

Use of budget 400 in the ID group

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I. General principle

Budget 400 is intended to cover the administrative and operational expenditure of the secretariat of a political group and the political and information activities conducted by the groups in connection with the European Union's political activities.

As a rule of thumb therefore, expenditure made with budget 400 should lead to output that serves to promote the ID group and its position on the EU.

II. Four lines of defence

Multiple checks are needed for every project that requires funding by budget 400.

1. **MEP.** In the first place, it is up to the MEP to consider if a request for the use of budget 400 is appropriate. Therefore, it is important to check first if the planned expense may be defrayed from the General Expenditure Allowance (e.g. office supplies, subscription to periodicals and restaurant bills) or Parliamentary Assistance Allowance (e.g. service providers that do not deliver output that serves political promotion linked with the ID group). Although multiple candidates for an assignment are only to be provided for larger assignments, it is advisable to search the market for cheaper alternatives for an equal quality.

Every possible expenditure should be reasonable and in compliance with the parliamentary rules of appropriations from budget item 400, the principle of absence of conflict of interest and the principle of sound financial management.

Not only given the political nature of our group, one should always consider that one is dealing with taxpayers' money and that any improper use of budget 400 will inflict serious damage to the group and its members.

2. **Head of Financial Administration ('ex-ante controller').** After the 'inner check', the head of financial administration will give advice as for appropriateness of a planned project or political activity being eligible for budget 400 in accordance with the group policy ('preauthorisation'). This advice will always be made in consultation with the treasurer for projects above the 3.000€.

After having received the actual payment request through the staff member who collects the required evidence ('initiator'), the ex-ante controller will once again verify the exact nature and the completeness of the evidence for each request, before sending it to the accounting officer for payment.

3. **Secretary-General and/or treasurer ('authorising officer').** Has the final say in the approval of expenditures and provided evidence. Has the necessary powers of attorney to effect the request for payment if all requirements are fulfilled.

4. **External Audit.** A financial consultancy agency will audit our group in the beginning of each year, in order to check our expenditure and procedures. The auditor's report will be sent to the parliament's secretary-general and afterwards published on the EP website.

III. Procedure for expenditures

To make sure every expenditure is compliant with both the internal rules and the parliament's principles, a procedure, which contains multiple checks, is put into place.

1. Request for preauthorisation of a project to be sent to the ID ex-ante mail(box) with an estimate or offer included. At least two weeks in advance of planned activity/purchase. This request should be sent by and signed by either the MEP, the Chief of delegation or the Secretary-General (for Central secretariat requests).
Minimal requirements for authorisation of activity, publicity or purchase, to be estimated by MEP and judged by ex-ante controller:
 - a. Must not be covered by any other budget
 - b. Must feature the ID logo more prominently than any other logo
 - c. Cannot be interpreted as funding of a national political party or election campaign
 - d. Must be of a political or informative nature, having relation to the European Union
 - e. Can be considered a reasonable amount for the services delivered/activities organised
2. If appropriate, an agreement in principle will be provided by the ex-ante controller administration in accordance with the group treasurer in the form of a commitment form and a signed offer approval.
3. In case of negative reply, appeal is possible directly to the Secretary General, after which the ex-ante controller can reconsider the initial decision.
4. If order to a single supplier exceeds an amount of 15.000EUR for the duration of the legislation period for the entire group (even if orders were issued by different MEPs), at least 3 candidates must be contacted, of which at least 1 offer must be obtained. If it exceeds 60.000EUR, at least 5 candidates must be contacted, of which at least 3 valid offers must be obtained. In order to obtain the best possible offer for delivered goods and services, it is compulsory to follow a tendering procedure. The goal of a tendering procedure is to obtain the best possible price combined with quality issues and deadline targets (value for money) for services or goods delivered, as part of the principle of sound financial management of public funds. This may result in a non-binding, non-exclusive framework contract. All offers should have the same subject and the same validity period, so that they are comparable. Proof of the applications for offers (copies of emails/letters sent) and the answers (complete emails/ letters received) obtained from candidates must be provided in order to have the invoices paid (see IV).
5. Since political groups in the European parliament are exempted from VAT, the formulation "VAT Exemption / European Union/ Article 151 of Council Directive 2006/112/EC" should be mentioned on each order to a contractor to make sure he provides VAT-free invoices
6. Invoices and offers should be addressed to "European Parliament / ID Group / MEP N.N. / MEP Office number/ Rue Wiertz 60 / B-1047 Brussels".
7. Provide filled-in budget 400 form with required evidence (see V.) of the project for authorisation with scanned or hard copy invoice, signed by MEP.
8. Check of the complete request for payment by head of financial administration.
9. Template will be approved and signed by Secretary-General (authorising officer).
10. Payment is prepared by accounting officer for co-payment.
11. Co-payment will be made by head of financial administration or treasurer.

IV. Tendering Procedure

In order to obtain the best possible offer for delivered services, following a tendering procedure is compulsory from a certain amount.

1. If (estimated) invoices from a single supplier or provider for a single market in the group, whether on a contract-base or on an invoice base, exceed an amount of 15.000EUR or 60.000EUR for the duration of the legislation, a procurement procedure is required.
2. A few common examples of markets are;
 - a. Printing
 - b. Publications, brochures and insertions
 - c. Community management (websites, social media,...)
 - d. Organisation of events
 - e. Gadgets
 - f. ...

If however, several providers exist that deliver a service over multiple markets, those services might be considered a new market. For example, a meeting room that provides both rent of the room, electric equipment and catering.

3. Because the scale of a tendering procedure can result in pricing advantages, it is advisable for MEPs to group their calls for tenders with as many MEPs as possible.
4. If the threshold of 15.000EUR is exceeded, at least 3 candidates must be contacted, in the case of exceeding 60.000EUR at least 5 candidates must be contacted. It is nevertheless advisable to contact as many candidates as possible, to be able to choose among a wider range of suppliers. It avoids problems if the estimated threshold is eventually exceeded. Template documents will be handed out after project approval.
5. In order for a tendering procedure to be valid, all candidates must be contacted by mail or e-mail on the same date and with the same request for an offer.
6. In a call for tenders the following specifications should be detailed
 - a. Indication of a non-guaranteed, non-binding quantity of a specific selection of products or
 - b. In case of services; a request for a fee or a rate per hour used by the candidate for the services delivered
 - c. The required period of the services (e.g. till the end of the legislation)
 - d. The criteria that will be used in choosing the winning candidate (e.g. price/ quality of previous work/ language capacity/ mobility/ appropriateness of goods/ environmental issues,...)
 - e. The (reasonable) deadline for offers to be received
7. After a decision is made, an e-mail or letter of acceptance must be send to the chosen candidate together with a formal order or a contract template.
8. Proofs of the tender file to be provided before payments can be done;
 - a. Copy of letters/emails sent to candidates
 - b. Copy of letters/emails received
 - c. Copy of attached offers
 - d. Explanation of decision made signed by MEP and/or the evaluation committee
 - e. Original of signed framework contract
 - f. Original invoice
 - g. See V.

V. Required evidence (checklists for payment requests)

1. Events

Events should always serve to promote the ID group and its views on the EU.

1. Original completed budget 400 form with signature of initiating MEP or delegation
2. Proof of tendering procedure (if applicable)
3. Offer signed by MEP
4. Proof of preauthorisation
5. Invitation
6. Press release (if applicable)
7. Flyer/promotion (on which the ID logo is the most prominent logo visible)
8. Programme
9. Copies of speeches/minutes
10. List of participants
11. Photographs of event/meal (The ID logo should be clearly visible during the event)
12. Original invoice
13. Proof of payment if paid in advance by MEP

2. Meals linked with missions and events

The General Expenditure Allowance and daily allowances of MEPs are considered sufficient for representational activities. Budget 400 can therefore only be used for (networking) meals if directly linked to a budget 400 mission or event. The expenses should be reasonable and in proportion to the importance of the participants. A maximum of 85 EUR all included per participant is considered a guideline for catering bills. Extra billing of unforeseen beverages and food are not accepted. The parts of MEPs will not be reimbursed in the 3 E.P. places of work (BRL-STR-LUX).

1. Original completed budget 400 form with signature of the initiating MEP
2. List of participants, their functions and the reason for their invitation (internal networking, for example between MEPs or between an MEP and his assistants or group staff is not allowed on budget 400)
3. Photographs
4. Original bill or invoice
5. Order or preauthorised offer above 1.000 EUR
6. Proof of payment if paid in advance by MEP

3. Letters/publications/studies

Publications for which production, printing or shipment is paid for by budget 400, should serve to promote the political views of the ID group on the EU. Publishing is obligatory, but studies for internal or personal use are forbidden.

1. Original completed budget 400 form with signature of initiating MEP
2. Proof of tendering procedure (if applicable)
3. Proof of preauthorisation and offer signed by MEP
4. Original example (on which the ID logo is the most prominent logo visible)/proof of publication on website/ proof of public presentation
5. List of addressees
6. Photos of the delivered/printed letters
7. Proof of dispatching

8. Example sent to ID -FIN
9. Original invoice (if digital, original mail with invoice)
10. Proof of payment if paid in advance by MEP

4. Digital advertisements

It can be chosen freely which outlet is the most appropriate for advertisements and therefore no tendering procedure is required. However, diversification should be aimed at and advertisements cannot be used for the funding of political parties, related organisations or electoral campaigns.

1. Original completed budget 400 form with signature of initiating MEP
2. Offer signed by MEP
3. Proof of preauthorisation
4. Screenshot of website or social media-page
5. Digital evidence of advertisement itself (on which the ID logo is the most prominent logo visible)
6. Original invoice (if digital, original mail with invoice + invoice itself)
7. Proof of payment if paid in advance by MEP
8. Mandatory prepayment by credit card is subject to the responsibility of the head of delegation of the political group or someone appointed by them
9. All payments should be clearly attributed to the specific advertisements

5. Newspaper advertisements

It can be chosen freely which outlet is the most appropriate for advertisements and therefore no tendering procedure is required. However, diversification should be aimed at and advertisements cannot be used for the funding of political parties, related organisation or electoral campaigns.

1. Original completed budget 400 form with signature of initiating MEP
2. Offer signed by MEP
3. Proof of pre-authorisation
4. Original example of complete magazine or newspaper. The ID logo should be clearly visible
5. Original invoice (if digital, original mail with invoice + invoice itself)
6. Proof of payment if paid in advance by MEP

6. Gadgets/goods

Gadgets are reasonably priced goods for distribution purpose in order to promote the ID group. Gifts or gadgets, from which food and beverages are excluded, cannot be higher in value than 10 EUR per piece as benchmark. ID gadgets cannot be used to support local electoral campaigns.

1. Original completed budget 400 form with signature of initiating MEP
2. Proof of tendering procedure (if applicable)
3. Offer signed by MEP
4. Proof of pre-authorisation
5. Original example of the goods (on which the ID logo should be clearly visible)
6. Photos of the delivered items (delivery itself)
7. Signed delivery notice
8. Original invoice (if digital, original mail with invoice + invoice itself)

9. Proof of payment if paid in advance by MEP

7. Missions (Only applicable for group staff/ MEPs travelling on budget 400)

If a hotel is not already selected by the Parliament for a committee related mission, then the Parliament's ceilings for hotels per country should be respected.

1. Original completed budget 400 form with signature of initiating MEP/ Mission expenses form signed by secretary-General
2. Mission pre-approval by Secretary-general
3. Invitation for the event
4. Programme of the event
5. Original invoices of hotels
6. Original Flight tickets
7. Original Boarding pass
8. Photographical proof of attendance/signed attendees' list
9. Proof of payment if paid in advance by MEP/Staff Member

8. Gifts to associations

Maximum 5% of yearly appropriation/MEP/Association/year. The gifts cannot serve for supporting political parties or related organisations.

1. Original completed budget 400 form with signature of initiating MEP
2. Request for support letter/email of the association addressed to the MEP in which activities are explained
3. Excerpt from the statutes of the association
4. Bank identification form of the association
5. Proof of pre-authorisation
6. Proof of payment if paid in advance by MEP

9. Visitors' groups

The European Parliament offers a visitors' programme for MEPs and budget 400 cannot be used to add to that programme. If an MEP has reached the maximum number of participants in the programme or he/she has a group of less than 10 visitors in a framework of an ID Group activity, visitors can be reimbursed by budget 400 if the expenses are reasonable.

1. Original completed budget 400 form with signature of initiating MEP
2. Participant's list
3. Declaration that the parliaments' subsidy has not been used for the concerned visitors' group, signed by the MEP
4. Photographical proof of attendance and signed attendees' list
5. Original invoices and tickets of transportation/stay
6. Proof of payment if paid in advance by MEP/Visitors

10. Internships/traineeships

Apart from the parliamentary assistance allowance, traineeships can be paid through budget 400 within certain limits. A maximum amount of monthly remuneration of €1500 per month is applicable and overall, trainees should not be hired for more than 6 months and less than 1 month within our group for the duration of the legislation. The work location is in the 3 EP places of work (BRL-STR-LUX).

1. Signed internship agreement (MEP/Intern)
2. Registration certificate of school/university
3. Bank identification certificate
4. Copy of passport
5. Completed budget 400 form with signature of initiating MEP
6. Monthly internship report signed by MEP

11. Legal consultations

For “classic” lawyers’ work (legal and administrative proceedings, contracts, dismissals, problems with suppliers, etc.), no tendering procedure should be carried out as the relationship between lawyer and client is based on confidence rather than on economic parameters. For other tasks (for instance analysis of existing or pending legislation), the choice of the lawyer(s) needs to be motivated. Lawyers need to specify their hourly rates, and the amount of time estimated to accomplish specific tasks entrusted to them (rather than give a simple quote). These hourly rates shall be competitive. It is recommended to ask several lawyers if they are interested for any particular task.

Every three years at least, the Group shall update or revise a list of lawyers it expects to use the coming year(s) according to their field(s) of expertise.

1. Original completed budget 400 form with signature of initiating delegation
2. Proof of preauthorisation and offer signed by delegation
3. Original example of the legal work
4. Original invoice (if digital, original mail with invoice)
5. Proof of payment if paid in advance by MEP