Charity Organization «Charity Fund named after Avhustyn Voloshyn»

Regulations on Financial Compliance

Approved
by decision of the Board of the Fund
Minutes No. 2 of 7 September 2026

English translation · the Ukrainian original prevails

Uzhhorod · voloshynfund.com · EDRPOU code 46220592

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REGULATIONS ON FINANCIAL COMPLIANCE

1. General Provisions

1.1. These Regulations on Financial Compliance (hereinafter — the Regulations) define the uniform principles, rules and procedures of financial discipline applied in the activities of the Charity Organization «Charity Fund named after Avhustyn Voloshyn» (hereinafter — the Fund) in order to ensure transparency, accountability and the use of the Fund's money for its intended purpose.

1.2. The Regulations have been drawn up in accordance with the Law of Ukraine «On Charitable Activities and Charitable Organisations», the Law of Ukraine «On Prevention of Corruption» (as regards the principles that the Fund voluntarily applies to its own activities), the Law of Ukraine «On Accounting and Financial Reporting in Ukraine», the Tax Code of Ukraine, the Charter of the Fund and the internal documents of the Fund.

1.3. The Regulations apply to members of the governing bodies of the Fund (the Board and the Supervisory Board, if any), the Executive Director, staff members and persons engaged on a contractual basis, volunteers, and any third parties who carry out financial transactions, conclude contracts or dispose of the funds and property of the Fund on its behalf.

1.4. In these Regulations, the following terms have the following meanings:

— «unofficial payment» — any payment of money or transfer of property, services or benefits made outside the official document flow and accounting of the Fund, regardless of its amount and form;

— «conflict of interest» — a situation in which the personal (including family, friendly or commercial) interests of an employee or officer of the Fund affect or may affect the objectivity of financial or business decisions taken on behalf of the Fund;

— «designated purpose of funds» — the purpose for which funds are to be used, as defined by the charitable assistance (grant) agreement, a decision of the

donor, the project budget or another document governing the receipt of funds by the Fund;

— «project expenses» — expenses directly related to the implementation of a specific programme or project of the Fund and provided for in its budget;

— «administrative expenses» — expenses for the day-to-day operation of the Fund that do not belong to any individual project (office rent, pay of administrative staff, banking services, communications, etc.).

1.5. The Regulations are binding on all persons referred to in clause 1.3 from the moment of their approval by the Board of the Fund.

2. Zero Tolerance for Corruption

2.1. The Fund follows a policy of absolute (zero) tolerance for any manifestation of corruption, fraud and abuse in its activities and in the activities of its partners and counterparties.

2.1. Prohibited Actions

The Fund and any person acting on its behalf are strictly prohibited from:

1) offering, promising, giving, demanding or receiving unofficial payments, «kickbacks», gifts or other benefits in exchange for the conclusion of a contract, favourable terms of cooperation or a decision in favour of a particular person;
2) artificially inflating the cost of goods, works or services above their market price, including by collusion with suppliers or contractors;
3) using the funds and property of the Fund for purposes other than those designated by the donor, the budget or the statutory purposes of the Fund;
4) concluding contracts with counterparties related to officers or employees of the Fund (conflict of interest) without written disclosure of such a relationship and approval by the Board;
5) falsifying, forging or backdating the financial, contractual or reporting documents of the Fund.

2.2. Preventive Measures

To prevent corruption risks, the Fund implements the following measures:

— checking counterparties (due diligence) before concluding contracts for amounts exceeding the established internal threshold, including checking their beneficial owners;

— mandatory written declaration of conflicts of interest by officers and employees of the Fund before a decision on cooperation with a counterparty is taken;

— an open channel for reporting suspicions of corruption or financial abuse (on the «whistleblower» principle), available to employees, volunteers, donors and beneficiaries of the Fund, with a guarantee of confidentiality and protection from any form of retaliation for the person who reported a violation in good faith;

— annual familiarisation of all employees and members of the governing bodies with these Regulations against signature.

2.3. Liability

2.3.1. A breach of the principle of zero tolerance for corruption is grounds for disciplinary liability and for the termination of the employment or civil-law contract and, where there are signs of a criminal or administrative offence, for the Fund to refer the matter to law enforcement authorities.

2.3.2. A counterparty found to have committed corrupt acts in relation to the Fund is entered in the list of counterparties with which cooperation is unacceptable, and contractual relations with it are terminated early.

3. Cashless Payments

3.1. The Fund gives unconditional priority to cashless payments. All payments for goods, works and services are made by bank transfer from the Fund's account to the account of the supplier, contractor or service provider.

3.2. Payment is made only directly to the account of the person who is actually a party to the contract (the supplier of goods, the performer of works or services). Payment to the accounts of third parties, intermediaries or natural persons who are not parties to the contract is not permitted, except in cases expressly provided for by law (for example, payment to an agent under a duly executed agency agreement).

3.3. The Fund permits cash payments only as an exception, limited to cases where a cashless payment is objectively impossible (in particular, certain expenses at the sites of humanitarian or charitable projects and minor operating expenses within the limits established by the legislation on cash settlements). Each cash payment requires prior approval by the Executive Director or the Chief Accountant of the Fund and mandatory documentary evidence in the manner set out in Section 5 of these Regulations.

3.4. Funds are advanced to employees or volunteers of the Fund only on the basis of an approved budget and are subject to mandatory reporting with primary

documents within the period established by the Fund's internal rules.

4. Separation of Project and Administrative Budgets

4.1. The Fund ensures strict separation of project and administrative expenses at all stages of budget planning, accounting and reporting.

4.2. Each project of the Fund has a separate budget, which is approved by the Board (and/or by the donor in accordance with the terms of the grant) before the project begins. Project expenses are recorded separately from the administrative expenses of the Fund, including in analytical accounting (under separate sub-accounts/project codes).

4.3. The share of administrative expenses that may be covered from the restricted income of a particular project is determined by the terms of the agreement with the donor and, in their absence, may not exceed the maximum percentage of the project amount set by a separate decision of the Board of the Fund (budget rules).

4.4. It is prohibited to cover administrative expenses of the Fund from funds received for a particular project beyond the limits agreed with the donor, and to cover project expenses from funds intended for the administration of the Fund without a separate decision of the Board.

4.5. The Chief Accountant of the Fund prepares a quarterly report on budget execution broken down into «project expenses / administrative expenses» for consideration by the Board.

5. Documentary Control

5.1. No financial transaction of the Fund is carried out or recognised in the accounts without proper documentary evidence.

5.2. The minimum mandatory set of documents accompanying each transaction of the Fund includes:

No.	Document	Purpose
1	Contract (agreement)	Legal basis for the transaction, defining its subject, price and terms
2	Invoice	Basis for making the payment
3	Payment order / bank statement (receipt)	Confirmation that the payment was actually made
4	Delivery note	Confirmation that the goods were handed over

5	Acceptance and transfer certificate (of works performed / services provided)	Confirmation of the fact and scope of the works performed or services provided

5.3. All documents referred to in clause 5.2 are checked for consistency (amounts, dates, details of the parties, subject of the contract) by the responsible person (accountant) before payment is made or the expense is recognised in the accounts.

5.4. Payment under a contract without a signed acceptance and transfer certificate (for works/services) or delivery note (for goods) is not permitted, except for advance payments expressly provided for by the terms of the contract.

5.5. The originals of primary documents are kept by the Fund in paper and/or electronic form for the periods established by the legislation of Ukraine on accounting and archives, but not less than the period set by the terms of the agreement with the relevant donor.

5.6. Responsibility for the completeness and accuracy of the primary documentation for each transaction lies with the Chief Accountant of the Fund and the officer responsible for the project within which the transaction is carried out.

6. Protection of the Designated Purpose of Funds

6.1. Funds received by the Fund from donors, grant-makers or benefactors for a designated purpose are used solely for the purposes agreed with the donor, set by the project budget or by the terms of the charitable donation.

6.2. Any change in the designated purpose of funds (reallocation between budget lines, change in the use of the remaining balance, etc.) is not permitted without:

— the written consent of the donor (benefactor), where this is provided for by the charitable assistance (grant) agreement;

— an official decision of the Board of the Fund recorded in minutes — in all cases of a change in the designated use of funds.

6.3. The Fund keeps separate analytical records of restricted income for each donor and each project, which rules out the use of funds from one restricted source for the needs of another without following the procedure set out in clause 6.2.

6.4. If funds cannot be used for their original designated purpose (completion, cancellation or change of the project), the unused balance is returned to the donor or reallocated to other statutory purposes of the Fund only in the manner agreed with the donor and approved by the Board.

6.5. The Executive Director of the Fund reports quarterly to the Board on the use of restricted funds, broken down by project and donor.

7. Division of Powers and Responsibility

7.1. The Board of the Fund approves the budgets of projects and the administrative budget, decides on changes to the designated purpose of funds, considers reports on the implementation of these Regulations and takes decisions on breaches of them.

7.2. The Executive Director of the Fund ensures day-to-day compliance with these Regulations, organises the document flow, approves cash payments as an exception (clause 3.3) and reports to the Board.

7.3. The Chief Accountant of the Fund is responsible for keeping separate records of project and administrative expenses, checking primary documents, monitoring the use of funds for their intended purpose and preparing financial statements.

7.4. Each employee and volunteer of the Fund who initiates or approves a financial transaction bears personal responsibility, within their powers, for compliance with the principles set out in these Regulations.

8. Final Provisions

8.1. These Regulations enter into force on the day of their approval by the Board of the Fund and remain in force indefinitely until a new version is approved.

8.2. Amendments and additions to these Regulations are made by decision of the Board of the Fund and must be communicated to all persons referred to in clause 1.3 within 10 working days of approval.

8.3. The Regulations are reviewed at least once a year, as well as in the event of a significant change in the legislation of Ukraine governing the activities of charitable organisations.

8.4. In the event of any conflict between these Regulations and the Charter of the Fund or the current legislation of Ukraine, the provisions of the Charter and the legislation shall apply.

Charity Organization «Charity Fund named after Avhustyn Voloshyn»:

Chair of the Board _____ / V.A. Moskov /

7 September 2026

Signature and seal are reproduced from the original document in Ukrainian.