

## Financial regulations

Author: Elsbeth Fischer, vitamin B

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Financial regulations govern the financial competences of the Board of Directors or other bodies of an association.

If the regulations relate to the competences of the Board of Directors, they must be approved by the General Meeting. Other regulations may be authorised by the Board of the Association depending on the Articles of Association.

### Budget overruns

Possible formulations in the financial regulations:

- “The Board of Directors has the authority to exceed an approved budget item by xx per cent. The total sum of budget overruns may not exceed CHF x,xxx.- per year.” (possibly divided into one-off and recurring expenses)
- “The Board of Directors may, on its own authority, authorise expenditure up to a maximum of CHF. x,xxx. per year in addition to the budget.”

*Note: It makes sense to authorise the Board of Directors to exceed the budget, as rapid responses are often necessary in the life of an association.*

If it becomes apparent that the budget will be exceeded by more than the defined competences, an extraordinary general meeting must be convened to decide on the overrun.

### Budget approval by the meeting

If the budget is approved by the general meeting, this gives rise to a “grey area” period between the annual financial statements and the holding of the general meeting during which no expenditure should technically be made.

Either the budget must be approved prior to the annual financial statements (e.g. at a separate budget meeting) or the Board of Directors must be granted corresponding powers.

Possible formulations in the financial regulations:

- “The Board of Directors is authorised to incur pro-rata expenses in the period between the annual financial statements and the Annual General Meeting in the amount of the previous year's budget.”
- “The Board of Directors can authorise fixed expenses such as salaries, rent, etc., (define items) without an approved budget within the limits of the available funds.”

### Office competences

Possible formulations in the financial regulations:

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- “Within the budget items approved by the General Meeting, the Managing Director shall personally decide on expenditures not exceeding to CHF x,xxx.”
- “Expenses exceeding CHF. x,xxx require the President's signature.”
- “The administrative office regularly informs the Board of Directors about the association's income and expenditure.”
- “Any budget overruns must be reported to the Board of Directors immediately.”

*Note: Analogous regulations may be established for organisational committees, projects and working groups, etc.*

## **Further regulations**

Regulations regarding membership fees, fines and compensation can also be included in the financial regulations.

If necessary, conditions for the handling, interest and repayment of share certificates (loans from members) can be set out in the financial regulations.

## **Further material on the topic**

vitamin B work aid “Budget”:

[https://vitaminb.ch/uploads/media/default/3034/Vereinsbudget\\_2023.pdf](https://vitaminb.ch/uploads/media/default/3034/Vereinsbudget_2023.pdf)