

MiAK BUDGET AND FINANCIAL AFFAIRS DIRECTIVE (2021)

(Approved by 15.06.2021 MiAK Board of Directors)

1. BASIS, PURPOSE, AND SCOPE

This Directive has been prepared in accordance with Articles 15c and 15i of the "Charter of the Association for Accreditation of Architectural Education (MiAK)".

The purpose of this Directive is to set out the main principles governing the planning, coordination, and control of the budget to be implemented in all units of the Association for Accreditation of Architectural Education (MiAK) during the working period, and the recording and control of assets, debts and receivables, income, and expenses.

This Directive covers MiAK financial transactions, budget preparation and implementation, and accounting procedures. MiAK financial transactions are carried out according to the provisions of this Directive.

2. DEFINITIONS AND ABBREVIATIONS

In this Directive:

- a) **MiAK** defines the Association for Accreditation of Architectural Education,
- b) **General Assembly** defines MiAK General Assembly,
- c) **Board of Directors** defines MiAK Board of Directors,
- d) **The Secretary General** defines MiAK Board Member, who served as Secretary General,
- e) **Treasurer** defines MiAK Board Member who has assumed the role of Treasurer,
- f) **MiAK Commercial Enterprise** defines Commercial Enterprise of the Association for Accreditation of Architectural Education,
- g) **Director of the Economic Enterprise** defines Director of the Economic Enterprise of the Association for Accreditation of Architectural Education,
- h) **Budget of the Association** defines Budget of the Association for Accreditation of Architectural Education,
- i) **MiAK Economic Enterprise Budget** defines the Economic Enterprise Budget of the Association for Accreditation of Architectural Education,
- j) **MiAK Budget** defines the consolidated version of the Association Budget and the MiAK Economic Enterprise Budget.

3. BUDGET

3.1. MiAK Budget

The MiAK Budget consists of two separate sections: the MiAK Association Budget and the MiAK Economic Enterprise Budget. The MiAK Budget is the consolidated version of the MiAK Association Budget and the MiAK Economic Enterprise Budget.

3.2. Budget Period

The MiAK budget period is one year and covers the period from January 1st to December 31st. The MiAK Budget is approved by the General Assembly in the year to which it belongs and enters into force as of January 1st. To cover the expenses to be incurred in the period between the effective date of the budget and the date of approval of the budget by the General Assembly, expenditures may be made for each month, if they do not exceed 1/12 of the budget realized in the previous period. Expenses carried forward from the previous year will not be subject to this limitation if they were budgeted in the previous year. However,

these expenses shall be submitted to the General Assembly together with the final account reports. Revenues are collected without any rate.

3.3. Finance Committee

The Finance Committee consists of three members, chaired by the Treasurer, the Secretary General, and a third member designated by the Board of Directors.

The Finance Committee is responsible for the following tasks:

- a) To prepare the annual MiAK budget and submit it to the Board of Directors,
- b) To evaluate the budget performance for the completed budget period and report the evaluation results to the Board of Directors.
- c) To prepare MiAK's long-term budget forecasts for a period of three years and update them on an annual basis.

3.4. Budget Preparation

The MiAK Budget will be prepared in accordance with the following basic rules.

In December of each year, the Finance Committee prepares and submits to the Board of Directors the draft budget for the coming year and budget estimates for the following two years.

The revenues and expenditures foreseen in the MiAK Budget are calculated for the budget year based on the activities that the boards and committees of MiAK have agreed will take place and the likely price indices for that year.

In the draft budget, 30% of the total expenditure will be carried forward to the following year as working capital.

3.5. Approval of Budget

The MiAK Budget, prepared by the Finance Committee and adopted by the Board of Directors, is submitted by the Secretary General to the members of the General Assembly for discussion at the ordinary General Assembly. The MiAK Budget shall enter into force upon approval by the General Assembly, without prejudice to the provisions of Article 3.2.

3.6. Implementation of the Budget

The Board of Directors is authorized and responsible for the realization of the revenues in the budget adopted at the General Assembly and for making the expenses within the specified limits. Expenditures are made with the approval of two members of the Board of Directors authorized to sign, one of whom is the Chairman of the Board of Directors or the Treasurer. The Board of Directors may authorize the personnel of the Association and/or the MiAK Economic Enterprise to authorize expenditures, if they are limited to a certain amount. The names of these persons and details of their authorization for expenditure shall be included in the decision book of the Board of Directors.

No expenditure may be made from a chapter that does not have sufficient budget appropriation without the necessary appropriation transfer. The Board of Directors is authorized to make transfers from the unforeseen expenses chapter of the budget to other chapters as needed. The reason and amount of the transfer shall be determined by the decision of the Board of Directors and recorded in the decision book.

If the need cannot be met despite the transfer from the unforeseen expenses section, expenditures may be made by the decision of the Board of Directors to be covered from budget savings. This overspend is submitted to the General Assembly for approval in the following period.

3.7. Budget Reports

The MiAK Budget approved by the General Assembly and the income and expenditures realized each month are monitored by the Finance Committee through comparison sheets and reported to the Board of Directors. Periodic reports prepared by the Finance Committee are evaluated by the Board of Directors and necessary measures are taken.

At the end of each budget period, the Finance Committee prepares and submits to the Board of Directors a final accounting report, comparing the expenditures made and revenues received with the figures stipulated in the approved budget. The final account report is presented to the General Assembly by the Board of Directors.

4. KEEPING ACCOUNTS

4.1. Accounting Organization

MiAK Association and MiAK Economic Enterprise accounts are kept separately according to the relevant legislation.

In the accounting of income and expenses, the account plan prepared in accordance with the relevant legislation, MiAK activities, and budget order is applied. The Board of Directors is authorized to make changes in the chart of accounts except for the sub-accounts required by current transactions.

4.2. Authority and Responsibility in the Accounting Transactions

The Secretary General and the MiAK Economic Enterprise Manager are responsible for the proper accounting of the MiAK Association and the MiAK Economic Enterprise, for keeping the books required by the MiAK Charter and the law, and for having them approved within the time periods stipulated by law.

The transaction is checked and signed by the Treasurer, or the personnel of the Association and MiAK Economic Enterprise authorized to spend in accordance with Article 3.6(a). No payment will be made based on receipts that do not bear the signature of the authorities. If this is done, the Association shall compensate those who have made the payment.

The Treasurer continuously supervises the accounting work and transactions on behalf of the Board of Directors by examining and monitoring the accounting and books of the Association and the MiAK Economic Enterprise and reports any deficiencies or defects to the accounting office, the Economic Enterprise Manager, the Finance Committee, or the Board of Directors, as necessary.

4.3. Retention of Accounting Records

All accounting records are kept in accordance with applicable laws and regulations.

5. CASH MANAGEMENT AND VALUATION OF FUNDS

Monetary transactions related to the MiAK Association and MiAK Economic Enterprise are carried out through bank transfers.

The amount of cash that can be kept in the Association and MiAK Economic Enterprise safe is determined periodically by the Board of Directors.

The Board of Directors is responsible for the most appropriate utilization of the funds in the cash and bank accounts of MiAK in line with the purposes and principles of MiAK.

6. INTERNAL AND EXTERNAL AUDIT

Internal and external audits are conducted and commissioned according to the rules set out in the MiAK Charter.

7. TRANSPARENCY AND PUBLIC DISCLOSURE

The annual budget approved by the General Assembly and the financial report for the completed period is published on the MiAK website together with the minutes of the General Assembly.

8. AMENDMENT TO DIRECTIVE

Proposals for amendments to this Directive and proposals for the effective date are evaluated and decided by the Board of Directors.

In the case of Directive amendments that also require amendments to the Charter, the proposals for amendments to the Charter to be prepared by the Board of Directors shall be included in the agenda of the first meeting of the General Assembly and resolved. The amendment of the Directive shall be put on the agenda and realized at the first Board of Directors meeting after the amendment of the Charter.

9. ENFORCEMENT

This Directive enters into force as of the date of its adoption by the MiAK Board of Directors.

10. EXECUTION

The provisions of this Directive shall be executed by the Chairman of the Board of Directors.