



The  
Research  
Ethics  
Association

# FINANCE GUIDANCE

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Ratified  
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Review by  
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## **Finance Guidelines**

### **Financial Planning and Budgeting**

1.1. The Association shall engage in comprehensive financial planning and budgeting processes to effectively manage its financial resources. This includes:

- a) Developing an annual budget that aligns with the Association's goals and objectives. The budget should consider projected income and expenses, funding sources, and any necessary contingencies.
- b) Reviewing the budget periodically to assess its accuracy and relevance. Adjustments may be made as needed to ensure financial objectives are being met.
- c) Monitoring the Association's financial performance against the budget on a regular basis. Any significant variances should be identified and addressed promptly<sup>1</sup>.
- d) A non-founder, independent treasurer will be allocated to the role of 'finance officer' with the duty to independently oversee the Research Ethics Association accounts transparently. In the of a Finance Officer, this may include other REA members with distinct roles.

### **Revenue and Income Management**

2.1. The Association shall establish procedures for managing its sources of revenue and income. These procedures include:

- a) Maintaining accurate records of all revenue sources, such as membership fees, donations, grants, sponsorships, and event registrations.
- b) Implementing appropriate financial controls to ensure the integrity and security of revenue collection processes.
- c) Regularly reconciling revenue records with bank statements to ensure accuracy and identify any discrepancies.
- d) Considering diversification of revenue streams to mitigate financial risks and enhance financial stability.

### **Expenditure Authorization and Payment Procedures**

3.1. The Association shall have clear guidelines for authorizing expenditures and making payments. These guidelines include:

- a) Establishing an approval process for expenditures, ensuring that expenses are necessary, reasonable, and aligned with the Association's goals.
- b) Designating individuals or positions responsible for reviewing and approving expenditures, such as the Co-founders, Treasurer, or authorized committee members.
- c) Requiring proper documentation for all expenses, including invoices, receipts, or expense forms.

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<sup>1</sup> Reviewing refers to periodic assessment of the accounts. Monitoring may be from REA co-founders or as the finance officer to make an assessment of REAs financial obligations.

- d) Using approved payment methods, such as checks, bank transfers, or electronic payments, for financial transactions.
- e) Maintaining accurate records of payments made, including the payee, amount, date, and purpose of the payment.

### **Financial Controls and Record-Keeping**

4.1. The Association shall establish and maintain effective financial controls and record-keeping practices to ensure accountability and transparency. These include:

- a) Implementing internal controls, such as segregation of duties and dual authorization for financial transactions, to minimize the risk of fraud or mismanagement.
- b) Conducting periodic reviews of financial transactions to detect and prevent irregularities.
- c) Retaining financial records, including bank statements, invoices, receipts, payroll records, and general ledger entries, for the required period as mandated by applicable laws and regulations.
- d) Storing financial records securely and ensuring their confidentiality.

### **Compliance and Reporting**

5.1. The Association shall comply with all relevant financial regulations, tax obligations, reporting requirements, and accounting standards. This includes:

- a) Staying informed about changes in financial regulations that may impact the Association's financial operations.
- b) Preparing and submitting accurate financial reports, tax filings, and any other required financial documentation in a timely manner to the relevant authorities.
- c) Conducting periodic internal or external audits to ensure compliance and identify areas for improvement.
- d) Cooperating with external auditors or regulatory bodies during audits or inspections, providing them with necessary financial records and information.

### **Roles and Responsibilities**

6.1. The Co-founders, as the de facto Head of Finance, shall oversee the financial operations of the Association. Their responsibilities include:

- a) Providing leadership and guidance in financial matters.
- b) Ensuring adherence to the Finance Policy and related guidelines.
- c) Facilitating the communication and coordination of financial activities between staff, committee members, and other stakeholders.
- d) Promoting a culture of financial responsibility, accountability, and transparency within the Association.

Note: The above Finance Guidelines are to be implemented in conjunction with the Finance Policy and other associated finance documents.