

NEREIDA Scientific Research Project

At the 34th Annual Meeting, September 2012, the following STACFAD recommendation related to the establishment of a framework to manage a fund for the NEREIDA project was adopted by the General Council:

1. *That the General Council amend the NAFO Financial Regulations to clarify that NAFO is allowed to receive and disperse funding for projects that fulfill NAFO's objectives.*

In line with the above recommendation, the Secretariat has prepared, in consultation with the European Union and with the agreement of the GC and STACFAD Chairs, the attached draft proposal regarding the amendments to the NAFO Financial Regulations for approval/adoption by Contracting Parties.

New Rule 5 to be inserted in Financial Regulations

Scientific Research Fund

Rule 5

General Council may establish a Scientific Research Fund to support scientific research projects recommended by the Fisheries Commission and/or the Scientific Council or specific non-recurring projects entered into with third parties. The source of monies therein being discretionary contributions from Contracting Parties, above and beyond their annual budget contributions, from agencies of Contracting Parties and from other donors, with the following restrictions:

- (a) Contributions to any scientific research project under the Scientific Research Fund may be accepted, provided that the purposes for which the contributions are made are consistent with the policies, aims, and activities of the Organization; and
- (b) Contributions offered from sources other than Contracting Parties to any scientific research project under the Scientific Research Fund may be accepted, subject to agreement by the Contracting Parties that the purposes of the contributions are consistent with the policies, aims, and activities of the Organization.

This fund shall not be used to fund the general operations of the Organization, except for the recovery of administrative expenses associated with these projects.

The Executive Secretary shall report to General Council/STACFAD at each Annual Meeting on the condition of the Scientific Research Fund, including the contributions received and their dispositions.

The Scientific Research Fund is administered by the Executive Secretary, subject to guidelines established by the General Council.

Amendments (in bold) to current Rule 5 (to be renumbered Rule 6)

Books of Accounts

Rule 6

6.1 “Appropriate separate accounts shall be kept for the receipts and expenditures of the Organization and for the contributions and disbursements for each scientific research project established under the Scientific Research Fund.”

6.2 The Executive Secretary shall establish detailed financial procedures in order to ensure financial administration and the exercise of economy.

- 6.3** The Executive Secretary shall maintain such accounting records as are necessary for each financial year, including:

General Operating Budget

- a) income and expenditures;
- b) the status of appropriations, including:
 - i) the original budget appropriations;
 - ii) transfers between appropriation categories;
 - iii) amounts charged against appropriation categories;
- c) the status of the accumulated surplus account;
- d) funds held in currencies other than Canadian dollars.

Scientific Research Fund

- a) contributions and disbursements for each scientific research project;*
- b) the status of the funds for each scientific research project.*

- 6.4** The annual financial statements shall be submitted by the Executive Secretary to the Auditors no later than 30 days following the end of the financial year.

- 6.5** The Executive Secretary may, after full investigation, authorize the writing off of losses of cash, stores, and other assets, provided that a statement of all such amounts written off shall be submitted to the General Council and the Auditors with the annual financial statements.

Renumbering of subsequent Rules.