

PRACTICAL CASES COMPILATION

FM
2020/2021



elsa

The European Law Students' Association

FOREWORD

Dear ELSA member,

We are finishing this memorable year, but before we reach the end of it, there's more to offer to the future generation of amazing Treasurers that will be part of our lovely Association during the next few years. The Practical Cases Compilation is a document that represents an update concerning the previous practical cases available in the Officers Portal, at the same time representing the chance to offer contexts that will work on technical competences in Financial Management. Our goal with this project is to support the training process of FM officers, whilst at the same time providing instruments to diversify the transition processes, across our network. If you have any questions, you can always contact the Treasurer of the International Board of ELSA at treasurer@elsa.org or the Assistant for FM Toolkits at assistantfmtreekits@elsa.org.

Every question is valid, the learning process is part of the adventure, don't feel stressed in growing as an officer!

Yours sincerely,

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Treasurer

International Board of ELSA 2020/2021

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General budget

Exercise n1

ELSA Disneyland is a National Group with a lot of diverse incomes, but with a still significant debt of 1500€ towards ELSA International. It is time to prepare the general budget for the upcoming term 2021/2022.

As you see we have a situation of a deficit in this budget of 770€... How would you adjust the budget in order to be profitable again?

General Income		Total			Total	General Expenses	
		€	9 000,00			€	9 770,00
General Income		Subtotal			Subtotal	General Expenses	
		€	1 500,00			€	8 150,00
Account	Estimated				Estimated	Account	
Partnerships	€	700,00			€	1 650,00	General Administration
Online advertisements					€	350,00	Office supplies
Unrestricted operational grants					€	500,00	Registration Expenses
Membership and Observership Fee	€	800,00			€	150,00	General IT expenses
					€	150,00	General Marketing expenses
					€	500,00	Reserve
					€	1 500,00	Network Administration
					€	1 000,00	National Internal Meetings
					€	1 000,00	International Internal Meetings
					€	350,00	Non project internal travels
					€	150,00	Trainings
					€	5 000,00	Projects
					€	1 000,00	Moot Court expenses
					€	-	ELSA Webinars expenses
					€	3 500,00	ELSA Disneyland Law School expenses
					€	500,00	ELSA Disneyland Law Review expenses
Other Income		Subtotal			Subtotal	Other Expenses	
		€	-			€	1 620,00
Account	Estimated				Estimated	Account	
Financial income					€	120,00	Financial expenses
Previous term general income					€	1 500,00	Previous term general expenses
Uncategorised general income							Uncategorised general expenses

Exercise n2

ELSA California is a Local Group with only one general source of income (Fees from Members), but without many projects.

They don't have a non profitable situation... But we need you for some tasks

- Can you help them to get a positive balance?
- Can you prepare a financial plan to make their group more attractive?
- What do you think that they need to improve their projects?
- What kind of change would you like to see in the network administration category?

General Income		Total	General Expenses	
		€ 2 800,00	€ 3 080,00	
General Income		Subtotal	General Expenses	
		€ 1 000,00	€ 2 930,00	
Account	Estimated	Estimated	Account	
Partnerships	€ -		€ 650,00	General Administration
Online advertisements			€ 100,00	Office supplies
Unrestricted operational grants			€ 250,00	Registration Expenses
Membership and Observership Fee	€ 1 000,00		€ 100,00	General IT expenses
			€ 100,00	General Marketing expenses
			€ 100,00	Reserve
			€ 380,00	Network Administration
			€ 200,00	National Internal Meetings
			€ 200,00	International Internal Meetings
			€ 100,00	Non project internal travels
			€ 80,00	Trainings
Projects		€ 1 800,00	€ 1 900,00	
				Projects
ELSA Negotiation Competition incomes	€ 450,00		€ 1 000,00	ELSA Negotiation Competition expenses
ELSA Webinars incomes	€ 550,00		€ -	ELSA Webinars expenses
Seminars and conferences incomes	€ 800,00		€ 400,00	Seminars and conferences expenses
ELSA California Law Review incomes	€ -		€ 500,00	ELSA California Essay Competition expenses
Other Income		Subtotal	Subtotal	
		€ 500,00	€ 150,00	Other Expenses
Account	Estimated	Estimated	Account	
Financial income			€ 150,00	Financial expenses
Previous term general income	€ 500,00		€ -	Previous term general expenses
Uncategorised general income				Uncategorised general expenses

Project Budget

Exercise n3

ELSA Westeros has a budget composed of:

Incomes: 5000€	Expenses: 3000€
<ul style="list-style-type: none">• 1500€ from a partner X;• 500€ from a partner Y;• 2000€ from projects;• 1000€ from a Grant	<ul style="list-style-type: none">• 2000€ Projects• 1000€ Membership Fee +EDF Contribution

Partner X demanded ELSA Westeros to organise an ELSA Webinar in their platform, inviting only 3 panelists from their company in which you had to pay 200€ for each one of them. Rearrange the budget to be able to meet this need.

Exercise n4

ELSA Narnia has a budget composed of:

Incomes: 1500€	Expenses: 4000€
<ul style="list-style-type: none">• 500€ from a Alumni Network;• 1000€ from projects;	<ul style="list-style-type: none">• 2000€ Projects• 1000€ Membership Fee +EDF Contribution• 1000€ External Creditors

Due to Covid-19, ELSA Narnia decided to transmit their academic programme of ELSA Law School to ELSA Webinars Academy. But they still have to pay 500€ for some accomodation cost and meals, in advance. Rearrange the budget to be able to meet this need

Exercise n5

ELSA Neverland has a budget composed of:

Incomes: 3000€	Expenses: 2500€
<ul style="list-style-type: none">• 1000€ from the Alumni Network;• 1000€ from projects;• 1000€ from a partner	<ul style="list-style-type: none">• 2000€ Projects• 500€ Membership Fee +EDF Contribution

During Covid-19 times, the VP S&C of ELSA Neverland decided to organise 8 ELSA Webinars for free, generating 500€ less on the 1000€ estimated for projects. Rearrange the budget to be able to meet their needs.

Financial statements

Income statements

Exercise n6

The treasurer of ELSA Springfield is preparing all the financial statements to close the financial year of his term. He is required by his standing orders to provide his network with an income statement or profit & loss account, now, assuming that he has all the bookkeeping up to date, he has the following results on each of his accounts:

Account	Amount
Transport	-500€
Partners	2.100€
Bank account	3400€
Cash	80€
ELSA Membership fee + EDF	-430€
Merchandising	-300€
Moot Court Competition	700€
Board Allowances	-700€
Camera & microphone	-1200€
Local Groups Membership Fees	400€
Webinars Academy	600€

1. Determine for each of the previous accounts where it should be allocated: incomes, expenses, assets or liabilities
2. Once they are allocated, calculate the result of the exercise account (incomes-expenses), which we will call Profit & Loss account.

Balance sheet

Exercise n7

As the treasurer of ELSA Springfield, another document that you have to submit to your network is a balance sheet. Now, assuming that he has all the bookkeeping up to date, and that he has already calculated the profit & loss account (exercise n3), proceed to prepare the whole balance sheet. This should be done distinguishing between current assets and liabilities and fixed assets and liabilities, as well as the result from the previous exercise and the result of the current exercise.

Also take into account the following data:

- Result from the previous year= 3.930€
- The camera and microphone are assets
- You have 100€ worth of merchandising in inventory

Now to check if you did correctly this exercise bear in mind that $\text{assets} = \text{liabilities} + \text{equity}$!

Inventory

Exercise n8

You are the treasurer of ELSA Winterfell and are preparing the transition with your successor. One of the points you want to focus on this year is inventory control of all the goodies and merchandising you have been purchasing and giving away through the year, in order to understand how it is being used. With the following information, proceed to control the inventory of ELSA Winterfell:

- You started the term with the following goodies from the previous term:
 - 50 Stickers
 - 70 Lanyards
 - 5 Totebags
 - 10 Notebooks
 - 20 Pens
 - 3 Water bottles
 - 60 Pins
- You decided to give your members a bag filled with goodies at the beginning of the school year (september), so you purchased:
 - 110 Tote Bags
 - 40 Notebooks

- 100 pens
- This year you get 44 members, and you give each of them a bag containing a notebook, a lanyard, and a pen.
- In december when planning your moot court competition you prepare special merchandising for the event:
 - 40 folders
 - 40 Lanyards
 - 40 Name tags
- You have 38 participants in the moot court, and gift each of them with an ELSA tote bag and pen, plus a folder, lanyard and name tag of the event.
- ELSA Winterfell is hosting ELSA Westeros spring NCM, and you decide to additionally purchase:
 - 100 tote bags
 - 100 notebooks
 - 100 pens
 - 100 water bottles
 - 100 stickers
 - 50 hoodies (15S, 20M and 15L)
- For the preparation of this event ELSA westeros provides you with
 - 100 Lanyards
 - 100 Keyholders
 - 100 Lighters
- You have 82 participants in the event, to which you give a goodies bag
- You sell 18 hoodies (5S, 9M, 4L)

For an easier understanding of this exercise, you can sort all the data in the following table:

Date	Description	Input	Output	Balance

Financial strategy

Exercise n9

You are the Treasurer of ELSA Wonderland, a National Group. The currency in Fictioncoin is NRC (Not Real Currency) which is worth 0.50 EUR on the current data.

You have the following data:

Total incomes per year (3000 Fc):	Total Expenses per year (4000 FC):
1000 Fc - Membership fee from LG's 500 Fc - Partnership Fees 1500 Fc - Project incomes: <ul style="list-style-type: none">• 500 Fc for the MCC;• 450 Fc from webinars;• 300 Fc from a National Conference• 250 Fc from an Essay Competition.	500 Fc - Administration Cost 3000 Fc- Project expenses: <ul style="list-style-type: none">• 1800 Fc for the MCC;• 0 Fc from webinars;• 1000 Fc from a National Conference• 200 Fc from an Essay Competition. 500 Fc - Office Rent.

The Financial Strategy from ELSA Wonderland 2021-2024 is predicting the following goals:

- Your partnership's incomes must represent 50% of the full amount.
- The membership fees incomes shall represent only 20% of the total amount.
- Incomes generated will be 4000€ per year
- Projects must have positive balances.
- Ensure that you will have 100€ per year for the Marketing Area.
- Your expenses will be 1500€ per year

With all this information, create a financial plan that shows that you have accomplished your Financial Strategy*. For a more in depth analysis, you can develop a draft of the financial plan for each of the years of the strategy

**Take into account the different currencies when preparing the exercise*

EDF - fee calculation

Exercise n10

You are now the treasurer of ELSA Hoghwarts, and you have to calculate your EDF fee before you are invoiced to be able to prepare your annual budget. You have the following information:

- You have 1.200€ of income from an International partner
- You have 2.400€ of income from a national general partner
- You have 300€ of income from your MCC partner
- You have 400€ of income from your legal writing national partner
- The EDF report was submitted on the 7th of September

Exercise n11

You are now the treasurer of ELSA Narnia, and you have to calculate your EDF fee before you are invoiced to be able to prepare your annual budget. You have the following information:

- You have 400€ of income from an International partner
- You have 800€ of income from a national general partner
- The EDF report was submitted on the 15th of August

Exercise n12

You are now the treasurer of ELSA Asgard, and you have to calculate your EDF fee before you are invoiced to be able to prepare your annual budget. You have the following information:

- You have 38000€ of income from International partners
- You have 16000€ of income from a national general partner
- The EDF report was submitted on the 15th of September

**Bear in mind that Asgard is a Non-Favoured country*

EDF application

Exercise n13

You are the treasurer of ELSA Alderaan and your ELSA group is organizing a Mock Assembly of the Intergalactic Republic on May 4th. Unfortunately you have to make some last minute expenses regarding the transportation of some of the delegates and their accommodation, incurring in 2.250€ of losses. You decide to apply for EDF support to compensate the losses from this project, now, answer the following questions:

- What mode of support will you apply to?
- Up to which amount can you apply for?
- When will you apply for EDF support?
- What documentation do you need to submit?

Exercise n14

As the treasurer of ELSA Wonderland you are required to organise the travels of your delegation to the International Council Meeting, which will be held on October 13th to 18th. This year you are facing some financial difficulties in your National Group and won't be able to cover the expenses of your delegation, so you decide to apply for EDF support. Now, answer the following questions:

- What mode of support will you apply to?
- Up to which amount can you apply for?
- When will you apply for EDF support?
- What documentation do you need to submit?

EDF reporting

Exercise n15

You are now the treasurer of ELSA Slytheryn, which applied for EDF two weeks ago to cover some losses generated by a training in defense against the dark arts. Now after the event, these losses are estimated at 160 galleons, and you are preparing all the documentation required for the reporting of the EDF. Now, answer the following questions:

- What mode of support did you apply to?
- Up to which amount can you apply for?
- When do you have to submit all the documentation regarding the reporting procedure?
- What documentation do you need to submit?

**Bear in mind that 1 galleon equals 5,5 €*

Exercise n16

You are now the treasurer of ELSA Gryfindor, which is going to apply for EDF after you concluded a project in which you gathered other ELSA groups of Hogwarts for a quidditch match (which surprisingly is a core activity of ELSA) and generated some losses estimated in 590 galleons. You are preparing all the documentation required for the application of the EDF. Now, answer the following questions regarding the reporting procedure :

- What mode of support did you apply to?
- Up to which amount can you apply for?
- When do you have to submit all the documentation regarding the reporting procedure?
- What documentation do you need to submit?

**Bear in mind that 1 galleon equals 5,5 €*

Events

Exercise n17

You are the treasurer of ELSA Summerland, and have been assigned the position of Head of Finances for a SELS your group is planning for this term. It is a huge project, but with the appropriate preparation and organization you are sure you can prepare for it.

First of all you will have to build a timeline for all the financial part of the project, in cooperation with the other members of of the OC in which you will have to include:

- Drafting of the budget
- When do you expect the participants applications
- When are you going to receive the participants payments
- When - if you have to -, are going to pay the reserve of the accommodation and other items
- If you are going to have partners, what kind of cooperation are you going to have, are they going to give you money, are they going to help with the academic programme, are they going to let you use their venue...
- Other aspects

With the timeline built you have to enter into details. You can start by building the draft budget, taking into consideration the number of participants you are expecting for your project, as well as the expenses you are going to plan.

Next you can start planning the invoicing of the participants, how you are going to invoice them, if you are going to use a template of a specific software.

The following steps will include contacting the different providers for the SELS, setting the conditions for the payments, cancellation policies, collection of receipts...

Transition

Exercise n18

You are the treasurer of ELSA Castilly Rock and you are planning the transition for your successor. Try to plan a schedule for this knowledge transfer taking into account the following aspects, and adapting them to the needs of your ELSA group:

- Duration of the transition (one month, one weekend...) and how are you planning to distribute the different sessions you are going to have; and duration of the different sessions.
- People involved in the transition (is it just going to be the treasurers, or you are going to have joint sessions with other areas, or the whole board...; are you considering having specific training, do you need to request a trainer from the ITP...)
- Method you want to have when approaching the knowledge transfer (mentorship, guided experience, paired work, simulation, community learning...)
- What level of knowledge you are going to transfer (organizational - information about the organization, vision, mission, regulations... -, programmatic - analyzing what helps us achieve our mission - and operational - studying internal processes, strategy...-)

Now that you have planned everything, try to adapt this whole plan for an event in which you yet don't have a successor, and you have to prepare all the materials for someone to learn from them, or someone else to explain them for you.