



egea

Financial Strategy of EGEA

2021-2023

Tabel of Content

Contributors	1
Background of the Financial Strategy	2
Responsible spending of the available budget	3
Towards Financial Diversification	3

Contributors

Rhune Van Cleemput – BoE Vice President 20/21

Alexander Basten – BoE Treasurer 20/21

Victoria Stoyanova – BoE Secretary 20/21

Daria Karsanova – BoE Event and Public Relations Advisor 20/21

Micol Alessandri – BoE President Elect 21/22

Esther de Winter – BoE Vice President Elect 21/22

Luana Schena – BoE Treasurer Elect 21/22

Marie Johanna Univer – BoE Secretary Elect 21/22

Carola Hintz – Finance Team Coordinator 20/21



Background of the Financial Strategy

In 2021, the European commission approved their new ERASMUS+ program 2021-2027. Within this new program, the European Commission also changed the Key Action grants and the criteria of eligibility. Due to these changes, EGEA does no longer meet the criteria to apply for the Key Action grants within her current organisational structure. The Board of EGEA 2020-2021 made an announcement detailing the reasons why EGEA is no longer eligible for the ERASMUS+ program.

In addition to this, relying on this grant, has created a significant financial dependency on the European Union funding. Being less dependent on one funding source enables EGEA to operate as the independent students' geography association it desires to be.

Therefore, this Financial Strategy presents an approach to gain more financial stability and financial independency, and provides foundation for decision making in ways of spending the available budget.

Criteria for sponsors

The aim of this strategy, besides being insightful in the decision making process of managing EGEA's finances for the coming years, is to provide a clear framework for attracting funding through sponsorships and financial partnerships. A few core values of EGEA are important in these agreements and should be taken into account to avoid agreements which go against what EGEA stands for. In case an agreement violates the following criteria, the GA should decide whether or not to accept this sponsorship. Criteria for new sponsorships and financial partnerships are:

- The mission, vision and values of EGEA as described in the statutory base will not be violated by the sponsorship, as well as other regulations described in the Statutory Base.
- No specific political parties will be promoted as a return offer
- Sponsors can only request exclusivity, when they pay an additional fee. Exclusivity beyond the direct business activities is not possible.
- Contracts are temporary (e.g. for one, two or three years).

Responsible spending of the available budget

Due to the sizable difference in the currently available budget compared to years where the ERASMUS+ grant was successfully obtained, difficult decisions on where to cut spendings are necessary. In future years difficult decisions might be needed to choose on which matters to first allocate newly obtained funds. To aid in this decision making process, four scenarios were created and analysed. The table below summarizes how the budget can be divided depending on the available budget and illustrates the financial comfort of EGEA in each of these scenarios.

In the creation of these different scenarios, a consultation of all Teams and Projects was also done to assess the specific budget needs further, and to determine how Teams and Projects can provide benefits for partners or sponsors (e.g. promotion space on the website or in the European Geographer).

Expense	A: Essential	B: Sufficient	C: Well-organised	D: Best-case scenario
Regional Congresses ¹	0	2000	2400	2400
Annual Congresses ²	1000	1500	2000	2000
Travel refunds for (external) Trainers	0	0	100	200
Training Events	0	0	0	200
Teams and Projects expenses	0	0	600	1200
CP trainings expenses	0	0	400	800
Scientific Events	0	0	600	1200
Travel refunds Regional Meetings ³	0	0	0	4500
Travel refunds General Assembly ⁴	0	0	0	4500
Travel refunds and organisation OSM (winter and summer) ⁵	0	1000	1000	7000
Travel refunds Team and Project live meetings	0	0	0	2000
Travel refunds RCPs	0	1200	2400	2400
Travel refunds BoE	0	2000	3500	3500
Partner meetings travel refunds	0	0	0	500
BoE reimbursements ⁶	0	0	0	6000
RCP reimbursements ⁷	0	0	0	4800
Reimbursement Supporting roles ⁸	300	600	900	1200
European Geographer printing costs	0	0	500 300	500
EGEA Europe Promotional material	0	0	300	500
GA printing ⁹	600	600	600	600
Server costs/ IT and plug-in subscriptions	450	450	450	450
Office supplies	100	100	100	100
Bank fees	150	150	150	150
European Youth Forum membership ¹⁰	0 575	575	575	575
Calendars	0	100	200	200
SUM	3175	10275	16575	47475

¹ This item is based on a scenario with 4 regional congresses which divided the fund equally.

² If EGEA's financial situation changes throughout the year, a minimal support of 1000 euro should avoid the AC organisers falling into a too sizable budget gap. If the budget at the start of the year is made based on scenario A, and if necessary, the GA can be organised online and no budget for AC organisation is necessary.

³ This item is based on a €50 refund for 90 people: all entity representatives are eligible for a travel refund.

⁴ This item is based on a €50 refund for 90 people: all entity representatives are eligible for a travel refund.

⁵ This item is based on a €500 funding for each OSM. Scenario D enables €75 travel refunds for 40 participants each OSM.

⁶ This item is based on €1200 reimbursement per board member, in case of 5 board members, or 100 euro per month.

⁷ This item is based on €1200 reimbursement per RCP, in case of 4 RCPs, or 100 euro per month.

⁸ This item is based on €300 per Supporting role, with 1, 2 and 3 supporting roles in Scenario A, B and C respectively, and €400 for 3 Supporting roles in Scenario D. The amount of reimbursement and amount of supporting roles per scenario are still part of an ongoing discussion in EGEA, in the context of restructuring. The discussion of voluntary reimbursements and who should get them was started at Summer OSM21.

⁹ This item is based on 2000 pages, costing €0,30 (color-printing required). Printing as little as possible should be aimed for.

¹⁰ The European Youth Forum membership is something EGEA worked very hard for. Therefore, even in scenario A, when possible this membership fee should still be paid. However, if EGEA's financial situation would even worsen, this is a budget that is not strictly essential to EGEA's survival as an association.

Towards Financial Diversification

The stable income of EGEA is currently about €10,000. With this income, it would almost be possible to be financially stable in Scenario B. Functioning within Scenario B only slightly restricts the professional growth potential of the association. Scenario C is what we want to strive for ideally in the near future.

In scenario C, EGEA needs about €17.000 annual income to be financially stable. In this scenario, all necessary spendings can be made and only a few extra expenses that are not essential for the organisation's inner workings, are cut.

Achieving this scenario could be realistic in less than 3 years: around €6,000 of extra annual income should be acquired. Therefore, it is aimed to reach this scenario by the end of this financial strategy plan. This could be realised through bringing in various small annual sponsor contracts, for example 12 companies that sponsor €500 annually. In addition, Friends of EGEA can also be a promising source of additional funds. With EGEA's very large number of current and past members, small monthly or annual contributions from many members could have a significant impact on our finances. For example, a monthly contribution of €2 from 40 people, or an annual contribution of €5 from 200 people, equals €1,000 annually for EGEA.

In the coming years, most likely EGEA's annual income will be situated between Scenario B and C. This will however not hurt EGEA and with proper fundraising the annual budget should increase eventually and even grow towards Scenario D. Therefore, the Treasurer and Finance Team should work closely together in setting up a plan to attract these first small sponsors. In addition, there is a small budget left from an Edu Citizen grant which was received in the past. This money can be used for training events on top of our annual income. The Financial Report contains more information about the residual budget from this grant.

This shift in financial strategy for EGEA is vast compared to the previous approach of depending heavily on ERASMUS+ grants. However, this change will be healthy in the long run as it will result in more financial independence for the association, and reduce the risk that comes along with relying on large budgets from few sources. In addition, this will reduce the workload of the Board of EGEA, as it shouldn't direct its energy for several months into creating a solid grant application.