



**Accounting Policy
and Accounting Workflows
of CO “CF “ADRA Ukraine”**

1 January 2024

CO "CF "ADRA Ukraine" shall act in accordance with incorporation documents and exclusively within the scope of statutory activities defined by the Charter of the Charitable Organization "Charitable Fund "Adventist Development and Relief Agency in Ukraine".

1. Applicability of the Accounting Policy within Organization

1.1. The purpose of the Accounting Policy is to select methods, techniques, valuation process, and accounting workflows within the limits provided for by standards and other regulatory documents to be used by the Organization for keeping current accounting books and preparation of financial statements.

1.2. Pursuant to the Law of Ukraine on Accounting and Financial Reporting in Ukraine dated 16.07.1999 No. 996-XIV (as amended), approved National Accounting Regulations (Standards) (hereinafter referred to as "NAR") and the Tax Code of Ukraine (hereinafter referred to as "TCU") (as amended), CO "CF "ADRA Ukraine" shall ensure the application of harmonized (consistent) principles, methods and procedures for recording current transactions in its accounting books and preparation of financial and tax statements. The Provision on Accounting Policy shall be developed in accordance with the requirements of the National Accounting Regulations (Standards) and shall be approved by CO "CF "ADRA Ukraine"'s Country Director.

1.3. The Provision on Accounting Policy may be amended in case of any changes in the requirements provided by the Organization's charter; in case if the changes in accounting policy are necessary in order ensure a more complete reflection of business transactions in accounting and financial statements; or in case of changes in the legislative requirements applicable to the accounting and financial reporting. Any amendments to the Provision on Accounting Policy shall be approved by the Country Director.

1.4. The Country Director shall be responsible for ensuring compliance with the Accounting Policy.

1.5. The Provision on Accounting Policy shall be applicable to all officers, whose activities are related to addressing the issues defined in this Accounting Policy, and namely: the Country Director, employees of the accounting office led by the Chief Accountant; leaders and employees of any departments responsible for preparation, execution and timely submission of primary documents to the accounting office.

1.6. Financial accounting book keeping shall be a mandatory accounting process of CO "CF "ADRA Ukraine". The tax accounting shall be based on the financial accounting data, and tax accounting books shall be kept in order to collect and store data required for preparation of tax statements, the format, regulations, procedures and submission terms for which shall be determined by state tax authorities.

Financial, tax and other statements used to reflect monetary operations shall be used on the accounting bookkeeping data.

Accounting book keeping at CO "CF "ADRA Ukraine" is a complex accounting system, which includes a set of accounting rules, methods and procedures used to identify, measure, record, accumulate, generalize, store and share information about the Organization's transactions with external actors, as well as with internal users for the purpose of management decision-making.

Within the limits of its competence, and pursuant to applicable national accounting regulations (standards) and the Tax Code of Ukraine, CO "CF "ADRA Ukraine" shall develop methodological guidelines on implementation of the accounting policy, financial and tax accounting instructions, as well as procedures for preparation of financial and tax statements.

CO “CF “ADRA Ukraine” accounting system shall be an integral part of the Organization’s information system and shall include the following:

- Accounting of transactions under the relevant ledgers based on automated and manual postings. For the purpose hereof, a transaction shall mean an event or an actions, which leads to any changes in CO “CF ADRA Ukraine” financial position;
- Preparation of aggregated and detailed reports.

Accounting system, financial and tax reporting preparation at CO “CF “ADRA Ukraine” shall be based on the following principles:

- Comprehensive accounting – all and any transaction shall be recorded in the accounting ledgers. Financial reporting shall contain the comprehensive information about actual or potential results of CO “CF ADRA Ukraine” transactions, which may affect the relevant decision-making. The tax reporting shall contain accurate and valid information, based on which taxes and duties (mandatory charges) provided by the applicable legislation are accrued and/or paid;

- Transaction date – transactions shall be reflected in accounting books on the day of their performance, i.e. on the day of emergence of the relevant rights (assets) or obligations (liabilities) regarding of the actual cashflow dates under such transactions. For the purpose hereof, assets shall mean any resources acquired as a result of past events, the use of which is expected to increase the future economic benefits. Liabilities shall mean the debt obligations of CO “CF ADRA Ukraine” assumed as a result of past events, the future discharge of which is expected to result in decrease of the Organization’s assets representing economic benefits;

- Prevalence of substance over form;

- In financial accounting, transactions shall be accounted and disclosed in reporting based on their substance and economic content rather than legal form;

- In tax accounting, transactions shall be accounted and disclosed in reporting based on their legal form and economic substance;

- Autonomy – CO “CF ADRA Ukraine” assets and obligation shall be separated from assets and obligations of other entities;

- Separate reflection of assets and liabilities – all assets and liability ledgers shall be valued separately and disclosed separately;

- Valuation – assets and liabilities shall be accounted on the priority basis according to their acquisition or creation value. Assets and obligations in foreign currency, except for non-monetary items, shall be re-valuated upon any changes of official foreign exchange rate as of the reporting date;

- Diligence – the accounting book keeping shall be based on use of the valuation methods that prevent underestimation of liabilities or expenses and overestimation of the Organization’s assets and incomes;

- Going concern - the assets of CO “CF ADRA Ukraine” shall be valued based on the assumption that the Organization will continue as a going concern in the foreseeable future. If CO “CF ADRA Ukraine” plans to downscale of its activities, it shall be also reflected in the financial statements;

- accrual and matching of income and expenses – in order to determine the result of the reporting period, it is necessary to compare the income of the reporting period with the expenses incurred to obtain this income. In this case, income and expenses shall be recognized in accounting books and reporting statements when they are actually incurred, rather when money is actually received or paid; in tax accounting and reporting, income and expenses shall be recognized in accordance with the rules and regulations established by the Tax Code. For the purpose hereof, the income shall mean an increase in economic benefits through an increase in assets or a decrease

in liabilities that leads to an increase in equity (except for an increase in equity due to contributions from owners). Expenses shall mean a decrease in economic benefits through a decrease in assets or an increase in liabilities that leads to a decrease in equity (except for a decrease in equity due to its withdrawal or distribution by owners);

- Opening balance sheet acceptability – balances on balance sheet accounts at the beginning of the current reporting period should correspond to the balances at the end of the previous reporting period;

- Materiality – financial statements should reflect all material information useful for decision-making by the managers of CO “CF “ADRA Ukraine”. Information is deemed to be material if its absence or misrepresentation may affect the economic decisions made by the users of the reports; tax returns (reports) should reflect all material, reliable and necessary information for the preparation and submission of reliable tax statements to the state tax authorities.

- Openness - financial and tax statements should be sufficiently clear and detailed to avoid ambiguity and truthfully reflect the operations of CO “CF “ADRA Ukraine” with the necessary explanations regarding the rules for valuation of assets and liabilities provided in form of notes. Transactions should correspond to the content of the reporting items. The statements should be clearly presented and understandable to the user.

1.7. Accounting system of CO “CF ADRA Ukraine” shall ensure timely provision of accurate comparative data about assets, obligations, financial position and results of CO “CF “ADRA Ukraine”.

Completeness and accuracy of accounting operations shall depend on CO “CF “ADRA Ukraine” accounting policy and internal procedures implemented in compliance with the current applicable legislation and regulations effective in Ukraine without any deviations.

The accounting system shall inform forecasting and strategic planning of CO “CF “ADRA Ukraine” by comparison of balance sheet items with indicators established by CO “CF “ADRA Ukraine” leadership and review of the corresponding dynamics.

1.8. Economic data provided by the accounting system shall be used internal actors (leadership of CO “CF “ADRA Ukraine”, internal auditors of CO “CF “ADRA Ukraine”, employees of CO “CF “ADRA Ukraine”) for the purpose of planning, assessment and control of CO “CF “ADRA Ukraine” daily transactions and by external actors (donors, tax authorities and other regulatory bodies, founders of CO “CF “ADRA Ukraine”, et cetera).

1.9. The Country Director of CO “CF “ADRA Ukraine” shall be responsible for organization of the accounting book keeping within the Organization. The Chief Accountant of CO “CF “ADRA Ukraine” shall be responsible for accurate recording of any transactions in the primary documents and retention of processed documents, accounting ledgers and reporting (financial, tax and statistical statements) throughout the applicable period. The Organization’s accounting office led by the Chief Accountant shall be responsible for keeping accounting books and implementation of relevant controls. As part of their work, the Chief Accountant and accounting office employees shall be guided by approved job descriptions that determine responsibilities and personal liability of each employee.

2. Organization of Accounting Workflows

2.1. The accounting books shall be consistently and regularly kept after incorporation of CO “CF “ADRA Ukraine” and up until the moment of its liquidation.

CO “CF “ADRA Ukraine” shall use the automated accounting software to keep its accounting books in digital format.

The accounting system shall ensure the following:

- Compliance with accounting principles;

- Standard methodological basis;
 - Interrelation of synthetic and analytic accounting data;
 - Chronological and systematic representation of all CO “CF “ADRA Ukraine” transactions in accounting ledgers based on the primary documents;
- Accumulation and systematization of accounting data with breakdown by indicators required for CO “CF “ADRA Ukraine”, as well as preparation of reporting statements in compliance with current legislation of Ukraine.

2.2. Primary documents that prove the fact of relevant transactions shall be used as a basis for accounting of such transactions. Primary documents shall be executed upon performance of a transaction or, where applicable, immediately upon its completion. Primary documents may be executed either in hardcopy or in digital form (in a viewable and editable format). If primary documents are prepared in electronic format, where applicable, the Organization shall ensure a possibility to obtain the relevant information on a hardcopy media vv7.

2.3. Primary documents both in hardcopy and in electronic (non-paper) form shall contain the following mandatory details:

- Name of a document (a form);
- Execution date;
- Name of an organization executing a document;
- Content and scope of business activities, measurement units;
- Official positions of individuals responsible for business operations and correct execution of transactions;
- Personal signature, analogue of a handwritten signature or a signature having the same legal binding force as a handwritten signature under Law of Ukraine on Electronic Digital Signature or other data to reliably identify a person engaged in the business operations.

Primary documents in hardcopy or electronic form may also contain other additional details.

No amendments may be introduced to the primary documents, unless expressly required by the current effective legislation of Ukraine.

2.4. Individuals preparing and signing primary documents and accounting ledgers shall be responsible for timely preparation of such ledgers and documents, as well as for correct representation of transactions therein.

Liability for acceptance for execution of documents that are in breach of current effective legislation shall be borne by individuals initiating and signing such documents.

The Country Director of CO “CF “ADRA Ukraine” shall be liable for any postings of documents that are in breach of current effective legislation and executed with the Country Director’s approval based on the initiator’s written request.

2.5. Primary documents confirming the fact of business transaction performance shall be printed on the monthly basis, grouped together based on certain attributes and timely reflected in the accounting ledgers.

2.6. Information contained in the primary documents accepted for accounting shall be systematized in the synthetic and analytic accounting ledgers through double recording on interrelated accounts. Synthetic and analytic accounting ledgers are special format media (hardcopy or digital) in form of tables, books, journals, et cetera. To summarize the results of synthetic and analytical accounting of transactions, the Organization shall use balance sheets. The accounting ledgers (journal orders, turnover statements, etc.) shall be stored electronically and, if applicable (upon request by regulatory authorities, judicial bodies, donors, et cetera), may printed out on paper.

2.7. Primary documents shall be made on paper or in the form of electronic records in a format that is suitable for accepting their content and excludes the possibility of further entering false data (Article 5 of the Law of Ukraine “On Electronic Documents and Electronic Document Flow”).

2.8. Unified forms of primary accounting documents shall be used for accounting purposes. When recording business transactions for which approved forms of accounting are not provided, independently developed forms of primary documents shall be used, which shall include the mandatory details required by law.

2.9. Business transactions of the Organization shall be recorded in accordance with the working chart of accounts prepared on the basis of the chart of accounts for accounting of assets, capital, liabilities and business transactions of enterprises and organizations, approved by the order of the Ministry of Finance dated 30.11.1999 No. 291 as amended. In addition to such reflection of business transactions, an additional system of subaccounts and analytical accounting ledgers shall be created. For accounting of expenses, CO “CF “ADRA Ukraine” shall use the 9th class of accounts.

2.10. The list of officers authorized to reflect the business transactions in primary documents and sign primary documents and officers authorized to receive and issue inventory records shall be approved by the order of the Country Director of the CO “CF “ADRA Ukraine”.

List of officials authorized to approve business transactions and sign primary documents

No.	Signatory rights	Positions
1	2	3
1	Primary signatory right	Country Director
2	Secondary signatory right for bank settlement and cash documents	Financial director
3	Secondary signatory right for accounting documents, financial, tax and statistical reporting	Chief Accountant

This list shall be communicated to employees against their personal signature.

List of officials authorized to receive and issue material and commodity values and liable for such actions pursuant to job descriptions

№	Position	Full Name
1	2	3
1	Country Director	
2	Financial director	
3	Chief Accountant	

This list shall be communicated to employees against their personal signature. The list of officers may be amended based on the order by the Country Director of CO “CF “ADRA Ukraine”.

2.11. List of primary documents that shall be used as the basis for reflecting business transactions in the accounting books of CO “CF “ADRA Ukraine”:

№	Business Transaction	Primary Document
1.	Acquisition of property, plant and equipment	Contract, invoice (subject to proof of payment), acceptance certificate, and expense invoice from the supplier.

2.	Acquisition of inventories (commodities, materials, goods)	If inventories are purchased from a supplier, an invoices (subject to proof of payment), consignment notes, and delivery notes; if inventories are received from accountable persons, sales receipts, payroll receipts, and cash receipts; if inventories are received as charitable donations, delivery notes, and acceptance certificates.
3.	Recognition of intangible assets	Intangible assets (IA) acceptance certificate, indicating the date of receipt of the IA, its initial cost, useful life, depreciation, and main characteristics of the IA; documents confirming the Organization's rights to the intellectual property.
4.	Receiving or providing services, including on the free-of-charge basis	Agreement, certificate of completion, invoice (in case of paid services)
5.	Receiving a grant or a charitable donation	A grant agreement or a contract for the provision of charitable assistance. The agreement must specify the amount of funds, the purposes of use, and the terms of reporting on the intended use of funds to the benefactor or donor.
6.	Disposal of property, plant and equipment	Acceptance certificate
7.	Disposal of inventories	Consignment note, acceptance certificate.
8.	Write-off of property, plant and equipment and inventories	Write-off certificate

2.12. The persons who prepare and sign these documents shall be responsible for the timely preparation of primary documents and the accuracy of the information contained therein, as well as for their submission within the agreed timeframe and for the intended purpose. The initiator of the respective payment shall be responsible for the timely receipt of the primary document (expense invoice, certificate of services rendered, etc.) from the supplier.

2.13. According to clause 3 of Article 16 of the Law of Ukraine on Charitable Activities and Charitable Organizations, the amount of administrative expenses of a charitable organization may not exceed 20 percent of the organization's income in the current year.

2.14. Administrative expenses of the Organization shall include the following expenses:

№	Description of Expenses
1	general corporate expenses (hosting delegations, holding seminars, conferences, meetings, exhibitions)
2	travel, accommodation, meals (breakfast, lunch, dinner, coffee breaks) for a participants of an event
3	transportation services for events
4	maintenance of the management and staff
5	business trip expenses
6	rental of event venues
7	rent and maintenance of office space
8	lease of office equipment and maintenance costs
9	utility costs
10	office supplies
11	household expenses
12	printing services (production of printed materials)

13	information, advertising and audit services
14	telephone and internet services, payment for website hosting
15	payments to the budget and extra-budgetary funds (taxes, fees, mandatory payments)
16	payment for bank services, commissions
17	postal expenses
18	court expenses
19	other general business expenses

2.15. Administrative expenses necessary for the implementation of a particular program (project, event) shall be determined in agreement with the benefactor, donor or independently by ADRA Ukraine.

2.16. The Organization's employees shall be paid in accordance with the staffing table and on the basis of timesheets. Payments to employees shall be made in accordance with the Labor Code, NAS 26 "Employee Benefits", NAS 11 "Liabilities", the Regulation on Remuneration of Labor and the current collective agreement.

2.17. Cash transactions shall be accounted for in accordance with the Regulation on Cash Transactions in the National Currency in Ukraine, approved by the NBU Resolution No. 148 dated 29.12.2017.

2.18. Procedure for accounting of expenses related to business trips, deadlines for submitting a report on the use of funds and other issues related to the accounting of business trips shall be determined in the Regulations on Business Trips of the Organization. The rates of per diem for business trips shall be approved by the order of ADRA Ukraine's Country Director.

2.19. Received charitable and humanitarian aid shall be reflected by debiting the accounts for cash, goods, inventories and other property in correspondence with account 48 "Targeted financing and targeted receipts" with the breakdown by subaccounts, namely 481 "Funds exempt from taxation", 485 "Charitable aid (humanitarian goods)".

2.20. In order to distribute costs between administrative and operating expenses, class 9 accounts shall be used, and namely: account 92 "Administrative expenses" shall be used to summarize administrative expenses, subaccount 949 "Other operating expenses" shall be used to recognize operating expenses with analytics of relevant projects from donors. Cash and inventories used to support the statutory activities of ADRA Ukraine shall be recorded by crediting the cash and inventory accounts in correspondence with account 231 "Production", which is closed to account 903 (791), and account 949 with the analysis of relevant projects from donors. Other accounts used are 942 "Expenses on purchase and sale of foreign currency", 945 "Losses from operating exchange rate differences", 947 "Shortages and losses from damage to valuables", 948 "Recognized fines, penalties, forfeits", and others.

2.21. ADRA Ukraine shall use its income (profits) exclusively to finance its maintenance expenses, to pursue its mission (goals, objectives) and carry out activities defined by the Charter (sub-clause 133.4.2 of the Tax Code).

2.22. ADRA Ukraine shall prepares annual reports in the following forms: "Financial Report of a Small Business Entity" (Form No. 1-m) and "Profit and Loss Statement" (Form No. 2-m) and submits the "Report on the Use of Income (Profits) of a Non-Profit Organization" within the time limits established by the current legislation of Ukraine. In case of exceeding the criteria of a small enterprise and/or when required by the tax legislation, a full set of financial statements, namely, balance sheet, income statement, cash flow statement, statement of equity, notes to the annual accounts and notes to the accounts (annexes depending on the needs of users) shall be prepared.

2.23. When preparing financial statements, the materiality threshold shall be set at UAH 100. All accounting items related to the Organization’s assets, liabilities, equity, income and expenses shall be reported separately in the financial statements if their value exceeds UAH 100.

2.24. The Chief Accountant of ADRA Ukraine shall be responsible for submitting financial, tax, statistical reports and consolidated reports on unified social security contributions within the time limits established by law.

3. Property, Plant and Equipment (PPE).

3.1. An asset shall be classified as property, plant and equipment, if its expected useful life (operation life) is more than one year and its cost exceeds UAH 20,000 and if it is probable that the organization will receive economic benefits in the future from its use related to the implementation of a set of charitable activities aimed at addressing problems that meet its statutory objectives, and its cost can be reliably determined.

3.2. A property, plant and equipment item shall be a complete device with any appliances and accessories thereto, as provided for in clause 4 of NAS 7.

3.3. The useful life of property, plant and equipment shall be determined by the commission appointed by the order of ADRA Ukraine Country Director. The useful life may be revised in case of changes in the expected economic benefits from the use of the property, plant and equipment as a result of its improvement (retrofitting, reconstruction, modernization, modification, completion) and repair.

3.4. The liquidation value of property, plant and equipment shall be equal to zero.

3.5. Initial valuation:

№	Transactions with Property, Plant and Equipment	Initial Valuation
1.	Acquisition of property, plant, and equipment (PPE) through targeted and untargeted financing and funds from other activities	An item of property, plant and equipment shall be recorded on the balance sheet of an Organization at its historical cost, taking into account the expenses specified in clause 8 of NSA 7. Depreciation shall be charged over the useful life established by the Organization (but not less than the minimum allowable period), on a monthly basis starting from the month following the month when the PPE item is put into operation
2.	Receipt of property, plant and equipment in exchange for a similar asset	The initial cost of an item of property, plant and equipment shall be equal to the residual value of the transferred item of property, plant and equipment
3.	Receipt of property, plant and equipment in exchange for a dissimilar asset	The initial cost of an item of property, plant and equipment shall be equal to the fair value of the transferred item of property, plant and equipment increased or decreased by the amount of cash transferred (received) in the exchange
4.	Receipt of PPE under a gift agreement as charitable assistance for use for statutory purposes or under a donation agreement	The initial cost of an item of property, plant and equipment shall be equal to its fair value at the date of receipt, taking into account the expenses provided for in clause 8 of NAS 7. Income received from the use of an item of property, plant and equipment should be used to support the Organization’s statutory activities. The receipt of fixed assets shall be documented by an acceptance certificate, on

		the basis of which property, plant and equipment is credited to the balance sheet.
5.	Donated property, plant and equipment	The initial cost of an item of property, plant and equipment shall be equal to its fair value at the date of receipt, taking into account the expenses provided for in paragraph 8 of NSA 7. To account for donated property, plant and equipment, subaccount 424 “Donated non-current assets” shall be used. The fair value of property, plant and equipment shall be determined by a commission appointed by the management, which establishes it by studying market prices for similar objects with the same level of depreciation or by the amount of residual value (or ability to operate). The basis for crediting property, plant and equipment to the balance sheet shall be property, plant and equipment acceptance (commissioning) certificate. Income shall be recognized by crediting account 745.
6.	Gratuitous use of property, plant and equipment on the basis of a loan agreement	The initial cost of an item of property, plant and equipment shall be equal to its fair value at the date of receipt, including costs directly attributable to the free receipt of the item of property, plant and equipment and bringing it to a condition suitable for use. It is also possible to credit the balance sheet at the cost specified in the loan agreement. It shall be recorded in account 01 “Leased non-current assets”. Depreciation shall not be charged. Expenses for maintenance and repairs of such property provided for in the agreement shall be accounted for depending on the use of this property and recognized as expenses in the period in which they are incurred. Acceptance for gratuitous use shall be documented by an acceptance and transfer certificate, which shall be submitted to the accounting department together with the technical documentation. Based on the certificate, an inventory card shall be opened, and a corresponding entry shall be made in the certificate.
7.	Fixed assets created by the Organization	The initial cost of an item of property, plant and equipment created by own efforts shall consist of the costs provided for in clause 8 of NSA 7. The initial cost of an item of property, plant and equipment created with the help of third-party organizations shall consist of the costs of paying for their work and the costs provided for in clause 8 of NSA 7
8.	Repair of property, plant and equipment	Repair costs shall not be charged to increase the cost of property, plant and equipment and shall be written off as expenses of the Organization
9.	Improvement of property, plant and equipment	Improvements to PPE (retrofitting, reconstruction, modernization, modification, completion) shall increase the original cost of PPE by the amount of costs associated with their improvement
10.	Items transferred to property, plant and equipment from current assets	The initial cost of an item of property, plant and equipment shall be equal to its cost, which shall be determined in accordance with NSA 9

Financial expenses shall not be included in the initial cost of property, plant and equipment acquired (created) in whole or in part by means of borrowings (except for financial expenses included in the cost of qualifying assets in accordance with NSA 31 “Financial Expenses”).

3.6. In accordance with the NSA 7 “Property, Plant and Equipment”, ADRA Ukraine shall use the straight-line method of depreciation of property, plant and equipment and other non-current tangible assets. For vehicles used to carry out humanitarian missions in regions with destroyed transport infrastructure, difficult and dangerous operating conditions, depreciation shall be calculated using the accelerated depreciation method. Depreciation of property, plant, and equipment shall be accrued until the residual value of an item reaches its residual value.

3.7. Depreciation shall be calculated taking into account the minimum allowable useful lives of property, plant and equipment established by subparagraph 138.3.3 of the TCU:

Group	Account (Sub-account)	Group Name	Minimum allowable useful lives, years	Depreciation Method
1	2	3	4	5
3	103	Buildings	20	Straight-line
3	103	Installations	15	Straight-line
4	104	Office equipment, machinery and other equipment	5	Straight-line
5	105	Vehicles	5	Straight-line or accelerated
6	106	Tools, appliances, equipment, furniture	4	Straight-line
9	109	Other property, plant and equipment	12	Straight-line

Depreciation of property, plant and equipment shall be calculated on a monthly basis.

Depreciation shall start to be accrued in the month following the month in which an item of property, plant and equipment is available for use.

The amount of accrued depreciation is reflected by increasing the amount of expenses of the ADRA Ukraine for the current period and accumulated depreciation of property, plant and equipment (subaccount 131).

Depreciation shall be discontinued starting from the month following the month of disposal of a property, plant and equipment item, transfer of a property, plant and equipment item for reconstruction, modernization, completion, refurbishment, conservation.

3.8. Property, plant and equipment shall be revalued if its carrying amount differs materially from its fair value at the balance sheet date.

3.9. The materiality threshold for revaluation of property, plant and equipment shall be determined as 10% of the deviation of the residual value of such property, plant and equipment from their fair value.

3.10. Revaluation of property, plant and equipment for accounting purposes shall be carried out by engaging a valuation entity in accordance with Article 7 of the Law of Ukraine on Valuation of Property, Property Rights and Professional Valuation Activities in Ukraine dated 12.07.2001 No. 2658-III.

3.11. To organize accounting and ensure control over the safety of non-current assets, each item shall be assigned an inventory number.

3.12. Assigned inventory numbers to non-current assets shall be kept for them for the entire period of their stay at ADRA Ukraine. The numbers of items that have been disposed of or liquidated shall not be assigned to other incoming items.

3.13. Leased property, plant and equipment shall use the inventory number assigned by the lessor.

3.14. Analytical accounting of property, plant and equipment shall be kept in the property, plant and equipment inventory cards.

3.15. An item of property, plant and equipment shall be removed from assets (written off the balance sheet) in the event of its disposal as a result of sale, liquidation, free donation, shortage or other reasons for non-compliance with the criteria for recognizing an asset. The procedure for writing off non-current assets from the balance sheet should be governed by applicable laws and internal documents. The profit or loss from the disposal of property, plant and equipment is determined by deducting their residual value and expenses related to the disposal of property, plant and equipment or their estimated value from the income from the disposal of property, plant and equipment. Analytical accounting ledgers for disposed property, plant and equipment shall be attached to the documents that certify the facts of disposal of fixed assets.

4. Low-value non-current tangible assets.

4.1. Low-value non-current tangible assets shall include assets other than property, plant and equipment (based on the classification provided in clause 5 of NSA 7 “Fixed Assets”), the useful life of which is more than one year, and the cost estimate of which is equal to an amount not exceeding UAH 20,000. Accounting for low-value non-current tangible assets shall be maintained for each item by group. As a rule, subaccount 112 shall be used.

4.2. Depreciation shall be accrued in the first month of use of low-value non-current tangible assets in the amount of 100% of their cost. The amount of accrued depreciation shall be reflected by increasing the amount of expenses of ADRA Ukraine for the current period and the accumulated depreciation of low-value non-current tangible assets (subaccount 132).

4.3. Revaluation of low-value non-current tangible assets shall not be carried out in accordance with paragraph 16 of NSA 7.

4.4. A low-value non-current tangible asset is withdrawn from assets (written off the balance sheet) in the event of its disposal as a result of sale, liquidation, free transfer, shortage or other reasons for non-compliance with the criteria for recognizing an asset. The procedure for writing off non-current assets from the balance sheet should be governed by applicable laws and internal documents. The financial result from the disposal of low-value non-current tangible assets shall be determined by deducting from the income from disposal of fixed assets their residual value and expenses related to the disposal of low-value non-current tangible assets. Analytical accounting ledgers for disposed low-value non-current tangible assets are attached to the documents that document the facts of disposal of low-value non-current tangible assets.

5. Intangible Assets (IA)

5.1. An acquired or received intangible asset shall be recognized in the balance sheet only if it is probable that future economic benefits associated with its use will flow to the organization in the form of charitable activities aimed at solving problems that meet the organization's statutory

objectives and its cost can be measured reliably. Intangible assets shall be accounted for each item by group. As a rule, subaccount 127 “Other intangible assets” shall be used.

5.2. The initial cost of an intangible asset shall consist of the acquisition price and other costs directly attributable to the acquisition of the asset and bringing it to a condition that is suitable for its intended use.

5.3. The initial cost of an internally generated intangible asset shall consist of all expenditures to create, produce and prepare the asset for use.

5.4. If computer software is an integral part of related software that is necessary for its uninterrupted operation, such software shall be accounted for as a property, plant and equipment.

5.5. The Organization shall independently determine the useful life of intangible assets for each item separately when recognizing this item as an asset (when crediting it to the balance sheet). The useful life of intangible assets shall be determined by a commission appointed by order of the of the Organization’s management.

5.6. If the validity term of the right to use an intangible asset is not established in accordance with the title document, such useful life shall be determined by the organization independently, but may not be less than two and more than 10 years.

5.7. The useful life of an intangible asset shall be reviewed at the end of the reporting period if the useful life of the asset or the conditions of future economic benefits are expected to change in the next period.

5.8. Intangible assets shall be amortized on a straight-line basis over their estimated useful lives. Amortization shall begin in the month following the date the intangible asset is put into operation.

5.9. Intangible assets shall be amortized until their residual value reaches their salvage value. The amount of accrued amortization is reflected by increasing the amount of expenses of ADRA Ukraine for the current period and accumulated amortization of intangible assets (subaccount 133).

5.10. The materiality threshold for the revaluation of intangible assets shall be determined in the amount of 10% of the deviation of the residual value of such intangible assets from their fair value.

5.11. Intangible assets shall be revalued at fair value as of the balance sheet date if an active market exists for them.

5.12. Intangible assets shall be revalued by engaging a valuation entity in accordance with Article 7 of the Law of Ukraine on Valuation of Property, Property Rights and Professional Valuation Activities in Ukraine dated 12.07.2001 No. 2658-III.

5.13. The results of revaluation of intangible assets shall be reflected in the registers of analytical accounting of intangible assets (inventory cards of form No. NA-2 approved by the order of the Ministry of Finance of Ukraine dated 22.11.2004 No. 732).

5.14. If expenses related to improvement of intangible assets, increase of opportunities and term of their use will lead to increase of economic benefits in the future, such expenses shall increase the initial cost of intangible asset.

5.15. Expenses incurred to bring an asset to a condition suitable for use shall be expensed in the period in which they are incurred.

5.16. The residual value of intangible assets shall be equal to zero.

5.17. Intangible assets shall be written off the balance sheet as a result of the Organization's inability to obtain further economic benefits from their use or as a result of sale or donation. The decision to write off intangible assets shall be made by a commission appointed by order of the management of the ADRA Ukraine. When formalizing the procedure for writing off intangible assets from the balance sheet, it is necessary to be guided by the current legislation and internal documents. The profit or loss from the disposal of intangible assets shall be determined as the difference between the income from disposal (excluding costs associated with disposal) and their residual value. Registers of analytical accounting of disposed intangible assets are attached to the documents that document the facts of disposal of these items

6. Inventories

6.1. Inventory accounting in the Organization shall be carried out in accordance with NSA 9 "Inventories" and NSA 16 "Expenses". ADRA Ukraine shall recognize inventories as assets if it is probable that future economic benefits will flow to the Organization from their use associated with the implementation of a set of charitable activities aimed at solving problems that meet the statutory objectives of the Organization, and their value can be reliably measured.

6.2. The unit of inventory shall be a separate item. The unit of accounting for inventories shall be their name or a homogeneous group. Therefore, inventories of the same name and homogeneous group shall be accounted for in the same accounting accounts of ADRA Ukraine.

6.3. Received inventories shall be credited to the balance sheet at cost, which consists of the amount of actual costs of their acquisition or production as provided for by NSA 9.

6.4. The Organization shall not estimate the net realizable value of inventories because inventories have unique characteristics and are acquired solely to meet the needs of a specific project or charitable program and then transferred to beneficiaries.

6.5. Analytical accounting of inventories shall be reflected in a quantitative and summary form.

6.6. When allocating transportation and procurement costs (TPC) to the cost of inventories received, use the direct method of including TPC in the initial cost of inventories.

6.7. Account 201 "Raw materials and supplies" shall reflect the availability and movement of raw materials and basic materials that are part of the manufactured products.

6.8. Account 203 "Fuel" (petroleum products, solid fuels, lubricants) shall record the availability and movement of fuel purchased or procured for the technological needs of the organization, operation of vehicles, and for energy generation and heating of buildings. Paid coupons for petroleum products and gas are also accounted for here. The actual fuel consumption shall be calculated based on the data from the waybills. The waybill contains information about the fuel balance in the vehicle at the beginning of the trip, the amount of fuel filled during the trip, the fuel balance upon return, speedometer readings, the mileage of the vehicle during the trip, and other information. Fuel shall be written off based on the vehicle's mileage and fuel consumption rates for road transport approved by the relevant orders.

When writing off fuels and lubricants, it is necessary to comply with the requirements of the Methodological Recommendations for Standardization of Fuel, Electricity, Lubricants and Other Operating Materials Consumption by Vehicles and Equipment and the Basic Consumption Standards" supplemented to the "Methodological Recommendations", which are available on the website of "DerzhavtotranNDIproekt SE and to be guided by the Order of the Ministry of

Transport of Ukraine on Approval of Fuel and Lubricant Consumption Standards for Road Transport" No. 43 dated 10.02.1998.

6.9. Account 205 "Construction materials" shall reflect the movement of construction materials, structures, parts, equipment and components that are to be installed, and other material assets required for construction and installation works, manufacturing of construction parts and structures (wallpaper, nails, diamond discs, rebar, etc.)

6.10. Account 207 "Spare parts" shall be used to account for purchased or manufactured spare parts, finished parts, assemblies, and units used for repairs, replacement of worn-out parts of machinery, equipment, vehicles, tools, and tires in stock and in circulation. The exchange fund of complete machinery, equipment, engines, components, units, accumulators, etc. is also accounted for in the same account. According to para. 2 of Article 1 of the Law on Waste, used tires and batteries are considered waste. Therefore, decommissioned tires and batteries must be disposed of by transferring them to a special company for recycling. Tires must be submitted for disposal no later than six months from the date of their write-off, and batteries no later than three months.

6.11. Account 209 "Other materials" shall be for inventory items necessary for the implementation of the activities of ADRA Ukraine", namely: leaflets, posters, stationery, detergents, household equipment (selectively).

6.12. Items with a useful life of less than one year shall be accounted for on account 221 "Low-Value and Quickly Depreciating items" (WIP), in particular, tools, household equipment, overalls, special equipment, etc. - in general, reusable items, excluding consumables. At the time of Low-Value and Quickly Depreciating items commissioning, such items are written off the balance sheet (their value shall be excluded from the assets).

6.13. To ensure the safety of the inventory in operation, operational quantitative accounting shall be carried out at the place of operation with the identification of responsible persons.

6.14. Analytical accounting of inventory movement shall be carried at:

- the accounting office in the statements of accounting of material balances in quantitative and summary terms;
- at warehouses - in warehouse accounting cards in quantitative terms.

6.15. Inventories (materials, raw materials, fuel, components and semi-finished products) shall be valued at FIFO upon disposal. The cost of low-value and wearing items (sub-account 221) transferred for use is excluded from the assets (written off the balance sheet) with the subsequent organization of operational quantitative accounting of such items by place of use and relevant persons during the period of their actual use on the off-balance sheet account of the inventories, namely within 12 months after transfer to use.

6.16. Inventories that are acquired for their further transfer to beneficiaries within the statutory activities of ADRA Ukraine shall be accounted for in account 281 "Goods in stock". Inventories received as humanitarian aid shall be accounted for in subaccount 2823 "Humanitarian aid" in correspondence with account 485 "Charitable aid (humanitarian goods)". To transfer inventory to the beneficiaries - recipients of charitable and humanitarian aid, an accounting entry shall be made to debit to account 949 and credit accounts 281 and 2823 within the statutory activities of the organization.

6.17. The movement of inventories, i.e., their receipt, use and disposal, must be documented by primary documents, which, according to part 1 of Article 9 of Law No. 996 on Accounting and

Financial Reporting in Ukraine", are the basis for accounting for business transactions. Standard forms of such documents are approved by Order of the Ministry of Statistics No. 193 on Approval of Forms of Primary Documents for Accounting for Raw Materials and Inputs dated June 21, 1996. Business transactions shall be accounted using the method of their continuous and continuous documentation on the basis of primary documents, namely, delivery (receipt) invoices, transfer acts, write-off acts, etc.

7. Account Receivables

7.1. Account receivables shall be recognized, measured and accounted for in accordance with NSA 10 "Account Receivables".

7.2. Accounts receivable shall be included in the balance sheet at net realizable value, which shall be equal to the initial cost less the amount of provision for doubtful debts.

7.3. To reflect bad debts in the organization, if necessary, taking into account the statutory activities of ADRA Ukraine, a provision for bad debts shall be created. The provision for bad debts is created by applying the absolute amount of bad debts.

7.4. The solvency of each debtor shall be analyzed. The provision for bad debts shall be accrued based on the results of such analysis. Debtor solvency analysis shall be performed at least once a quarter.

7.5. Current accounts receivable shall be classified as bad debts if payment is not received from the counterparty within 30 days from the date specified in the agreement.

7.6. The criteria for classifying receivables as bad debts shall be established in accordance with NSA 10 and subparagraph 14.1.11 of clause 14.1 of Article 14 of the TCU.

7.7. Bad debts shall be written off the balance sheet in accordance with the order of ADRA Ukraine management on the basis of an inventory and written justification for the expediency of writing off. Writing-off of bad debts from the off-balance sheet account shall be carried out on the basis of an order of ADRA Ukraine management and shall be documented by an accounting certificate.

8. Accounting of Cash Funds and Foreign Currency Transactions

8.1. The date of execution of cash transactions shall be the date of banking transactions on the current account or the date of drawing up a cash document of cash flow in the cash desk. To account for cash at ADRA Ukraine, accounts 311 "Current accounts in national currency", 312 "Current accounts in foreign currency", 333 "Cash in transit in national currency", 334 "Cash in transit in foreign currency", 316 "Special accounts in foreign currency" (distribution account) and others shall be used.

8.2 Accounting for exchange rate differences shall be carried out in accordance with NSA 21 "Effect of Changes in Foreign Exchange Rates". Transactions in foreign currency shall be accounted for using the exchange rate at the date of the transaction. For the purposes of accounting in foreign currency, the exchange rate at the beginning of the day shall be applied.

As of each balance date:

- monetary items denominated in foreign currency shall be converted using the exchange rate at the end of the day on the balance sheet date;

- non-monetary items shall be stated at historical cost and whose entry into the balance sheet

is related to a transaction in a foreign currency shall be converted at the exchange rate at the beginning of the day on the date of the transaction;

- non-monetary items at fair value in a foreign currency shall be converted at the exchange rate at the beginning of the day on which the fair value was determined.

Exchange differences shall be determined monthly as of the last date of the reporting month.

8.3. Exchange rate differences on monetary items denominated in foreign currency shall be determined on the date of the business transaction within it and on the balance sheet date for the entire monetary item and shall be recognized as other operating income (expenses).

8.4. The organization's income received in the form of a positive value of exchange rate differences from the conversion of foreign currency received as income from statutory activities is not subject to income tax of ADRA Ukraine.

9. Accounting of Settlements

9.1. Settlements with counterparties.

To account for settlements with buyers and customers of goods, works, and services, account 361 "Settlements with Buyers and Customers" shall be used based on the statutory activities of the ADRA Ukraine. To account for settlements with suppliers and contractors for goods, works, and services, account 631 "Settlements with suppliers and contractors" shall be used. Accounting is performed based on counterparties and orders (contracts). In other words, accounts 361 and 631 shall be used as asset-liability accounts and shall be presented in the financial statements on the gross basis: the debit balance of settlements with the counterparty shall be shown in the assets, and the credit balance shall be shown in the liabilities. When settling accounts with service providers (communication services, electricity, utilities, etc.), expenses shall be recorded according to the invoice (if such documentation of the performance of services is established by the contractor and does not contradict the applicable law), provided that the invoice (contractor's account balance) is properly detailed.

9.2. Tax and State Duty Settlements

Settlements with the budget on personal income tax shall be recorded on subaccount 6411 "Personal income tax", settlements with the budget on military duty shall be recorded on the accounting account 642 "Military duty", settlements on unified social tax shall be recorded on subaccount 651 "Settlements on obligatory state social insurance". The accrual of penalties for taxes and fees shall be recorded as an accounting entry debiting subaccount 948 "Recognized fines, penalties, forfeitures" and crediting accounts 64 "Settlements for taxes and fees" (in terms of tax, fee), 65 "Settlements for insurance".

9.3. Salary Settlements with Employees

Employment relations (basic rights and obligations, amount and procedure of salary payment, working and rest conditions, etc.) between an employee and ADRA Ukraine (employer) shall be regulated by the Labor Code of Ukraine, the Regulations on Remuneration of ADRA Ukraine" and the current collective agreement. Analytical ledger 661 "Payroll" shall be maintained with breakdown month of accrual. Salaries shall be accrued on the last business day of the current month, in the automated accounting system - on the last calendar day of the month, taking into account the time worked, the timekeeping schedule and orders of ADRA Ukraine. Salaries shall be paid 2 times a month: for the first half of the month (from the 15th to the 18th day of the current month) and the final salary payment (from the 1st to the 3rd day of the month following the month of accrual, by transferring funds to the card accounts of employees of ADRA Ukraine. During the business trip, remuneration shall be paid based on the official salary and in accordance with the rules of the current legislation.

9.4. Settlements with Accountable Persons

Analytical ledger 372 "Settlements with Reporting Persons" shall be maintained with breakdown by reporting persons and currency of settlements:

- 3721 Settlements with Accountable Persons in the National Currency
- 3722 « Settlements with Accountable Persons in the Foreign Currency

Salaries during the business trip shall be calculated in accordance with the official salary and the rules in accordance with the current legislation, and business trip expenses are paid in accordance with the current Regulations on Business Trips of ADRA Ukraine.

9.5. Accounting for Deferred Income

Account 69 "Deferred income" is intended to summarize information on income received in the reporting period that is to be included in income in future reporting periods.

9.6. Accounting of Long-Term Account Receivables

Long-term receivables shall be recognized in the balance sheet at their present value. In calculating the present value, the discount rate used is the NBU's average annual discount rate. The difference between the amount of future repayment of long-term receivables and their present value (discount amount) is included in financial expenses of the reporting period - account 952 "Other financial expenses". Interest shall be accrued based on the maturity of long-term receivables on a monthly basis and included in financial income - account 733 "Other income from financial transactions".

9.7. Settlements with beneficiaries in cash shall be reflected on the credit of account 6851 "Settlements with other creditors (in national currency)".

9.8. If financially possible, ADRA Ukraine may provide loans, taking into account the norms of the current legislation, on the basis of concluded agreements. In accordance with the norms of NSA 10 "Accounts Receivable", loans granted to an employee and repaid within 12 months from the balance sheet date are recorded as current liabilities on subaccount 3771 "Settlements with other debtors".

9.9. Account 39 "Deferred expenses" is intended to summarize information on expenses incurred in the reporting period that are to be charged to expenses in future reporting periods, namely, property insurance, subscriptions to newspapers, magazines, periodicals and reference publications, etc.

10. Recognition of Income and Expenses

10.1. Income from targeted financing for the acquisition of current assets of ADRA Ukraine shall be recognized as income during the periods in which expenses related to the fulfillment of the terms of targeted financing were incurred in accordance with clause 17 of NSA 15.

10.2. Income from targeted financing for the acquisition of property, plant and equipment and intangible assets of ADRA Ukraine shall be recognized during the useful life of the acquired items, in proportion to the amount of accrued depreciation in accordance with clause 18 of NSA 15.

10.3. Income from targeted financing that the Organization receives to compensate for previously incurred expenses is recognized as income simultaneously with the recognition of receivables in accordance with clause 19 of NSA 15.

10.4. Income from financing to support ADRA Ukraine without setting conditions for their expenditure (unearmarked financing) for the implementation of certain activities in the future is recognized as income simultaneously with the recognition of receivables in accordance with paragraph 19 of NSA 15.

- 10.5. Revenue from services (work) shall be recognized based on the degree of completion of work as of the balance sheet date if the final financial result of the contract can be reliably estimated.
- 10.6. Assessment of the stage of completion of services or work performed shall be carried out by examining the work performed. Revenue shall be recognized immediately upon completion of the work, which shall be confirmed by the completion certificate executed in accordance with paragraphs 10-14 of NSA 15.
- 10.7. Expenses of the reporting period shall be recognized as either a decrease in assets or an increase in liabilities that leads to a decrease in the Organization's equity (except for a decrease in equity due to its withdrawal or distribution by the owners), provided that these expenses can be reliably measured in accordance with paragraph 6 of NSA 16.
- 10.8. Administrative expenses, other operating expenses, and other expenses shall be recognized as expenses in the period in which they are incurred in accordance with clause 7 of NSA 16.
- 10.9. Expenses for rent, subscriptions to periodicals shall be recognized as expenses (broken down by periods) in the part that falls on the period to which they relate.
- 10.10. Payments under operating lease agreements shall be recognized as expenses on a straight-line basis over the entire lease term.
- 10.11. Prepayments and advances received shall not be recognized as expenses and income, respectively.
- 10.12. Received reimbursable financial assistance shall not be recognized as income in accounting, since the amount of such assistance does not increase assets and does not decrease liabilities; Non-repayable financial assistance is recognized as income.
- 10.13. The repayment of the amounts of reimbursable financial assistance shall not be recognized as an expense, since in the accounting records the expenses are recognized simultaneously with the decrease in assets or increase in liabilities.
- 10.14. Expenses for which no primary documents have been received from counterparties at the time of preparation of the financial statements shall be recognized in the period of income for which they were incurred or when they are actually incurred, if the expenses cannot be directly related to income. The transaction on unreceived primary documents shall be recorded on the basis of an accounting statement prepared on the last day of December indicating the estimated amount of expenses.
- 10.15. If an error is detected on the basis of primary documents received after the financial statements have been prepared and approved, or if it is determined that the difference between the amount of actual expenses and the estimated amount of expenses significantly affects the financial statements of the previous period, an accounting note shall be prepared in the month of detection of the error. The financial statements for the previous erroneous year shall be corrected. A clarifying Report on the Use of Income (Profits) of a Nonprofit Organization with corrected financial statements is submitted.
- 10.16. Income and expenses from activities shall be included in the statement of financial results on the basis of the principles of accrual and conformity, reflected in the accounting and financial statements of the periods to which they relate.

11. Other Income

11.1. Generalized information on other income from operating activities of ADRA Ukraine in the reporting period shall be kept in account 71 "Other operating income".

11.2. The credit of account 71 "Other Operating Income" reflects the increase (receipt) of income, and the debit - the write-off in the order of closing to account 79 "Financial Results".

11.3. Analytical accounting shall be maintained on the following sub-ledgers:

"Income from purchase and sale of foreign currency";

713 "Income from operating lease of assets";

714 "Income from operating exchange rate differences";

717 "Income from writing-off accounts payable", which summarizes information on income from writing-off accounts payable that arose after the expiration of the statute of limitations;

718 "Income from gratuitously received current assets";

719 "Other income from operating activities" and others.

11.4. Information on other financial income of the organization in the reporting period shall be summarized on account 73 "Other financial income".

11.5. Analytical accounting shall be kept on subledger 732 "Interest received (bank interest)".

11.6. Generalization of information on other income of the organization in the reporting period shall be carried out on account 74 "Other income".

11.7. Analytical accounting shall be kept on the following subledgers:

745 "Income from donated non-current assets";

746 "Other income".

12. Profit or Loss

12.1. Sub-ledger 791 "Profit or loss from operating activities" shall reflect the profit (loss) from operating activities of the organization. The credit on this sub-ledger shall reflect the amount of income from other operating activities (account 71) in the order of closing the accounts, and the debit shall reflect the amount in the order of closing the accounts of administrative expenses (account 92), other operating expenses (account 94).

13. Inventory Check

13.1. In order to ensure the reliability of accounting and financial reporting data, an inventory of assets and liabilities should be carried out at ADRA Ukraine.

13.2. The annual inventory check shall be carried out as of November 30 of the current year, as well as:

- when materially responsible persons change (on the day of acceptance and transfer of cases);
- in case of establishing the facts of theft or abuse, damage to valuables (on the day such facts are established);
- in the event of man-made accidents, fire or natural disasters, as well as other force majeure circumstances (on the day after the end of the events).

13.3. The procedure for conducting an inventory check of the Organization's property shall be determined by the Regulation on Inventory of Assets and Liabilities dated September 02, 2014 No. 879.

13.4. The inventory of assets and liabilities is carried out on the basis of the Order of ADRA Ukraine's management.

13.5. Prior to the start of the inventory, ADRA Ukraine's management shall appoint an inventory commission.

13.6. The results of the inventory check shall be reflected in the inventory descriptions and inventory acts, which shall be drawn up in 2 copies.

13.7. Upon completion of the inventory check, inventory descriptions and inventory acts shall be signed by all members of the inventory commission and materially responsible persons.

13.8. A separate reconciliation statement shall be drawn up for property owned by other enterprises (lease, custody), a copy of which shall be sent to the owner of the property.

14. Document Flow

14.1. Document flow at the Organization shall be governed by the Regulations on Document Flow, namely and the procedure for document flow at ADRA Ukraine.

14.2. The document flow procedure provides for the list and forms of primary accounting documents, terms of their preparation, the list of officials responsible for the preparation, execution, verification, processing and the terms and procedure for transferring them to the archive. The persons who prepared and signed these documents shall be responsible for the timely preparation of primary documents and the accuracy of the information contained therein, as well as for their transmission to the accounting department within the stipulated timeframe and for the intended purpose. The initiator of the respective payment shall be responsible for the timely receipt of the primary document (expense invoice, certificate of services rendered, etc.) from the supplier.

14.3. At the end of each reporting month, the primary documents shall be filed (binded) by subject matter together with the accounting registers on the basis of which they are drawn up. Filing (binding) shall be carried out for the accounting periods set by ADRA Ukraine, depending on the volume of documents at the Organization. The cover of the folder (file) shall include the following information: the name of the organization, the name and serial number of the folder (file); the period for which the documents are filed (year, quarter, month, several months); the number of sheets in the folder (file).

14.4. The documents under processing shall be stored in the current working archive of ADRA Ukraine, in the place designated for storage (cabinets, shelves). At the end of the accounting period established by the Regulations on Document Management, the documents are transferred to the permanent archive of ADRA Ukraine.

14.5. The work on document management and control over its implementation shall be organized by the Chief Accountant and approved by the Country Director of ADRA Ukraine' Each executor is provided with an extract from the Regulation on Document Management with a list of documents related to the responsibilities for its preparation and the deadlines for submission to the accounting department

15. Document Storage

15.1. Storage of primary documents and accounting ledgers that were processed and were the basis for reporting, their execution and transfer to the archive is ensured by the Chief Accountant of ADRA Ukraine.

15.2. In order to facilitate the work on determining the terms of storage of documents and the formation of files in the Organization, a list of standard documents created during the activities of ADRA Ukraine shall be compiled, as prescribed in the Regulations on Document Management in ADRA Ukraine.

15.3. The list shall be drawn up in accordance with the "List of standard documents created in the course of activities of state authorities and local self-government bodies, other institutions, enterprises and organizations, indicating the period of storage of documents" approved by the order of the Ministry of Justice of Ukraine of 12.04.2012. №578/5.

15.4. The retention periods for documents specified in this List (clause 1.7.) are minimum and cannot be reduced. An organization may extend the retention periods for documents provided for in this List in cases where this need is caused by specific features of the organization's work.

15.5. The retention periods for standard documents on electronic media correspond to the retention periods for similar documents on paper (clause 1.8. of the List).

15.6. Calculation of document retention periods shall be made from January 1 of the year following the year of completion of their record keeping (clause 2.10. of the List).

16. Tax Accounting and Tax Reporting

16.1. Tax accounting shall be based on accounting data. Tax reporting, in the preparation of which the monetary measure is used, shall be based on accounting data.

16.2. Tax reporting shall mean a set of documents submitted by taxpayers to the state tax authorities within the time limits established by law, on the basis of which taxes, duties (mandatory payments) are calculated and/or paid. Tax reporting must contain accurate and reliable information on the basis of which taxes, duties (mandatory payments) are calculated and/or paid as required by law. Tax returns (reports) shall contain all material, reliable and necessary information for the preparation and submission of reliable tax reports to the state tax authorities. When preparing tax reports of ADRA Ukraine, the materiality limit is set at UAH 0.00.

Country Director (President) _____ Leonid RUTKOVSKIYI