The BIEN Permanent Fund

The GA in 2004 passed a resolution asking that EUR 10,000 should be invested on a long-term basis, with the interests serving to give BIEN’s committee a secure minimum income. This proposal is both "philosophically" in the spirit of the safest way of funding a basic income, and pragmatically congruent with the reliance on the one-off payment of a life membership fee.

Subsequent Executive Committees did not rule on the management of the fund. At its meeting on 8th July 2018 the Executive Committee reaffirmed its commitment to the Permanent Fund, and has now set down rules for the management of the Permanent Fund

Draft rules for the permanent fund

That £9,000 should be placed in a restricted fund in the accounts. (This means that the fund is accounted for separately, but no additional bank account is required.)

The Executive Committee has agreed the following rules for the management and use of the fund.

1. The Executive committee can borrow small amounts from the fund (below) for purposes of covering regular activities, to include items such as website maintenance, mailing list, travel expenses, under the strict proviso stated below.*

2. The Executive Committee shall only access larger sums (than 1,000 Pounds or 11 % of the Fund, whichever is the larger) from the Permanent Fund in very exceptional circumstances, e.g. insolvency, legal challenges, and such like, which threaten the organisation as a whole.

*The Executive Committee may in ordinary circumstances (1.) borrow up to 1,000 Pounds (or 11 % of the Fund whichever is the larger) from the permanent fund in any financial year, for regular activities as approved by the Executive Committee, including travel expenses. As the Permanent Fund starts at a value of 9,000£ this means the Fund shall never be less than 8,000£, with the exception of (2), and shall always be repaid within the financial year.

The Executive Committee shall only borrow funds up to this limit to a level that it can project can be repaid within the next financial year in accordance with the average income from membership fees (not counting special grants or one-off donations). It must repay the permanent fund on that basis within the following financial year, and must take action to that effect.

General accounting rules to be taking into account when managing the Permanent Fund

If travel for EC members for educational or administrative purposes is involved, accounting for this must go through the annual business plan previously agreed.

The annual business plan should ensure that no more than half of any expenditure in any given year is dedicated to administration, hereunder travel by EC members for any purpose (hence a maximum of £500 may be borrowed from the Permanent Fund for this purpose).