



Approved by

Director of Charity Foundation
Source of Revival
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**INTERNAL ADMINISTRATIVE AND FINANCIAL POLICY
CHARITY FOUNDATION SOURCE OF REVIVAL
(CFSR)**

1. General Provisions

1.1. This Internal Administrative and Financial Policy (hereinafter referred to as the “Policy”) defines the principles and rules for organizing the administrative and financial activities of the Charitable Organization “Charitable Foundation ‘Source of Revival’” (hereinafter referred to as the “Foundation”).

1.2. The Policy is developed in accordance with the legislation of Ukraine, in particular the Law of Ukraine “On Charitable Activities and Charitable Organizations,” the Law of Ukraine “On Accounting and Financial Reporting in Ukraine,” the Tax Code of Ukraine, and other regulatory legal acts.

1.3. The purpose of the Policy is to ensure transparent, effective, and accountable management of the Foundation’s resources.

1.4. All employees, governing body members, volunteers, and contractors are required to comply with the provisions of this Policy.

1.5. In case of any contradiction between this Policy and the Foundation’s special policies, the special policies shall prevail (see Section 2.4).

2. Scope and Related Policies

2.1. This Policy establishes general rules for financial management, budgeting, documentation, accounting, control, administration, and reporting.

2.2. The Policy applies to all activities of the Foundation, including its programmes, projects, and departments.

2.3. Specific procedures for individual areas are regulated by additional policies of the Foundation.

2.4. The Foundation implements the following specialized internal policies:

2.4.1. Procurement Policy

Regulates the procedures for planning, approving, conducting, and documenting procurements, as well as the principles of transparency, competitiveness, and cost-effectiveness.

2.4.2. Audit Procedure Rules

Contain procedures for internal control, audit, risk management, responses to violations, and monitoring of effectiveness.

2.4.3. Conflict of Interest Regulation

Governs the prevention, identification, and resolution of conflicts of interest among staff, volunteers, management, and partners.

2.4.4. Human Resource Management, Compensation and Promotion Policy

Defines hiring, onboarding, evaluation, promotion, staff development processes, as well as standards for remuneration and incentives.

2.4.5. Volunteer and Volunteer Management Policy

Establishes rules for recruitment, registration, organization of work, motivation, training, and ending cooperation with volunteers.

2.4.6. Financial and Administrative Policies, SOPs, and Delegation of Authority (DOA)

This document serves as a framework policy (“policy of policies”), outlining the structure of the Foundation’s entire internal policy and procedure system.

It describes the main management components: budgeting, procurement, accounting, internal SOPs, and the Delegation of Authority (DOA) system.

All policies and procedures, including this Policy, are applied in accordance with this framework and must not contradict it.

2.4.7. Co-financing and Cost Allocation Policy

Defines the rules for co-financing programmes and projects of the Foundation, mechanisms for cost allocation between funding sources, and procedures for cost justification.

2.4.8. Budgeting Procedure Rules

Regulate the process of drafting, approving, amending, and monitoring the implementation of annual and project budgets.

2.4.9. Reporting Policy

Establishes standards for preparing financial and programme reports, submission deadlines, transparency and publicity requirements, and reporting formats for donors and partners.

3. Financial Management and Budgeting

3.1. Sources of Funding

The Foundation's income may be generated from the following sources:

- Charitable donations from individuals and legal entities;
- Grants from international and national organizations;
- Other sources not prohibited by the legislation of Ukraine.

3.2. Foundation Budget

3.2.1. The Foundation's annual budget is developed by the administration and submitted for approval to the Foundation's Director.

3.2.2. The budget includes forecasts of income, administrative expenses, programme expenses, personnel costs, development expenses, and reserves.

3.2.3. Amendments to the budget are allowed only with the approval of the Board or authorized governing body.

3.3. Project Budgets

3.3.1. Individual programmes and projects of the Foundation may have their own separate budgets.

3.3.2. Project budgets must be approved by the donor, the responsible project manager, and the accountant.

4. Use of Funds

4.1. General Principles

4.1.1. The Foundation's funds are used solely for the achievement of its statutory objectives.

4.1.2. Priority is given to efficiency, transparency, and justification of expenditures.

4.2. Procurement

All procurement procedures are carried out in accordance with the separate "Procurement Policy."

This Policy does not duplicate or replace the provisions of the Procurement Policy.

4.3. Administrative Expenses

4.3.1. Administrative expenses include: rent, staff salaries, office expenses, technical support, etc.

4.3.2. The share of administrative expenses is determined separately and may be regulated by grant conditions.

5. Internal Control and Audit

5.1. General Internal Control Standards

The Foundation implements an internal control system based on the following principles:

5.1.1. Segregation of Duties Principle

No financial operation may be conducted by a single individual at all stages (initiation, approval, execution, accounting).

5.1.2. Dual Control Principle

Key expenses, financial transactions, budget changes, and other important decisions require approval by at least two authorized persons.

5.1.3. Transparency Principle

All processes must be documented, accessible for review, and comply with approved procedures.

5.1.4. Responsibility Principle

Each employee bears personal responsibility for compliance with procedures and the accuracy of data submitted or processed.

5.1.5. Continuous Monitoring Principle

The Foundation regularly monitors budget execution, accuracy of accounting records, and compliance of expenses with financial policy.

5.1.6. Risk Prevention Principle

Internal processes must ensure the prevention of violations, abuse, and errors.

5.2. Internal Audits

5.2.1. The administration and financial department may conduct internal audits at any time.

5.2.2. Internal audits include: analysis of primary documentation, reconciliation of cash/bank transactions, procurement review, and analysis of budget compliance.

5.2.3. Audit results are formalized in an internal report with recommendations for improvement.

5.3. Audit

5.3.1. A separate document – “Audit Procedure Rules” – defines the detailed procedures for conducting audits, their types, stages, responsible persons, reporting formats, and response procedures for identified violations.

5.3.2. The Foundation may conduct:

- internal audit – in accordance with the “Audit Procedure Rules”;
- external independent audit – by decision of the Foundation’s general assembly or at the donor’s request.

5.3.3. All external audit results, including recommendations, are reviewed by the Foundation's Board and may be made public in accordance with the Foundation's transparency principles.

5.4. Response to Violations

5.4.1. In case of detection of violations or deviations from established procedures, the administration must take appropriate corrective actions.

5.4.2. In the event of significant violations, the information is forwarded to the Foundation's Board for decision-making.

6. Transparency and Reporting

6.1. The Foundation prepares and submits reports as required by the legislation of Ukraine.

6.2. Financial reports are prepared in accordance with the Reporting Policy, Budgeting Procedure Rules, and the Co-financing and Cost Allocation Policy.

Project reports are prepared in accordance with donor requirements and coordinated with the responsible project manager and financial department.

6.3. The Foundation may also prepare and publish an annual report.

7. Conflict of Interest

7.1. The general principles of conflict of interest are recognized by this Policy.

7.2. The full procedure for resolution is specified in the "Conflict of Interest Regulation."

8. Personnel and Volunteers

8.1. Personnel management, remuneration, and career advancement are governed by the separate "Human Resource Management, Compensation and Promotion Policy."

8.2. Volunteer activities are carried out in accordance with the "Volunteer and Volunteer Management Policy."

9. Final Provisions

9.1. This Policy shall be reviewed at least once every 2–3 years or as needed.

9.2. Amendments and additions are made by decision of the Foundation's general assembly.

9.3. The Policy enters into force from the moment of its approval.