

Questions & Answers on Servas Accounts, as in Motion EXCO – 001 – 2017 Approval of 2015-16 Audited Accounts

The following is a collated copy of Questions sent by Uri Carsenty, Treasurer for Servas Germany, to William D' Souza, the Servas International Treasurer, who answers them. We felt the questions and answers would be of interest to many of you and both Uri and William have agreed to my sharing their correspondence with you all.

Uri is also keen to use the Distant Vote Google Group as a discussion group on the motion and the accounts. Since Uri is the first person to ask about joining the group, please email me if you also want to join the discussion group.

Email Questions:

From: Uri Carsenty, Treasurer for Servas Germany

To: William D' Souza, the Servas International Treasurer

Subject: Re: Distant Vote May 2017: help needed to understand the audits papers etc.

Dear William,

Here is Uri from Berlin Germany.

I am not an accountant (I am astrophysicist) , so it takes me longer to follow and understand the special rules of GAAP.

Servas Germany in it's financial report follow only the Revenue and Expenditure calculation. We do not have Assets, with the corresponding depreciation. We do not have Loans and Advances, as well as Provisions.

Servas Germany is a Registered Non Profit Organization with Tax Exemption (for donation). We submit a calendar year financial report to the Revenue Tax Authority (Finanzamt in German).

Can SI submit a 15 month financial statement ?

I will appreciate if you have, and can send us, a written text that explain these items in your report (Assets, Loans, Advances, and Provisions), that we do not have in our Servas Germany report.

e.g. If you give loans and advances in these year, when do they have to be paid back?, do you carry it as expenditure?

Regards,

Uri Carsenty
Berlin

Email Answer:

From: William D Souza to Uri

Dear Uri,

Thanks for your mail and my response to your various queries are given below:

1. Servas International in its last General Assembly at New Zealand decided to change the accounting period from January-December to April-March. This became effective starting from the accounting period beginning 1st January 2015 and extended by a period of 3 months from December 2015 to March 2016. That is why SI had to prepare the financial statements for 15 months to adhere to the switchover of the new accounting period.

2. The financial accounts have been prepared under accrual concept which is different from cash basis. Under accrual method, provision of expense is made in the accounts although the invoice may not be paid since it was not due for payment. Similarly money given to Servas officers or Servas committees which have not been spent are shown as advances recoverable. If you look at the supporting schedules you will get the details of the loans and advances wherever applicable.

I sincerely hope I have been able to answer your queries satisfactorily. Please do not hesitate to contact me if you need further clarification.

Best wishes,

William D' Souza
Treasurer Servas International

Connecting People all over the world to Promote Peace!!