



FINANCIAL GUIDELINES

INTRODUCTION

These financial guidelines govern the principles, conditions and monitoring mechanisms for the use of all funds allocated by Olympic Solidarity to NOCs.

The guidelines are based on the responsibilities of the NOCs in accordance with the by-laws of the Olympic Charter, the Basic Universal Principles of Good Governance of the Olympic Movement as included in the IOC Code of Ethics, and the practical application and self-assessment tools provided to all NOCs in December 2016 ([available on the NOCnet](#)).

NOC RESPONSIBILITIES

- The NOCs must produce annual financial statements (balance sheet, profit and loss statement, notes to the financial statements) in line with accounting standards accepted in their respective countries. The use of international accounting standards is encouraged.
- The NOCs must ensure that all their financial statements are audited on an annual basis by a certified independent external auditor chosen or approved by their General Assembly. The audit should be conducted following recognised auditing standards (i.e. ISA, GAAS).
- The NOCs must submit a financial report for each activity financed by Olympic Solidarity funds within the framework of programmes managed by the international office in Lausanne and the continental offices as well as ANOC.
- The NOCs must retain all corresponding financial supporting documents for accounting purposes. All documentation (original invoices, bank statements, accounting documents, contractual and other supporting documents) must be kept for a period of at least two quadrennial plans (eight years) and in compliance with local legislation.
- The NOCs must agree at any time to host an independent auditor appointed by recommendation of Olympic Solidarity's central auditor.
- The NOCs must be able to clearly identify and present accounts showing the use of the funds allocated by Olympic Solidarity for all the programmes.

MONITORING PROCEDURES FOR USE OF FUNDS

- Each year, several NOCs will be audited in order to monitor the use of the funds allocated by Olympic Solidarity.
- This audit will be carried out by a local or regional auditor, in accordance with an agreement between Olympic Solidarity and its central auditor.



- The Olympic Solidarity office in Lausanne will contact the selected NOCs in advance.
- An NOC may be subject to control several times during the Olympiad.
- Olympic Solidarity will cover the costs of these controls.

The local or regional auditor will perform his control on the basis of the agreed-upon procedures developed by the central auditor, with the agreement of the Olympic Solidarity Lausanne office. He will perform the following procedures on a selection of financial reports:

- Check that funds confirmed and paid by Olympic Solidarity, the continental association or ANOC appear on the bank statement and agree with the accounting records.
- Ensure that each expense listed in the financial report sent after an activity is backed up by the necessary supporting documents (invoices, receipt);
- Ensure that the documentation is in line with the programme and the activity for which it was approved;
- Check that the amounts stated in the financial report fully correspond to the supporting documentation; and
- Check the exchange rate applied between the local currency and the US dollar.

The local or regional auditor will deliver a report on factual findings of agreed-upon procedures to Olympic Solidarity and the NOCs concerned will receive a copy. The auditor may make recommendations, when areas for improvement are identified in the NOC's financial management.

In addition, each local or regional auditor will have to complete a questionnaire on the accounting, monitoring and financial governance procedures applied by the NOC, and send a copy to Olympic Solidarity and the NOC. The local or regional auditor will furthermore receive a copy of the results of the NOC's self-assessment on its practical application of the Basic Universal Principles of Good Governance of the Olympic Movement, published on the NOCnet by the IOC in December 2016.

The local or regional auditor will verify that recommendations issued following the controls in previous years have been implemented by the NOC in question.

In the event of proven failure by an NOC to comply with these guidelines, the Olympic Solidarity Commission reserves the right to take necessary measures.

FINANCIAL PROCEDURES

- Budget allocation procedures and payment conditions (advance, balance, deadlines, etc.) are clearly defined in the Olympic Solidarity programme guidelines and the correspondence sent by Olympic Solidarity to NOCs.
- The NOCs must use funds allocated in accordance with the instructions and budget for the activity in question. If an NOC is unable to carry out an activity for which it has been allocated financial assistance, it must inform Olympic Solidarity immediately.



- At latest two months after the conclusion of an activity, the NOCs must send Olympic Solidarity a financial report showing the use of the allocated funds.
- The NOCs no longer have to send systematically supporting documents, but must nevertheless be prepared to send supporting documents on Olympic Solidarity request.
- The NOCs must ask third parties (e.g. national federations, training centres and athletes) to provide detailed supporting documentation (invoices, receipts, etc.) for expenses covered using Olympic Solidarity funds. Acknowledgements of receipt, transfer confirmations or cheques to third parties are not considered sufficient as supporting documents for accounting purposes. The NOCs are solely responsible for the information in the financial reports and in their accounting records.
- When VAT or other taxes can be reclaimed by the NOC, they should not be included as expenses in the financial reports.
- Foreign exchange gains and losses are not covered by Olympic Solidarity. NOCs assume full responsibility for risks linked to exchange rate fluctuations.
- Bank charges related to the payment or receipt of funds may be recorded in the financial report as expense.

EXCHANGE RATE CALCULATION

Policy

NOC must apply its own accounting policy regarding the exchange rate to use in order to convert in the local currency the amount received in USD from Olympic Solidarity.

The exchange rate used can be the daily rate applied by the NOC's bank, the daily rate of the National bank, a monthly average or a reference web site such as Oanda.

In any case, the method used should be consistent throughout the year and in accordance with local accounting rules/GAAP (Generally Accepted Accounting Principles).

Olympic Solidarity Review

Olympic Solidarity checks the exchange rate consistency on financial report as follows:

- For advance payments:
Check of the USD/ local currency rate **on the date the advance is made.**
- For balance payments:
The advance payment received in the local currency is deducted from the total expenses in the local currency. The result represents the balance in the local currency, which is then converted into USD **on the date the financial report is processed and the balance is then paid.** This payment will be up to the maximum budget allocated for the activity.

The exchange rate website used by Olympic Solidarity to convert amounts from local currencies to the US dollar is: www.oanda.com/currency/converter/.



In case of discrepancy, Olympic Solidarity may ask the NOC to provide copies of bank statements confirming the exchange rate used.

FINANCIAL REPORT TEMPLATES

Financial reports for the programmes will be uploaded on the Olympic Solidarity online platform gradually with the implementation of each programme. In the meantime, the Excel version of the financial report should be used and can be found here:

<http://extranet.olympic.org/nocnet/en/os/finproc/Pages/default.aspx>