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APPROVED
by the decision of the Management Board
of NGO "RUKH Global"
Minutes No. 3 dated "17" April 2026

ГРОМАДСЬКА ОРГАНІЗАЦІЯ "РУХ Глобал" * Ідентифікаційний код 46294025 *
RUKH GLOBAL

Chairman of the Management Board
____________ Igor DUDKA

Executive Director
____________ Maryna MAKHOTA

FINANCIAL POLICIES
OF THE NON-GOVERNMENTAL ORGANIZATION "RUKH GLOBAL"

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1. GENERAL PROVISIONS

1.1. Purpose and Objectives

1.1.1. The Financial Policies of the Non-governmental organization "RUKH Global" (hereinafter — the Organization, RUKH Global) establish uniform rules for the planning, accounting, use, and control of the Organization's financial resources with the purpose of ensuring the lawful, efficient, and transparent management of funds.

1.1.2. This document has been developed in accordance with clauses 5.5.2.3, 10.1–10.8 of the Charter of NGO "RUKH Global", approved by the Minutes of the founding meeting No. 1 dated 12 February 2026, taking into account the requirements of Ukrainian legislation, the European Union, and leading international donors.

1.1.3. The Policies are aimed at ensuring:

— the lawfulness of all financial operations of the Organization;

— the targeted use of funds in accordance with the purpose of the Organization (clause 3.1 of the Charter) and the terms of donor agreements;

— transparency towards the members of the Organization, partners, donors, and Ukrainian society;

— readiness for audits by EU donors, state and international institutions;

— preservation of non-profit status pursuant to Article 133.4 of the Tax Code of Ukraine.

1.2. Scope of Application

1.2.1. This document is mandatory for:

(a) members of the Management Board and the Head of the Organization (clauses 5.4, 5.5 of the Charter);

(b) the Executive Director of the Organization (clause 5.6 of the Charter);

(c) full-time employees of the Organization, including the accountant, financial manager, and project managers;

(d) contractors and consultants providing services to the Organization under civil-law contracts;

(e) volunteers carrying out operations with the funds or property of the Organization;

(f) heads of separate subdivisions (clause 9 of the Charter), in particular the Krakow representation office.

1.2.2. The Policies apply to all financial resources of the Organization regardless of their source — EU grants, donor assistance, membership fees, donations, income from statutory activities.

1.3. Terms and Definitions

For the purposes of this document, the following terms are used with the meanings set out below:

Beneficiary: An organization that receives a grant from a donor and is responsible for its implementation.

Project Budget: A detailed financial plan of a project with a breakdown by cost categories (Work Packages, Budget Categories).

Eligible Costs: Costs that meet the criteria of the donor agreement and may be financed from the grant.

Donor: A natural or legal person providing financing (grants, donations, subsidies) to the Organization.

Co-financing: The share of project costs covered by the beneficiary's own funds or from other sources not related to the main grant.

Segregation of Duties (SoD): A principle of internal control providing for the distribution of key functions (initiation, authorization, execution, recording, control) among different persons.

Audit Trail: A complete sequence of documents and records that allows the history of a financial operation to be traced from the source document through to reporting.

Chart of Accounts: A structured list of accounting accounts, supplemented by analytical dimensions (project, donor, cost category).

Single Audit: A comprehensive external audit required by US federal programs for recipients whose federal funding reaches USD 1,000,000 or more (2 CFR 200.501).

3E Principle: Economy, Efficiency, and Effectiveness — fundamental principles of management of EU funds pursuant to EU FR 2024/2509.

1.4. Applicable Legislation

1.4.1. Ukrainian legislation:

— Constitution of Ukraine;

— Civil Code of Ukraine;

— Tax Code of Ukraine, in particular Article 133.4 (conditions for non-profit organizations) and clause 63 of subsection 4 of section XX (specifics of martial law);

— Law of Ukraine "On Public Associations" No. 4572-VI of 22 March 2012 (in the wording as of 03.09.2024 on the basis of Law No. 3257-IX);

— Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV of 16 July 1999;

— Law of Ukraine "On Prevention of Corruption" No. 1700-VII of 14 October 2014;

— Law of Ukraine "On the Specifics of Regulating the Activities of Legal Entities of Certain Organizational and Legal Forms in the Transitional Period" No. 4196-IX of 09 January 2025;

— National Accounting Regulations (Standards) (P(S)BO);

— Order of the Ministry of Finance of Ukraine No. 879 of 02.09.2014 "On the Approval of the Regulation on the Inventory of Assets and Liabilities";

— Regulation on the Conduct of Cash Transactions in the National Currency in Ukraine (Resolution of the Board of the NBU No. 148 of 29.12.2017);

— Labour Code of Ukraine (KZpP).

1.4.2. European legislation and EU donor requirements:

— Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (EU Financial Regulation — EU FR 2024/2509), effective from 30.09.2024, which replaced Regulation (EU, Euratom) 2018/1046;

— Regulation (EU) 2021/818 establishing the Creative Europe Programme (2021–2027);

— Horizon Europe General Model Grant Agreement (MGA) v5.0 (2024);

— Erasmus+ Programme Guide 2025;

— Citizens, Equality, Rights and Values Programme (CERV) Work Programme;

— Regulation (EU) 2016/679 (GDPR) — with regard to the processing of financial-personal data.

1.4.3. US legislation (applicable in the event of receiving funding from the US Department of State):

— 2 CFR Part 200 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (in the wording of 22 April 2024, effective from 1 October 2024);

— ADS Chapter 303 — Grants and Cooperative Agreements to NGOs (revision of 1 October 2024).

1.4.4. Note: USAID ceased operations on 1 July 2025. Its functions in relation to NGO funding have been transferred to the US Department of State. References to 2 CFR 200 and ADS 303 remain relevant for understanding the requirements applicable to grants originating from US funds.

1.4.5. International standards:

— ISO 37001:2016 — Anti-bribery management systems;

— INGO Accountability Charter / Accountable Now Framework;

— Core Humanitarian Standard on Quality and Accountability (CHS);

— International Financial Reporting Standards (IFRS) — for projects where required.

1.4.6. Internal documents:

— Charter of NGO "RUKH Global" (Minutes No. 1 of 12.02.2026);

— Regulation on the Management Board of NGO "RUKH Global";

— Anti-Corruption Policy Regulation;

— Procurement Policy and Procedures;

— Regulation on Business Trips;

— Regulation on Inventory.

2. PRINCIPLES OF FINANCIAL MANAGEMENT

2.1. Fundamental Principles

2.1.1. Financial management of the Organization is carried out on the basis of principles derived from clauses 1.4, 10.1–10.7 of the Charter, EU FR 2024/2509 (Art. 33), and international best practices:

Lawfulness. All financial operations are carried out exclusively within the framework of the current legislation of Ukraine, the Charter of the Organization, and the terms of donor agreements.

Non-profit status. The Organization does not distribute income (profits) received, or any part thereof, among its founders, members, employees, governing body members, or other related persons (clause 10.4 of the Charter; Article 133.4.2 of the Tax Code of Ukraine).

Targeted use of funds. Funds received from a specific source shall be used solely for the purposes defined by that source. Grant funds — for the project budget; donations — for the purpose designated by the donor; membership fees — for statutory activities.

Transparency. The Organization ensures complete and timely documentation of all financial operations. Reports are made available to the members of the Organization, donors, and interested parties in accordance with the requirements of donor agreements.

Economy, Efficiency, Effectiveness (3E). In accordance with EU FR 2024/2509 Art. 33(1): Economy — obtaining resources at the right time, of the appropriate quality, and at the best price; Efficiency — the optimal relationship between resources and results; Effectiveness — achievement of the established objectives and planned results.

Segregation of Duties. Key financial functions (initiation, authorization, execution, accounting, control) are distributed among different persons to prevent errors and misconduct.

Separate project accounting. For each grant/project, separate analytical accounting of costs is maintained, allowing project costs to be segregated from administrative costs and from costs of other projects.

Best Value for Money. Every expenditure must be justified, necessary for the achievement of the Organization's purpose, and in line with market conditions.

Conservatism. Liabilities and risks are recognized in a timely manner; assets and income only where sufficient grounds exist.

"Hear the warning" principle. Early signalling of financial risks is a priority; all employees are required to report potential violations (see Section 11).

2.2. Prohibitions

2.2.1. The following are strictly prohibited within the Organization:

(a) distribution of income or assets among the founders, members, management, employees, or related persons (clause 10.4 of the Charter, Article 133.4.2 of the Tax Code of Ukraine);

(b) making payments without a proper source document and without prior authorization in accordance with Section 4 of this Policy;

(c) payment of personal expenses of employees or members of the Organization from Organization funds (except as provided for by the Regulation on Business Trips and by labour legislation);

(d) use of grant funds for purposes not provided for in the project budget (without prior written approval of the donor, where required by the agreement);

(e) cash payments exceeding limits established by Ukrainian legislation and internal documents;

(f) payments to natural or legal persons included in the sanctions lists of the EU, US, the National Security and Defence Council of Ukraine (RNBO), or the UN;

(g) double funding of the same expense from different donor sources (non-cumulative funding principle pursuant to EU FR 2024/2509 Art. 191);

(h) financial operations with counterparties in respect of which a conflict of interest has been identified, without its declaration and approval (in accordance with the Anti-Corruption Policy Regulation).

3. BUDGETING

3.1. Annual Budget of the Organization

3.1.1. The Annual Budget of the Organization is the principal financial document that reflects the expected income and expenditure of the Organization for the calendar year.

3.1.2. The Annual Budget is prepared by the Executive Director (clause 5.6 of the Charter) with the participation of the financial manager/accountant and project managers by 15 December of the year preceding the planned year.

3.1.3. The Annual Budget is approved by the Management Board of the Organization in accordance with clause 5.4.4.4 of the Charter ("Approval of current plans of activity of the Organization").

3.1.4. Structure of the Annual Budget:

(a) Income: grant revenues (broken down by donor and project), membership fees, donations, income from statutory activities, passive income;

(b) Project expenses: with a breakdown by project and cost category;

(c) Administrative expenses (overheads/indirect costs): rent, utilities, communications, IT infrastructure, accounting, legal support;

(d) Reserve for contingencies — up to 5% of the budget.

3.2. Project Budgets

3.2.1. Every grant-funded project has a separate detailed budget prepared in accordance with the requirements of the donor.

3.2.2. For projects funded by the EU, the budget is built on the principles of EU FR 2024/2509 Art. 180–190 using the following categories:

(a) Personnel costs — on the basis of actual costs or unit costs (unit = daily rate);

(b) Subcontracting — a separate category with a description;

(c) Purchase costs: travel and subsistence, equipment, other goods, works and services;

(d) Other cost categories (where provided for by the Call);

(e) Indirect costs — as a flat rate on direct costs (typically 7% for Horizon Europe, 25% for Creative Europe in certain Calls).

3.2.3. The project budget is prepared by the project manager jointly with the financial manager before the submission of the application and, after the Grant Agreement is received, is finalised in accordance with the amount approved by the donor.

3.2.4. Changes to the project budget (amendments, budget transfers) are made only within the limits permitted by the donor agreement, and with mandatory written approval of the donor where they exceed the established limits (for Creative Europe — transfers of up to 20% between categories are typically permitted without an amendment).

3.3. Co-financing under Creative Europe

3.3.1. The Creative Europe Programme requires co-financing from the beneficiary: for COOP Small-scale typically up to 20%, for Medium-scale — 20%, for Large-scale — 20%.

3.3.2. Sources of co-financing:

(a) the Organization's own funds (membership fees, statutory income, reserves);

(b) funds from other donors (non-EU), provided this does not create double funding;

(c) in-kind contributions — where permitted by the Call; the value of in-kind contributions must be documented;

(d) own funds of consortium partners — each partner provides its own share of co-financing.

3.3.3. The co-financing plan is approved by the Management Board PRIOR to the submission of the application; the availability of funds is confirmed by a letter of commitment signed by the Executive Director or by agreements with donors on co-financing.

3.4. Budget Execution Monitoring

3.4.1. The financial manager/accountant prepares a monthly budget execution report covering:

— actual income vs. plan;

— actual expenditure vs. budget by project and category;

— variances with comments.

3.4.2. The Executive Director reports quarterly to the Management Board on the execution of the budget.

3.4.3. The Management Board reports to the General Meeting at annual meetings (clause 5.4.4.6 of the Charter).

4. BANKING OPERATIONS AND SIGNATORY AUTHORITY

4.1. Bank Accounts

4.1.1. The Organization, pursuant to clauses 2.4.19 and 5.6.2 of the Charter, has the right to open accounts in national and foreign currencies at banking institutions in Ukraine and (where necessary) abroad.

4.1.2. List of recommended account types:

(a) Main current account in Ukrainian hryvnia (UAH) — for administrative operations and statutory activities;

(b) Foreign currency accounts in EUR and USD — for receiving grants and settlements with international counterparties;

(c) Separate project accounts (sub-accounts) — where required by the donor agreement (character: segregated project account);

(d) An account in Poland (PLN) — for the operations of the Krakow representation office, opened at a partner bank (recommended: mBank, PKO BP, Pekao) by decision of the Management Board.

4.1.3. The decision to open or close a bank account is taken by the Executive Director after consultation with the Management Board. Information on all accounts (IBAN, SWIFT/BIC, currency, purpose) is kept in the Register of Bank Accounts.

4.1.4. The Organization gives preference to banks that meet the following criteria:

— financial stability (rating not below investment grade for Ukrainian banks — per the NBU assessment or international agencies);

— compliance with FATCA/CRS requirements;

— ability to process SWIFT transfers;

— transparent fee schedule;

— online banking with multi-level authorization capabilities.

4.2. Signatory Authority

4.2.1. The right of first signature on the Organization's financial and banking documents is held by (clause 5.6.2 of the Charter):

(a) the Executive Director — without a power of attorney;

(b) the Head of the Organization (Chairman of the Management Board) — without a power of attorney (clause 5.5.2.1 of the Charter);

(c) other persons — on the basis of a notarized power of attorney issued by the Head of the Organization or the Executive Director within the limits of authority established by the Management Board.

4.2.2. The right of second signature on accounting and payment documents is held by:

(a) the Chief Accountant (or the accountant performing the functions of the Chief Accountant);

(b) the Financial Manager — in cases determined by internal order.

4.3. Four-Eyes Principle

4.3.1. All payment orders and other financial operations, the amount of which exceeds the equivalent of UAH 10,000 (or EUR 250 / USD 300), are subject to signing under the "four eyes" principle:

— initiator / authorizer of funds (first signature): Executive Director or Head of the Organization;

— verifier (second signature): Chief Accountant or Financial Manager.

4.3.2. One and the same employee may not act simultaneously as both initiator and verifier (segregation of duties requirement — EU FR 2024/2509 Art. 74; 2 CFR 200.303).

4.3.3. In online banking, multi-level authorization is implemented: first signature (creation of the payment), second signature (confirmation of execution). Both signatories must have personal means of electronic identification (qualified electronic signature (KEP/ETsP), token, mobile ID).

4.3.4. Payments exceeding the limit set by the Management Board (e.g., UAH 500,000 or EUR 10,000) additionally require the written approval of the Chairman of the Management Board (clause 5.6.2 of the Charter).

4.4. SWIFT and International Transfers

4.4.1. Outgoing SWIFT transfers require:

(a) a contract or invoice with the counterparty;

(b) an act of completed works/services (for final payments);

(c) screening of the counterparty against sanctions lists (EU, US, UN, RNBO of Ukraine) — documented in writing;

(d) an agreed payment description with a reference to the project/grant (e.g.: "Payment for services under Creative Europe project [Project ID]");

(e) signing under the four-eyes principle.

4.4.2. Incoming grant tranches are registered in the accounting records with the project and donor code. Receipt of the grant is confirmed by a bank statement and a notification letter from the donor.

4.4.3. Exchange rate differences are recognized in accordance with P(S)BO 21 "The Effects of Changes in Foreign Exchange Rates" and, where applicable, in accordance with donor rules on exchange rate risk.

4.5. Register of Banking Operations

4.5.1. All banking operations are recorded in the accounting system on the basis of bank statements no later than the day following the date of the operation.

4.5.2. Bank statements are stored in paper or electronic form together with payment documents. The register is maintained in the Organization's electronic accounting system.

5. CASH OPERATIONS AND PETTY CASH

5.1. General Provisions on Cash Operations

5.1.1. The Organization gives preference to non-cash settlements. Cash operations are conducted in exceptional cases where a non-cash settlement is impossible or impractical (minor expenses, field work, operations abroad).

5.1.2. Cash operations are governed by the Regulation on the Conduct of Cash Transactions in the National Currency in Ukraine (Resolution of the Board of the NBU No. 148 of 29.12.2017) and by this document.

5.2. Cash Transaction Limits

5.2.1. The limit on the cash balance in the Organization's cash desk is set by the Executive Director based on the calculation of the average daily cash inflow/outflow, but shall not exceed the amounts established by the NBU.

5.2.2. Limits on a single cash settlement:

(a) between the Organization and a natural person — UAH 50,000 per day (current NBU standard);

(b) between the Organization and a legal entity/sole proprietor (FOP) — UAH 10,000 per day (current NBU standard);

(c) cash expenses during business trips — in accordance with the Regulation on Business Trips and current legislation.

5.2.3. Any changes to NBU limits shall automatically apply from the date the respective normative act enters into force. Limits are updated by the accountant in the internal register.

5.3. Expense Reports (Advance Reports)

5.3.1. Cash may be issued to an accountable person (employee, contractor, volunteer) for:

(a) business trip expenses (on the basis of a business trip order);

(b) operational needs of the Organization (office supplies, minor materials, event-related expenses);

(c) purchase of goods/services on behalf of the management.

5.3.2. The amount of the advance is determined on the basis of an estimate or a written request by the accountable person, approved by the Executive Director.

5.3.3. The accountable person is required to submit an Advance Report (form — Annex B) within the following deadlines:

(a) after returning from a business trip — within 5 banking days;

(b) for operational needs — within 5 working days of the purchase of the goods/services;

(c) in case of incomplete use of the advance — the balance is returned to the cash desk/account of the Organization simultaneously with the report.

5.3.4. The Advance Report shall be accompanied by the originals of source documents: fiscal receipts, vouchers, invoices, boarding passes, acts of completed works, hotel bills, etc. Documents in a foreign language shall be accompanied by a translation (at minimum — a brief description).

5.3.5. The Advance Report is verified by the accountant for compliance with current legislation and with the Regulation on Business Trips, after which it is approved by the Executive Director.

5.3.6. Where an unused balance of the advance is not returned within the established deadlines, the provisions of Ukrainian tax legislation regarding the taxation of personal income shall apply.

5.4. Cash Book Keeping

5.4.1. All cash operations are documented by means of receipt and expense cash orders in accordance with NBU Regulation No. 148.

5.4.2. The cash book is maintained in electronic form with mandatory daily printout and signing by the cashier and accountant (or by persons assigned such functions under job descriptions).

5.4.3. The cash desk is inventoried quarterly, as well as upon a change of the materially responsible person, and in cases provided for by the Regulation on Inventory.

5.5. Operations Abroad (Poland, EU countries)

5.5.1. In connection with the operation of the Krakow representation office, cash operations are conducted in Polish zloty (PLN) or EUR in accordance with Polish legislation (Ustawa o rachunkowości) and the internal documents of the representation office.

5.5.2. All accountable amounts in foreign currency are converted in the report into UAH at the NBU exchange rate on the date of the operation for the purpose of accounting in Ukraine.

5.5.3. An employee who has received an advance abroad shall retain the originals of receipts and provide copies together with a translation to the accountant in Ukraine.

6. COST ACCOUNTING AND CLASSIFICATION

6.1. Accounting System

6.1.1. Accounting in the Organization is conducted in accordance with the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" No. 996-XIV, National Accounting Regulations (Standards) (P(S)BO), and the accounting policy approved by order of the Executive Director.

6.1.2. The Organization maintains:

(a) accounting on the accrual basis;

(b) analytical accounting broken down by project / donor / cost category;

(c) multi-currency accounting (UAH, EUR, USD, PLN) with revaluation at the balance-sheet date.

6.1.3. The accounting system is implemented on the basis of electronic accounting software (e.g., M.E.Doc, BAS Accounting, or another certified product). The software ensures a full audit trail, the impossibility of deleting source records (only reversal entries are permitted), and daily backup copies.

6.2. Classification of Costs

6.2.1. All costs are classified simultaneously along several dimensions:

(a) by economic content (salaries, rent, materials, services, transport, depreciation, etc.);

(b) by project/donor (each expense is tied to a specific project or classified as administrative);

(c) by category under the donor agreement (Personnel, Travel, Equipment, Subcontracting, Other goods/services, Indirect);

(d) by type (direct / indirect, eligible / ineligible).

6.3. Eligible Costs — EU FR 2024/2509

6.3.1. In accordance with EU FR 2024/2509 Art. 186, an expense is considered eligible where:

(a) it has been actually incurred by the beneficiary and paid;

(b) it has been incurred within the project implementation period (project eligibility period);

(c) it is included in the approved project budget;

(d) it is necessary for the implementation of the project action;

(e) it is identifiable and verifiable (supported by source documents);

(f) it complies with the applicable tax and labour legislation;

(g) it is reasonable, justified, and consistent with the principles of sound financial management (3E).

6.3.2. Ineligible costs include, among others:

— debt interest, commissions, fines, penalties;

— exchange rate losses, unless provided for by the agreement;

— recoverable VAT;

— costs incurred outside the project implementation period;

— costs covered from another funding source (double funding);

— excessive or reckless expenditures.

6.4. Cost Accounting Methods: Actual / Unit / Flat rates

6.4.1. Pursuant to EU FR 2024/2509 Art. 181 and EU donor practice, eligible costs may be recognized using three methods:

6.4.1.1. Actual costs

The amount of the expense equals the amount actually incurred and paid, supported by source documents (invoices, receipts, acts, bank statements). Applied to rent, materials, services, business trips, etc.

6.4.1.2. Unit costs

The amount of the expense is determined by multiplying the number of units (person-days, hours) by the established rate (unit rate). Mainly applied to personnel costs (SME owners, researchers). Rates are set by the donor agreement or calculated in accordance with a methodology approved by the donor (e.g., for Horizon Europe — the personnel costs formula based on annual salary / 215 days).

6.4.1.3. Flat rates

The amount of the expense is determined as a percentage of a cost base:

— Indirect costs: 7% of direct costs (direct costs minus subcontracting) — Horizon Europe;

— Indirect costs: up to 25% of direct costs — Creative Europe, CERV (depending on the Call);

— Lump sum — for certain Lump-Sum Calls.

6.4.2. Flat rates DO NOT REQUIRE documentary support by specific source documents for each category of indirect costs; however, the base (direct costs) from which the flat rate is calculated must be fully documented.

6.5. Source Documents

6.5.1. No operation is recorded in the accounting system without a proper source document (Law of Ukraine No. 996-XIV, Art. 9).

6.5.2. Requirements for source documents:

— presence of all mandatory details (title of the document, date, parties, content of the operation, amounts, signatures);

— an original (for counterparties in Ukraine) or a copy in a format permitted by legislation;

— for electronic documents — a qualified electronic signature (KEP).

6.5.3. Documents from foreign counterparties in the counterparty's language are accepted together with a short description/translation for internal accounting purposes and for presentation to a donor/tax authority. For tax purposes — a notarized translation shall be made if required by legislation.

6.6. Depreciation and Fixed Assets

6.6.1. Fixed assets (equipment) are accounted for in accordance with P(S)BO 7 "Fixed Assets". The recognition threshold for an asset is UAH 20,000 (in accordance with current tax legislation) or another threshold established by the accounting policy.

6.6.2. Pursuant to 2 CFR 200.313 (revised as of 1 October 2024), for US grants the equipment threshold has been raised to USD 10,000 (previously USD 5,000).

6.6.3. Depreciation is calculated using the straight-line method over the useful life of the asset. In project costs, depreciation may be recognized in proportion to the use of the asset in the project.

6.6.4. Inventory of fixed assets is carried out annually in accordance with the Regulation on Inventory and Order of the Ministry of Finance No. 879.

7. FINANCIAL REPORTING

7.1. Reporting under Ukrainian Legislation

7.1.1. The Organization is obliged to maintain and submit financial reporting in accordance with clause 10.7 of the Charter and the Law of Ukraine "On Accounting and Financial Reporting" No. 996-XIV.

7.1.2. Composition of annual financial reporting:

(a) Balance Sheet (Statement of Financial Position) — Form No. 1 or No. 1-m/No. 1-ms for micro-enterprises;

(b) Statement of Financial Results — Form No. 2 or No. 2-m;

(c) Cash Flow Statement — Form No. 3 (where applicable);

(d) Statement of Equity — Form No. 4 (where applicable);

(e) Notes to the annual financial statements — Form No. 5.

7.1.3. Reports are submitted:

— to the state statistics authorities — by 28 February of the year following the reporting year;

— to the tax authorities — in the form of the Report on the Use of Income (Profit) of a Non-Profit Organization, annually, within the deadlines established by the Tax Code of Ukraine.

7.2. Reporting to Donors

7.2.1. Reporting to donors is prepared in accordance with the Grant Agreement of each project. Typical reports include:

(a) Interim Financial Statement (IFS) — interim financial report;

(b) Final Financial Statement (FFS) — final financial report at project closure;

(c) Certificate on the Financial Statements (CFS) — independent auditor's certificate (required in certain cases — see Section 9);

(d) Technical/Progress Report — narrative report on implementation accompanying the financial report;

(e) ad hoc reports — at the donor's request.

7.2.2. Reports to the EU are submitted through official portals: Funding and Tenders Portal (for Horizon Europe, Creative Europe, CERV, Erasmus+), eGrants.

7.2.3. The reporting currency for EU projects is, as a rule, EUR. Conversion is made at the official average rate of the European Central Bank (ECB InforEURO) for the reporting period, unless otherwise provided by the agreement.

7.3. Submission Deadlines

7.3.1. Typical deadlines (to be specified individually for each Grant Agreement):

— Interim Financial Statement: within 60 calendar days after the end of the reporting period;

— Final Financial Statement: within 60 calendar days after project completion;

— External audit (CFS): submitted together with the Final Financial Statement;

— Reporting to tax authorities — within the deadlines established by the Tax Code of Ukraine (quarterly/annually).

7.4. Internal Management Reporting

7.4.1. For internal purposes, the financial manager prepares:

(a) a monthly Cash Flow report;

(b) a monthly Burn Rate Report (rate of budget consumption per project);

(c) a quarterly Project Portfolio Dashboard (status of all active projects);

(d) an annual Financial Health Report — for the Management Board and the General Meeting.

7.5. Public Reporting

7.5.1. In accordance with the principle of transparency and the requirements of Accountable Now, the Organization annually publishes a brief financial report (Annual Report) on the website https://rukh.global, containing:

— total income by source;

— total expenditure by area (programmatic, administrative, fundraising);

— a list of key donors (with their consent);

— main results and achievements.

7.5.2. Public reporting does not disclose commercially sensitive information, personal data, or information protected by contract.

8. INTERNAL FINANCIAL CONTROL

8.1. Internal Control System

8.1.1. The Organization establishes an Internal Control System (ICS) that meets:

— COSO Internal Control — Integrated Framework;

— the requirements of EU FR 2024/2509 Art. 74 (principles of an effective and efficient internal control);

— the requirements of 2 CFR 200.303 (internal controls, including the new cybersecurity requirement introduced in 2024).

8.2. Segregation of Duties

8.2.1. Key financial functions are distributed between at least two persons:

Function	Executor (example)	May not be combined with
Payment initiation (request)	Project Manager	Authorization, accounting
Payment authorization	Executive Director	Execution, accounting
Payment execution (signature)	Executive Director + Chief Accountant	Initiation
Accounting (bookkeeping)	Chief Accountant	Initiation, authorization
Control / reconciliation	Financial Manager (or external)	Any of the above

8.2.2. In a small organization (staff of ~10), complete segregation may not be possible. In such cases, compensating controls are applied:

(a) enhanced oversight by the Management Board (quarterly review of financial operations);

(b) engagement of an external accountant or auditor for independent reconciliations;

(c) rotation of duties;

(d) mandatory documentation and logging of all operations.

8.3. Chart of Accounts

8.3.1. The Organization maintains a Chart of Accounts based on the standard Chart of Accounts for accounting for enterprises in Ukraine, supplemented by analytical dimensions:

— project code;

— donor code;

— cost category code as per the donor agreement (Budget Category Code);

— Work Package (WP) code — for projects with such structure;

— geography code (UA / PL / EU / World).

8.3.2. A template of the Chart of Accounts is provided in Annex A.

8.4. Audit Trail

8.4.1. For every financial operation, a complete audit trail is ensured: source document → authorization → accounting entry → reflection in reporting.

8.4.2. The document chain is preserved in chronological order, with clear references and cross-references.

8.4.3. All documents (paper and electronic) are stored in a manner that ensures prompt access for audit purposes — in dedicated folders by project and period.

8.5. Cybersecurity

8.5.1. In accordance with the new requirement of 2 CFR 200.303 (2024 revision), the Organization implements cybersecurity measures to protect financial information:

— multi-factor authentication (MFA) for online banking and accounting systems;

— encryption of channels for the transmission of financial data;

— regular backup (daily backup, with restoration tests conducted quarterly);

— access management based on the principle of least privilege;

— employee training on cyber risks (phishing, social engineering) — at least once a year.

8.6. Reconciliations

8.6.1. Regular reconciliations:

(a) Bank reconciliation — monthly between bank statements and accounting records;

(b) Project reconciliation — quarterly between project accounting and reports submitted to the donor;

(c) Supplier reconciliation — quarterly for major suppliers (reconciliation acts);

(d) Payroll reconciliation — monthly (accrual ↔ payments ↔ Unified Social Contribution (ESV)/Personal Income Tax (PDFO)).

8.6.2. Reconciliations are signed by the person who performed them and by a second person who verified them. Discrepancies are documented and resolved before closing the reporting period.

9. EXTERNAL AUDIT

9.1. General Provisions

9.1.1. The Organization conducts an independent external audit on the conditions established by:

— Ukrainian legislation (mandatory audit — for specified categories of entities);

— the Grant Agreement (terms of the donor agreement);

— a decision of the Management Board (voluntary audit to strengthen donor confidence).

9.2. Audit under US Rules — Single Audit Threshold

9.2.1. Pursuant to 2 CFR 200.501 (revision of 22 April 2024), where the Organization receives more than USD 1,000,000 of US federal funding (including through the US Department of State) in a reporting year, a Single Audit is mandatory.

9.2.2. The threshold has been raised from the previous USD 750,000. The Organization monitors the cumulative volume of US funds received within a calendar year in order to make a timely decision on conducting a Single Audit.

9.2.3. The Single Audit is conducted by an auditor with appropriate qualifications (AICPA Yellow Book) and experience in auditing US federal grants.

9.3. Audit under Creative Europe and Other EU Programme Rules

9.3.1. For Creative Europe grants (and other EU programmes under EU FR 2024/2509 rules), a Certificate on the Financial Statements (CFS) is required where:

(a) the requested grant amount exceeds EUR 60,000 per beneficiary (typical standard for Creative Europe, Horizon Europe, CERV), or

(b) it is explicitly required by the specific Call for Proposals or Grant Agreement.

9.3.2. The CFS is issued by a registered auditor (Statutory Auditor or equivalent in the beneficiary's country) and confirms that the costs claimed by the beneficiary have been actually incurred, properly recorded in the accounting records, and comply with the terms of the Grant Agreement.

9.3.3. Costs of the CFS are eligible project costs and must be included in the project budget at the application stage.

9.4. Selection of the Auditor

9.4.1. The auditor is selected on a competitive basis in accordance with the Procurement Policy and Procedures of the Organization.

9.4.2. Requirements for the auditor:

— possession of an auditor's certificate issued by the Audit Chamber of Ukraine (for Ukrainian auditors);

— membership in a network aligned with International Standards on Auditing (ISA);

— experience in auditing NGOs and EU/international donor projects (minimum 3 years);

— absence of a conflict of interest with the Organization and its management;

— professional liability insurance.

9.4.3. The contract with the auditor is approved by the Management Board.

9.5. Management Response

9.5.1. For all audit findings, the Executive Director prepares a Management Response specifying:

(a) agreement/disagreement with the finding;

(b) corrective actions;

(c) responsible person and implementation deadline.

9.5.2. The implementation of corrective actions is monitored by the Management Board.

10. RETENTION OF FINANCIAL RECORDS

10.1. Retention Periods

10.1.1. The Organization retains all financial records for the longest of the applicable retention periods:

Type of Document	Period (Ukraine)	Period (EU / EU FR 2024/2509)	Period (US / 2 CFR 200)
Source financial documents	At least 5 years (clause 10.7 of the Charter) / 3 years (Law No. 996-XIV)	10 years after project closure	3 years after Final Report
Payroll records, pay slips	75 years (National Archival Fund)	10 years	3 years
Tax documents	1,095 days (Tax Code of Ukraine)	—	—
Reports on EU grants	Up to 10 years	10 years after balance (EU FR Art. 132)	—
Audit reports	10 years	10 years	3 years (or 7 for Single Audit)
Donor contracts	Permanent	10 years after closure	—

10.1.2. In practice, the Organization applies a single unified retention period for financial records — 10 years from the end of the financial year or the project, unless otherwise required by a specific Grant Agreement (up to 15 years in certain cases).

10.1.3. Documents relating to court proceedings, audit investigations, or complaints are retained until the final resolution of the respective procedure plus 10 years.

10.2. Form of Retention

10.2.1. Documents are retained in two forms:

(a) paper — originals, including cash documents and contracts with "wet" signatures;

(b) electronic — scanned copies of documents + electronic documents with a qualified electronic signature (KEP), accounting database.

10.2.2. The electronic archive is kept:

— on a secure server of the Organization or in a cloud service that complies with GDPR/Law of Ukraine No. 2297-VI requirements;

— with regular backup (daily) and restoration testing (quarterly);

— with access control and logging.

10.2.3. The paper archive is kept in a specially equipped room (lockable cabinets, protection from fire/water).

10.3. Destruction of Documents

10.3.1. Documents for which the retention period has expired are destroyed under an act signed by a committee consisting of: the Executive Director, the Chief Accountant, and the Chairman of the Management Board.

10.3.2. Documents containing personal data are destroyed in compliance with GDPR (EU 2016/679) and Law of Ukraine No. 2297-VI (shredding, secure deletion of electronic copies).

10.3.3. Documents related to grants may not be destroyed prior to the end of the periods established by the donor agreement, even where the Ukrainian period is shorter.

11. RESPONSIBILITY

11.1. Roles and Responsibility (RACI)

11.1.1. Roles in the financial management of the Organization are distributed as follows:

Process / function	Responsible (R)	Accountable (A)	Consulted (C)	Informed (I)
Development of the annual budget	Financial Manager	Executive Director	Project Managers	Management Board
Approval of the budget	—	Management Board	Executive Director	General Meeting
Development of the project budget	Project Manager	Executive Director	Financial Manager	Donor
Payment (execution)	Accountant	Executive Director	Financial Manager	Chairman of the Management Board
Bookkeeping / accounting	Accountant	Chief Accountant	Financial Manager	Executive Director
Reporting to donors	Financial Manager	Executive Director	Project Manager	Management Board, donor
Internal control	Financial Manager	Executive Director	Accountant	Management Board
External audit	Executive Director	Management Board	Financial Manager	General Meeting, donors
Document archiving	Accountant	Executive Director	—	Management Board

11.2. Personal Responsibility

11.2.1. The Head of the Organization (clause 5.5 of the Charter) — bears overall responsibility for the organization of accounting and reporting (clause 5.5.2.3 of the Charter), the lawfulness of all financial operations, and the safeguarding of the Organization's assets.

11.2.2. The Executive Director (clause 5.6 of the Charter) — performs operational management of finances, has the right of first signature on financial documents, prepares the annual budget, and reports to the Management Board.

11.2.3. The Chief Accountant (financial manager) — ensures the maintenance of accounting records, preparation of financial reporting, tax returns, and financial reports to donors in accordance with Law of Ukraine No. 996-XIV.

11.2.4. The Project Manager — is responsible for the proper and targeted execution of the budget of their project, the preparation of source documents, and the monitoring of expenditures by Work Package.

11.2.5. Volunteers performing financial operations act solely on the basis of a written authorization from the Executive Director within the limits set by the Regulation on Volunteering.

11.3. Types of Responsibility

11.3.1. The following types of responsibility may apply for a violation of this document:

(a) Disciplinary — reprimand, censure, dismissal (for full-time employees — under the Labour Code of Ukraine);

(b) Material — compensation for damages caused (Labour Code, Civil Code);

(c) Administrative — fines provided for by the Code of Ukraine on Administrative Offences (KUpAP) and tax legislation;

(d) Criminal — in case of the commission of criminal offences (misappropriation, fraud, corruption — Criminal Code of Ukraine);

(e) Civil — in case of damage caused to third parties or to a donor.

11.4. Escalation Procedure for Violations

11.4.1. Any employee, volunteer, or member of the Organization who identifies a potential violation of the financial policy is required to report it to:

(a) their direct supervisor (Project Manager), or

(b) the Chief Accountant, or

(c) the Executive Director.

11.4.2. If the violation concerns the Executive Director or is serious (indicators of fraud, corruption, or misappropriation), the report shall be submitted directly to the Chairman of the Management Board or through the whistleblowing channels:

— email: compliance@rukh.global (confidential);

— anonymous form on the website https://rukh.global;

— written communication to the Chairman of the Management Board.

11.4.3. The review period for a report shall not exceed 30 working days (clause 7.1.1 of the Charter). Following the review, a decision is taken: to close the matter / to take measures / to transfer materials to law enforcement authorities.

11.4.4. A person who has reported a violation in good faith shall be protected from any form of retaliation in accordance with Law of Ukraine No. 1700-VII "On Prevention of Corruption" and the Organization's Whistleblowing Policy.

11.4.5. Violations with indications of fraud related to EU grant funds shall be reported by the Organization to OLAF (European Anti-Fraud Office) and the relevant donor. For US funds — to the Office of Inspector General (OIG).

12. FINAL PROVISIONS

12.1. Entry into Force

12.1.1. This document enters into force on the date of its approval by the Management Board of NGO "RUKH Global" (Minutes No. ___ dated "____" ____________ 2026).

12.1.2. From the date of entry into force of this document, all previous internal documents of the Organization that contradict its provisions shall cease to apply.

12.1.3. The document is distributed among all persons specified in clause 1.2.1 against signature (paper or electronic). The fact of familiarization is recorded in the internal register.

12.2. Review of the Document

12.2.1. This document is reviewed at least once every two years. The next scheduled review — April 2028.

12.2.2. An ad hoc review is initiated in the event of:

(a) amendments to the Charter of NGO "RUKH Global";

(b) significant changes in Ukrainian legislation (Tax Code of Ukraine, Law No. 996-XIV, Law No. 4572-VI, etc.);

(c) a new edition of the EU Financial Regulation, 2 CFR 200, or other key normative acts of donors;

(d) the identification of material weaknesses in the course of an internal or external audit;

(e) the Organization receiving a new type of financing that requires adaptation of the policies.

12.2.3. The review is carried out by the Executive Director jointly with the Chief Accountant; changes are approved by the Management Board.

12.3. Relationship with Other Policies

12.3.1. This document applies in conjunction with:

— the Procurement Policy and Procedures (details the rules for supplier selection);

— the Anti-Corruption Policy Regulation;

— the Anti-fraud and Conflict of Interest Policy;

— the Regulation on Business Trips;

— the Regulation on Inventory;

— the Staff Recruitment Instruction;

— the Procedure for Financial Document Flow (HR);

— the Project Monitoring, Evaluation, and Reporting Policy;

— the Code of Conduct of NGO "RUKH Global".

12.4. Versioning

Date created: 17 April 2026

Approving body: Management Board of NGO "RUKH Global"

Responsible for maintenance: Executive Director of NGO "RUKH Global"

Next review date: April 2028

ANNEX A. CHART OF ACCOUNTS — TEMPLATE

Structure of the Organization's analytical Chart of Accounts. Every accounting entry shall be identified by all of the dimensions below.

Dimension	Code	Example
Account (per the standard Chart of Accounts of Ukraine)	XXX	631 "Settlements with suppliers"
Sub-account / Analytics 1 (Cost Category)	XX	PERS (Personnel), TRVL (Travel), EQUI (Equipment), SERV (Services), OVER (Overheads)
Analytics 2 (Project)	PRJ-YYYY-NNN	PRJ-2026-001 (Creative Europe COOP)
Analytics 3 (Donor)	DON-XXX	DON-CE (Creative Europe), DON-HE (Horizon Europe), DON-ERA (Erasmus+), DON-CERV, DON-OWN (own funds)
Analytics 4 (Work Package)	WP-N	WP-1, WP-2, WP-3...
Analytics 5 (Geography)	GEO-XX	GEO-UA (Ukraine), GEO-PL (Poland), GEO-EU (other EU countries), GEO-WW (world)
Analytics 6 (Eligibility)	EL / IN	EL (eligible), IN (ineligible)

Example of a complete accounting entry code:

631 | PERS | PRJ-2026-001 | DON-CE | WP-2 | GEO-PL | EL

Meaning: settlements with suppliers (631), category — personnel costs, project PRJ-2026-001 (Creative Europe COOP), donor Creative Europe, Work Package 2, geography — Poland, eligible.

ANNEX B. EXPENSE REPORT (ADVANCE REPORT) FORM

Approved form of the Expense Report (Advance Report) of NGO "RUKH Global".

EXPENSE REPORT (ADVANCE REPORT) No. _____

dated "____" ____________ 20___

Field	Value
Full name of accountable person	________________________________
Position	________________________________
Project / Donor Code	PRJ-__________ / DON-_________
Purpose of the advance	________________________________
Basis (order/instruction)	No. _______ of ____________
Advance amount (figures, currency)	________________________________
Amount actually spent	________________________________
Balance / overspend	________________________________
Date of return of balance / additional payment	________________________________

List of supporting documents:

No.	Date	Document No.	Counterparty / description	Amount (currency)	Cost category
1					
2					
3					
4					
5					
			TOTAL:		

Accountable person: _______________________ / Full name / "___" ____________ 20___

Verified by (accountant): ________________________ / Full name / "___" _____________ 20___

Approved by (Executive Director): ________________________ / Full name / "___" _____________ 20___

Note: the originals of all supporting documents (receipts, vouchers, tickets, acts) are attached to the report. Documents in a foreign language are accompanied by a short translation.

ANNEX C. PROJECT BUDGET TEMPLATE

Typical project budget structure based on the requirements of EU FR 2024/2509 and the practice of Creative Europe / Horizon Europe / Erasmus+.

1. Basic Project Information

Field	Value
Project title	
Project code (internal)	PRJ-YYYY-NNN
Donor / Programme	
Call for Proposals (ID)	
Implementation period (from / to)	
Total project budget (EUR)	
Requested grant amount (EUR)	
Co-financing share (%)	
Source of co-financing	
Consortium Lead	
Role of RUKH Global (Lead / Partner)	

2. Budget by Categories (EUR)

Category	WP-1	WP-2	WP-3	Total	Method
A. Personnel costs					Actual / Unit
B. Subcontracting					Actual
C. Purchase costs					
C.1 Travel and subsistence					Actual
C.2 Equipment					Actual / Depreciation
C.3 Other goods/services					Actual
D. Other cost categories					Actual / Unit / Lump
E. Indirect costs (Overheads)					Flat rate 7% / 25%
TOTAL DIRECT COSTS (A+B+C+D)					
TOTAL WITH OVERHEADS					
Requested grant amount					
Own co-financing					

3. Personnel Costs Detail

Name / Role	WP	PM / Days	Daily rate (EUR)	Total (EUR)
Project Manager				
Financial Officer				
Research Lead				
Content Producer				
Communications				

ANNEX D. MAPPING TO DONOR REQUIREMENTS

Table showing the correspondence between the provisions of this document and the requirements of key donors and applicable legislation.

Section / provision	EU FR 2024/2509	2 CFR 200 (2024)	Tax Code of Ukraine, Art. 133.4	Law No. 996-XIV	Creative Europe
Non-profit status (clauses 2.1, 2.2)	Art. 191	§200.414	133.4.1–4	—	Eligibility rules
3E principles (Economy, Efficiency, Effectiveness)	Art. 33	§200.404	—	—	Yes
Segregation of duties (clause 8.2)	Art. 74	§200.303	—	—	Yes
Allowable costs (Section 6)	Art. 186	§200.403	—	—	Eligibility
Actual / Unit / Flat rates (clause 6.4)	Art. 181	§200.414	—	—	Lump Sum / Actual
Procurement (reference — separate Policy)	Art. 188	§200.317–327	—	—	Best value
Cybersecurity (clause 8.5)	Art. 74	§200.303 (new 2024)	—	—	—
Whistleblowing (clause 11.4)	Art. 36	§200.217 (new 2024)	—	—	Code of Conduct
Single Audit (clause 9.2)	—	§200.501 ($1M)	—	—	—
CFS (Audit ≥ €60k, clause 9.3)	Art. 132	—	—	—	Yes
Strongest retention (10 years) (Section 10)	Art. 132	§200.334	1,095 days	3/5 years	10 years
Double funding prohibition (clause 2.2)	Art. 191	§200.405	—	—	Yes
Record keeping / audit trail (clause 8.4)	Art. 74	§200.303	—	Art. 9	Yes