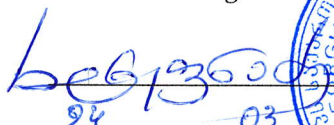
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„Approved”


Rector of Georgian Aviation University, Professor

  
 24 03 2025  
 Statement № 05/01




## Georgian Aviation University Financial Department Statute

Master Copy

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## 2. Revision Highlights

Changes are made with the involvement of the Quality Assurance Service and the Rector. The revision is submitted to the University Rector for approval. It is prohibited to implement changes in violation of the aforementioned procedure.


Created by:	Approved by:
Head of Quality Assurance Service	Rector
Date:	Date:

Deleted Pages				Added Pages			
Chapter	Page	Revision	Date	Chapter	Page	Revision	Date

### 2.1 Revision Records

Revision №	Reason for Revision	Page Numbers	Date	Entered by




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## 4. Document Control

Control of documentation is provided by the rules and procedures written in the Quality Manual of Georgian Aviation University. The aim of rules and procedures is to create system to identify and use all documents easily by employees within the organization. All documentation must be created, and storage by the formats and terms indicated in Quality Manual. These procedures will establish effective system to create, renew and share documentations easily.

### 4.1 Document Distribution List


Organization	Format	Copy N:
Quality Assurance Service	Hard Copy	Master Copy
Quality Assurance Service	Electronic Version	E-version
University Web Page	Electronic Version	E-version

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## 5. The Main Part

### Article 1. General Provisions

1. To ensure financial-economic activities, the budgeting process, financial sustainability and the organization of procurement at the university, a financial department is established within the university.
2. Financial Department:
  - 2.1. Implements the university's financial policy;
  - 2.2. Ensure the financial sustainability of teaching and learning, research, human resources and infrastructure at the university, as well as their further development.
  - 2.3. Oversees the processes of purchasing, storing, and utilizing materials and raw materials used for educational purposes, as well as the storage, management, and disposal of products created during the educational process.
  - 2.4. Ensures the formation of the university's budget based on the following sources of revenue:
    - 2.4.1. Tuition fees (income received from payments made by students or other paid educational programs).
    - 2.4.2. Tuition fees covered by state educational grants.
    - 2.4.3. Scientific research grants issued by the state based on a competitive selection process;
    - 2.4.4. Income from private grants and donations;
    - 2.4.5. Other income permitted by the legislation of Georgia, including revenue from economic activities.
  - 2.5. Oversees the timely and full payment of tuition fees by users (students, listeners, etc.);
  - 2.6. Ensures the management of the payroll fund;
  - 2.7. Ensures participation in tenders and procurement activities in accordance with the established procedures.
  - 2.8. Ensures accounting activities are carried out in accordance with established international standards;
  - 2.9. Ensures the legal, transparent, economical, and efficient use of financial resources;
  - 2.10. Ensures the financial audit is conducted by an authorized auditor/auditing firm.
  - 2.11. Ensures the management of financial activities with banks and financial institutions;
  - 2.12. Participates in determining the optimal cost of education and evaluating other services;
  - 2.13. Conducts financial analysis of the university's activities and financial planning.
  - 2.14. Within its competence, participates in the authorization and accreditation processes;
  - 2.15. Prepares the financial report for the previous month at the beginning of each month, compares it with the budget, analyzes it, and develops ways to improve the current situation.
3. The financial department is led by the head of the department.
4. The university's accounting (bookkeeping) department is a subdivision of the university's structural unit – the financial department.
5. The university's accounting (bookkeeping) department carries out its activities in accordance with the legislation of Georgia, international legal norms, the university's standard article, regulations, the present provisions, and other legal acts in force at the university.
6. The university's accounting (bookkeeping) department, within its competence, ensures the maintenance of accounting records and the preparation of financial reports at the university.

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## Article 2. Structure of the Accounting Department

1. The university's accounting (bookkeeping) department is subordinated to the head of the financial department.
2. The university's accounting (bookkeeping) department consists of the chief accountant, the deputy chief accountant, and accountants.
3. The activities and policies of the department are managed by the chief accountant.
4. The chief accountant assigns specific functions among the accountants.
5. The chief accountant is appointed and dismissed by the rector of the university.
6. The deputy chief accountant and accountants are appointed and dismissed by the rector of the university, upon the recommendation of the chief accountant.

## Article 3. Purpose of the Accounting Department

1. The purpose of the department is to prepare the university's financial reports in accordance with international accounting standards, which includes two main assumptions: the going concern assumption and the accrual principle.


## Article 4. Functions of the Accounting Department

1. The functions of the department are:
  - 1.1. Defining accounting and financial reporting policies and monitoring their proper implementation;
  - 1.2. Conducting the university's accounting in accordance with international accounting standards;
  - 1.3. Maintaining relationships with banks, financial institutions, and relevant departments of the Ministry of Finance.
  - 1.4. Monitor the timely and full payment of services by users (students, listeners, and others);
  - 1.5. Participate at least once a year in the inventory process of fixed assets and inventory materials, and record the results of the inventory in the accounting software;
  - 1.6. Within its competence, participate in the formation of the university's budget.
  - 1.7. At the rector's request, prepare the financial report for the previous month by the 20th of each month;
  - 1.8. Prepare the financial report for the fiscal year no later than October 1 of the following year;
  - 1.9. Participate in the process of financial statement auditing by an authorized independent auditor/auditing firm
  - 1.10. Within its competence, participate in the development of the university's strategic plan.

## Article 5. Responsibilities of the Employees of the Accounting Department

### Chief Accountant's Responsibilities:

1. Ensures the effective execution of the department's tasks;
2. Participates in the development of strategic development and action plans;
3. Oversees the planning and allocation of the university's financial resources in accordance with strategic goals and objectives;
4. Participates in the formulation of financial policies and ensures their implementation;
5. Ensures the formation of the university's budget.
6. Ensures the formation of budgets for educational programs.


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7. Monitors the timely and full payment of tuition fees by users;
8. Manages the payroll fund;
9. Oversees participation in tenders and procurement activities in accordance with established procedures;
10. Exercises control over accounting activities.
11. Participates in determining the optimal cost of education and evaluating other services.
12. Ensures the financial analysis of the university's activities and develops a package of proposals to improve the current situation;
13. Plans and implements activities aimed at ensuring the financial sustainability of the university;
14. Within its competence, participates in the authorization and accreditation processes;
15. Submits an annual report on the department's activities to the rector.
16. Executes other responsibilities defined by the university's statute and internal regulatory acts.
17. Leads the accounting activities.
18. Distributes duties among accountants, assigns tasks, and provides instructions.
19. Monitors the proper performance of the department's duties by employees and ensures compliance with discipline.
20. Prepares and submits declarations to the revenue service.
21. Controls the postings made by accountants in the accounting software (1C Accounting);
22. Executes the calculation of taxes in the accounting software;
23. Closes the period in the software by the 20th of each month;
24. Participates in the audit process conducted by an independent auditor;
25. Prepares the financial statements for the fiscal year no later than October 1 of the following year.
26. Reviews and approves accounting documents;
27. Manages communication with banks, financial institutions, and relevant departments of the Ministry of Finance.

#### **Deputy Chief Accountant's Responsibilities:**

1. Performs bank transfers as assigned by the rector;
2. Ensures the proper recording of salary accruals and payments;
3. Ensures the recording and control of income received from students, and compare accounting data with the student population provided by the deans at the end of each month. Inform deans about student arrears;
4. Ensures the accuracy, analysis, and control of debtor-creditor balances reflected in the accounting records.
5. Ensures control over the recording of bank transactions performed by accountants;
6. Makes accounting entries in the 1C accounting software;
7. Records bank transactions;
8. Ensures the recording and control of income received from students;
9. In case of need, performs the duties and responsibilities of the head of the financial department.



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### Accountant's Responsibilities:

1. Makes accounting entries in the 1C accounting software;
2. Ensures the accounting of the movement of inventory (purchases, write-offs, etc.);
3. Records fixed assets (receipt, internal transfer, commissioning, write-off, etc.);
4. Participates in the inventory process of fixed assets and inventory materials and record the identified results in the accounting system;
5. Prepares appropriate invoices when providing services.
6. Ensures the recording and control of income received from students;
7. Ensures the accounting of services rendered (sales);
8. Ensures the recording of cash transactions;
9. Ensures the recording of fund disbursements and operations related to accountable persons;
10. Records business trips (travel).
11. Records operational and non-operational expenses related to business activities;
12. Performs analysis of debtor-creditor balances at the end of each month;
13. Executes tasks assigned by the immediate supervisor and the rector.

### Article 6. Authority of Employees in the Department


1. An employee in the department is authorized to:
  - 1.1. Request information, informational resources, and inventory related to the assigned tasks;
  - 1.2. Request any type of information and justification in writing and/or orally from the university's relevant structural units for accountability purposes.

### Article 7. Accounting Policy

1. The university prepares financial reports in accordance with International Financial Reporting Standards, which are based on two key assumptions: the going concern assumption and the accrual principle.

### Accounting for Fixed Assets:

1. A resource is recognized as a fixed asset if it is expected to be used in production, services, leasing, or for administrative purposes, and is intended for use over more than one accounting period.
2. Purchased fixed assets are recorded as income at their cost, which includes: the purchase price, import duties, non-refundable taxes, transportation to the enterprise, site preparation, installation, and other direct costs necessary to bring the asset into working condition.
3. Fixed assets created internally through the entity's own resources and economic efforts are recognized at their actual cost of construction.
4. The depreciation amount of fixed assets is calculated using the declining balance method.
5. The depreciable value of fixed assets is determined by subtracting any residual value from their original cost. The following annual depreciation rates are applied to different categories of fixed assets:
  - Buildings and Structures: 5%
  - Machinery and Equipment: 20%
  - Office Equipment: 20%

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- Furniture and Other Inventory: 20%
- Vehicles: 20%
- Aircrafts: 15%
- Other Fixed Assets: 15%

### Inventory Valuation

1. Purchased goods are recorded as inventory at their actual acquisition cost;
2. Goods produced within the enterprise are recorded as inventory at their production cost;
3. The cost of inventory is determined using the "weighted average" method;
4. Inventory is reported in the financial statements at the lower of cost or net realizable value.

### Receivables

1. Long-term and short-term receivables are recorded at their nominal value;
2. Receivables are presented in the financial statements at their net (expected collectable) amount, adjusted for doubtful receivables;
3. The amount of doubtful receivables is determined based on past experience, taking into account the expected net realizable value.

### Equity


1. Equity consists of the following components: Authorized Capital, Commission Capital and Retained Earnings.

### Liabilities

1. Short-term and long-term liabilities are recorded at the amount that the university is required to pay.
2. The expenses related to the use of a loan are attributed to the period in which they were incurred.

### Revenue and expenses

1. Revenue is recognized using the accrual method. Incomes are considered as revenue for the period in which they were earned, regardless of the actual receipt of cash or other economic compensation. Revenue is recognized and reflected in the financial statements at net value (excluding VAT).
2. Revenue from tuition fees collected from students is recognized on a monthly basis, in proportion to the contractual price and the period of service provided by the university.
3. Expenses are recognized using the accrual method. Costs are considered as expenses for the period in which they were incurred and provided economic benefits, regardless of the actual payment of the expenses.
4. Revenue is recognized and reflected in the financial statements according to its sources.
5. Expenses are recognized and reflected in the financial statements based on their functional classification.
6. Net profit is distributed and used as follows:
  - 6.1. For the payment of dividends;

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6.2. For other purposes as decided by the founder.

### **Taxes**

1. Taxes are calculated in accordance with the Tax Code of Georgia. The accrual of taxes in the financial statements is made for the amount that the university will be required to pay.

## **Article 8. Disposal of Material Resources**

**The procedure for the purchase, storage, and use of materials and raw materials used for educational purposes.**


1. Based on the report of the head of the respective vocational education program, and considering the number of vocational students enrolled in the professional educational programs, as well as the materials and raw materials required for the modules included in the program, the head of the administration conducts market research and procures materials and raw materials both before and during the module.
2. When purchasing materials and raw materials, their expiration date must be taken into account, based on the time of their use.
3. The storage of materials and raw materials is carried out in accordance with storage rules.
4. After the completion of the module, the financial department writes off the consumed materials and raw materials, based on the report of the head of the program.

**The procedure for the storage and disposal of products created within the framework of the educational process.**

1. The product created within the framework of the educational process serves as evidence for assessment and is stored at the university in compliance with the conditions set by the regulatory rules, after which it is either destroyed according to the established procedure or retained at the university for educational purposes.

**The procedure for the disposal of waste generated within the framework of the educational process.**

1. The disposal of waste generated during the organized technological process for educational purposes must be carried out in compliance with the waste disposal regulations set by state authorities, if such regulations exist. In the absence of such regulations, the disposal must be carried out in a manner that does not harm the environment or surrounding individuals.
2. The responsibility for the collection and disposal of waste lies with the university.
3. Information about the conducted disposal procedure must be reflected in the report submitted to the university rector.
4. The organized system for the collection, temporary storage, and transportation of waste on the university's territory includes the following components:
  - 4.1. Collection of waste, typically sorted by different vocational educational program teaching spaces;

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- 4.2. Transfer of waste to garbage containers;
- 4.3. Temporary storage of hazardous waste in specially designated containers on the university's territory, while non-hazardous (safe) waste can be placed in municipal waste containers.