



EXECUTIVE COUNCIL 2024

FINANCES OF THE UNION

Update on the Administrative Section Reserve Fund (ASRF) of the APPU

Memorandum by the APPU Bureau

1. Subject	References/Paragraphs
Informing the EC of the Administrative Section Reserve Fund (ASRF) of APPU	§§ 1 to 3
2. Decisions expected EC is invited to: <ul style="list-style-type: none"> - take note of the document - take note of the current financial level of the ASRF - approve the status of the ASRF for 20242025 	§§1 to 3 §§ 3 §§ 3

1. Introduction

1.1 The Administrative Section Reserve Fund was established pursuant to Article 117 of the APPU General Regulations which mandates that separate reserve funds shall be established for the budget of the administrative section and training section.

1.2 The minimum financial level and rules for the management and replenishment of the ASRF are drawn up pursuant to Article 117, § 7 of the APPU General Regulations.

2. Administrative Section Reserve Fund (ASRF) for [20242025](#)

2.1 The operational rules for the management and replenishment of the ASRF require the minimum amount of the Fund to be reviewed/calculated each year.¹ This is essentially a process that:

- (i) update the EC or Congress on the adequacy of the ASRF to meet current and future financial needs; and
- (ii) identifies whether the current annual budgeting process needs to include an expense item to replenish the ASRF (if it has reduced below its approved minimum financial level), or to

¹ Reference paragraph 6 of the “Operational rules for the management and replenishment of the ASRF” i.e., “The minimum amount of a Reserve Fund is calculated each year as part of the annual budgeting process. Where the ASRF has reduced below the fixed minimum level (as set out in Financial Regulation 2 (i.e., US\$80,000)), it is replenished, normally annually, to maintain the fixed minimum level through:

- (i) surplus unrestricted operating funds; and/or
- (ii) an expense included in the Administrative Section’s annual budget.”

increase the funds held in the ASRF if the EC or Congress decides that the minimum financial level should be raised.

- 2.2 As further guidance, the operational rules specify what factors to take into account when making the annual review of the ASRF.² For example, if it is known that there will be a significant increase in salaries in the next year’s budget, then the current minimum financial level of the ASRF might need to be increased (as alluded to in subparagraph (ii) above).

3. Details about the ASRF

- 3.1 The minimum financial level for the ASRF is currently fixed at US\$80,000 (as decided in 2019). The Audit Report for ~~2022–2023~~ for the Administrative Section states that the Reserve Fund had a balance at 31 December ~~2022–2023~~ of US\$ ~~327,068.06~~346,756. Further, the savings of 2023 from the Administrative Section budget around USD 20,000 is also reflected in the same account making the account balance USD 346,756 at the end of 2023.

- 3.2 The table below sets out the key financial details of the ASRF.

Line No.	Item	Amount (US\$)	Comment
1	Minimum financial level required	80,000	Reference paragraph 2 of the approved rules for management and replenishment of the ASRF.
2	Opening financial level on 1 January 2024	346,756	Source: Audit Report for 2023 for the Administrative Section (i.e., the closing balance on 31 December 2023).
3	Estimated spending from the savings in 2024 for the Digital Library project	20,000	Establishing a Digital Library at the APPU (Ref. 2024 EC Doc 22)
4	Estimated shortfall during 2024	6,587	
54	The estimated closing balance of ASRF on 31 December 2024	320,169 <u>326,756</u>	
65	Changes to Administrative Section business in 2025 that might impact the minimum financial level required	06,587	None was known at the time of drafting the document <u>Estimated shortfall during 2025.</u>
76	Estimate of additional funding required to cover reasonable requirements in 2025	0	There are adequate funds in the ASRF to more than cover reasonable requirements in 2025.

- 3.2 Based on the aforementioned information, the EC is requested to acknowledge that no supplementary funding is necessary for the ASRF in ~~2024~~2025.

² Reference paragraph 5 of the “Operational rules for the management and replenishment of the ASRF” i.e., “The financial level at which a Reserve Fund is set is based around risk and represents a financial amount sufficient to maintain ongoing operations and programmes for a set period of time, measured in months. The calculation of average monthly operating expenses includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, programmes, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.”