



Celebrating the 25<sup>th</sup> Anniversary of B7

## Baltic Islands Network

B7 Hiiumaa Chairmanship 2014  
Hiiumaa County Government, Leigri v. 5  
92401 Kärkla, Estonia  
[www.b7.org](http://www.b7.org)

E-mail: [reet.kokovkin@hiiumaa.ee](mailto:reet.kokovkin@hiiumaa.ee)  
Tel. +372 51 78 597

## Annex B7 BUDGET and ACCOUNTING PRACTICE

The B7 Board in this document approves Guidelines for B7 Budget and Accounting Practice, set out by Öland as required by the B7 Charter.  
Date approved: 24.05. 2014

### 1 GENERAL

- One of the B7 islands will take care of the B7 accounts (since 2014 Öland).
- The bills are approved by the Chairing Island and the account holding island.
- The salary of the B7 accountant will be agreed by the account holding island within the B7 budget framework.
- The rules governing accounting practice are those of the island taking care of the accounts.
- The budget and accounting practice is based on the B7 Co-operation not having a legal status, thus being a voluntary agreement, based on common interest.

### 2 BUDGET

- “Budget” is the document approved at the annual conference that covers the agreed income from fees and as a consequence the maximum level of expenditures for the coming year.
- The budget is accounted in common currency EURO

### 3 ACCOUNTS

- “B7 Accounts” document sets out the money spent and committed to be spent against each budget line item together with explanations.
- The B7 accounts will be made available for each B7 Steering Committee and B7 Board meeting.
- The Annual Accounts are presented in draft format at the Annual Conference with a final set of accounts completed by 15 March of the following year.

### 4 B7 FINANCE COMMISSION

- A group of auditors shall be elected - one B7 politician and two civil servants. The politician may not represent the island holding the B7



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chairmanship. None of the auditors may represent the island holding the accounts for B7.

- The finance commission will randomly/twice a year check the account statements made available by the B7 Accountant.
- The B7 Finance Commission will present and communicate the budget and accounting information to the B7 Board and Steering Committee at the annual meeting.
- After presentation of final accounts an auditing shall be done.

## 5 B7 ACCOUNTING and TRANSACTION PRINCIPLES

### 5.1 GENERAL

- No overspend of budget lines.
- Unforeseen expenses that would lead to a budget overspend require a decision about their payment by the SC (through an Internet quorum).
- Travel and accommodation cost related to B7 meetings and projects are borne by the islands.

### 5.2 LANGUAGE

- Accounting documents not written using English or the Accountants language should be accompanied by a translation.

### 5.3 PAYMENTS-IN

- The B7 Accountant will send out an invoice for membership fees during the month of February for payment in the month of March.
- Payment of membership fees should be separated from other forms of payment, refunds and transfers.

### 5.4 PAYMENTS-OUT

- Payments are made on a “claim back” or “refund” system. Secretariat can claim in advance.
- Payments will not be made direct to suppliers.
- Payments are only made on receipt of invoices or requests for payment.
- The filled-in pay scheme approved by the B7 Chairperson or the respective WG Chairperson shall be submitted to the Accountant in the form of an e-mail with scanned copies of relevant invoices attached.



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When requesting payment the following payee information is required:

- Amount and currency
- Receiver and address
- Bank details with complete address information and Bank Account number.
- IBAN code
- BIC/Swift code
- The B7 Accountant will carry out payments only if the account is in positive balance.

### 6 COSTS THAT CAN BE COVERED ...

#### 6.1 BY "THEMATICAL CONFERENCE" BUDGET LINE

- Costs associated with meetings, e.g. meeting rooms, technical equipment, photocopying material
- Additional staff to prepare event
- Costs of invited guests
- Study visit costs, bus, public transport, entrance fees
- Meals, tea, coffee, refreshments, one alcoholic drink per dish at dinners

#### 6.2 BY "COORDINATION" BUDGET LINE

- Costs associated with meetings, e.g. meeting rooms, technical equipment, photocopying material
- Meals, tea, coffee, refreshments,

#### 6.3 BY "PROJECTS" AND "B7 GAMES" BUDGET LINE

- All project related costs

### 7 ADVANCE PAYMENTS

- Payments for Secretariat, the Thematical Conference or B7 Projects can be made prior to the implementation of events with the authorisation of the B7 Chairperson and the account holding island.
- The B7 Board member of the island receiving the advanced payment is responsible for ensuring documentation accounting for the use of the money is sent to the B7 Accountant.
- Amounts not used for the conference or the projects shall be paid back to B7 after the event without any delay.

### 8 BANK CHARGES



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- Payments and transfers to member islands will be made with bank charges paid.
- These charges will be accounted for in budget item "Other costs"

### 9 CARRYING FORWARD BUDGET ITEMS

- If a project is not completed within the calendar year, the B7 Board should approve that the funding be carried forward to the next financial year.

### 10 RESTRICTIONS FOR ACCESS AND USE OF RESOURCES IN SAVINGS ACCOUNT

- Savings are to be used for common projects resp. for common EU projects co-financing and to support, if necessary, the carry out of B7 projects.
- For the use of savings a decision of the SC (through an Internet quorum) is necessary.

### 11 FINANCIAL RULES IN CASE AN ISLAND LEAVES THE CO-OPERATION

- An island can leave the network to the end of a year, preferably with a 6 month notice to be mentioned in the Charter document
- No refund will be made from the savings account when an island leaves the cooperation.
- In case the organisation will be closed down, the savings account will be divided between the islands who are members of the network at that moment, proportional to the membership fees paid by each island in the last year.

### 12 OTHERS

- The format for the budget scheme is set out in Excel document "B7 Budget & Accounts Format".
- A guideline pay scheme is part of the Excel document "B7 Budget & Accounts Format".