



Deliverable 3.2: ACTRIS Internal Financial Rules

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ACTRIS Internal Financial Rules

Version 1. Edition 2019, December

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Preface

The Internal Financial Rules (IFR) detail the principles for funding the whole of ACTRIS and the contributions from Member, Permanent Observer and Observer States to ACTRIS ERIC, and lay down all other arrangements relating to ACTRIS ERIC finances, budget and accounting standards, including details regarding preparation, filing, auditing and publication of accounts.

The IFR go hand in hand with the ACTRIS ERIC statutes financial articles and Annex II.

1. Applicable Rules

The financial management of ACTRIS ERIC shall be governed by the Statutes, these Financial Rules, based on International and European Public Sector Accounting Standards (IPSAS1 - EPSAS), and any regulations drawn up by the General Assembly and in accordance with relevant European and Finnish legislation.

2. Financial Management General Principles

2.1 Framework

- 2.1.1 The Aerosol, Clouds and Trace Gases Research Infrastructure (ACTRIS) is a pan-European initiative consolidating activities amongst European partners that produce high-quality data on short-lived atmospheric constituents and processes leading to their variability in natural and controlled atmospheres. ACTRIS integrates, harmonizes, and distributes datasets, activities, and services provided by the Central Facilities (CFs) and National Facilities (NFs). At the European level, ACTRIS is operated by the CFs that include six Topical Centres, the Data Centre and the Head Office. ACTRIS CFs represent the key operative entities of this RI and have a fundamental role, as they provide services to the users according to the ACTRIS access policy as well as operational support to the National Facilities (NFs). The NFs, which include observational and exploratory platforms both within Europe and at selected global sites, are responsible for the acquisition of reliable, accurate, and high-quality data to document the 4-D distribution and variability of aerosol, clouds and trace gases and their complex interactions.
- 2.1.2 The ACTRIS European Research Infrastructure Consortium (ERIC) is the legal entity of ACTRIS that provides the governance structure for the distributed research infrastructure. ACTRIS ERIC has its statutory seat in Helsinki, Finland, and with Head Office units located in Finland and Italy.
- 2.1.3 The ACTRIS Data Centre and Topical Centres may be part of ACTRIS ERIC or linked to it through cooperation agreements between the ERIC and the Host Institutions of the Central Facilities.

¹ <https://www.epsas.eu/en/ipsas-the-standards.html>

2.1.4 Cooperation agreements between ACTRIS ERIC and the Host Institutions of the Central Facilities set out the rights and responsibilities of ACTRIS ERIC and the Central Facility Host Institutions and govern the funding in order to ensure proper operation and running of ACTRIS.

2.1.5 The ACTRIS National Facilities are operated by national consortia.

2.2 Contribution Principles for ACTRIS Funding

2.2.1 Resourcing of the **National Facilities** is organized nationally.

2.2.2 The Countries hosting the **ACTRIS Central Facilities** shall be responsible for financing 100% of their *construction*.

2.2.3 The *operations* of the ACTRIS Central Facilities are partially funded by the Central Facility Hosting Countries and partially by Members, Permanent Observers and Observers through Membership Contributions to ACTRIS ERIC.

2.2.4 ACTRIS ERIC Members, Permanent Observers and Observers shall provide Annual Contributions to ACTRIS ERIC according to the principles affirmed in the ACTRIS Statutes and based on the method of calculation agreed upon and provided in section 7.2 of these Internal Financial Rules.

Definitions

2.2.5 **Annual Contributions** can consist of Host Premium Contributions, Host Contributions and Membership Contributions.

2.2.6 The **Host Premium Contribution** is the support provided to ACTRIS ERIC by Members and Permanent Observers for the functioning of Central Facilities as part of ACTRIS ERIC and hosted in their own country.

2.2.7 The **Host Contribution** is the support provided to ACTRIS by ERIC Members and Permanent Observers for the functioning of Central Facilities units not part of ACTRIS ERIC and hosted in their own country.

2.2.8 **Membership Contributions** is the cash contribution to ACTRIS ERIC from all Members, Permanent Observers and Observers, that shall be used by ACTRIS ERIC to contribute to funding the Central Facilities' annual operation costs.

*General principles regarding the funding of **user access** to CFs and specific NFs will be established during ACTRIS Implementation, following the recommendations included in ACTRIS PPP Deliverable 6.2.*

2.3 Contribution Principles for CFs included in ACTRIS ERIC

- 2.3.1 The level of Host Premium Contribution for each CF part of ACTRIS ERIC shall account for not less than 50% of its total annual operation costs.
- 2.3.2 The Host Premium Contribution cannot rise beyond the maximum amount accepted by the Hosting Countries in case the operations and costs of the ACTRIS Central Facilities increase following the accession of new Member States and/or increased National Facilities demand.
- 2.3.3 The Host Premium Contribution can be provided in cash or in-kind.
- 2.3.4 In-kind Host Premium Contribution shall be accepted only when in the form of effective and quantifiable contribution to ACTRIS ERIC, and when agreed by the General Assembly. The General Assembly shall agree on the rules for the acceptance of in-kind contributions and the assessment of their value.
- 2.3.5 The General Assembly may seek external advice for evaluating the in-kind contributions.
- 2.3.6 The quota of each Central Facility's annual operating costs that is not covered by the Host Premium Contribution shall be funded by ACTRIS ERIC through the Membership Contributions from all ACTRIS ERIC members, Permanent Observers and Observers.
- 2.3.7 The annual Membership Contribution is based on the main principles of the inclusiveness of ACTRIS and the support provided by ACTRIS to its Members, Permanent Observers and Observers. It shall be provided in cash only.

2.4 Contribution Principles for CFs not included in ACTRIS ERIC

- 2.4.1 The level of Host Contribution for each Central Facility not part of ACTRIS ERIC shall account for not less than 50% of its annual operation costs.
- 2.4.2 The Host Contribution cannot rise beyond the maximum amount accepted by the Hosting Countries in case the operations and costs of the ACTRIS Central Facilities increase following the accession of new Member States and/or new National Facilities.
- 2.4.3 The Host Contribution can be provided in cash or in-kind following the rules detailed in the relevant cooperation agreement. In-kind Host Contribution shall be in the form of effective and quantifiable contribution to the ACTRIS.

- 2.4.4 The quota of each Central Facility's annual operation costs that is not covered by the Host Contributions shall be funded by ACTRIS ERIC through the Membership Contributions from all ACTRIS ERIC Members, Permanent Observers and Observers.

2.5 Financial Management Principles

- 2.5.1 ACTRIS ERIC is a non-economic (non-profit) organisation.
- 2.5.2 ACTRIS ERIC shall be subject to the requirements of the law, accounting standards and principles of the country where it has its statutory seat as regards preparation, filing, auditing and publication of accounts.
- 2.5.3 ACTRIS Central Facilities shall respect the legislation and accounting procedures of their Hosting Countries.
- 2.5.4 All items of expenditure and revenue of ACTRIS ERIC shall be included in the annual budget to be drawn up for each year of the financial period.
- 2.5.5 The revenues and expenditures of ACTRIS ERIC shown in ACTRIS ERIC budget shall be in balance over the long term.
- 2.5.6 The budget shall be established and implemented and the accounts presented in compliance with the principle of transparency.
- 2.5.7 The General Assembly shall ensure that ACTRIS ERIC resources are used in accordance with the principles of sound financial management and only for purposes as laid down under the Statutes.
- 2.5.8 Any external funding or contribution shall be used only for the purpose it has been dedicated for in the framework of the ACTRIS work plan.

3. Financial Year

- 3.1 The financial year of ACTRIS ERIC shall run from 1 January to 31 December.
- 3.2 The first financial year starts once ACTRIS ERIC is legally established and runs until 31 December of that year.

4. Currency

4.1 The currency used to draw up the budget and for keeping accounts shall be the Euro.

4.2 The monetary contributions to ACTRIS ERIC shall be made in Euros.

5. Financial Planning of ACTRIS ERIC and ACTRIS

5.1 The financial period of the ACTRIS ERIC shall be five consecutive calendar years (budgetary cycles).

5.2 Each CF (whether part of ACTRIS ERIC or not) and NF consortium shall provide specific work programs and related financial plans for the 5 years.

5.3 A 5-year ACTRIS Financial Plan shall establish the general framework for the detailed annual budget of ACTRIS ERIC based on the work programs and related financial plans provided by each Central Facility (whether part of ACTRIS ERIC or not) for the 5 years.

5.4 The 5-year financial plan shall set the level of the Host Premium Contributions and Host Contributions that the Hosting Countries agree to provide as well as the level of Membership Contributions that the Members, Permanent Observers and Observers agree to pay.

5.5 The 5-year Financial Plan must be supported by a description of the objectives and activities of ACTRIS for the period concerned.

5.6 A Financial Committee shall be established by the General Assembly to support on matters related to the management of the financial planning of ACTRIS ERIC.

5.7 The Director General proposes the five-year Financial Plan of ACTRIS and ACTRIS ERIC to the General Assembly, in consultation with the Financial Committee.

5.8 The General Assembly shall approve the five-year Financial Plan for ACTRIS ERIC.

6. Preparation of ACTRIS ERIC Annual Budget

The annual budget of ACTRIS ERIC shall be prepared by the Head Office and shall include:

- a) revenues and expenditure for the financial year to which they relate
- b) information on the balance of the budget
- c) work plan describing the objectives and activities and justifying the planned revenues and expenditures

6.1 Revenues of ACTRIS ERIC

The revenues of ACTRIS ERIC consist of:

- a) Host Premium Contributions
- b) ACTRIS ERIC Membership Contributions

- c) third party contributions and grants
- d) surplus revenues carried forward from previous years, and
- e) any other income (e.g. user fees, interest and donations)

6.1.1 Host Premium Contributions to ACTRIS ERIC

The article will be drafted in detail according to the Interim ACTRIS Council decision on ACTRIS funding model.

6.1.2 Membership Contributions to ACTRIS ERIC

The article will be eventually integrated in detail and updated according to the Interim ACTRIS Council decision on ACTRIS funding model.

6.1.3 Membership Contributions to ACTRIS ERIC are used to fund the Director General and Central Facilities' activities.

6.1.4 The Membership Contributions shall be established for 5-year financial periods (budgetary cycles), shall be approved by the General Assembly and shall not vary.

6.1.5 The annual amount of the Membership Contributions is calculated based on the principles of inclusiveness and pay-per-use.

6.1.6 The Membership Contributions may be modified in case of accession of a new Member, Permanent Observer, Observer or the addition of new National Facilities, or in case of withdrawal or exclusion of a Member, Permanent Observer or Observer, according to the decision of the GA.

6.1.7 Proposals having an effect on the Membership Contributions shall be announced no later than 12 months prior to the deciding General Assembly meeting.

6.1.8 Any change to the contributions must be approved by the Member(s) and, Permanent Observers affected by the change before it can be approved by the General Assembly. The new Membership Contributions shall take effect as from 1 January of the following financial period.

6.1.9 Contributions of New Members and Observer Joining ACTRIS ERIC

Members, Permanent Observers or Observers joining ACTRIS ERIC will pay the pro rata annual contribution for the year of entry, based on the month of joining ACTRIS ERIC.

6.1.10 Contributions of Intergovernmental organizations

The Annual Contributions for intergovernmental organizations are decided by the General Assembly at the moment of deciding on their membership application.

6.2 Expenditures of ACTRIS ERIC

6.2.1 The expenditures of ACTRIS ERIC mainly consist of:

- a) the operation costs of the Central Facilities part of ACTRIS ERIC.
- b) the ERIC contributions to support the operations of the Central Facilities not part of ACTRIS ERIC.
- c) commitments:
 - carried forward from the previous year,
 - authorised for the budget year,
 - still binding at the end of the year together with a schedule of payments in future years resulting from these commitments;
- d) the payments that ACTRIS ERIC will need to make during the budget year in prices of the budget year.

6.2.2 The General Assembly shall approve each year the ERIC contributions to support the operations of the Central Facilities not part of ACTRIS ERIC.

7. Adoption of ACTRIS ERIC Budget

7.1 The budget proposal of ACTRIS ERIC shall be transmitted to the General Assembly, not later than four weeks before the autumn meeting of the General Assembly, where the budget and Membership Contributions for the coming year are decided.

7.2 The General Assembly shall adopt the budget of the ACTRIS ERIC together with the related annual work plan in its annual meeting.

8. Revisions to the Budget of ACTRIS ERIC

The Director General may submit or may be requested by the General Assembly to submit a supplementary budget or an amended budget. These shall undergo the same consultation process as the ordinary budget and shall be submitted in the form and manner consistent with the budget for the financial year.

9. Provision of Funds to ACTRIS ERIC

- 6.1 The approval of the annual budget by the General Assembly shall constitute the obligation of each Member, Permanent Observer and Observer to make its Annual Contributions available to ACTRIS ERIC as defined in the budget.
- 6.2 The General Assembly may request the Director General to revise the budget following the same consultation procedure as in budget preparation.

- 6.3 The annual Membership Contributions (according to Article 6.2) shall be transferred to the bank account of ACTRIS ERIC.
- 6.4 Members, Permanent Observers and Observers can choose between different possible options, for example:
- a) pay a 1st instalment of 50% of the Membership Contribution not later than 1st March of the current financial year, and the remaining 50% not later than 1st July of the current financial year.
 - b) Pay the 100% of the Membership Contribution not later than 1st July of the current financial year.
- 6.5 In the event that the budget is not adopted before the beginning of the financial year, contributions shall be paid in accordance with the following schedule: Members, Permanent Observers and Observers shall, by the 20th of each month (starting from January), transfer to ACTRIS ERIC bank account a minimum of 1/12th of the relevant membership or other contributions as per the preceding financial year. After the annual budget has been adopted, the normal payment principles shall apply once the Head Office has issued a reconciliation statement for each Member, Permanent Observers and Observer clearly indicating what sums remain due.

10. Late Payment or Inability to Pay ACTRIS ERIC membership contribution

The article will be eventually integrated in detail and updated according to the Interim ACTRIS Council decision on ACTRIS ERIC Statutes.

- 10.1 A Member, Permanent Observer or Observer that fails to pay its required contributions by the 1st July of the current financial year can be required to pay compensation.
- 10.2 The compensation will be equivalent to the interest that would have accrued on the value of the late payment from the 1st July.
- 10.3 The interest rate which to follow is EURIBOR -3 Months.

11. Payments to the ACTRIS Central Facilities

- 11.1 The membership contributions related to the activities of the ACTRIS Central Facilities are distributed by ACTRIS ERIC to the Central Facility Host Institutions not part of ACTRIS ERIC as described in the related agreement.
- 11.2 The funds shall be transferred in two equal instalments, the first shall be the third Wednesday in March and the final instalment due on the third Wednesday in July.

12. Financial Reporting of ACTRIS ERIC

12.1 The Director General shall ensure that the finances of ACTRIS ERIC are managed and controlled so that its financial position is known at any time. In addition, the financial reporting system shall ensure that the financial status of ACTRIS ERIC is transparent to Members, Permanent Observers and Observers through financial reporting twice a year, four weeks prior to the General Assembly meetings.

12.2 The financial statement shall be completed within six months after the end of the financial year and it shall be presented in a General Assembly meeting at the earliest opportunity.

12.3 Financial reporting will go in hand-to-hand with a technical reporting from CFs and NFs consortia.

13. Payments and Procurements of ACTRIS ERIC

ACTRIS ERIC will have its own procurement regulation where specific rules are defined.

14. Accounting in ACTRIS ERIC

TBD

14.1 The accounting system of ACTRIS ERIC shall be established in accordance with the applicable Finnish legislation.

14.2 For each financial year, the Director General shall give an annual statement of accounts. This statement shall compare budget income and expenditure with the actual income and expenditure. It shall contain a detailed balance sheet of the assets and liabilities of ACTRIS ERIC and a cashflow report.

15. Audit of ACTRIS ERIC

15.1 The General Assembly shall mandate the Head Office to appoint external auditors to audit the accounts of ACTRIS ERIC.

15.2 The auditors shall perform the audit independently and shall neither solicit nor accept instructions from individual Members, Permanent Observers and Observers or other authorities.

15.3 The auditors shall have access to all information and may consult any Member, Permanent Observer or Observer of ACTRIS ERIC personnel whenever they deem it necessary to carry out their audit. Any comments shall be brought to the attention of the Director General.

15.4 In their report the external auditors may make any comment they deem necessary on any matter.

15.5 The external auditors of the accounts shall present a report no later than 4 weeks prior to the annual meeting of the General Assembly.

16. Final Provisions

16.1 Amendments to the Internal Financial Rules

These Internal Financial Rules may be amended by a decision of the General Assembly.

16.2 Entry into Force

These Internal Financial Rules shall become effective by the decision of General Assembly.