

FINANCIAL RULES OF PROCEDURE

**APPROVED BY THE XXVIII MEETING OF THE DIRECTING COUNCIL
Santiago, Chile, 1991**

**LAST MODIFIED AT THE 45st MEETING OF THE DIRECTING COUNCIL
Santiago, Chile, 2014**

**FINANCIAL RULES OF PROCEDURE OF THE
PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY**

CHAPTER I

ON THE OBJECTIVES OF THE PRESENT RULES

Article 1. These rules of procedure shall govern the financial life of the Pan American Institute of Geography and History.

Article 2. The fiscal year of PAIGH shall be from January 1 to December 31.

CHAPTER II

***ON THE MAXIMUM LIMITS OF THE BUDGET
AND ANNUAL QUOTA ASSESSMENTS***

Article 3. The General Assembly as the supreme organ for the deliberations of the Institute, is charged with establishing the scientific, administrative and economic directives, at each of its meetings, and to determine the maximum limits of the draft budget based on the annual quota assessments that shall be in force until the next General Assembly.

The limits in question shall only be limits of reference and not necessarily the amount on which the contributions of the Member

States shall be calculated, which shall be fixed in accordance with the budget approved by the Directing Council from year to year.

Article 4. The Directing Council shall orient the General Assembly on the establishment of the maximum limits, and in its meeting immediately prior to the General Assembly, shall study a recommendation in accordance with Article 42 of the Organic Statutes.

Article 5. The annual quota assessments shall be calculated in accordance with the scale of contributions which the General Assembly or Directing Council approves, based on the mandates of Article 39 of the Organic Statutes.

CHAPTER III ON THE PROGRAM-BUDGET

Article 6. The program-budget of the Institute shall be prepared by the Secretary General based on the maximum limit of quotas, and taking into account the programs that have to be carried out by the Commissions and Committees, as well as those assigned to the General Secretariat, pursuant to Article 40 of the Organic Statutes.

Article 7. Five months prior to the meeting of the Directing Council or General Assembly, the Commissions shall send the draft program-budget of their respective Commission to the General Secretariat, for the following fiscal year, adhering to the guidelines indicated by the General Secretariat.

The Commissions shall establish an order of priorities for the projects included in each draft program-budget.

Regarding the internal costs, each Commission Chairman shall prepare a tentative program of activities to be carried out during the calendar year.

Article 8. If the draft program-budget of any of the organs of the Institute is not received at the General Secretariat within the time-limit stipulated, this body has the power to prepare the budget, in accordance with requirements and requests that have been received.

Article 9. Any observations that may arise on the draft program-budget will be addressed at the meeting of Officers prior to the Directing Council or General Assembly, after which time it shall be consolidated for presentation to the Directing Council or General Assembly.

Article 10. The Directing Council or the General Assembly shall approve the annual program-budget.

CHAPTER IV ON THE AVAILABILITY OF FUNDS

Article 11. The approval of the program-budget by the Directing Council or General Assembly shall constitute the authorization for the Secretary General to contract obligations and undertake the necessary expenses for the objectives to which the expense items approved, have been designated.

Article 12. The Secretary General shall give written authorization for all expenses in accordance with the budgeted requests for funds presented by the Chairmen of the Commissions, in accordance with the guidelines as indicated on the request form.

Any document of payment that is signed by the Secretary General must be accompanied by a voucher and a request for payment.

Article 13. The Commissions, Committees or Working Groups that have received funds on the part of the General Secretariat must present a documented statement of expenses, 30 days after the termination of the activity, and return all funds that were not utilized. If it is an activity that is going to continue into the next fiscal year, a partial statement of expenses should be presented by November 30 of the corresponding year and a final statement when the activity has concluded. A copy of the statement of expenses must be sent to the Chairman of the respective Commission, who must give his approval regarding the beneficial utilization of the funds. The Secretary General shall not be able to provide additional funding to those projects which do not comply with this stipulation and shall inform the person responsible, the Chairman of the National Section and the Chairman of the respective Commission accordingly. The person responsible shall not be allowed to present any new projects; the Chairman of the National Section shall seek to have the expenses

accounted for as soon as possible or the funds returned as the case should be; to the contrary, it shall not be possible for the corresponding Commission of the National Section to present new projects until the corresponding expenses are submitted.¹

Article 14. Funds approved can only be expended during the fiscal year to which they correspond.

Nevertheless, if, for justified reasons presented to the Secretary General, on 30 September of the respective year, the total or partial of funds approved for a project have not been requested, and the person responsible for the activity requires an extension of the period for the execution of the funds approved for the following fiscal period, she/he must, together with the presentation of the program of modified charges, request that the funds that presumably cannot be used in the corresponding period be reserved.

The same must be done by the editors of the periodic publications if, by the date indicated in the previous paragraph, they have not given over to the General Secretariat, the material corresponding to the publication.

For that effect, with prior approval of the Chairman of the respective Commission, the Secretary General may reserve the funds requested for up to twelve months, consigning them in an account of Budgetary Reserved Funds, except during the transition period between General Assemblies.

In any case, the reservation of funds thus approved will be possible only when the required resources have been received during the fiscal period in which they were approved.²

Article 15. The fiscal year must close without any pending obligations. For which purpose, the organs of PAIGH shall make the necessary provisions, taking into account the mandates of Articles 13 and 14.

Article 16. If the activities of a project shall not be foregoing, any approved funds that have not been expended before the close of the fiscal year, in whichever of the Commissions, Committees or Working Groups, shall be placed at the disposal of the General Secretar-

¹ Thus amended by the XXXI Meeting of the Directing Council, Quito, Ecuador, November 12-18, 1995.

² Thus amended by the XXXVIII Meeting of the Directing Council, San Jose, Costa Rica, November 15-19, 2004.

iat for the funding of the program of Technical Assistance that has been approved and, giving priority to projects of the same Commission.

Article 17. If there is a surplus at the end of the fiscal year, this balance shall form part of the resources of the succeeding year.

Article 18. The Secretary General can transfer up to 25% of the amounts allocated to administrative activities in the budget. In order to modify budgetary items designated to each project, the Secretary General can only transfer up to 25%, having previously received the approval from the Chairman of the Commission; but without amending the total amount designated to the Commission for all the projects, nor to initiate a project that has not been previously approved.

CHAPTER V ON THE PROVISION OF FUNDS

Article 19. The annual program-budget shall be covered by the quota payments of the Member States. Said quotas shall be assigned and paid in dollars of the United States of America.

Article 20. The General Secretariat shall inform each Government of the amount of its quota for the support of the Institute and likewise shall send a copy of the budget of the Institute that has been approved. Quota payments should be covered within the first trimester of the corresponding year. Nevertheless, all quota payments shall be considered as pending from the first day of the year of the corresponding fiscal year. It is the responsibility of the Member States that quotas received at the PAIGH correspond to the amount of the annual quota periodically established by the Directing Council or the General Assembly of the PAIGH for each Member State.

If amounts are debited from the PAIGH that correspond to the commissions and intermediation costs of a bank draft or transfer from a Member State, the General Secretariat of the PAIGH will include said amount in the next quarterly bulletin it sends to the Member States which have quotas pending payment. It will also include said amounts separately in the report to the Directing Council or General Assembly so as to avoid Member States being identified as late payers when they only owe a balance on said item

lines thus preserving all their rights as active Member States of the PAIGH.³

Article 21. Every three months, the Secretary General shall dispatch statements of account to the Member States in arrears, on the status of their pending obligations.

Article 22. If a payment is received from a Member State and that Member State should have quota payments in arrears, the payment received shall be applied to the most outstanding payment.

Article 23. The Institute may accept donations and legacies from persons or Institutions, which are in concurrence with its objectives. The contributions derived from the annual fees paid by the Cooperating Associates of the PAIGH shall be destined for the help of the Technical Assistance program. The next immediate Directing Council or General Assembly shall be informed accordingly.⁴

Article 24. The Institute shall only account for and be responsible for those funds that are received by the General Secretariat.

Article 25. The control of those funds that do not form part of the accounts of the General Secretariat shall be based on the annual reports received from the Commissions, Committees and Working Groups.

Article 26. Pursuant to Article 44 of the Organic Statutes, any Member State or group of Member States can request the undertaking of a specific study on the part of PAIGH, provided that they contribute to finance the expenses hitherto incurred.

Article 27. The Secretary General is authorized to take the necessary steps towards obtaining the payment of quotas in arrears, from the Member States, and to propose to the Directing Council the draft agreement that has been studied in mutual agreement with the Officials of the Member State in debt.

Article 28. Member State that on the date of submission of nominations are current in the payment of their quotas or pending payment

³ Thus amended by the 44 Meeting of the Directing Council, Buenos Aires, Argentina, November 14-16, 2012.

⁴ Thus amended by the XVIII General Assembly, Caracas, Venezuela, November 20-23, 2005.

of up to one quota shall be entitled to have their nationals elected for a position a Officer of the PAIGH.⁵

Article 29. The Member States which have not covered their contributions for more than five periods, shall not have the right to vote at the meetings of the Institute. Likewise, they shall lose the right for their projects to be approved as well as other benefits.

CHAPTER VI

ON THE FUNDS FOR TECHNICAL ASSISTANCE

Article 30. The Institute shall finance through its program of Technical Assistance, projects which are orientated towards carrying out studies, research work, technical meetings and training in the disciplines of the four Commissions.

Article 31. In order for a project to be approved it must be presented in the official request forms and comply with all the necessary requirements.

Article 32. Technical Assistance projects must necessarily be multinational, in which at least two Member States shall participate, with the exception of those projects being funded by the Program of National Projects (PRONAT). Projects with regional objectives shall be given priority.

Article 33. In order to make the best use of the resources and to avoid dispersion, the amount assigned to each project may not be less than 1% of the budget of the Institute, except in the case of PRONAT, and those which last longer than one year.

Article 34. All projects must be presented officially by the respective National Section, attaching the letter of acceptance of the National Sections of the other participating countries.

The Authorities of PAIGH are not allowed to submit projects in any of the Commissions.⁶

Article 35. The maximum duration of a project shall be four years, and in any case, should finalize before the next General Assembly.

⁵ Thus amended by the 45 Meeting of the Directing Council, Santiago, Chile, November 11-14, 2014

⁶ Thus amended by the XXXIV Meeting of the Directing Council, Guatemala, Guatemala, November 8-12, 1999.

Exceptionally and, prior approval of the meeting of Officers, the limit in reference may be extended.

Article 36. When assigning funds, priority shall be given to those projects already in progress, without detriment to the provisions of Article 34.

Article 37. When recommending the approval of a project, the Chairmen of the Commissions, should lend special attention to the funds being committed from the requesting agency of the country or countries involved.⁷

CHAPTER VII ON FUNDS AND OTHER INCOME

Article 38. The resources of the Institute shall consist of the quota payments of the Member States, income from the sale of publications or services, donations, legacies, bank interests, the surplus from previous fiscal years and any other source of income received through the General Secretariat.

Article 39. The resources referred to shall be administered through five funds:

- a) Regular Fund
- b) Special Fund
- c) Reserve Fund
- d) Budgeted Reserve Fund
- e) Operational Fund

Article 40. The Regular Fund is constituted by the quota payments from the Member States, with a maximum limit similar to the budget of the year to which it refers, approved by the previous General Assembly or Directing Council.

⁷ *Ibidem.*

This fund shall be utilized to cover the expenses that have been considered in the program-budget ,that is approved by the Directing Council or General Assembly.

Article 41. The Special Fund is made up of any surplus income received from quota payments, which exceeds the Regular Fund and shall be utilized for the special projects approved by the Directing Council or General Assembly. The Secretary General is authorized to deduct up to 5% from each project within the special projects fund for administrative expenses.

Article 42. The Reserve Fund is constituted to confront any severance payments that may have to be made to the staff of the General Secretariat who no longer work at the Institute. The total of this fund shall be determined by the approximate sum of these payments.

Article 43. The Budgeted Reserve Fund is made up of those funds that were un-expended during the fiscal year and which have been reserved for the next period, in accordance with Article 14 of these rules of procedure.

Article 44. The Operational Fund has been constituted to cover the budgetary contingencies of the Institute. The amount of this fund can not be in excess of 35% of the Regular Fund for that year.⁸

Article 45. The Fund for Administrative Income is created by those resources generated by the General Secretariat itself, that are not included in any of the former funds and shall be destined to absorb part of the administrative costs that overlie the Regular Fund.

Article 46. The Secretary General shall designate the bank or banks in which the funds of the Institute shall be deposited.

To carry out transactions with the funds of the Institute, the authorization of the Secretary General or of his or her assistant is required as well as the authorization of the accountant of Institute or his or her assistant, both assistants appointed by the Secretary General.

⁸ Thus amended by the 41st Meeting of the Directing Council, San Salvador, El Salvador, November 19-21, 2008.

CHAPTER VIII
ON INTERNAL CONTROL

Article 47. The Secretary General should:

- a) Establish detailed fiscal by-laws and procedures, including salaries, per diem and all other pertinent guidelines, in order to ensure an efficient and economical fiscal administration. The base salary of the Secretary General shall be established by the meeting of Officers.
- b) Undertake an annual inventory of the property of the Institute;
- c) Ensure that all payments are supported by the corresponding receipts and other documents which indicate the services and products which were duly received, except in those cases when commercial practices warrant payments in advance, and
- d) Maintain an internal fiscal control which provides for a constant review of the accounts and of all financial transactions in order to:
 - 1) Ensure the regular receipt, disposition and custody of all funds and financial resources of the Institute;
 - 2) Ensure that all expenses are in compliance with these rules of procedure, and with the resolutions authorizing the budgetary items or with whichever other provision of the Directing Council,
 - 3) Procure a strict economy in the use of the resources of the Institute.
 - 4) Obtain the most advantageous conditions possible for PAIGH in the acquisition of goods and the contracting of services by requesting at least three quotations.⁹

⁹ Thus amended by the XXXI Meeting of the Directing Council, Quito, Ecuador, November 12-18, 1995.

CHAPTER IX ON THE ACCOUNTS

Article 48. The Secretary General shall establish suitable internal auditing procedures to verify compliance with the standards and regulations in force. Generally accepted accounting procedures and standards shall be employed for all accounting and auditing practices. The accounting shall be in United States dollars and in compliance with the list of budgetary items as corresponds.

The accounting files shall be kept for a period of five years, prior to the fiscal year in force.¹⁰

Article 49. The Commissions, Committees and Working Groups, shall also have subsidiary book-keeping records for further controls as deemed necessary.

Article 50. The General Secretariat shall present a detailed financial report to the Directing Council of the fiscal year that has finalized, which should contain:

- a) The General Balance Sheet, indicating the funds available to the Institute at the close of the fiscal year, with an attachment on the Member States in arrears.
- b) A report on the administration of the patrimonial funds of the Institute, with attachments on the Special Fund and the Budgeted Reserve Fund.
- c) The comparative statement of income and expenditure of the regular budget.
- d) The comparative statement of the expenditure of the regular budget as against actual expenditure in the fiscal year, with an attachment on detailed expenses of individual amounts expended which are in excess of 0.5% of the budget.

Article 51. The Directing Council, through the General Secretariat shall provide the General Assembly of the OAS with a copy of the annual financial report of the Institute.

¹⁰ *Ibidem.*

CHAPTER X
ON THE REVISION OF ACCOUNTS

Article 52. The Secretary General, with the corresponding authorization of the General Assembly or the Directing Council, shall select the external auditors, preferably having international experience, to examine the accounts of the Institute after the close of the fiscal year.¹¹

Article 53. The external auditors shall examine the accounts employing generally accepted accounting procedures and standards and certify to the following:

- a) That annual accounts presented by the Secretary General agree with the books, records, documents and vouchers.
- b) That all transactions reflected in the financial statements are in accord with these rules of procedure and with the decisions of the Directing Council, and
- c) That cash on deposit be checked by means of certification from the depositories of the Institute.¹²

Article 54. The Secretary General shall grant access to all books, records, documents and vouchers that the external auditors may need to perform their audit.¹³

Article 55. The auditors should also make any observations and suggestions deemed necessary, regarding the efficiency of the fiscal proceedings, book-keeping methods, and adjustment of accounts, and internal control, and in general, regarding the financial results of the administrative practices.¹⁴

Article 56. The external auditors shall prepare a consolidated report of the accounts of the Institute at the termination of the fiscal year, in which the extension and nature of the revision and the accuracy of the accounts should be made manifest. The external auditors may call attention in their report to any deficiency or irregularity that they

¹¹ Thus amended by the XXXI Meeting of the Directing Council, Quito, Ecuador, November 12-18, 1995.

¹² *Ibidem.*

¹³ *Ibidem.*

¹⁴ *Ibidem.*

have noted performing their work and they shall make the necessary recommendations, to correct them.¹⁵

Article 57. The external auditors shall address their report to the President of Institute through the intermediary of the Secretary General, at least 4 months prior to the meeting of the Directing Council or the General Assembly.

Likewise the General Secretariat shall dispatch the auditor's report to the Chairmen of the National Sections, and to the Foreign Relations Ministries or Secretariats of the Member States, simultaneously with the documents for these meetings.

CHAPTER XI ON THE DELEGATION OF AUTHORITY

Article 58. The Secretary General, at his own responsibility, can delegate the authority empowered to him by these rules, to other officials of the Institute, as deemed necessary in order to ensure their implementation.

CHAPTER XII GENERAL GUIDELINES

Article 59. These rules of procedure shall go into effect from the date that they are approved by the Directing Council and can only be amended by the same organ or by the General Assembly, having previously distributed the proposed amendments three months in advance. These rules of procedure abolish any other provision or resolution, concerning financial matters.

¹⁵ *Ibidem.*

