Funds and Assets Management Committee (FAMC) of the Residents Assembly
2016 Mandate

This mandate was approved by the Residents Assembly in April 2016.

Vision
The FAMC shall endeavour to:
1. Encourage the development of an economy based on the Mother’s vision and instructions. This includes:
   a) Establish and sustain a self-supporting city of 50,000 people.
   b) The organization should be such, that everyone’s material need should be met, not according to notions of right and equality, but on the basis of the most elementary necessities; then, once that is established, everyone must be free to organize his life, not according to his monetary means, but according to his inner capacities.
   c) Ensure that everyone contributes in work, kind, and/or money.
   d) Eliminate the exchange of money between Aurovilians.
   e) Ensure that all profits are given to Auroville.
   f) Abolish inheritance in Auroville.
   g) Become the City the Earth needs.
2. Promote a vibrant and sustainable economy.
3. Protect and grow Auroville funds and assets.

Mission
1. Ensure that financial rules and regulations, both internal and external, are followed.
2. Ensure financial transparency, clarity, and accountability.
3. Ensure that all funds and assets of Auroville are being managed in a responsible manner and are used to achieve the vision set out in the Charter of Auroville.

Responsibilities
1. Definitions:
   a) **Internal Entity**. An internal entity is any Trust, Unit, Service, Project, or Activity that operates within Auroville.
   b) **Project**. Project refers to any short or long term activity executed by an Internal Entity.
   c) **Project Holder(s)**. Project Holder(s) refer(s) to any person(s) responsible for the execution and/or management of any internal entity. All signatories of any internal entity bank accounts are automatically project holders.
2. Formulate financial and economic policies that support the FAMC’s mission. Such policies will be submitted for approval by the Resident’s Assembly. The FAMC may
make regulations to execute an approved policy.

3. Assess adherence to approved financial policies and rules, and Indian law and in cases of nonadherence intervene as required.

4. Scrutinize and approve budgets that exceed an amount published by the FAMC from time to time. In so doing, it will ensure the following:
   a) The project and budget uphold the financial aims of Auroville as detailed in the FAMC mission.
   b) Budgets agree with approved plans (i.e., budgets must clearly synchronize with planned activities.)
   c) Budgets are in conformation with contractual agreements, if any.
   d) The FAMC has confidence that project holders can and will fulfil all contractual obligations and execute these obligations in a transparent and accountable manner.
   e) The results are financially sustainable (e.g., can adequately cover running expenses).
   f) The project does not create an unreasonable or unacceptable degree of financial risk.
   g) Budget changes that exceed 25% of the approved budget require prior approval to be received in writing by the FAMC.
   h) Projects that include buildings above an amount published by the FAMC from time to time must be accompanied by detailed Bills of Quantities signed by project architect(s) and project holder(s).

5. Oversee the functioning of the Auroville Unity Fund, Auroville Maintenance, and the Central Fund, including the approval of loan requests from the Auroville Maintenance above an amount published by the FAMC from time to time.

6. Approve the lease of land.

7. Approve the sale, purchase, or exchange of land jointly with the Working Committee.

8. Approve the transfer, sale, exchange, or lease of any community asset within and outside Auroville that has a value above an amount published by the FAMC from time to time at the time of transfer. Community assets include:
   a) Buildings
   b) Houses (this will be done through its Housing sub-group)
   c) Machinery and Equipment held by any unit or trust
   d) Any asset, tangible or intangible, that is held by a registered Internal Entity.

9. Define and oversee the functioning of Trusts and Units under the Auroville Foundation and take action as required.

10. Approve the creation and closure of Trusts and Units or other corporate bodies under the Auroville Foundation.

11. Appoint Trustees and Executives of Internal Entities that operate under the issuance of an Office Order or any other formal document.

12. Remove Trustees and Executives of Internal Entities in accordance with a community-approved process.
13. Appoint and remove stewards of land assets.
14. Address and resolve problems arising with respect to the management of Internal Entities.
15. Initiate audits and investigations to assess the financial viability and integrity of Internal Entities, and in cases that threaten the financial viability or integrity of Auroville, intervene as required.
16. Identify, encourage, and support the growth of commercial activities that have the potential to bring significant revenues to Auroville.
17. Approve all external loans and contracts with external entities that create a financial liability above an amount that is to be determined and published by the FAMC. This amount may be reviewed and amended from time to time as determined by the FAMC.
18. Constitute and oversee the functioning of the Housing Board.
19. Constitute and oversee the functioning of the Budget Coordination Committee.
20. Constitute and oversee the functioning of the Unity Fund.
21. Ensure the groups responsible for housing, land, and building assets maintain a current list of all assets.
22. Maintain the Auroville Foundation Consolidated Register of Assets comprising all fixed and movable assets.
23. Jointly with the Secretariat, Auroville Foundation, oversee the drafting and viability of the Consolidated Balance Sheet of the Auroville Foundation and ensure proper accounting procedures and relation with the CAG.

**Accountability**

The FAMC is appointed by and accountable to the Residents Assembly. The FAMC shall:

1. Produce and publish all documentation specified below in forms and forums that are easily accessible to the Residents of Auroville.
2. Maintain minutes of its meetings.
3. Produce and publish monthly reports and one annual report.
4. Produce and publish an Annual Work Plan that includes the FAMC’s annual goals, objectives, activities, and expected results.
5. Conduct an internal annual review that relates directly to the Annual Work Plan, and informs each new Annual Work Plan. The results of this review will be published as part of the annual report.
6. Meet with the Residents Assembly on a quarterly basis.

**Support**

1. Secretariat
   (a) The FAMC will have a permanent secretariat composed of a minimum of three full-time Aurovilians to assist it in the functioning of its duties.
   (b) The FAMC shall:
i. Appoint and remove people from the Secretariat.
ii. Develop, review, and amend job responsibilities for members of the Secretariat as required.
iii. Provide instructions and assignments to the Secretariat on an as needed basis.

2. The FAMC may invite people to meetings as required for the purpose of facilitating its work. It may not invite people to FAMC meetings on a permanent basis.

3. To assist the FAMC in fulfilling its duties, the FAMC:
   (a) May create temporary task groups which will dissolve when the work is completed.
   (b) May contract with any person or entity, internal or external, to assist it in the carrying out of its duties.
   (c) Shall appoint an internal auditor/CA that is directly accountable to the FAMC, as and when required.
   (d) May delegate any of its responsibilities.
   (e) If the FAMC engages in any of the above points 3.a. to 3.d., it is responsible for overseeing the work done.

Selection of Members

1. The FAMC members shall be composed of nine members appointed through a community selection process that will be similar to that of the Working Committee and the Auroville Council.

2. The Secretary and the Under-Secretary of the Auroville Foundation shall be non-voting invitees.

3. Only residents of Auroville who have been living in Auroville for a minimum of 5 years may be nominated as a member of the FAMC.

4. In selecting members of the FAMC, the community will ensure that the group has the following qualities:
   a) An understanding of the aims of Auroville.
   b) A large vision of Auroville.
   c) An understanding of finance, accounting, or economics.
   d) Excellent written and oral communication skills.
   e) Knowledge of Indian financial regulations.

Term of Office for regular members

1. Members shall serve on the FAMC for a period of three years. Members may be reappointed through the community selection process for one consecutive three year term after which they may not serve again for a period of one year.

2. Membership shall be staggered so that three members terminate their appointment and three new appointments are made annually. In the first appointment, the Residents Assembly shall decide on the terms of those appointed, with 3 members
being given 2 year terms, 3 members given 3 year terms, and 3 members given 4 year terms.

3. If a member’s appointment is terminated before their term is expired, the Residents Assembly will fill the position with a new appointment. The new appointee will complete the term of the person who resigns. If the person resigns within four months of their termination date, the Residents Assembly may decide not to appoint a replacement, and may wait until the members term has expired before appointing a new member.

**Termination of membership.**
1. The FAMC may request the Residents Assembly to replace a member if two-thirds of the members agree. The request must be accompanied by a justification for such a decision (e.g., frequent absence from meetings without valid reasons or without giving advance notice, inability to work effectively with other members, etc.)
2. The RA has, at any time, the right to terminate the membership of a person if it considers so necessary in the interest of the community.
3. A member may resign by giving a one–month notice to the FAMC itself and to the Residents Assembly Service. The RAS will inform the community within one week.

**Chairperson**
The FAMC shall select a chairperson. The chairperson does not have a predefined term of office, but can be recalled by a motion of the FAMC members. The chairperson is expected to ensure that persons are given an opportunity to express themselves and shall strive for a harmonious agreement among members of the FAMC.

**Meetings**
1. The FAMC shall meet at least weekly at a place of its choice. The time and venue of regular meetings may not be altered without informing all members of the FAMC.
2. In case additional meetings are called, all of the members of the FAMC must be informed of such meeting(s) at least one week in advance.
3. Three-fourths of the members may call an emergency meeting without one week notice. All members must be informed by email.

**Agenda**
The secretariat of the FAMC and the chairperson prepare the agenda in consultation with the members of the FAMC. The FAMC may evolve mechanisms to effectively manage their agenda by assigning priorities as agreed upon. The final agenda for a meeting is circulated to the FAMC members before the meeting. Additional agenda items can be added by members at the beginning of the meeting.
**Information Sharing within the FAMC**
1. The FAMC shall have an official electronic means from which it will disseminate all information to its members.
2. Members shall also have an electronic means to procure such information (e.g., a valid email address, a working internet connection, etc.).
3. Any documents posted or sent via the official FAMC electronic means shall be considered official and shall constitute receipt of information from the moment of posting. In other words, members are responsible for checking their emails or checking designated sites to obtain information.

**Decision Making**
1. Only members of the FAMC have voting rights and only these members may be present when a decision is taken.
2. A member who is believed to have a vested interest in a policy to be approved or a decision to be made, may be invited to be present during discussions but shall not be present when a final decision is taken and has no right to vote, if asked to be absent by a 2/3rd majority of the FAMC.
3. The FAMC will normally take decisions by consensus within meetings or through email. Consensus will also be considered present if dissenting members consent to a proposed decision. If consensus cannot be reached, decisions will be taken by vote and a two-thirds majority of the participating members is required.
4. The quorum is 6 members. If a quorum is not present, the meeting can discuss the topics on the agenda but cannot take any decision.
5. Decisions must be minuted. Policy decisions must be minuted and approved before any action can be taken.
6. In exceptional cases which require immediate action a decision may stand approved before being minuted. In such a case, the Chairman must read out the final decision, which must simultaneously be visibly presented to the members on a projector or any other means.

**Appeal of Decisions**
Appeal of decisions made by the FAMC shall follow the Appeal Process approved by the Residents Assembly.

**FAMC Mandate change**
Changes in the FAMC mandate must be approved by the Residents Assembly.