



Financial Report

UEF Budget 2022 and 2023

by Roland Hühn, Treasurer of UEF



**Towards the
European elections**

For a federal Europe



BRUSSELS

XXVIII EUROPEAN CONGRESS
UNION OF EUROPEAN FEDERALISTS

25-26 November 2023

House of the European History
Institut Européen de la Culture Arabe



Budget Year 2022

Three characteristics overshadowed the year 2022:

1. Covid pandemic: no activities in presence
2. A major audit by the Commission tied up the manpower of the secretariat and the volunteers in autumn 2022
3. A lack of leadership in the secretariat, dispute with the director, new personal who had to familiarize themselves with the work, long absence of treasurer.



Results

1. **Change** from activities in presence to online events
2. **High** legal and accounting **expenditures**
3. **Shift of staff costs** from a project into the main budget
4. **Lack of tracking to raise own revenues (membership fees, donations)**

Three main revenues (example)

1. Grant from European Commission	80%
2. Membership fees	10%
3. Donations	10%

1. Assumed budget:	300.000,-
2. Eu grant	240.000,-
3. Membership fees	30.000,-
4. Donations	30.000,-

The basic grant justification

- The Citizens, Equality, Rights and Values programme provides funding for citizens' engagement, equality for all and the implementation of rights and EU values. **Framework partners play a crucial role in the promotion and protection of these rights and values** and are privileged partners of the European Commission.
- Every year, an **operating grant** may be awarded to framework partners to finance their **activities, insofar as these are in line with the programme's objectives** in the area concerned and the policy priorities established by the European Commission. The **costs of general administrative expenditure necessary for the running** of these organisations may also be covered.)
- **Except from the Grant Agreement**

Actual budget 2022

First Budget:

Total costs: 378.456,74

Revenues: 378.456,74

Budget after audit (october 2023):

Total costs 416.749,47

Revenues: 318.833,06

Deficit: 97.916,41

Two Budget Items

The Eu grant limits the costs which are eligible for the grant.

The EU grant covers 80% of eligible costs.

1. Eligible cost

Eligible budget costs: 286.167,34

Revenues: 242.604,00

Deficit: 43.563,34

2. Non-eligible costs: 130.582,13

Revenues: 76.229,06

Deficit: 54.353,07

Five major Budget Items

Non-eligible

Staff cost for a project:	21.895,-
Legal advise:	14.333,-
Financial cost:	29.466,-
Less revenues	
Membership fees:	- 9.246,24
Donations:	- 20.013,30
Total	94.953,54

Conclusion

- The deficit for the eligible cost stem from a lack of membership fees which is due to the workload of the secretariat in autumn 2022.
- **Improved in 2023**
- The real deficit problem comes from non-eligible expenditures.
- **Legal fees:** Dispute with staff, dispute with a project partner, audit advice
- **Financial cost:** Due to the “big” audit and support to secretariat in accounting matters.

Has to be avoided in future!

Budget 2023

- **First budget** draft in autumn 2022 for grant application
- Grant application **only needs eligible** expenditures.
- Budget **never revised** towards the European Commission.
- Internal **revised budget** : September 2023
- **Letter to European Commission** announcing changes in the final report.
- Revised budget our internal working budget.

Two major new elements (1)

- **Regranting for grass-rooting activities of local sub-entities applied:**

60.000: EC 80% = 48.000, UEF 20% = 12.000

- **advantage:**

- UEF and EC would be visible by local sections.
- Direct link from European level to local level.

- **disadvantage:**

UEF responsible for:

- **selecting eligible projects**
- **regulating, tendering, granting**
- **supervising and executing the whole process**
- **financial responsibility for eligibility.**

**50 – 70 %
of full time
equivalent**

Two major new elements (2)

Volunteer value: The work of volunteers substitutes paid work-force.

- ***volunteer work has a value***

- **UEF** **31.200,00** - according to detailed list
- **EC grants 80 %** **24.960,00** - part of the general grant amount

like a donation

Revised Budget 2023

Expenditure:

Total	eligible	non-eligible
417.320,59	365.892,35	51.428,24

Revenues:

Total	grant	other
417.320,59	292.713,88	124.606,71



other

Volunteer value	charges	membership fees	donations
31.200,-	6000,-	30.500,-	56.906,71

Non-eligible cost

Legal advise	7260,-
Rent	6500,-
Repayment deloitte audit	23.000,-
Repayment Y-Fed	9673,71
Divers	5588,73

Donations

Co-financing re-granting 12.180,00

Other revenues 34.597,20



Y-Fed

9.673,71

Make Europe Bloom

455,80

Budget 2024

Expenditures:

Total	staff cost	volunteer	travel	accommodation
400.000,-	220.000,-	31.000,-	10.000,-	8.000,-

subsistence	equipment	other goods and services
2000,-	5.000,-	124.000,00

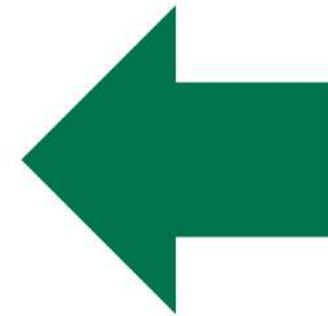
Expected grant: 320.000,-

Structure of our budget

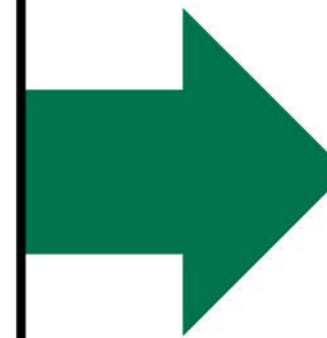
Total:
400.000,-

Grant:
320.000,-

Co-financing:
80.000,-



1. Membership fee:
30.000,-
2. Volunteer value
(80%)
24.800,-
3. donations:
25.200,-



Non-elible
cost

??????

Conclusion (I)

- **Avoid** non-eligible costs
- **Check** each expense, each order, each event for eligibility.
- **Adjust** all events and expenses according to EC rules for eligibility.
- **Report** all changes from the grant agreement to the EC immediately.
- **Application** for grant according to EC rules.
- **Professional** reporting system during a budget year and for final reporting.



Grant manager in the secretariat/treasurer

Political Question: Are the managing cost (nearly 20%) in balance with the requirement of controlling public money? Controlling develops a life of it's own after a while. Verifying the balance without lower level of control!

Conclusion (II)

- **Present budget (around 400.000,-) were manageable for donations.**
- **Only internal donations.**
- **For enlarging the secretariat, we also have to increase our activities to keep a appropriate balance between staff cost and activities.**
- **Hence we have to widen our financial foundation by increasing our external donations.**

Conclusion (III)

Financial problems can be minimised by:

- **Professional grant management.**
- **Additional professional accounting in the secretariat.**
- **Shift of operational work from volunteers into secretariat.**
- **Sufficient number of staff members in the secretariat according to the needs and tasks.**
- **Volunteers can give political directions and supervise. Professionals in the secretariat have to execute.**
- **Excellent work and an excellent image of UEF requires professionalism at all levels.**

**We have excellent professional staff in our secretariat
Thank you!!!**