**20 May 2022 PL**

**EAPN**

The Rules of Evaluation determine how the accounts are being established.

1. **Accounts on the ACTIVE side of the balance sheet**

**CAPITAL ASSETS**

**In general**

* The minimal value of the asset is set at 900 Euro.
* The purchase expense will be activated with the declarant.
* The year of purchase: the depreciation will be calculated “prorata temporis” (recorded the month following the purchase)

**Comments**: will not be mentioned in the capital assets

* The equipment specifically bought for a project with a fixed term will be taken into account in the year of purchase (except if otherwise mentioned in the project contract)
* The changes and updates of websites are taken into account the year in which they have been realized.

The following rules of depreciation have been adopted:

1. **Intangible assets**

* Logo licences 5 years
* Informatics licences 3 years (unless a different coverage period is mentioned in the contract with the provider)
* Website 3 years

1. **Tangible assets**

Facilities, machines and equipment

* Facilities 5 years

(fridge, micro-wave, coffee machine)

Furniture and equipment

* Informatics equipment 3 years
* Furniture 5 years

**CURRENT ASSETS**

1. **Receivables**

* Debts: all debts outstanding for 3 years will automatically be transferred to doubtfull debts (with the exception of member fees) and the write off will be recorded.
* Fundings to receive: contract amounts for which the expenses have been realized over the course of the year that is finalized and for which the funding will be received in the following financial year.
* Co-financing received: income from unknown or doubtful sources will not be accepted and will be returned to the donor.

1. **Available values**

In this section the several current accounts will be shown as well as the savings accounts, the cash register and the rental guarantee.

1. **Accruals for the active accounts**

* Accrued charges: the expenses related to the following financial year but which have already been Invoiced or paid.
* Purchased products: included is the interest on accounts due on the 31st December by the banking institutions.

1. **Accounts on the PASSIVE side of the balance sheet**

**OWN CAPITAL**

1. **Social Fund**

The social Fund is the initial wealth of the organization. It can be increased

by permanent means (donations, subsidies in cash or goods, legacies) received by the organization and destined to support sustainably the activities of the organization.

1. **Specific funds**

The “Board of Directors” can decide to use the result to be transferred to Specific funds.

**PROVISIONS**

1. **Provisions for risks and expenses**

At the close of every financial year, the “Board of Directors”, acting with care, sincerity and good faith, will examine individually the provisions to establish.

These provisions can possibly be:

* Disputes
* Identified and specific risks

The provisions will be written back at the end of the financial year, if they exceed the estimated risk or/and expense compared to the establishment of the provision.

**DEBTS**

1. **Debts for 1 year at the most**

* Debts: these will accounted for at face value.
* Social debts: the social provisions related to the financial year will be established every year, independent of the result of the financial year. The provision concerns the holiday pay and double holiday pay and is calculated on the gross pay of the financial year, in conformity with the legal obligations for this area.
* Fundings to postpone: amounts of fundings which have been awarded for several financial years and not yet used on the 31st December.

1. **Prepayments and deferred income**

The accounts for prepayments and deferred income will show the prepayments and deferred income to transfer – they will be accounted for:

* Either at face value for the pro rata of the expenses related to the financial year, but where the accounting documents have not yet been received
* Or at face value for the pro rata of the Invoices or payments already received but related to the following financial year.

1. **Rules for the recording of currencies**

Invoices or Fundings in currencies will be accounted for in Euro, based on the monthly Inforeuro rates, taking into account the date of the Invoice or the date of receipt of the Funding.

In the event that our accounting rules would change, i.e. that our Invoices or Fundings would be accounted for in currencies and not in Euro, the differences in conversion will be calculated at the end of the financial year.

Positive results will be accounted for in the Balance Sheet and negative results will be placed in expenses. If a Funding entity imposes different rules, an exception to the rules should be applied.