

## **INTERNAL FINANCIAL ORDER**

### **1. General terms**

- 1.1. This document defines the procedures for making decisions regarding the financial use, accounting and documentation of the Student Union of Riga Stradiņš University (hereinafter - RSU SU), as well as the responsibilities of the parties involved and the tasks to be performed.
- 1.2. The vote of the RSU SU Board (hereinafter - the Board) is carried out in all cases of extraordinary financial use, which are coordinated with the RSU SU Council (hereinafter - the Council) in accordance with the procedure established by the RSU SU Regulations.
- 1.3. All activities are carried out in accordance with the regulatory enactments of the Republic of Latvia, the internal regulatory enactments of Riga Stradiņš University (hereinafter - RSU) and RSU SU.

### **2. RSU SU budget plan**

#### **2.1. Creation of the budget plan.**

- 2.1.1. The RSU SU budget consists of:
  - 2.1.1.1. Foundation RSU SU founder grant (RSU);
  - 2.1.1.2. donations of physical and legal persons;
  - 2.1.1.3. RSU SU revenue intended for the achievement of the organization's goals;
  - 2.1.1.4. the balance of leftover financial assets of the past year.
- 2.1.2. The budget plan is drawn up by the Commission for Compilation of the Budget Plan of the RSU SU (hereinafter - Commission), taking into account the budget utilization requests sent by the structures and cooperation organizations of the RSU SU (*appendix 1*).
  - 2.1.2.1. The commission consists of 5 representatives:
    - Financial Administrator - *ex officio*;
    - Chairman of the Board - *ex officio*;
    - A representative from the International Student Association of RSU;
    - Council members from the given convocation and/or RSU

student senators who are not members of the Board.

- 2.1.2.2. The chairman of the commission is the Financial Administrator of RSU SU (hereinafter - the Financial Administrator).
  - 2.1.2.3. The composition of the Commission is nominated by the Board and approved by the Council.
  - 2.1.2.4. The commission operates from the moment of its approval until the approval of the Budget plan at the Board meeting, except for the cases specified in paragraph 2.1.9.
  - 2.1.2.5. During its activity, the Commission holds at least 1 Commission meeting and 1 open working group for recommending corrections to the budget plan.
  - 2.1.2.6. Commission meetings are open, unless at least half of the Commission members vote against it.
  - 2.1.2.7. Committee meetings are recorded. Minutes of meetings are taken by the Chairman of the Commission, or a representative nominated by him.
  - 2.1.2.8. The Commission has the right to receive RSU SU project reports, posted expenses and other documents for the evaluation of requests for budget utilization or to invite the applicant for budget utilization to a Commission meeting.
  - 2.1.2.9. The Commission observes strict confidentiality regarding information related to the financial or other activity of RSU SU during the period of operation of the Commission and for 5 (five) years after the expiration of the term of operation of this Commission.
- 2.1.3. Requests for budget utilization are submitted or sent electronically to the Commission or to its predetermined contact person within the deadlines set by the Commission Chairman.
  - 2.1.4. The received budget utilization requests are evaluated by the Commission, which, if necessary, has the right to correct them within the scope of its competence.
  - 2.1.5. For projects that are similar in terms of their purpose, the amount of funding provided for in the budget plan is indicated in a common item, and they are separately divided into sub-items of the detailed report.
  - 2.1.6. The budget plan of RSU SU is approved by the Board, prior to being coordinated with the Council and the Founder.
  - 2.1.7. In the event that the Council does not give approval, the Council has the

right to forward the draft decision for re-examination once, and the Commission is obliged to consider the Council's recommendations.

- 2.1.8. The budget plan is submitted for consideration, incl. for re-examination to the Council no later than 10 days before the relevant Council meeting, where the draft decision is scheduled to be coordinated and forwarded for approval.
- 2.1.9. If the budget plan is not agreed upon after re-examination, the Council is obliged to immediately nominate and approve a new composition of the Commission according to the procedure mentioned in points 2.1.2.1. - 2.1.2.9. The Commission, in its new composition, revises the draft decision and forwards it again for coordination.
- 2.1.10. Compiling the budget plan is the competence of the Commission, and every student has the right to express or submit recommendations to the Commission in writing until the budget plan is approved.

## **2.2. Monitoring of budget utilization.**

- 2.2.1. The use of the budget for the previous calendar year is presented at the first meeting of the Council of the following calendar year.
- 2.2.2. The control of the use of the budget is carried out by the Chairman of the Board or the Financial Administrator, presenting a report of the posted expenses at least once a quarter at the Council meeting.
- 2.2.3. At the request of the Board, the Financial Administrator sends a statement of posted expenses and an account statement for the requested time period.

## **2.3. Making amendments to the RSU SU budget plan**

- 2.3.1. The budget plan of RSU SU can be amended with the decision of the Board regarding the need to promote the efficiency of the use of financial resources of RSU SU.
- 2.3.2. The amendments are developed by the Commission, taking into account the shortcomings of the RSU SU budget plan, as well as the budget utilization requests received from RSU SU structures and cooperation organizations.
- 2.3.3. Amendments are coordinated by the Council and approved by the Board.
- 2.3.4. The amendments are sent to the Council for consideration, incl. for re-examination, at least 5 days before the relevant Council meeting, where the amendments are to be agreed.
- 2.3.5. In the event that the Council does not give approval, the Commission is obliged to revise the amendments, taking into account the recommendations of the Council members.

- 2.3.6. If, after re-examination, the reworked amendments are not agreed upon, the implementation of the amendments is canceled and it is considered that changes in the RSU SU budget plan are not necessary and financial resources are used effectively.

### **3. Settlement procedure**

#### **3.1. Decision-making on financial use and repayment**

- 3.1.1. The Board decides on the financial utilization of RSU SU in accordance with the budget plan.
- 3.1.2. According to the documents certifying the use of funds (invoices, checks, delivery notes, etc.), the Chairman of the Board decides on their payment, reserving an appropriate amount of funds.
- 3.1.3. In the event that a person has purchased goods or services for the purposes of the RSU SU with personal financial means, to receive a refund, it is necessary to fill out the application form (*appendix 2*), adding valid documents certifying the use of funds, and submit it to the Chairman of the Board or the Financial Administrator.
- 3.1.3.1. If documents certifying the use of funds were issued on the dates from 1 to 15 (inclusive), then they must be submitted by the 20th of the relevant month.
- 3.1.3.2. If documents certifying the use of funds were issued on dates from the 16th to the last day of the relevant month (inclusive), then they must be submitted by the 5th of the following month.
- 3.1.3.3. Refunds are not made for documents certifying the use of funds submitted outside the deadline, except in cases where the deadline is missed for objective reasons and the Chairman of the Board or the Financial Administrator has been informed of this in advance
- 3.1.3.4. RSU SU requisites must be indicated on the receipt if the total cost of the product or service is greater than 30 (thirty) euros without VAT. Otherwise, no refund will be made.
- 3.1.3.5. The total amount of the specified goods or services on one check must not exceed 100 (one hundred) euros. Exceptions are allowed with prior notice and coordination with the Chairman of the Board.
- 3.1.3.6. The Chairman of the Board decides on the refund of money to a person who has purchased goods or services for the needs of RSU SU with personal financial resources.

#### **3.2. Project financing, coordination and documents to be submitted**

- 3.2.1. One month after the approval of the project manager or no later than 1

month before the start of the project, a project application (*appendix 3*) is submitted to the Board with the use of the funding for the project by item.

- 3.2.1.1. The project application must necessarily include the item "Unforeseen expenses", the amount of which is not less than 5 (five) percent and not more than 20 (twenty) percent of the total project budget, and it is used to cover unforeseen expenses.
- 3.2.1.2. Funds are reserved within projects upon approval of the project application.
- 3.2.1.3. Project applications are approved by the Board.

- 3.2.2. The project manager is obliged to inform the member of the Board or the Financial Administrator if it is planned to cover the costs from the item "Unforeseen expenses" approved in the estimate within the project.
- 3.2.3. The project manager is obliged to inform the Chairman of the Board or the Financial Administrator if it is planned to enter into a contract for the receipt of goods or services within the project. Contracts are concluded on the basis of the right of representation of RSU SU specified in the Statute.
- 3.2.4. Contracts are drawn up by the Financial Administrator or a representative authorized by the Chairman of the Board.
- 3.2.5. In case, for the purposes of project implementation, a thing is received without compensation, but for a specific use, with the condition of returning the same thing, a loan agreement (loan for use) is concluded and an acceptance-handover deed is drawn up. The subject of lending can be both movable and immovable things.
- 3.2.6. The project manager bears full responsibility for the correct use of the project's finances.
- 3.2.7. In the event that a vehicle was used for the implementation of the project and fuel was purchased, it is necessary to fill in the route map or road ticket form (*appendix 4*).
- 3.2.8. Within a month after the end of the project, the project manager informs the Board about the use of the funding approved for the project, preparing the project report and cost estimate (*appendix 5*), if necessary, explaining the overspending of financial resources or deviations from the items of the approved estimate.
- 3.2.9. The amount of funding from the sub-item "Reserve" of the RSU SU budget plan is used to fulfill unforeseen obligations and cover expenses.

### **3.3. Material and financial donations**

- 3.3.1. Donations:

- 3.3.1.1. If the purpose of the donation is not mentioned in the explanation of the donation, then the amount of money is used for activities aimed at achieving the goals of the RSU SU.
- 3.3.1.2. If a purpose (targeted donation) is specified in the explanation of the donation, the amount of money is used for the relevant purpose.
- 3.3.2. If a material or financial supporter is attracted for the implementation of the project and a delivery note has been received for the delivered product or service, it must be handed over to the Chairman of the Board or the Financial Administrator.

#### **3.4. Cash and non-cash circulation**

- 3.4.1. Referring to the Labor Law, every RSU SU employee has the right to receive wages, which are transferred to the bank account specified in the employee's employment contract.
- 3.4.2. All cash transactions are issued with documents confirming the transaction, which are posted.
- 3.4.3. When making a payment in the Internet bank, the invoice number and the purpose of the payment must be indicated in the payment order.

#### **4. Final Terms.**

- 4.1. This document and any amendments to it is approved by the Council.

Chairman of the Board of RSU SU

Toms Mārtiņš Smilga