IECEE Operational Document

IEC System of Conformity Assessment Schemes for Electrotechnical Equipment and Components (IECEE System)

Finances
FOREWORD

Document Owner
CMC WG 18 “Financial outlook”

History of changes

<table>
<thead>
<tr>
<th>Revision date</th>
<th>Brief summary of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022-04-20</td>
<td>Addition of new clause 12 for Designated Funds. Item 11 relocated to Item 13 for clarity.</td>
</tr>
<tr>
<td>2021-10-21</td>
<td>Items 4b) and 4c) updated to clarify when the Secretariat should be copied on cost estimates</td>
</tr>
<tr>
<td>2021-10-04</td>
<td>Updated clause 4 according to PAC Action 05/2021</td>
</tr>
<tr>
<td>2021-05-11</td>
<td>Update clause 4.1.7 following CMC decision 16/2020</td>
</tr>
<tr>
<td>2021-02-18</td>
<td>Add a new chapter 10: Misuse of secretariat resources</td>
</tr>
<tr>
<td>2021-01-26</td>
<td>Special requirements of assessed organization (mandatory to be completed): Clause 4: New paragraph introduced and Annex A updated. Annex A &amp; B extracted to be a separate form OD-2026-F1</td>
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<tr>
<td>2020-06-05</td>
<td>Update of clause 3. Integration of fees when job is not completed</td>
</tr>
<tr>
<td>2019-07-23</td>
<td>Graphics in clause 2 deleted as per CMC Decision 08/2019.</td>
</tr>
<tr>
<td>2019-04-04</td>
<td>Update of clause 2, removal of clause 5 and re-numbering subsequent clauses</td>
</tr>
<tr>
<td>2018-10-12</td>
<td>PAC revisions: New clause 4.1.4 Peer assessment costs specifically related to an individual IECEE assessment may be charged to the assessed organization. Modification of new 4.1.5 addition of clarification for daily assessment fees of LA’s acting as TA’s during unified assessments. Clause 11 has been updated to reflect the latest accounting information.</td>
</tr>
<tr>
<td>2018-06-01</td>
<td>Update of clauses 2, 5, 8 and 10</td>
</tr>
<tr>
<td>2017-06-01</td>
<td>Update of clauses 2, 5, 6</td>
</tr>
<tr>
<td>2017-02-24</td>
<td>Update to clause 5 to correct a cross reference Update to clause 7 Cost related to follow up activities by the PTP provider</td>
</tr>
<tr>
<td>2016-06-01</td>
<td>Updates to clauses 2, 3 and 6 New clause 1 Inclusion of PAC OP 005 (withdrawn): new clause 3 and new Annexes A &amp; B</td>
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Effective date | Next maintenance due date |
---------------|---------------------------|
2024-06-01     | 2024-06-01                 

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Forms associated with OD-2026

<table>
<thead>
<tr>
<th>Form Name</th>
<th>Form Number</th>
<th>Publication date/Effective date</th>
<th>Brief summary of changes</th>
<th>Next maintenance due date</th>
<th>Edition</th>
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<tr>
<td>Estimate Peer Assessment Expenses and Fees Form</td>
<td>OD-2026-F1</td>
<td>2021-06-01</td>
<td>Extracted from OD-2026 Ed.2.4 &amp; Special requirements of assessed organization added</td>
<td>2024-06-01</td>
<td>1.0</td>
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</table>

1 Scope

This OD defines the financial aspects of the IECEE operations.

2 Annual dues

Invoices are issued by the IECEE Secretariat in January of each year and forwarded to the IECEE Member Bodies.

IECEE Member Bodies are requested to settle their annual dues by June 30th of the same year at the IECEE account.

Note: In some organisations the fiscal year is such that the settlement is waved until later in the first half of the current year. These exceptions are permitted upon written request to the Executive Secretary.

Calculation method for the annual dues:

The total of the annual dues will be proposed and endorsed by the CMC and submitted to CAB for formal Approval.

- The dues are flat rate, according to the table hereafter.
  - Member bodies are invoiced for their respective annual fees.
  - NCB are invoiced on the basis of: 1xNCB, # of CBTL, # of CTF, # of issued Certificates.
  - Each issued certificate is invoiced once, whatever the number of categories they are counted in.
- The dues may be revised each year with the endorsement by the CMC and approval by the CAB.
- The dues are as follows:

<table>
<thead>
<tr>
<th>Dues</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee per MB</td>
<td>2'400</td>
</tr>
<tr>
<td>Share per NCB</td>
<td>500</td>
</tr>
<tr>
<td>Share per TL</td>
<td>150</td>
</tr>
<tr>
<td>Share per CTF</td>
<td>150</td>
</tr>
<tr>
<td>Fee per CBTC</td>
<td>6</td>
</tr>
</tbody>
</table>

The final calculation for the National Member Body Dues will be made by the end of December, seeing that among the factors of the calculation there are the number of CBTLs and CTFs for an NCB.
3 Application fees

An application fee shall be paid by new Member bodies, NCBs and CBTLs applying to join one of the Schemes of the IECEE and by already recognized NCBs and CBTLs applying for extension of scope, in order to cover the administrative work generated by the application.

When the application is made but does not result in an officially fulfilled application as introduced by the Secretariat, or is not conducted to its end before a certain time limit, or the application is cancelled by the requester, the full fee is invoiced by the Secretariat to cover the administrative work already engaged and the requester will have to re-open the application.

The time limit is applied in full coherence with the IECEE 02-3, section 10, Peer Assessment Program.

The following Application fees shall be paid:

<table>
<thead>
<tr>
<th>Application</th>
<th>Fee</th>
<th>Time limitation* to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For Membership in the IECEE</td>
<td>CHF 3’000 per Member country</td>
<td>9 months</td>
</tr>
<tr>
<td>• For participation in one of the Schemes</td>
<td>CHF 1’000 per NCB</td>
<td>6 months</td>
</tr>
<tr>
<td>• For extension of scope</td>
<td>CHF 1’000 per CBTL</td>
<td>9 months</td>
</tr>
<tr>
<td>• For extension of scope</td>
<td>CHF 500 for each extension of scope per NCB and CHF 500 per CBTL when the extension of scope is for a new product category / series</td>
<td>9 months</td>
</tr>
<tr>
<td>• For transfer of responsible NCB</td>
<td>CHF 1’000 per CBTL being transferred</td>
<td>4 months</td>
</tr>
<tr>
<td>• For transfer of responsible Main CBTL</td>
<td>CHF 1’000 per ACTL being transferred</td>
<td>4 months</td>
</tr>
<tr>
<td>• For re-location of a CBTL</td>
<td>CHF 1’000 per CBTL</td>
<td>4 months</td>
</tr>
</tbody>
</table>

* See IECEE 02-3, section 10

Invoices are issued by the IECEE Secretariat upon notification of provisional acceptance of the applications and forwarded to the relevant NCBs even if the application concerns CBTL(s).

NCBs are requested to settle the application fees 30 days after receipt of the relevant invoice to the IECEE account.

Note: The application and related administrative or peer assessment process is contingent upon the settlement of the application fees.
4 Costs related to Peer Assessment

The NCB/Laboratory to be assessed shall express its willingness to pay the travelling and living expenses and other applicable fees arising from the assessment. An estimate of these expenses and fees shall be provided to the candidate NCB in advance by the assessors and agreed to by the candidate NCB (OD-2026-F1 “Estimate Peer Assessment Expenses and Fees Form”).

It is however not required for the assessed organization to accept cost estimations from assessors whose organization require the signing of a special contract or agreement between their legal entities unless it is made known well in advance on the “Estimate Peer Assessment Expenses and Fees Form” (OD-2026-F1) and specifically accepted and approved by the assessed organization in advance of the assessment.

Likewise, any special invoicing requirements by the assessed organization shall be made known to the assessor well in advance of the assessment.

Since the handling and administration of such requirement requires a lot of time on the assessed organization's side, it has to be made known by the assessor to the assessed organization beforehand, on the cost estimation form (OD-2026-F1: “Estimate Peer Assessment Expenses and Fees Form”). Likewise, the organization to be assessed should inform the assessor about special invoicing requirements.

The “Estimate Peer Assessment Expenses and Fees Form” (OD-2026-F1) shall be:

a) Filled in by each assessor in due time before the on-site assessment

b) Sent to the organization to be assessed (with copy to the IECEE Secretariat)

c) Approved by the Assessed Organisation prior to the on-site assessment (with copy to the IECEE Secretariat in case of dispute).

4.1 Guidelines on costs to be invoiced

4.1.1 Peer Assessment Program as operated by the IECEE shall not be a commercial activity but a cost effective activity.

4.1.2 Before sending the estimate the Lead and the Expert Assessor shall determine the length of the assessment, if necessary in consultation with the Secretary.

4.1.3 Before sending the estimate the Lead and the Expert Assessor shall determine whether the assessed organization is willing to take provisions to settle the overall accommodations (Hotel, meals, local transportations). This is normally the case.

4.1.4 Peer assessment costs specifically related to an individual IECEE assessment may be charged to the assessed organization, such as:

a) costs of travel and accommodation and living costs

b) taxes

c) mandatory health insurance over and above the insurance coverage of the assessor’s organization.

d) visas

The amount of the invoice may be adjusted to compensate for any imposed taxes or other deductions

The assessed organization shall inform the assessment team in advance of any requirements pertaining to the above in their country. Failure to do shall result in those additional costs being borne by the assessed entity.

4.1.5 A daily assessment fee of CHF 1’250 for the lead assessor (this rate also applies to the IECEE “peer assessors” participating in a unified assessment) and CHF 1,000 for the other assessors for each day spent on the assessment, shall be invoiced by the employer of each
assessor directly to the candidate NCB or CB Testing Laboratory. When an IECEE lead assessor acts as a technical assessor during a unified assessment, the daily assessment fee for lead assessor applies.

If it is not possible to review root cause analyses and approve corrective actions and to provide clearance of NCRs due to substantive omissions or quality issues, and another round submissions and reviews is necessary, the assessors may charge CHF 500 per additional round if more than 3 hours are spent addressing the issues. If additional charges are necessary, the IECEE Secretariat needs to be consulted.

4.1.6 Time for travel for each leg will be charged CHF 500 when the travel time is greater than 3 hours and CHF 1’000 when the travel time is greater than 6 hours. When the two assessed locations are of different organizations, the cost of travel should be equally divided between the two assessed parties.

4.1.7 Air Ticket cost shall be based on fully flexible economy class fare.

4.1.8 Before leaving the assessed Organization, make sure to ask to whom the invoice shall be addressed. This could speed up the relevant settlement.

4.1.9 Should you encounter problems to be settled, please inform the Secretary in providing copies of the relevant invoice and accompanying letter.

5 TRF Compensation

The CMC may decide to financially compensate TRF originators based on the IECEE Secretary’s recommendation.

A document with the proposed compensation for each NCB for the preceding year is issued by the IECEE Secretariat in January and forwarded to the relevant NCBs. This document is also to be tabled and noted at the annual CMC meeting.

The relevant NCBs will have to send an invoice corresponding to the proposed compensation amount to the IECEE Secretariat within 3 months. The IECEE will then settle the NCBs invoice within 30 days of receipt.

The amount of compensation per TRF is decided by the CMC and based on the following:
- CHF 1’000 for each TRF made from scratch, i.e. new Standard
- CHF 500 for each TRF based on a new edition of an existing TRF/Standard
- CHF 200 for each TRF updated against a significant Amendment of the standard

Compensation is related to the development of TRFs based on IEC standards only.

6 CTL Proficiency Testing Programs

The costs related to the participation of the CBTLs at the relevant Proficiency Testing Program are settled on-line during the registration of the relevant CBTL, SPTL, CTF through the PTP Provider’s Website, IFM Australia. http://www.ifmqs.com.au

If a technical related GNCR is issued for a CBTL, SPTL or CTF due to inability of the CBTL, SPTL or CTF to clear outliers of the PTP within the required time frame, or due to unresponsiveness of the CBTL, SPTL or CTF, the PTP provider will follow up on the corrective actions on behalf of the IECEE Secretariat. The fee charged directly by the PTP provider to the CBTL, SPTL or CTF for this service will be CHF 750. Additional charges may be invoiced by the PTP provider, in agreement with the IECEE Secretariat, if the CBTL, SPTL or CTF continuously fails to provide acceptable corrective actions and repeated rounds of correspondence are required.

7 CTL Workshops

The invoice related to the CTL Workshops provided to the participating CBTLs will be sent by the PTP provider, IFM Australia, to the IECEE Secretariat.

8 Conditions for participation from Officers in events and funding from outside

The participation as a speaker of the Executive Secretary and the Officers in events such as Conferences, Seminars, Workshops, Forum of discussion, etc… shall be compatible with promoting the
IEC and IECEE Schemes and operations and so that IECEE is not be subjected to any expenses that is not directly connected with IECEE activities and promotion.

Funding from outside Organizations shall be carefully considered in order to maintain the IECEE’s independence and impartiality and to prevent the IECEE from being subjected to any undue pressure.

9 Compensation time per aggregate event

The CMC approved that lecturers and event coordinator, as determined and appointed by the Executive Secretary, be compensated for their services with the following lump sums:

For Air Tickets:

- CHF 750 for lecturers resident in the same country where the IECEE event will take place
- CHF 2’000 for lecturers resident in the same region where the IECEE event will take place
- CHF 3’500 for lecturers resident in Regions different from the Region where the IECEE event will take place

Regions: The Americas; Europe/middle East; Africa; Asia/Pacific (incl. Australia)

For the aggregate event:

- CHF 1’250 for lecturers
- CHF 2’500 for lecturer preparation
- Up to CHF 1’500 for event coordinator at the discretion of the Executive Secretary

Accommodations and meals:

- Same arrangements as for the participants.

10 Misuse of IECEE Secretariat' resources

Misuse of IECEE Secretariat’ resources may lead to penalties, covered by the “Other Infringements” defined in OD-2033.

The result of such infringements will be a GNCR with financial penalties of CHF 1’000.

11 Not used

12 Designated Funds

12.1 Background information

A designated fund is created to manage risk and / or invest in the future. It’s fully integrated in the reserves of a given organization and it remains under the full control of the given organization. A designated fund is not directly affected by the annual budget process and can be maintained for several years.

The designated fund account is not part of the daily operation. It’s used throughout the year and adjusted at the end of the year depending on the level of expenses made. Priority is also given to use a potential surplus generated in a particular year to cover spending allocated to a designated fund, over the depletion of the actual capital in a designated fund. Its total amount can also be adjusted as long, as the designated fund remains active, depending on the needs. Unused capital from the designated fund will remain in the total reserves. A clear status is made at the end of each year regarding the level of the designated fund and how it was used.

The CMC has approved two designated funds (DF) as follows:

- DF1 : Development and implementation of new services agreed by CMC
- DF2 : Development and support of IECEE Infrastructure
12.1.1 DF1 : Development and implementation of new services agreed by CMC

This designated fund will serve to develop and implement new services, as agreed by the CMC. It can cover completely new services but also expansion of existing services which may need financial resources. This means that the group in charge to propose a new service should make a first financial approach of the required financial resources, before approval by the CMC.

12.1.2 DF2 : Development and support of IECEE Infrastructure

Development of IECEE infrastructure is always a delicate item when it comes to the financial aspect. This DF will have the objective to bring agility and responsiveness to the system when infrastructure needs are identified and need to be developed.

It may cover, for example, the following items, but not limited to:

- IT infrastructure and tools
- Hiring of part time resources
- Development of specific tools
- Digitalization of the IECEE

Fund DF2 should only be used for projects that do not duplicate costs already included in the IECEE budget.

12.2 Application for use of Designated Funds

An application for use of DF can be made to CMC by a body established by the CMC, or by the Secretariat.

Prior to submission to CMC, the application shall be reviewed by WG 18, and any WG supporting comments added to the application. WG 18 may suggest the use of the traditional budget as more appropriate rather than using a DF so they should be consulted early in the conceptual process.

For DF1, the application shall include a business case, which includes a clearly defined scope of funding, the requested amount of funds, and a timeline for delivery of the project. For DF 1, the business case should follow the IEC CAB-G01 impact analysis / business case guideline as applicable.

An application for use of DF shall be considered as a Decision Document for voting (DV)/Result of voting (RV) or a Decision Document for approval (DFA) and be submitted to the CMC within the corresponding timeline.

CMC approval related to application of DF funds must be documented in a specific DV/RV or a DFA with a related CMC Decision denoting the applicable designated fund, the amount allocated for use, a timeline for activities and the terms for use of associated funds.

12.3 Approval mechanism for expenditure from Designated Funds

The Executive Secretary has administrative responsibility to managing the designated funds and related daily financial matters in accordance with associated DV/RV or a DFA with a related CMC Decision.

12.4 Ongoing review of the use of Designated Funds

An annual report related to the management of DFs will be provided to the CMC for endorsement. It will include:

- Secretariat summary of expenditures by DF by project as compared to the overall scope of work approved by CMC Decision(s).
- Findings of WG 18 related to the effectiveness of expenditures by DF by project as compared to the overall scope of work approved by CMC Decision(s).

12.5 Proposal for future designated funds and maintenance of existing designated funds

WG18 will be responsible for the oversight and maintenance of IECEE Designated funds with respect to recommending the creation of additional designated funds if necessary, or to recommend closure/deactivation of existing designated funds if they might be considered not necessary anymore.
## 13 IECEE Account

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<tr>
<th>Bank</th>
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<tbody>
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