



Enhanced Financial Regulations of the Party of the European Left (EL)

1. Introduction

This document contains the enhanced financial regulations of the Party of the European Left. These include mainly the overall guidelines to the financial funding procedure of the European Parliament (EP) for European political parties and foundations and the obligations that arise thereof for the EL in terms of financial practices in order to secure future funding and its financial stability.

Thematic areas of the financial regulations consist of:

- EP funding system for political parties and foundations on European level
- Financial Planning
- Reimbursement
- Membership Contributions by EL-member parties
- Responsibilities

2. EP funding system for political parties and foundations on European level

2.1. General overview

- a. The European Parliament is funding European political parties and foundations on a yearly basis per calendar year.
- b. The current deadline for applications from parties and foundations is the 30th of September, regarding financial funding for the following calendar year.

2.2. Eligibility of funding

- a. Each European political party is eligible to apply which fulfils amongst others the following conditions:
 - i. Be represented in at least one quarter of the member states of the European Union by members of the European Parliament or national parliaments, or in the regional parliaments; or having received at least 3% of votes in at least one quarter of the member states of the European Union in European elections.
 - ii. It must have participated in European elections or have the intention to do so.

2.3. Calculation and composition of eligible funding

- a. From the total amount available for funding divided by the number of parties known to be eligible to apply, the EP calculates the minimum funds each party or foundation is eligible to apply for and sends it around to all parties and foundations.
- b. In the same document a calculation sheet is included for each party and foundation to calculate the maximum amount it is eligible to apply for.
- c. Each signature or EL party membership by an MEP is increasing the maximum eligible funding amount.
- d. The 100% eligible expenditure each party applies for is composed by:
 - i. A *maximum* of 85% by the European Parliament
 - ii. A *minimum* of 15% by the party itself

2.4. Grant award decision

- a. The envisaged deadline for the announcement of the grant decision – including a written explanation – by the General-Directorate of Finances of the European Parliament is scheduled until the end of December.
- b. Within 15 days of the decision, the money is supposed to be transferred to each party's account.
- c. An appeal of the decision is possible within two months after the decision has been made.

2.5. Important regulations of the EP¹

- a. A minimum of 75% of the annual budget has to be spent on eligible expenditure until the end of the calendar year.
- b. If at the end of a calendar year a part of the budget (no more than 25%) remains to be spent, it can be still be spent until the end of the first quarter of the following year. This process is called “carry-over”.
- c. There are no special restrictions on spending money during a carry-over period.

3. Financial Planning

3.1. Provisional planning

- a. With each application for EP funding a provisional budget – the EP provides budgetary lines and categories – has to be included for the upcoming year.
- b. This provisional budget is calculated by the parties on the basis of the calculation sheets for the upcoming year provided by the European Parliament.
- c. The status of this budget sheet remains provisional until the grant award decision by the European Parliament is published.
- d. In order to ensure a concise financial planning for the following year as many EL-events as possible – which are planned by the different member parties, working

¹ For further information about the EPs funding procedure please consult the EPs regulation (EC) No 2004/2003.

groups and networks – should be already sent to the Brussels Head Office before the last EL-Executive Board meeting of the calendar year.

- e. The EL Treasury, together with the treasurers and financial representatives of the member parties, is to ensure that a common proposal for the membership contributions of the EL full member parties shall be made before the first Executive Board of the year.

3.2. Fixing financial year-plan

- a. Once the EP grant award decision has been made public the EL Treasury is informing the Executive Board and formulates a consolidated budget proposal for the following Executive Board in cooperation with the Secretariat and the Presidency.
- b. At this stage, and as an important part of the consolidation process of the budget, no additional events shall be added, in order to ensure, that enough capacities are left in order to include events regarding urgent political developments around Europe and/or in certain member parties' countries at a later stage during the year.

3.3. Ensuring financial equilibrium throughout the year

- a. The timely payment of membership contributions by the EL member parties is the key for mid- and long term financial stability of the EL by securing a stable future funding through the EP. For 1.000€ membership contribution the EL is getting 5-6.000€ from the EP. Therefore the timely payment of the agreed membership contribution is a highly important cornerstone of EL financial planning.
- b. EL-Funding proposals for events coming from EL-member parties, working groups or networks after the first executive board of the year for a total amount of more than 5.000€ cannot be approved by the EL treasury alone. An additional request to the presidency has to be sent by the asking party, explaining the reasons for the request.
- c. For all events exceeding the EL-funding amount of 15.000€ a monitoring committee, consisting of three ExBoard members of three different member countries of the EL, shall be established in order to keep track of the principles of the financial balance, responsibility and accountability for the event concerned. It shall ensure the concise financial planning of the events of such importance.
- d. First financial plans for proposed events shall be handed in to the EL treasury at least three months in advance. Through a failure to comply with this obligation the demanding party, working group or network is risking a lower or no funding at all.
- e. The EL treasury takes into account its obligation to ensure that at least 75% of the budget is spent until the end of the calendar year and takes the appropriate measures, in cooperation with the secretariat and the presidency, to ensure its attainment.
- f. The EL treasury reports about the current financial situation at each EL-Executive Board, at its treasurer meetings and electronically in between those occasions.

3.4. Closure of financial year

- a. The closure of each financial year is scheduled to take place in the first of half of the following year. The EL treasury keeps everybody informed about the process and its outcome.

4. Reimbursement policy

4.1. General regulations

- a. Reimbursements claims can only be made:
 - i. By a member of an EL-member party through the EL reimbursement claim forms (reimbursement claim form; reimbursement by car form lost ticket form).
 - ii. By a service provider through a regular invoice.
- b. Reimbursements shall not be requested to be directly transferred to a bank account of an EL-party. The financial regulations of the EP view any payment from the EL- bank account to a bank account of an EL-party as party financing, which is forbidden by the regulations. In order to avoid such reimbursements all parties concerned are invited to discuss necessary measures to undertake changes in this regard.

4.2. Personal reimbursement claims

- a. For personal reimbursement claims he/she is asked to use the reimbursement claim form (see Annex).
- b. The claiming person has to fill out the reimbursement claim form and is kindly asked to make sure that the person indicated as the sender on the top part of the form is also the same person as the account holder – on the bottom part of the form – to which the reimbursement has to be made.
- c. Additionally to the reimbursement claim form it is indispensable that the sender attaches the original invoice documents related to his/her claim. For flights the original boarding passes has to be sent as well. Without this additional documentation no reimbursement can be made².
- d. If the claiming person has travelled the full or a part of his/her journey to an EL-event by car and wishes to claim a reimbursement for it, he/she is asked to use the “reimbursement by car” claiming form.
- e. In the exceptional case of losing a boarding pass of a flight which has been part of the reimbursement claim of the sender, he/she is allowed to cover the loss by sending the lost ticket form instead. The EL treasury however reserves its right to accept a lost ticket form as part of the documentation or not, as this practice shall not be used as a rule but as an exception.

4.3. Invoices by service providers

- a. Invoices by service providers have to entail the following details:
 - i. Be addressed to the EL office in Brussels.
 - ii. Mention the number and date of the invoice.
 - iii. Mention the EL event for which the service was provided for.
 - iv. Mention the EL reference person through which the contact with the service provider was established.
 - v. State the service providers’ name and full address.

² This reflects the financial regulations of the EP, laid down in article II.4 of the grant agreement.

- vi. State the exact and correct bank details (name of account holder, IBAN, BIC/SWIFT).
- vii. Indicate the title and date of the contract, if a contractual agreement was made with a service provider.
- b. If the service provided has included the production of goods (e.g. gadgets and other communication/PR material) an invoice accounting for those goods has to include as well:
 - i. The nature of goods (what has been produced).
 - ii. The quantity of goods (how much has been produced).
 - iii. The prices of one piece/unit as well as the total price.
 - iv. One original example of the goods produced shall be included with the shipment of the invoice.
- c. The EL office in Brussels, which issues all payments through a Belgian bank account, is registered in Belgium as a non-profit association. Therefore it has no VAT/Tax number. The service provider therefore is asked to include its own tax number if needed.

4.4. Pro-Forma Invoices

- a. As pro-forma invoice any kind of preliminary invoice is meant which is being sent by a service provider before an event and where as a result the total amount of payment might change afterwards.
- b. A pro-forma invoice has to include the same details like a normal invoice by a service provider (see 4.3.).
- c. A final invoice has to be sent after the event in any case and regardless whether a change of the total payable amount by the EL has occurred after the concerned event or not.

4.5. Limits

- a. If not mentioned otherwise the following travel costs will be paid by the EL for Executive board members and council of the chairperson members or their Representatives of the different parties:
 - i. Executive board meetings (maximum 2 persons per full member party; maximum 1 person per observatory party)
 - ii. Council of chairpersons meetings
 - iii. Working groups and networks (one per party)
 - iv. Travel costs to seminars, conferences and party congresses, Social Forums etc. will only be paid if there is an official invitation or a concrete decision made by the Executive Board to attend the reunion in question.
- b. For services provided for a sum of more than 5.000€ the EL (office and member parties) are required to ask for at least two competitive offers. This is needed in order to meet the requirements of the European parliament financial guidelines regarding sound financial management and the awarding of contracts (Article II.7 of the EP-Bureau decision).

- i. In the case where the service/s is/are contracted through the EL office directly, it is the EL office that is responsible to follow the requirements.
 - ii. In the case where the service/s is/are contracted by an EL member party organizing an EL-event, the responsibility of the member party is to follow the requirements and to send the information on the selection process of the service/s to the EL office once the selection process is over.
- c. The reimbursement limit for return flights within Europe is set at 500€ for individual all reimbursement claims. In exceptional cases a slightly higher amount might be considered for reimbursement by the EL treasury, providing that the claiming person/ service provider offers an explanation (e.g. last-minute emergency booking).
- d. Hotel rooms shall not exceed 100€ per person per night whenever possible.
- e. No private meals during the journey of the participants to, from and during an EL-activity are reimbursed. The only meal expenses covered by the EL are those paid for group catering/ group meals during an EL-activity and are paid directly by the EL to the service providers.
- f. In order for a reimbursement claim to be considered it has to be sent at latest three months after the event has been carried out or within the same calendar year (whichever date is sooner applies to each case).

5. Membership Contributions

- a. The membership contributions are paramount to the financial stability of the EL (see 2.3.).
- b. EL membership contributions shall be paid by each full member party of the EL.
- c. In order to honour point (a) and acting accordingly each paying party is asked to pay at least a first part of its total contribution before the end of the 30th of June of each year.
- d. Whenever a paying party experiences internal financial problems that hinder that party in question to fulfil part of its payments, it is kindly asked to engage timely and in direct contact with the EL treasury in order to find means resolving the issues together.

6. Responsibilities

- a. The EL treasury bears the main responsibility for the financial stability and longevity of the EL.
- b. It develops mainly its proposals regarding the financial structuring and planning and liaises with the secretariat and presidency of the EL in order to formulate common proposals which are subsequently presented in the Executive Boards.
- c. In its decisions it acts transparently and in a cooperative manner.
- d. Whenever decisions have to be made which have a high impact to the EL, decisions can only be made with the consent of EL presidency (and secretariat depending the nature of the issue).

- e. It is also the responsibility of the member parties to remain in contact and cooperation with the EL treasury and inform it directly or through a financial representative about proposals to modify or amend the regulations put forward in the present document.

The Treasury of the Party of the European Left