

Free Academy of Tbilisi



Financial management and control standard



## **Article 1. Goals and objectives**

- 1.1. The standard of financial management and control of the Free Academy of Tbilisi (hereinafter - "Academy") has been developed taking into account the requirements of the Law of Georgia "On State Internal Financial Control" and other legal acts;
- 1.2. The goal of the financial management and control standard is to ensure the legal, transparent, economic and effective functioning of financial responsibilities in the higher educational institution;
- 1.3. The goal of the financial management and control standard is to identify financial risks in higher educational institution and effectively manage the budgeting process;
- 1.4. The objective of the financial management and control standard is to evaluate the actors of higher educational institution functioning, development strategies, and cost scales in the long term;
- 1.5. The goal of the Financial Management and Control Standard is to improve financial management and assess further opportunities to align the required financial resources.

## **Article 2. Field of activity**

- 2.1. The financial management and control standard is a guide for all structural units of the Academy in the budgeting and monitoring process;
- 2.2. The financial and material resources service administers the budgeting, income and expenditure determination, monitoring and reporting processes;
- 2.3. The heads of structural units of the Academy are responsible for determining the relevant needs for financial reporting within their competence;
- 2.4. Heads of structural units of the Academy are responsible for ensuring that the needs are consistent with the existing budget of the Academy, are specific, measurable, achievable, realistic and time-bound.



### **Article 3. Analysis of determining the needs of structural units**

- 3.1. Structural units of the Academy identify needs based on the field of activity;
- 3.2. The needs of the structural units should be consistent with the mission, strategic and action plans of the Academy;
- 3.3. The needs of the structural units must ensure the fulfillment of the priorities of the future development of the institution;
- 3.4. When determining the needs, the structural units should take into account the analysis of the last year's budget;
- 3.5. The needs of structural units should be realistic, measurable and time-bound.

### **Article 4. Stages of budget development**

- 4.1. Analysis of last year's budget;
- 4.2. Submitting the needs determined by the structural units to the financial and material resources service;
- 4.3. Financial assessment/analysis of the needs submitted by the structural units by the financial and material resources service;
- 4.4. Identification of priorities by the financial and material resources service, taking into account the strategic and action plans of the academy;
- 4.5. Development of the budget project by the Financial and Material Resources Service and submission to the Senate for review and approval.



## **Article 5. Time limit of budget development**

- 5.1. Budget analysis - from July 15 to July 31 of each reporting year;
- 5.2. Stage of submission of needs - from August 1st to August 15th of each reporting year;
- 5.3. Stage of identifying priorities - from August 16 to August 31 of each reporting year;
- 5.4. Consideration/approval of the draft budget at the Senate - from September 1 to September 15 of each reporting year.

## **Article 6. Budget execution monitoring**

- 6.1. The financial and material resources service monitors the implementation of the budget;
- 6.2. The purpose of budget performance monitoring is to analyze and evaluate the effectiveness of management of resources, costs and obligations in the academy;
- 6.3. Budget implementation is monitored in the Academy every quarter;
- 6.4. The financial and material resources service ensures the rector's full awareness of the budget implementation.

## **Article 7. Budget adjustment process**

- 7.1. Based on unforeseen environmental factors, it is possible to adjust the approved budget;
- 7.2. Adjustments to the approved budget can be made based on the initiative of the Rector of the Academy;
- 7.3. Adjustments to the approved budget can be made no more than 2 times a year;
- 7.4. The adjusted budget is approved by the Senate.



**Article 8. Transitional Provisions**

**8.1.** The standard of financial management and control of the Academy shall be implemented immediately upon signing;

**8.2.** Adoption, cancellation, amendments and additions to the financial management and control standard of the Academy are carried out by the Senate;

**8.3.** This standard shall lose its validity in case of approval of a new provision.

