

Rules for use of the Internal Governance budget for expenses incurred by Board members

Preamble

The approval of the European Commission of the creation of an 'Internal Governance' budget line (€40000 for the period between 7th October 2016 and 06th October 2017) was on the understanding that:

- this budget would only be used for **real costs** incurred (e.g. by Board Members for attending meetings or events)
- these costs be **fully justified** by appropriate documents
- there should be a set of clear rules establishing **limits** and/or fixed-sum values, particularly for travel and accommodation costs
- these rules should be set out in a **formal written document** that is available for scrutiny by members, the European Commission, auditors, and/or tax authorities.

It is recognised that these rules should ensure that no board member should be personally liable for legitimate costs incurred by attending MCAA events (or officially representing the MCAA at external events) but also that the 'Internal Governance' budget must not be used in any way that enables a board member to recover money representing more than the actual costs paid and documented. (cf. Article 8 of the MCAA statutes: "The mandate of the Board members shall not be remunerated.")

Definition

The MCAA Internal Governance budget-line is intended to cover genuine expenditure related to the travel/subsistence costs of Board Members to attend management meetings (i.e. General Assembly, Board Meetings and Executive Committee Meetings), as well as costs for training of Board Members, but avoiding the bureaucracy and related costs of launching a specific call for each such event. This budget will also allow Board Members to attend other (external) events deemed relevant for the MCAA (representation costs).

Only approved participation in events by the Board and/or the Executive Committee are to be reimbursed. Costs cannot be approved retrospectively. Board Members are advised to ask for approval well in advance, and not to engage any expenses until they have formal confirmation that the management bodies of the association have approved the participation costs. This is of particular importance in cases where exceptions to the rules below are invoked (e.g. long-distance air travel, travel by car, transport of goods, etc.).

Principles

The aim is to establish clear rules and procedures to be followed to ensure that expenditure under this budget-line is correctly managed and accounted for in a transparent and equitable manner. The Board must be able to demonstrate that every effort has been made to optimise the use of this budget-line, obtaining best value-for-money while representing the association.

The budget-line can only be used by the (currently eleven) 'voting' board members, i.e. the Executive Committee Members and the Ordinary Board Members. It may not be used by 'Ex-Officio' Board Members, nor by other persons related to board members (e.g. family, etc.), nor by EC staff members, nor by EC contractor staff members.

Travel

The following rules apply:

1. **Travel by air:** Air travel should only be used for distances more than 400km; any air travel for smaller distances (e.g. travelling to islands, or destinations with no reasonable economic alternative) must be justified and accepted in advance. Every effort will be made to find the most economic option. Wherever possible, 'budget' airlines should be used, provided the destination airport does not incur additional access costs (e.g. because further away from the actual destination, and the additional ground-transport cost exceeds the difference in the air-ticket price). All tickets will be 'economy class' or equivalent; any

exception to this rule must be formally justified and accepted in advance of the ticket purchase. Charges for excess baggage, priority boarding and similar 'supplements' are not covered. Any return trip for air travel costing more than €600 requires formal justification and approval before the ticket is purchased.

2. **Travel by car:** this will be avoided as it is often an expensive and environmentally irresponsible manner of travelling. Exceptions will be made (with prior formal justification and approval) where there is no feasible alternative, or where several individuals can travel together, thereby achieving a significantly lower cost than would be the case for several separate trips (e.g. by public transport). Car travel is limited to a maximum of 1000km for the entire return journey. Car travel expenses will be calculated at €0,22 per kilometre: proof of distance travelled must be provided (e.g. print-out from *ViaMichelin*, *GoogleMaps*, or another reputable on-line route planner). [NB: This rate is currently within the maximum level set by the Belgian government, beyond which such reimbursements may be considered as a form of remuneration, and therefore taxable.¹] Costs related to parking and tolls (bridges, motorways, etc.) will be reimbursed at cost on production of official receipts, and provided these were incurred specifically as part of the journey in question. Additional costs incurred by use of car travel (such as accommodation expenses, fuel costs, insurance supplements, car-rental charges, road-side repairs/recovery, parking fines, speeding fines, etc.) are not eligible for reimbursement. Car-sharing is allowed, since it is often a cheaper alternative.
3. **Travel by train and/or long-distance coach:** every effort will be made to find the most economic option. All tickets will be 'economy class' or equivalent; business or first-class travel is not accepted. Supplements for fast trains and/or sleepers are acceptable expenses. Charges for baggage, and similar optional 'supplements' are not covered, unless these have been formally justified and approved in advance (e.g. transport of exhibition materials).
4. **Local public transport:** mass transport (bus, tram, metro, etc.) should be preferred, and will be reimbursed at cost on production of official receipts. The use of other private transport should be avoided unless no viable alternative is available and duly justified.
5. **Taxi transport:** is **not reimbursed**, except in the following exceptional circumstances:
 - In cases where no viable public transport alternative is available, and this is duly justified / documented
 - In cases where very early (before 06h30) or late (after 11h00) arrival or departure is involved
 - In cases of *force majeure* (e.g. public transport services unexpectedly closed due to strikes or terrorism)

Any taxi travel must be fully justified, evidenced by an official receipt showing date and time of travel and trip details, and not exceeding a maximum of €80 for the entire return trip for the MCAA event/mission.

Accommodation

The choice of accommodation should be made with the objective of 'reasonable economy'. Basic but decent accommodation should be sought at the best possible price. Board members are not expected to stay in 'flea pits' but should avoid 'luxury' hotels'.

As prices and 'star-ratings' vary immensely by destination and season, it is not possible to set 'hard' rules in this way. In very general terms, mid-range hotels (e.g. 2-star to 4-star) should be sought. Other means of economy include:

- Block booking, if possible in advance; hotels might accept to discount if all/many board members choose to stay in the same place.
- Hotels offering discount schemes for regular clients
- Self-catering (so-called apart-hotels) can be cheaper if you do not want/need the 'frills' of more normal hotels (such as catering, concierge, etc.)
- Competent (so relatively rare) travel agencies can often offer discount travel / accommodation packages at better prices than can be obtained directly (they block book in advance)

¹ Circulaire n° 654 du 10 juin 2016. Adaptation du montant de l'indemnité kilométrique 2016, M.B., 29 juin 2016.

As the MCAA is based in Belgium, the maximum rate for hotel rooms should not exceed the price set by the Belgian tax authorities (beyond which the hotel room might be considered as a disguised payment); this is set out in a royal decree published in the *Moniteur Belge* (the most recent being dated 2016-04-15)², and the maximum values for hotels in some common destinations are set out in column A of the table in Appendix 1 of the present document.

It should be noted that these maximum prices are usually based on the capital city, and thus often (but not always) amongst the most expensive in the country concerned. It is also interesting to note that these prices are fairly 'generous' if compared to the average price of a three-star hotel in the same place as set out in column C³. As can be seen in columns D and E, three-star accommodation may be available at much lower prices than this maximum. This difference is in part due to the strong variation in the 'standard' expected of three-star hotels in different destinations, but also due to the levels of tourism and the associated degree of demand/competition that may drive hotel prices upwards or downwards, possibly on a seasonal basis. As a general guideline, board members should seek prices at between 20 % to 40% less than the indicated maximum. Any hotel reservation at a daily rate above the maximum rate will only be reimbursed if prior formal justification and approval has been obtained at least two weeks in advance of the reservation.

Board members who choose to stay with friends or family (or other non-market accommodation), or who are unable to provide a satisfactory invoice for their accommodation costs, may only claim a flat rate of €30 per night.

It is assumed that the daily hotel rate includes breakfast; in any case where breakfast is not included, this must be clearly indicated on the hotel invoice, in which case the board member is entitled to claim an additional €15 fixed sum per night over and above the per diem allowance mentioned below.

Meals and minor expenses: *per-diem* allowance

This heading covers other essential expenditure apart from travel and accommodation. This is usually, but not necessarily, limited to meals and minor expenditure such as tips, lavatory facilities, etc. The simplest solution to this is the application of a fixed '*per-diem*' payment that can be claimed for each 24-hour period of 'mission'. This is applied on an 'incremental' basis: a full one-day mission (without overnight accommodation) has an entitlement of one *per-diem*, and an additional *per-diem* is due for each complete day of working / presence and additional overnight stay on that trip (so a two-day trip with two overnight stays receives two *per-diem* payments).

As above, the maximum value of the *per-diem* is limited by Belgian regulations, and any payment more than this might be considered as a disguised remuneration. The values of the *per-diem* for common destinations are set out in column F of the table in Appendix 1 of the present document. As indicated above, these *per-diem* rates do not include breakfast, which is assumed to be part of hotel accommodation, but for which an additional €15 fixed sum per night can be claimed if proof is provided that breakfast was not included in the hotel stay.

In any case where the organiser of the meeting or event provides meals (e.g. lunches and/or dinners provided to conference delegates, lunches provided during meetings, etc.) these should be declared in the reimbursement claim, and the per diem reduced by 50%.

The *per-diem* allowance is a flat rate and is payable for per each complete 24-hour period of 'mission'. If the distance between the place of departure of the Board Member is 100 km or less from the place where the meeting/event is held, and if the member's on-site involvement in the event totals less than four hours, the *per-diem* allowance shall be reduced by 50%. i.e. it is assumed that the mission and return trip can be comfortably achieved within the day, and that the member concerned will be able to take at least one meal 'at home' in a normal manner.

² See <http://www.mcparq.be/wp-content/uploads/2016/07/frais-de-voyage-%C3%A0-l%C3%A9tranger-2016.pdf>

³ Figures obtained from <http://www.goeuro.com/accommodation-price-index#sthash.A8BhjYz9.zoEe1GmJ.dpbs>

Training

Board Members may organize training directly related to their mandated role. Skills covered may include Alumni Relations, Internal Governance, Project Management, Public Relations/Communications, Financial Affairs, and other topics which will directly impact the ability of Board Members to perform their duties for the benefit of MCAA.

Training costs include payment to trainers for their time and any related travel expenses, material costs, and any other costs directly related to the training, but not covered in other sections of this document, or by the MCAA Contractor (e.g. meeting room rental, catering, IT facilities).

Training should be organized in conjunction with Board Meetings, Executive Committee Meetings, or General Assembly Meetings when possible in order to minimize travel costs incurred. Training costs and associated travel costs for stand-alone events must be approved by the European Commission.

Reimbursement

Board members are expected to pay their own costs (unless otherwise agreed in advance) and to claim repayment using a standard form: <https://www.mariecuriealumni.eu/form/internal-governance-reimbursement-form-board-members> (to be adapted as needed) no later than 30 calendar days after the final day of the meeting/event.

No payment will be processed, unless the required documents are provided. Scanned copies of all tickets, receipts, boarding cards, hotel invoices, route declarations, etc. must be provided. Invoices should be made out to the name of the member concerned, and not to their organisation of employment or to any other name or organisation.

NB: Although original (paper) documents are not required to be submitted at the time of the reimbursement request, members are required to keep them for a period of at least five years, as the MCAA and/or the EC may, at any occasion, ask for them for auditing purposes. Any member unable or unwilling to keep the documents for this period of time is invited to send them to the MCAA head office: c/o Inovamais, at 24 Avenue des Arts, B 1000 Brussels, Belgium.

Payments of expenses will be made by MCAA within one month from the date of reception of all documents required, and **only through a bank transfer to an account held by the Board Members in their own name**. Proof of payment will be sent by e-mail to the Member concerned as soon as it is made.

NOTE: As specified by the European Commission rules, “any banking fees charged for money transfers or for currency exchanges or for any other similar reason shall be deducted from the sum to be paid to the members who receive the payment”. i.e. the MCAA cannot use money from the EC to cover any such financial charges, and cannot increase any claim/grant to cover such costs, so Board members are advised to check with their bank in advance and to choose a payment channel that minimises any such 'banking fees'. NB: Should, in future, the Board dispose of funds not provided by the EC, it may elect to cover such bank charges using these funds; this will (probably) require a separate claim process (i.e. once the fees have been incurred for the payment of the original claim) so that EC funds are clearly not involved.

Insurance

As board members are not legally employees of the MCAA, but working on a volunteer basis, the MCAA is not paying any form of remuneration to board members, and provides no insurance cover for accidents that might happen while the member is travelling to and from an MCAA event. Members are thus advised to ensure that they have adequate insurance (e.g. personal insurance, cover by their current employer, cover through credit card purchase of tickets, etc.) that would cover any such accident. This is of particular importance for any member using a private vehicle as part of their travel arrangements.

Appendix: Common destinations and maximum hotel rates and per-diem

- Values in columns A, and F, are from official Belgian sources and may be updated at any time in line with the publication of new tables. No reimbursement above these values will be made unless officially justified and approved at least ten days before the mission is undertaken. Rates for destinations not listed can be found in the official source document = <http://www.mcparq.be/wp-content/uploads/2016/07/frais-de-voyage-%C3%A0-l%C3%A9tranger-2016.pdf>
- Values in column B (and thus derived values in C, D, and E) are indicative figures from a public non-official source, and will be updated whenever possible; they are for guidance only.
- Values in red are extrapolated (e.g. because not available in the source document).

| Country | A: Hotel maximum | B: Average *** in \$ | C: Average *** in € | D: Δ (A-C) | E: Δ% | F: Per-diem |
|----------------|------------------|----------------------|---------------------|------------|-------|-------------|
| Austria | € 130.00 | \$78.00 | € 74.62 | € 55.38 | 43% | € 57.00 |
| Belgium | € 140.00 | \$88.00 | € 84.19 | € 55.81 | 40% | € 55.00 |
| Bulgaria | € 169.00 | \$44.00 | € 42.10 | € 126.90 | 75% | € 35.00 |
| Croatia | € 152.00 | \$69.00 | € 66.01 | € 85.99 | 57% | € 63.00 |
| Cyprus | € 120.00 | \$126.00 | € 120.55 | -€ 0.55 | 0% | € 56.00 |
| Czech Republic | € 145.00 | \$71.00 | € 67.93 | € 77.07 | 53% | € 45.00 |
| Denmark | € 213.00 | \$105.00 | € 100.46 | € 112.54 | 53% | € 63.00 |
| Estonia | € 100.00 | \$71.00 | € 67.93 | € 32.07 | 32% | € 43.00 |
| Finland | € 140.00 | \$98.00 | € 93.76 | € 46.24 | 33% | € 62.00 |
| France | € 150.00 | \$152.00 | € 145.42 | € 4.58 | 3% | € 57.00 |
| Germany | € 115.00 | \$68.00 | € 65.06 | € 49.94 | 43% | € 56.00 |
| Greece | € 140.00 | \$56.00 | € 53.58 | € 86.42 | 62% | € 49.00 |
| Hungary | € 130.00 | \$47.00 | € 44.97 | € 85.03 | 65% | € 43.00 |
| Iceland | € 164.00 | \$104.00 | € 99.50 | € 64.50 | 39% | € 49.00 |
| Ireland | € 150.00 | \$132.00 | € 126.29 | € 23.71 | 16% | € 62.00 |
| Israel | € 183.00 | \$190.00 | € 181.78 | € 1.22 | 1% | € 63.00 |
| Italy | € 138.00 | \$100.00 | € 95.67 | € 42.33 | 31% | € 57.00 |
| Latvia | € 110.00 | \$49.00 | € 46.88 | € 63.12 | 57% | € 40.00 |
| Lithuania | € 115.00 | \$54.00 | € 51.66 | € 63.34 | 55% | € 41.00 |
| Luxembourg | € 145.00 | \$90.00 | € 86.10 | € 58.90 | 41% | € 55.00 |
| Malta | € 115.00 | \$120.00 | € 114.81 | € 0.19 | 0% | € 54.00 |
| Netherlands | € 160.00 | \$78.00 | € 74.62 | € 85.38 | 53% | € 56.00 |
| Norway | € 189.00 | \$102.00 | € 97.59 | € 91.41 | 48% | € 59.00 |
| Poland | € 145.00 | \$47.00 | € 44.97 | € 100.03 | 69% | € 43.00 |
| Portugal | € 120.00 | \$76.00 | € 72.71 | € 47.29 | 39% | € 50.00 |
| Romania | € 160.00 | \$50.00 | € 47.84 | € 112.16 | 70% | € 31.00 |
| Russia | € 251.00 | \$70.00 | € 66.97 | € 184.03 | 73% | € 63.00 |
| Slovakia | € 125.00 | \$56.00 | € 53.58 | € 71.42 | 57% | € 48.00 |
| Slovenia | € 135.00 | \$80.00 | € 76.54 | € 58.46 | 43% | € 42.00 |
| Spain | € 125.00 | \$93.00 | € 88.98 | € 36.02 | 29% | € 52.00 |
| Sweden | € 208.00 | \$108.00 | € 103.33 | € 104.67 | 50% | € 58.00 |
| Switzerland | € 223.00 | \$150.00 | € 143.51 | € 79.49 | 36% | € 63.00 |
| Turkey | € 126.00 | \$72.00 | € 68.88 | € 57.12 | 45% | € 45.00 |
| Ukraine | € 180.00 | \$40.00 | € 38.27 | € 141.73 | 79% | € 63.00 |
| United Kingdom | € 214.00 | \$153.00 | € 146.38 | € 67.62 | 32% | € 61.00 |
| Averages | € 152.14 | | € 84.38 | € 67.76 | | € 52.54 |