

FINANCIAL RULES

Effective February 24, 1993

Amended January 11, 1994

Amended November 6, 1998

Amended November 2, 2001

Amended October 31, 2003

Amended November 15, 2013

Amended May 16, 2014

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FINANCIAL RULES

Article VIII, Paragraph 1, of the Convention for the Conservation of Anadromous Stocks in North Pacific Ocean as signed at Moscow on February 11, 1992 (hereinafter referred to as “the Convention”) provides that the North Pacific Anadromous Fish Commission (hereinafter referred to as “the Commission”) shall be established. Article VIII, Paragraph 16, provides that the Commission shall adopt its Financial Rules.

APPLICABILITY

1. These rules shall govern the financial administration of the North Pacific Anadromous Fish Commission.

THE FINANCIAL YEAR

2. The financial year shall be the period from July 1 to the following June 30, both dates inclusive.

THE BUDGET

3. The Executive Director shall prepare a budget projection for the ensuing financial year, a budget estimate for the next following financial year, and a budget forecast for the year next to it, which shall be submitted to the Commission at its regular annual meetings. The budget projection, estimate and forecast shall be transmitted to all of the Representatives at least 60 days prior to the opening of the meeting.
4. The annual budget projection, estimate and forecast shall cover income and expenditures for the financial years to which they relate. They shall be presented in the currency of the country where the Secretariat is located.
5. The annual budget projection, estimate and forecast shall be divided into categories corresponding to the organization and program and shall be accompanied by such information as the Commission may specify from time to time and as the Executive Director may deem useful.
6. At the regular annual meeting, the budget projection, estimate and budget forecast shall be referred to the Committee on Finance and Administration for examination and recommendation.
7. At the regular annual meeting, the Commission shall adopt a budget projection and a budget estimate after consideration of the

recommendations of the Committee on Finance and Administration, prior to and subject to reviewing the Auditor's report for the previous fiscal year. Revised budget projection and budget estimate may be submitted for approval, if any revision is needed, when the Auditor's report becomes available.

8. The budget forecast for the latter of the three financial years shall be considered by the Commission but not adopted until the following annual meeting.
9. After consultation with the President, the Executive Director may submit to each Party for approval supplementary estimates in a form consistent with the annual budget estimate and forecast, when and as such supplementary estimates are deemed necessary. Approval by each Party constitutes adoption by the Commission.

CONTRIBUTIONS

10. Annual Budget contributions shall be paid in not more than two equal instalments considered due as of the first day of the financial year to which it relates and as of the first day of the second half of that same financial year.
11. The Executive Director shall submit to the regular annual meeting of the Commission a report on the collection of contributions.

AVAILABILITY OF APPROPRIATIONS

12. Appropriations shall be available for obligation during the financial year to which they relate.
13. Appropriations shall remain available for twelve months following the end of the financial year to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial year and to liquidate any other outstanding legal obligation of the year. The uncommitted balance shall be transferred to the Working Capital Fund.

TRANSFERS

14. No transfer between categories of the budget amounting to more than CAD \$15,000 may be made without prior authorization by the President.

ACCOUNTING POLICIES AND FUNDS

15. Accounting policies will include the following:

- (a) The annual financial statements and budget estimate and forecast shall be prepared in conformity with these financial rules using the accrual basis of accounting for assets, liabilities, income and expenditures, except that vacation pay shall be expensed in the period it is paid. Capital assets acquired or leased by the Commission are to be recorded as expenditures in the year of acquisition, without capitalization and amortization in the accounts. The pension surplus/deficit shall be presented on the statement of financial position and the changes to this amount appear on the statement of changes in fund balances.
- (b) For the purpose of accounting for the expenditures of the Commission there shall be a General Fund, the source of monies therein being contributions from the Contracting Parties for the current financial year, bank interest and other miscellaneous income during that financial year and amounts transferred from the Working Capital Fund as provided in Financial Rule 18.

16. For purposes to be determined by the Commission from time to time there shall be a Working Capital Fund, the source of monies therein being amounts transferred from the General Fund at the end of a financial year as provided in Financial Rule 13 and amounts deducted from salaries in lieu of Canadian income taxes. All employees of the Commission who are exempt from taxation on the salaries and emoluments paid to them by the Commission shall be assessed amounts estimated to be equal to liability for Canadian income taxes, federal and provincial. The amount which accrues from such assessments shall be retained in the Working Capital Fund. The Working Capital Fund may be divided into special reserve funds such as Contingency, Severance Pay and Moving Expenses.

17. The Executive Director is authorized to advance from the Working Capital Fund such sums as may be necessary to finance budgetary appropriations pending receipt of contributions. Sums so advanced shall be reimbursed as soon as contributions are available for the purpose.

18. The Commission may transfer the amount of the Working Capital Fund to the General Fund from time to time as it deems necessary

in order to offset expenditures in any financial year or to finance unforeseen and extraordinary expenses.

19. The Commission may refund to the Contracting Parties from amounts which may accrue in the Working Capital Fund sums in equal shares as and when such refund is deemed advisable. Refunds shall be applied as deductions from the next annual budget contribution due.
20. For the purpose of supporting joint scientific research projects recommended by the Commission there shall be a Special Fund for Scientific Research, the source of monies therein being voluntary contributions from agencies of Contracting Parties and other donors, with the following restrictions:
 - (a) Voluntary contributions above and beyond budget contributions by Contracting Parties may be accepted by the Executive Director, provided that the purposes for which the contributions are made are consistent with the policies, aims, and activities of the Commission; and
 - (b) Voluntary contributions offered by other than Contracting Parties may be accepted, subject to agreement by the Contracting Parties that the purposes of the contributions are consistent with the policies, aims, and activities of the Commission.

The Executive Director shall report at each Annual Meeting on the condition of the Special Fund for Scientific Research, including the contributions received and their dispositions.

21. There shall be a Special Purpose Fund to account for specific non-recurring projects and agreements entered into with third parties. This fund shall not be used to fund general operations of the Commission, except for recovery of administrative expenses associated with these projects, and shall be used only for those revenues and expenses not considered to meet the definitions under other funds as described in the Financial Rules 15 to 20.
22. The Executive Director shall deposit and maintain the funds of the Commission in accounts in appropriate financial institutions in the name of the Commission.

SALARIES

23. The Commission shall review annually and adjust when deemed appropriate salaries of permanent staff members in accordance with the staff rules.

REMOVAL EXPENSES

24. Removal expenses of permanent staff members shall be paid by the Commission in accordance with guidelines established by the Committee on Finance and Administration and approved by the Commission.

TRAVEL EXPENSES

25. Travel expenses incurred by Secretariat staff while on Commission business shall be paid by the Commission in accordance with guidelines established by the Committee on Finance and Administration and approved by the Commission.

AUTHORITY AND RESPONSIBILITY OF THE EXECUTIVE DIRECTOR

26. The Executive Director is authorized to incur obligations and make payments up to the amounts appropriated in the Commission's budget as adopted by the Commission.
27. The Executive Director shall:
- (a) Ensure effective financial administration and the exercise of economy;
 - (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payment therefore has not been made previously;
 - (c) Designate the permanent staff members of the Secretariat who may receive monies, incur obligations and make payments on behalf of the Commission;
 - (d) Maintain an internal financial control which shall provide for an effective current examination and review of financial transactions in order to ensure the regularity of the receipt, custody and disposal of all funds and other financial resources of the Commission; the conformity of obligations and expenditures with the appropriations or other financial provisions adopted by the Commission; and the economic use of the resources of the Commission.

28. No obligations shall be incurred until allotments or other appropriate authorizations have been made in writing under the authority of the Executive Director.
29. The Executive Director may, after full investigation and with the approval of the President, authorize the writing off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the auditors annually with the accounting records.
30. The Executive Director shall maintain such accounting records as are necessary and shall prepare for the Commission annual statements showing for the financial year to which they relate:
 - (a) The assets and liabilities of the Commission;
 - (b) The income and expenditure;
 - (c) The status of appropriations, including:
 - (i) The original budget appropriations
 - (ii) The appropriations as modified by transfers; and
 - (d) The receipts and disbursements.

The Executive Director shall also give such other information as may be appropriate to indicate the current financial position of the Commission.

AUDIT

31. The annual statements and accounting records of the Commission shall be presented in the currency of the country in which the Secretariat is located.
32. The annual statements and accounting records of the Commission shall be submitted by the Executive Director to external auditors for an audit as prescribed in Article XI, Paragraph 6 of the Convention not later than 30 days following the end of the financial year.
33. The auditors, in addition to certifying the annual statements and accounting records, may make such observations as they deem necessary with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the financial consequences of the administrative practices.
34. The auditors shall submit their report to the Commission not later than three months following the end of the financial year to which the accounts relate. The Committee on Finance and Administration shall be requested to forward its comments, if any, on the audit report.

BOND

35. The Executive Director, and such other staff as the Executive Director deems necessary, shall be bonded by a reputable bonding company in such an amount as may be determined by the Commission from time to time. The cost of the premium shall be paid by the Commission.

GENERAL PROVISIONS

36. The Executive Director may delegate to other Secretariat staff such duties set out under these Financial Rules as may be desirable.
37. These Financial Rules shall be effective as of the date of their approval by the Commission and may be amended by the Commission from time to time.
38. In case of doubt as to the interpretation and application of any of the foregoing rules, the Executive Director is authorized to rule thereon after consultation with the President.
39. The Financial Rules may be amended from time to time, provided such amendment is not inconsistent with the provisions of the Convention.