approval																	
N	No																			
J	Joint																			
L	Limited																			
		Grants & Partnerships			Bank Management				HR Management					Logisitic Management			Office/Admin Management			
	Scope of authorization to be clarified and detailed - will the approval change according to the amount of the contract	Proposals	Grant agreement	Partnership Agreement	Opening & Close Bank Accounts	Processing payments	Executing payments	Credit/Debit Cards	Recruitment Plan	Employment Contract	Direct contract	Staff Payroll	staff expenditures		external engagements	Purchase order	suppliers payment/invoices	Rent/Leasing	Insurances	Office supplies/consumables
		Submitting Proposals to donors	signing grant agreement	signing partnership contract	Signatures of Bank documents	Processing payment in bank system, within bank payments policy and approved budget	Executing bank payments	Holding Credit/Debit cards	advertise recruiting new staff approval	Signing emplyment contracts	signing subcontracting/Personnel	submitting the payroll	Advance salary payments	Payment of salaries and advance payments	Signing contracts	approval of purchases/Within Procurement Policy	approval of payments/supported by approval of purchases	Signing contracts/suppliers	approving of contracts	Purchasing consumables - Up to 500 Eur
Role	Name																			
President	Rosa	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	-		Y	Y	Y	Y	Y	Y
Vice President	Petra	A	A	A	J	J	J	N				-	-		J	Y	Y	A	A	-
Vice President	Jerome	A	A	A	J	J	J	N				-	-		J	Y	Y	A	A	-
Treasurer	Carmen	A	A	A	J	J	J	N				-	-		J	Y	Y	A	A	-
Executive Director	Levent	A	Y	Y	J	J	J	C - L	Y	Y	Y	-	L	J	Y	L	Y	Y	Y	Y
Deputy Director	Aleksandra	A	Y	Y	N	J	J/L	C - L	A	N	N	-	L		L	L	L	L	L	Y
Project Manager	Antonio	L	L	L	N	J/L	J/L	N	A	N	N	-	L		L	L	L	L	L	Y
Budget owner																L	L	N	L	Y
Executive Assistant	Sara	N	N	N	N	J/L	J/L	D/C - L	N	N	N	Y	N		N	N	N	N	N	Y
Junior Administrative Officer	Keti	N	N	N	N	N	N	N	N	N	N	Y	N		N	N	N	N	N	Y
Administrative and finance assistant	Melvin	N	N	N	N	N	N	N	N	N	N	N	N	J	N	N	N	N	N	Y
Notes																				

Diagram1: Payment approvals flowchart (expenditure authorisation levels)



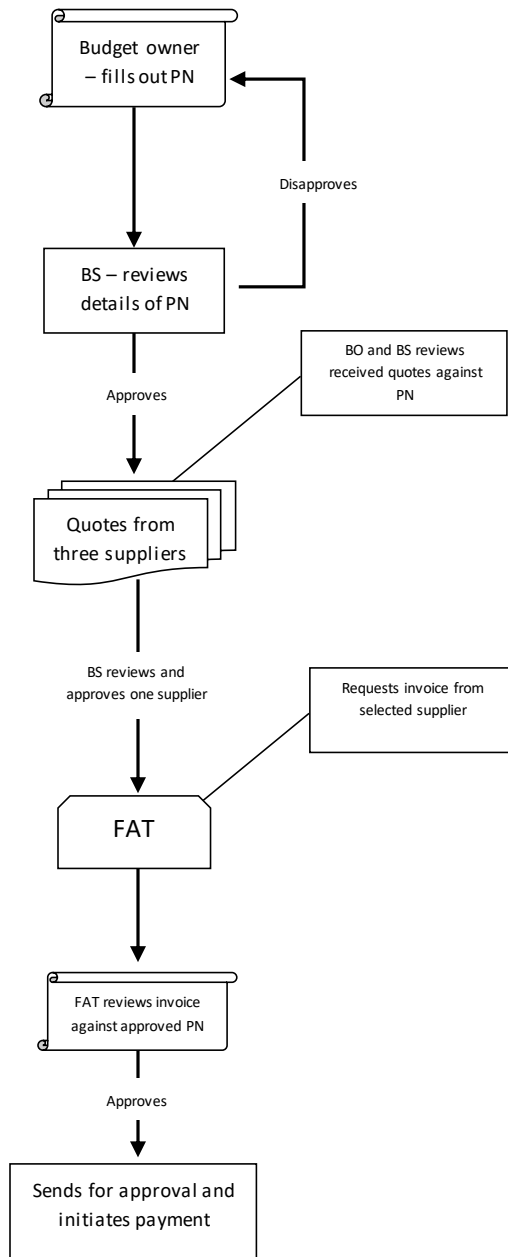
## Annex II Procurement procedure

Diagram 2 Procurement Workflow Chart



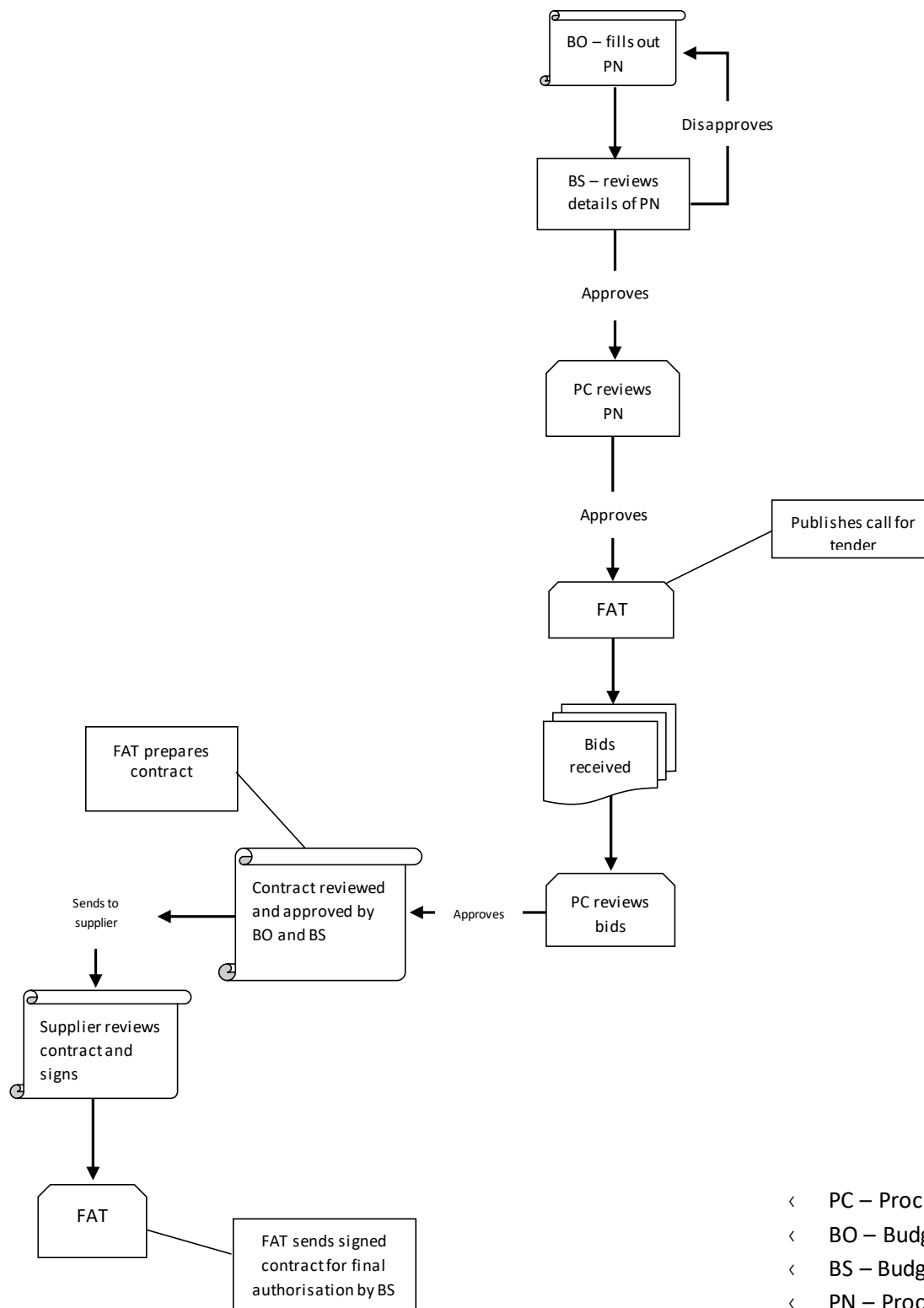
- < PC – Procurement Committee
- < BO – Budget Owner
- < BS – Budget Supervisor
- < PN – Procurement Note
- < FAT – Finance & Administrative Team

## Negotiated Tender



- < PC – Procurement Committee
- < BO – Budget Owner
- < BS – Budget Supervisor
- < PN – Procurement Note
- < FAT – Finance & Administrative Team

## Open Tender



- < PC – Procurement Committee
- < BO – Budget Owner
- < BS – Budget Supervisor
- < PN – Procurement Note
- < FAT – Finance & Administrative Team

*Procurement workflow form:*

**VSE PROCUREMENT WORKFLOW FORM**

Section 1: Request Details			
Field	Description		
Request number	[Yyyymmdd00]		
Programme/Project Name*	[Name of project/programme requesting for item/service]		
Project Reference*	[ P r o j e c t / P r o g r a m m e ' s		
Date of Request*	[dd/mm/yyyy]		
Department/Team*	[Team or department making request]		
Requestor's Name*	[Name of staff making request]		
Section 2: Procurement Description			
Field	Description		
Item/Service Description*	[Detailed description of items/services]		
Quantity*	[Number of units required]		
Purpose*	[Brief explanation of the purpose]		
Preferred Supplier (if any)	[Name of preferred supplier, if applicable]		
Required Delivery Date	[dd/mm/yyyy]		
Estimated Budget*	[ E s t i m a t e d c o s t i n E u		
Urgency Level	[High/Medium/Low]		
Special Instruction/Requirements	[Any special instructions or requirements]		
Section 3: Supplier Information (for Single Tender or Pre-selected Suppliers)			
Field	Supplier 1	Supplier 2	Supplier 3
Supplier Name	[Supplier name]	[Supplier name]	[Supplier name]
Contact Person	[Name]	[Name]	[Name]
Contact Information	[Phone, email]	[Phone, email]	[Phone, email]
Quotation Received?	[Yes/No]	[Yes/No]	[Yes/No]
Quoted Amount (€)	€	€	€
Delivery Terms	[Terms]	[Terms]	[Terms]
Section 4: Approval Workflow			
Field	Name & Title	Date	Signature
Requested By*	[ R e q u e s t o r '	[dd/mm/yyyy]	[Signature]
Budget owner/holder*	[Name]	[dd/mm/yyyy]	[Signature]
Budget supervisor*	[Name]	[dd/mm/yyyy]	[Signature]
Authorising officer	[Name]	[dd/mm/yyyy]	[Signature]

<b>If applicable – approval to exceed 50K</b>			
<b>If applicable – approval to continue with less than 3 bids</b>			
<b>Section 5: Procurement Committee Decision (if applicable)</b>			
<b>Field</b>	<b>Description</b>		
<b>Decision*</b>	[Approved/Rejected/Deferred]		
<b>Comments</b>	[Comments or Reasons]		
<b>Committee Chair*</b>	[Name]		
<b>Signature*</b>	[Signature]		
<b>Date*</b>	[dd/mm/yyyy]		
<b>Section 6: Post-Procurement Details</b>			
<b>Field</b>	<b>Description</b>		
<b>Supplier Selected*</b>	[Name of Supplier]		
<b>Final Amount (€)*</b>	[ € ]		
<b>Delivery Date*</b>	[dd/mm/yyyy]		
<b>Remarks*</b>	[Any remarks or issues]		
<b>Received By*</b>	[Name]		
<b>Date*</b>	[dd/mm/yyyy]		
<b>Signature*</b>	[Signature]		
<b>Notes:</b>			
< All fields marked with (*) are mandatory < Attach all relevant documents (quotations, specifications, etc.) to the form. < Ensure all approvals are obtained before proceeding with procurement.			

### *Selection of procurement procedure by value*

Depending on the value indicated in the table below, the type of procurement procedure will be selected:

Procurement rules			
Threshold	Services	Supplies	Works
Direct Order	≤ € 1 , 0	≤ € 1 , 0	≤ € 500 , 000
Single Tender	≤ € 2 , 5	≤ € 2 , 5	≤ € 1 0 0 0 0
Negotiated procedure	≤ € 1 5 , 0	≤ € 1 5 , 0	≤ € 3 0 0 0 0
Open tender	≥ € 1 5 , 0	≥ € 1 5 , 0	≥ € 3 0 0 0 0

Table 3: VSE Cost Centers


Codes	Account Names		Codes	Account Names
603000	Subcontracting		<b>Revenue</b>	
311000	Office Rent & Rental charges		701000	Sponsorships
611100	Contract Services		702000	Other Contracts & Incomes
612000	Physical Repairs & Maintenance		703000	Events income
612100	Subscriptions		704000	Subscriptions income
612200	Miscellaneous Expenses		705000	Other Income
612300	Special Event Expenses		730000	Membership Fees
612400	Conference Expenses		731000	Grants & Donations
612500	Workshop Expenses		731100	Grants - Government & International Institutions
612600	Training events		731200	Grants - Foundations & Organizations
612700	Other Events		731300	Grants - Individuals
613000	Office Supplies, Utilities & Consumables		733100	Donations - Government & International Institutions
613100	Office Supplies & Postage		733200	Donations - Foundations & Organizations
613200	Furniture and fittings		733300	Donations - Individuals
613300	Office Equipment		740000	In-Kind Contributions
613400	Utilities and telecommunications		750100	Interest Income
613500	Printing & Copying		750200	Dividend Income
613600	Website, Licenses, Permits		760200	Temporarily Restricted Income
613700	Consumables/Food & Beverage Expense		760300	Permanently Restricted Income
614000	Travel Expenses & Subsistence			
614100	Travel Expenses BE Staff			
614200	Travel Expenses Overseas Staff			
614300	Subsistence BE Staff			
614400	Subsistence Overseas Staff			
614500	Accommodation BE Staff			
614600	Accommodation Overseas Staff			
615000	Professional Services			




615100	Professional Fees and legal services			
615200	Consultancy Services			
615300	Support to Third Parties			
615400	Staff Training			
616000	Membership Dues			
616100	Donations & Contributions			
616200	Insurance (fire, theft, etc)			
619000	Marketing Branding and Advertisement			
619100	Interpretation and translation services			
620000	Remuneration and direct social benefits			
620500	Salaries & Wages			
620600	Staff Benefits			
621000	Payroll Taxes / Employer's Contributions			
630000	Depreciation Expense / Amortisation			
640000	Operating Tax Charges			
651000	Bank Charges			
652000	Other Charges & Penalties			

## Annex III Other forms

### Cost reimbursement form

					
<b>INSTRUCTIONS</b> * Participants must provide all supporting documents related to the claimed costs (eg. invoices for flights and hotel costs, boarding passes and other supporting documents). * Copies of these documents should be sent by email to <a href="mailto:finance@victimsupporteurope.eu">finance@victimsupporteurope.eu</a> and the original documents should be sent by posts to the following address: Victim Support Europe Rue Froissart 123-133 ; 1040 Brussels, Belgium					
<b>REIMBURSEMENT FORM</b>					
Description, date and place of event					
Departure date and time					
Departure address					
Return date and arrival time					
Return address					
Name of claimant					
Name and Contact details of Organisation					
<b>TRAVEL (only flights, train or other means of getting to and from destination)</b>					
Expense description	Amount (original currency)	Exchange rate	Amount in EUR	Travel unit calculation	Cost incurred by (staff/VSE)
			0	VSE INTERNAL USE	
			0		
			0		
			0		
<b>TOTAL TRAVEL</b>	0,00		0,00		
<b>SUBSISTENCE (including local travel)</b>					
	Amount (original currency)	Exchange rate	Amount in EUR	VSE INTERNAL USE	Cost incurred by (staff/VSE)
			0		
			0		
			0		
			0		
<b>TOTAL SUBSISTENCE</b>	0,00		0,00		
<b>Accommodation</b>					
	Amount (original currency)	Exchange rate	Amount in EUR	VSE INTERNAL USE	Cost incurred by (staff/VSE)
			0		
			0		
<b>TOTAL ACCOMMODATION</b>	0,00		0,00		
<b>TOTAL COST INCURRED</b>					0,00
<b>TOTAL COST CLAIMED/REIMBURSED</b>					0,00
<b>BANK DETAILS</b>					
BANK ACCOUNT HOLDER					
IBAN					
BIC/SWIFT					
Expenses checked by (name):		Date	Signature		

## Travel authorisation form (TAF)

 <b>Victim Support Europe</b> • Rue Froissart 123-133 • 1040 Brussels • Belgium < <b>E</b> info@victimsupporteurope.eu < www.victim-support.eu	
<b>TRAVEL AUTHORISATION FORM</b>	
<b>Section 1: Personal Details</b>	
Date	
Requested By	
Position/Title	
Team/Department	
Program/Project	
<b>Section 2: Travel Details</b>	
Departure Date	
Return Date	
Departure Location	[Country, city]
Arrival Location	[Final destination of travel]
Destination(s)	[List countries with cities if travelling to multiple cities]
Medium of travel	[flight, vehicle, train, multiple]
Purpose of travel	
E s t i m a t e d   C o s t   o f   t r a	[unit cost]
<b>Section 3: Accommodation Details</b>	
Hotel(s)/AirBNB Name(s)	
Number of nights	
E s t i m a t e d   C o s t   /   n i g h t	[unit cost]
Total cost of Accommodation ( € )	[unit cost]
<b>Section 4: Subsistence Details</b>	
Number of days	
E s t i m a t e d   C o s t   /   d a y   ( € )	[Unit cost]
Total cost of s u b s i s t e n c e   ( € )	[Unit cost]
<b>Section 5: Pre-travel Checklist</b>	
Visa Requirement	[ ] Required (details):

		<input type="checkbox"/> Not Required
Vaccination/Health Requirement		<input type="checkbox"/> Required (details)
		<input type="checkbox"/> Not Required
Insurance		<input type="checkbox"/> Covered by VSE Insurance
		<input type="checkbox"/> Additional Insurance Required (details):
Emergency Contact:	Name	
	Relationship	
	Contact No.	
	Email	
<b>Section 6: Approval</b>		
Budget Owner:		[Name]
Signature:		
Date:		
Budget Supervisor:		
Signature:		
Date:		
Executive Director (if required):		
Signature:		
Date:		

## *Terms of Reference (ToR) for a Single Tender*

### **Sample Terms of Reference (ToR) for Single Tender Procedure**

#### **1. Background**

Victim Support Europe (VSE) is the leading European umbrella organisation that advocates on behalf of all victims of crime, no matter what the crime, no matter who the victim. V S E ' s i s d e d i c a t e d t o the voice of victims in Europe and beyond through strengthening of the rights and services for all victims of crimes. This procurement is part of [insert context or project name] aimed at [main purpose of the project or program].

#### **2. Purpose of the Procurement**

[Specify the purpose and need for the procurement.]

#### **3. Scope of Work**

[Describe the items/services to be procured in detail.]

The supplier is required to deliver 50 portable medical kits that meet the following specifications:

- ◁ Portable and lightweight
- ◁ Contains basic diagnostic tools (thermometer, stethoscope, blood pressure monitor)
- ◁ Includes basic first aid supplies (bandages, antiseptic wipes, gloves)
- ◁ Durable carrying case with compartments
- ◁ Compliance with international health standards

#### **4. Deliverables**

[Specify the expected deliverables.]

Example:

- ◁ 50 portable medical kits delivered to XYZ International's central warehouse
- ◁ User manual for each medical kit
- ◁ Warranty information for all items in the kits

#### **5. Delivery Schedule**

All [deliverables mentioned above] must be delivered within... ..days of contract award. [Outline the expected timeline for delivery.]

#### **6. Budget**

[State the budget allocated for this procurement.]

The budget for this procurement is € ... ..

## 7. Payment Terms

[Outline the payment terms and conditions.]

- ◁ 50% of the payment will be made upon signing the contract.
- ◁ 50% of the payment will be made upon delivery and acceptance of [deliverables].

## 8. Supplier Qualifications

[Specify any qualifications or criteria the supplier must meet.]

Example:

- ◁ Supplier must have a minimum of 5 years of experience in supplying [product being procured] equipment.
- ◁ Supplier must provide at least three references from previous clients.
- ◁ Supplier must demonstrate the ability to meet the delivery schedule.

## 9. Evaluation Criteria

[Specify how the supplier will be evaluated.]

Example:

- ◁ Compliance with the specifications of the medical kits (40%)
- ◁ Delivery schedule (30%)
- ◁ Supplier qualifications and references (20%)
- ◁ Cost (10%)

## 10. Submission Requirements

Interested suppliers should submit their quotations including a detailed breakdown of costs, delivery schedule, and references to [budget owner's email address] by [submission deadline].

## 11. Contact Information

For any inquiries regarding this ToR, please contact: [budget owner, Victim Support Europe,]  
Email: [budget owner's email address] Phone: [budget owner's contact number] and

## 12. Terms and Conditions

- ◁ VSE reserves the right to accept or reject any quotations without providing any reasons.
- ◁ The supplier must comply with V S E ethical procurement policies.
- ◁ Any disputes arising from this procurement will be resolved under the jurisdiction of Belgium.

VSE Purchase Request Form



Purchase Request Form

Requested by	
Suggested supplier	
Supplier address	
Project	
Budget line	

Item	Description	Unit Price	Qty.	Total	Budget
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
Total				0	0

Other details	
---------------	--

Approved by	
-------------	--