



egea

Financial Strategy of EGEA

2023-2025



Tabel of Content

Contributors	1
Background of the Financial Strategy	2
Criteria for sponsors	2
Responsible spending of the available budget	3
Towards Financial Diversification	6

Contributors

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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. The Financial Strategy is created for the time period of 2.

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 summarises how the budget can be divided depending on the available budget and illustrates the financial comfort of EGEA in each of these scenarios.

The different scenarios are adaptations of previous scenarios in the Financial Strategy 2021-2023, where a consultation of all Teams and Projects was done to assess the specific budget needs further. The adaptations are made taking into account the current world economic situation, the growing inflation rate and the improvements in the nature of official positions of EGEA.



Financial Strategy of EGEA



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	4000
Travel refunds General Assembly ⁴	0	0	0	4000
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	800	1400	2000
Travel refunds BoE	0	1800	3000	3600
Partner meetings travel refunds	0	0	0	500
BoE reimbursements ⁶	0	0	0	7200
RCP reimbursements ⁷	0	0	0	4800
Reimbursement Supporting roles ⁸	300	300	600	800
European Geographer printing costs	0	100	300	500
EGEA Europe Promotional material	0	0	300	500
GA printing ⁹	100	100	100	100
Server costs/ IT and plug-in subscriptions	600	600	600	600
Office supplies	100	100	100	100
Bank fees	200	200	200	200
European Youth Forum membership ¹⁰	700	700	700	700
Calendars	0	0	0	100
SUM	3000	9400	14400	46700

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 80 people: all entity representatives are eligible for a travel refund.





⁴ This item is based on a €50 refund for 80 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 6 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, 1 or 2 supporting roles in Scenario A, B and C respectively, and €400 for 2 Supporting roles in Scenario D.

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 EGEAs 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 €14,400 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.

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 recent years EGEA's annual income has been situated close to Scenario B. To increase the income and move towards Scenario C, the Treasurer and Finance Team should work closely together to work towards attracting more sponsors.

Helping to achieve the next scenario, EGEA created a sponsorship package program. This program consists of 3 sponsorship packages that are offered to potential sponsors. Each package requires a different amount of money, and includes different perks such as advertising, with the more expensive packages including more perks for the sponsor. The different packages, with all their perks, are included in the sponsorship brochure that is shared with new potential sponsors, and helps them get a concrete idea of the benefits they could receive from becoming an EGEA partner. This has already been helpful in the past, such as the partnership with the University of Bonn which was reached earlier this year.

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.