



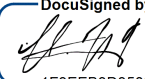
**LUkraine asbl**  
**(the "Association")**

*Association sans but lucratif*

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RCS Luxembourg No.: F9931

# **Financial and Accounting Procedures Policy**

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## 1.0 OVERVIEW OF ACCOUNTING AND PROCEDURES MANUAL

### 1.1 Purpose

LUkraine's continued service depends on its ability to safeguard and manage effectively and efficiently all donor funds (including locally generated income) entrusted to it. Central to this goal is a sound structure of financial management and control to maintain both integrity and confidence.

This Policy describes the financial policies and procedures for ensuring accountability on effective and efficient use of funds. The procedures are aimed to give Management (including the Members of the Committee) accurate, complete and timely financial information.

Any deviations from adhering to the procedures contained in this Policy by LUkraine staff should be in writing and approved by the President and the Treasurer.

This Policy is construed in accordance with the laws of Luxembourg.

The implementation of this Policy is essential for the successful delivery of LUkraine's services as we conduct our activities morally, ethically, and in the spirit of public accountability and transparency, and in conformity with applicable laws and regulations and practices common with responsible organizations.

The principles and suggested procedures in the Policy reflect systems currently in operation, or being implemented by LUkraine and those expected to be adopted by its sub-partners.

This Policy has been designed to suit specifically the accounting and financial management practices at LUkraine, and the general principles and essential features are applicable to all resources no matter their source (e.g. Sponsorship Agreement, subaward with another partner, or locally received funds).

This Policy is not exhaustive but provides a framework for accounting and financial procedures within the organization.

As circumstances and requirements change the manual should be reviewed and updated annually to take into account potential new donor regulations, tax law regulations, as well as new developments in the accountancy profession and changes in the organization.

### 1.2 Importance of Financial Accountability

The ability to provide accurate, complete and timely financial information enables compliance with the rules and regulations of donors and other partners reporting requirements, as well as adhering to generally accepted accounting principles (GAAP). This information also assists management to plan and coordinate their programmes effectively.

The guidance in this Manual should be used in conjunction with other policies and procedures specified from respective donors.

### **1.3 Scope**

This Policy should be used across the association to guide the handling of finance functions. It provides guidance on all financial procedures and reporting requirements.

The usefulness of any policy is in its applicability to provide guidance. As the transactions of LUkraine evolve, diverse and increase, this Policy must remain relevant, therefore it is critical that management **ANNUALLY** review and revise this manual as needed.

## 2.0 OVERVIEW OF THE FINANCE AND ACCOUNTING DEPARTMENT

### 2.1 Financial Records

Financial records include all source documents (budgets, invoices, vouchers, bank statements, receipts and any other documents which serve as evidence of financial transactions).

### 2.2 General Responsibilities

LUkraine requires all of its volunteers to abide by the foregoing standards of ethical behavior in their dealings with its suppliers, consultants, sub grantees, subcontractors, and government. Volunteers of LUkraine should not solicit for any funds, gifts or any favours from a prospective vendor, sub grantee or any other business partner. All staff are required to sign LUkraine's Code of Ethics on an annual basis. (Copies of the signed ethics statements will be kept within personnel files).

Staff are also required to report any violations of these standards to the President and Finance team.

The President and the Treasurer has overall authority and oversight of all funds.

### 2.3 Finance and Accounting Responsibilities

#### 2.3.1 Treasurer

##### Primary functions

- Ensure that the financial system runs properly in order to process financial information and generate accurate reports.
- Ensure that internal controls are enhanced and maintained at an acceptable level.
- Manage risks affecting LUkraine's assets and make sure risks are maintained at a lower level.
- Ensure that financial policies, procedures and donor compliance requirements are adhered to expected standards.
- Ensure that internal and external financial reports are prepared and disseminated within deadlines.
- Responsible for all aspects of cash management including: monitoring receivables, billing staff and collection of debt and managing pre-payments.
- Lead, direct, mentor/coach, appraise and supervise the other finance staff.
- Retrieve documents needed for Audits.
- Deposit cash to bank account.

#### 2.3.2 Financial Controller

- Ensure that payment package is complete and accurate before processing.
- Ensure that payment requests are in agreement with Project Coordinators' approval and within the Project budget.
- Ensure that vendors/Suppliers, Staff and Sub-recipients' payments are prepared and paid on time.
- Maintain petty cash ledger.
- Prepare cash receipt voucher for cash collected.
- Ensure that copy of cash receipt and bank deposit must be attached with the Cash Receipt voucher.

- Work closely with Administrator on physical counting of assets, stocks and property.
- Prepare a stock count report on a quarterly basis.
- Manage the asset register.
- Retrieve documents needed for Audits.
- Ensure that soft copy and hard copy of the invoices, expense reports and all financial and contractual documents are filed properly and done within the due dates.
- Ensure that soft copy and hard copy of month end closing packages are filed properly and done within the due dates.
- Ensure that data is posted on a daily basis, and that the financial information is processed accurately and reliable reports are generated timely.
- Ensure that internal financial reports are generated accurately and disseminated timely.

### **2.3.3 Accountant**

**Please note: In absence of a designated Accountant, LUkraine may subcontract out with a licensed Accounting Firm for accounting assistance and if these services are subcontracted, all of the duties specified below will apply to the responsibilities of the subcontracted firm / individual.**

- Ensure that data is posted on a daily basis, and that the financial information is processed accurately and reliable reports are generated timely.
- Ensure that internal financial reports are generated accurately and disseminated timely.
- Perform systems analysis to identify any irregularities (such as wrong posting) and propose immediate corrective actions to the Financial Controller and Treasurer.

## **2.4 Internal controls**

Internal accounting control consists of the LUkraine's plan, procedures and records to assure the reliability of financial reporting as well as safeguard the assets of the association.

An effective internal control structure includes a series of checks-and-balances required for the appropriate recording and authorization of transactions and ensures that access to assets is limited to authorized personnel. Each transaction should be divided into component tasks completed by different staff members in order to increase the likelihood of detecting unintentional errors and prevent misappropriation of LUkraine's assets.

The following four basic tests of completeness, validity, accuracy and maintenance should be consistently applied to all transactions:

### **2.5 Completeness**

Each element of a transaction must be documented, approved and recorded.

For example: a reimbursement for payment requires submitted expense report, back up document in form of check, invoice or ticket or other proof as evidence of payment; the signature of the report submitter as well as approval/signature of President, Vice-President or Secretary.

### **2.6 Validity**

Is the disbursement made to a verifiable vendor or employee?

Is there such tangible proof, such as a vendor's receipt, purchased item, to confirm that the item was received or the services performed?

**2.7 Accuracy**

Is the amount recorded as received or disbursed correct?

Are all relevant charges recorded?

**2.8 Maintenance**

After a payment has been approved for payment and recorded, it should be impossible to make changes, such as addition of a zero to the amount or changing the payee name, or indeed using the same documents for other double payments.

Close supervision by the Treasurer and oversight by the President are vital to ensure that control systems are working and that weaknesses are identified and corrected.

## 3.0 FINANCIAL REPORTING

### 3.1 Overview

Financial reports are summaries of the information found in financial records for a given time period or as of a certain date. Financial reports also provide information on the financial status of a project including project income/costs, cash flows and trial balance. Financial reports may also include sufficient background information to support the data included in reports.

### 3.2 Financial Transactions

For the purposes of this Policy, a financial transaction is any occurrence, which results in an inflow/outflow of funds or has any effect on the organization's assets and liabilities.

All financial transactions will be accounted for accurately and properly. No undisclosed or unrecorded funds or assets will be established or maintained for any purpose.

**No borrowings on behalf of the association are to be made from any lending institution or individual without the prior written authorization from the Members of the Committee.**

For any cost to be **allowable** under specific grant agreements, the costs must meet the following general criteria:

- a) Be reasonable for the performance of the grant agreement and allocable thereto
- b) Be consistent with association policies and procedures
- c) Be determined in accordance with generally accepted accounting principles (GAAP)
- d) Conforms to any limitations or exclusions set forth in the principles or in the agreement as to types or amount of cost items, and
- e) Be adequately supported and documented.

A cost is **reasonable** if in its nature or amount it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining this, it should consider whether the cost is of a type usually recognized as normal and necessary for the association's operations.

All costs incurred should be **allocable** to projects i.e. its activities or benefits can be distributed reasonably to that specific project.

### 3.3 Procedures for Receiving Funds

#### 3.3.1 Objective

The objective is to ensure that all funds donated/collected are fully accounted for in financial records and reported to the donors.

### **3.3.2 Main strategies to Achieve the Objective**

In order to ensure that funds are fully accounted for in financial records, the following strategies should be applied:

- a) Effective control of accounting documents.
- b) The donations should preferably come as a bank transfer to one of the Association's bank account, or any other donor system or tool.
- c) The Treasurer should receive all monies, reconcile all funds received with cash receipt forms and deposit to the bank account within ten working days.
- d) Cash disbursements must not be made from cash received. All cash received must be banked and supported by an official bank deposit slip.
- e) Cash receipts should not be mixed up with the petty cash fund.
- f) Strictly all receipts issued should be recorded and analyzed in the cash books for onward posting to the ledgers at the end of each month.
- g) All original documents should be systematically filed in box files and made readily available for any prompt audit. Financial Controller should be fully responsible for this and should therefore check the bank reconciliation to separate the duties to show transparency of the process.

## **3.4 Procedures for Payments**

### **3.4.1 Objectives of Payment Procedures**

The objectives of a good payment procedure is to ensure that disbursement of money is and can be proved to be legitimate and transparent and in accordance with the budget.

Financial Controller should ensure that the details from the source documents are processed correctly. Each disbursement will be supported by:

- a) vendor's invoice;
- b) Expense report with all back up documentation signed by authorized signatory;
- c) Payslip
- d) Service agreement
- e) Official donation request
- f) Memorandum or any other agreement
- g) Grant disbursement

### **3.4.2 Strategies to Achieve a Good Payment Procedure**

The following strategies will be applied to achieve this objective:

- a) All payments should be reviewed and approved by the Financial Controller. When an invoice is received, the Financial Controller should ensure that all procedures and checks have been followed and all supporting documents attached before a payment is entered to the banking platform.

- b) When the payment is entered to the system it is sent to the Treasurer for the execution.
- c) Before any payment is made, the Treasurer must ensure that there are sufficient funds in the bank account.
- d) Payments are processed with regular payment runs as per internal procedures.

### **3.5 Monthly financial reports**

The monthly financial reports will cover transactions on a period basis starting on the first day and ending on the last day of each reporting period.

The monthly financial reports currently include:

- a) cash book
- b) budget summary
- c) bank reconciliations

#### **3.5.1 Cash book**

Shows the dates, all the petty cash in chronological order including details of payment, amount of each receipt and payments, running balance.

#### **3.5.2 Budget summary**

Shows how much has been spent and how much is remaining for each budget line item.

#### **3.5.3 Bank reconciliations**

Bank reconciliation is the process of comparing a company's internal financial records (like a cash book) with the corresponding bank statement to ensure that the balances match and all transactions are accurately recorded. This process helps identify discrepancies between the two records, such as missing transactions, errors, or unauthorized activities, and allows for timely correction.

### **3.6. Procedures to adhere to when performing bank reconciliations**

Bank reconciliations should be done on a monthly basis and these must be duly signed by at least two people.

Some of the normal standard routines to be followed regarding bank reconciliations are as follows:

- a) Ensure that all bank statements for each bank account are at hand before attempting the reconciliations.
- b) Details from the source documents are processed correctly in the reports to minimize time spent on the bank reconciliation.
- c) References on the Cash book must be consistent with those that appear on the source documents.
- d) Once the reconciliations are complete, they should be signed off at least by the Financial Controller together with one of Treasurer or President

e) Bank statements must be filed together with the bank reconciliations.

### **3.7 Financial Statements**

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons. The financial statements of Association shall include:

- a) Statement of Financial Position (Balance Sheet)
- b) Statement of Activities (Income Statement)
- c) The appendix of accounts

#### **3.7.1 Statement of Financial Position (Balance Sheet)**

Reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or noncurrent/long-term.

#### **3.7.2 Statement of Activities (Income Statement)**

Presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted).

#### **3.7.3 The appendix of accounts**

The purpose of the appendix is to complete and comment on the information appearing in the balance sheet (financial position) and income statement (income statement). It covers the accounting methods applied, the due dates of receivables and debts at the end of the financial year, financial commitments, operations not recorded on the balance sheet, movements of fixed assets.

### **3.8 Annual Audit**

It is required by Law for Nonprofit Association recognised as a public utility to arrange for an annual audit of the Association's financial statements to be conducted by an independent auditor. The independent statutory auditor or audit firm is selected by the Association within the approved list published by the Commission de Surveillance du Secteur Financier (the CSSF). Members of the Finance team are authorized to initiate communication directly with the independent audit firm. Audited financial statements, including the auditor's opinion thereon, will be submitted and presented by the Treasurer at the General Assembly.

### **3.9 Annual Budget**

The annual budget process requires planning and preparation of management and staff. A budget should be designed and prepared to direct the most efficient and prudent use of the organization’s financial and human resources. Guidelines need to be in place so that the budgeting process runs smoothly. The following guidelines represent basic budgeting steps:

1) The Financial Controller, with the support of the Project Coordinators, will present an annual budget to the Lead Team one month before the end of the current fiscal year. Once approved by the Lead Team, the budget will be presented to Committee for review and approval. The Budget must be presented to the Committee during its January meeting.

2) The budget will be developed based on historical as well as projected costs for each project. Everyone can provide input into the budget development.

3) In the event that Association desires to add or expand programs, a budget amendment may be proposed. The Finance team will recommend to Committee which must approve all additional projects or project expansions.

### **3.10 Accounting Policies**

Financial statements are prepared in accordance with the historical cost convention as modified by the inclusion of certain assets at valuation. The following is a summary of the important accounting policies normally used:

#### **3.10.1 Fixed Assets**

Fixed assets are accounted for on a cash basis and expensed when purchased or are stated in the balance sheet at cost or valuation less accumulated depreciation. An organization should set a threshold for capitalization. Any single fixed asset acquired with a value less than the threshold should be expensed to the Income and Expenditure account in the year of acquisition except for the car immatriculate by the association.

#### **3.10.2 Depreciation**

Depreciation is normally calculated on a straight-line basis to write off the cost or valuation of fixed assets over the expected useful lives at annual rates. e.g.

Furniture & Fittings,	-	33%
Motor vehicles	-	20%

#### **3.10.3 Grants**

Grants received for meeting operational expenses are released to the income and expenditure account in the year in which such grants are received. Grants received for investment in property, plant and equipment are treated as capital grants and amortized to the income and expenditure account over the life of the asset concerned.

### **3.10.4 Currencies**

The financial statements are expressed in EUR. Transactions made in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Profits and losses on foreign currency translation are taken to the income and expenditure account in the year in which they arise.

### **3.10.5 Inventory/Stock**

Inventories are stated at the lower of cost and estimated net realizable value. In general, cost is determined on an average basis and includes transport and handling costs. Estimated net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the costs of realization. Provision is made for slow-moving, obsolete and defective inventories.

## 4.0 BANK ACCOUNTS

### 4.1 Bank Accounts management

All requests to open new or close bank account should be approved by the President.

Each major donor or specific project can have a separate dedicated bank account. A register of all the bank accounts should be maintained and kept up to-date by the Financial Controller. It should have the following details:

- a) name of account
- b) name of bank
- c) date the account was established
- d) currency, account number
- e) source of funds and
- f) signatories and signing arrangements.

## 5.0 PETTY CASH MANAGEMENT

### 5.1 Overview

This policy establishes a petty cash fund with a total not to exceed amount of EUR 500. Petty cash may be used to cover small expenses not to exceed EUR 100 per transaction, and should not be used to pay a vendor invoice or payroll expenses. Whenever possible, other methods of disbursement, such as a bank transfer, should be used in lieu of the use of petty cash.

### 5.2 Petty cash management

The Financial Controller should ensure that all petty cash payments are sequentially recorded and show the amount and the purpose of disbursement and signed by both the Financial Controller and recipient.

Receipts and any refunds to petty cash should be handed back to the Financial Controller within 10 working days of the initial disbursement. Receipts and the approved cash receipt form should be attached together as evidence of the transaction.

The petty cash box should be kept in a safe place with access restricted and only allowed to the Treasurer and Financial Controller.

### 5.3 Unannounced Petty Cash Controls

Spot checks (conducted at least 4 times a year) should be carried out by the Lead Team and/or Accountant, and any discrepancies should be explained. The spot checks should verify the following:

- a) Petty cash float less (minus) any petty cash on hand should be equal to petty cash available. Any discrepancies should be explained.
- b) The spot checks should include checking whether the payments have proper authorization, proper necessary supporting documents and any reasons for non compliance or delay in compliance.

## 6.0 CASH RECEIPTS

### 6.1 Cash Received

The Financial Controller must issue a receipt to the person/organization for the amount received on the reported date. The supervisors can check on the receipting but will not be receipting or funds.

The Financial Controller should check the bank account on an adhoc basis and match the cash with the bank statements to ensure that all cash are banked.

A deposit slip or remittance advice will serve as the basic supporting documentation that should be clipped together with the official duplicate receipt for completing the monthly reconciliation.

For incoming funds received via a bank transfer, the bank statement can be used as the supporting documentation.

Cash Receipt form is included in *Appendix 2*.

## 7.0 ACCOUNTING FOR PREPAYMENT

### 7.1 Definition of Prepayment

A Prepayment is an amount of money advanced for a specific short-term purpose which must be accounted for immediately that purpose has been satisfied.

### 7.2 Objective of Prepayment Procedures

To ensure that all amounts advanced for specific short term purposes are properly authorised, and promptly accounted for on completion of the activity.

### 7.3 Main Strategies to Achieve the Objective

In order to meet this objective the following strategies are recommended:

- a) Control over the issue of Prepayment
- b) Appropriate retirement procedures
- c) Prompt and accurate accounting
- d) Control to ensure prompt retirement

No person shall be issued with Prepayment when there is another Prepayment outstanding in her/his name.

It is important that all expenditure is accounted for promptly and properly in full, and that a Prepayment should be retired immediately its purpose has been fulfilled. Consequently, an individual should never have more than one Prepayment outstanding against her/his name at one time.

### 6.4 Appropriate Retirement Procedures

Prepayment must be accounted for within 10 business days upon completion of the activity for which it was issued. This process is known as retirement.

There are three possible outcomes of the Prepayment:

- a) The Prepayment amount has been fully spent on the intended purpose.
- b) The Prepayment amount has only been partially spent on the intended purpose leaving a balance to be returned.
- c) The Prepayment holder has incurred more expense than the amount of the Prepayment and is due an additional payment.

In all of these cases the retirement is through an Expense Report form, the purpose of which is to summarize the expenditure incurred against the original Prepayment and the necessary back up documents to the way that it has been utilized.

### 7.5 Appropriate Retirement Procedures

Prepayment should be requested by email and approved by effective Committee member and will be processed through the payment procedures.

Where the Prepayment is retired in full the payment amount payable will be nil and the position of the expenditure will be balanced. The Expense report together with backup

documents should be submitted to Financial Controller in order to retire the Prepayment.

Prepayment holders may be reluctant to retire a Prepayment promptly, either because they owe a balance on it, or because they can't be bothered to. If the above systems are in place then the information is available to indicate those that have outstanding impress and action can be taken to encourage their retirement.

The procedures to encourage this may include:

- a) Only one Prepayment outstanding at any time - No Prepayment to be awarded if there is an existing one outstanding. Whilst this is a financial regulation its enforcement encourages the retirement of existing ones.
- b) Deduction from salary or invoice issued under Service Agreement - If a special Prepayment is not retired promptly, it should become a priority for payment from the next month's salary or invoice issued under Service Agreement, if possible being deducted in total. If a Prepayment is being recovered from salary, no further Prepayment should be authorised until full recovery has been made.

## 8.0 REIMBURSEMENT OF EXPENSES

### 8.1 General Rules for reimbursement of Expenses

To reimburse expenditures incurred at your own expense, submit an Expense report along with supporting documents to Financial Controller.

The Association does not reimburse for the following positions:

- a) expenses not agreed in advance with the Project Coordinator, President or Vice-President of the association or not approved by the committee;
- b) personal expense;
- c) payments without supporting documents;
- d) fines or penalties unless authorised by the Treasurer based on a written explanation of the occurred expense.

All business meetings expense claimed must include the names of the people attending, their relationship to LUkraine and the points discussed.

Expense Report form is included in *Appendix 3*.

## 9.0 TRAVEL EXPENSES

### 9.1 Travel (local and international)

The traveler should request for prepayment for business related expenses by sending an email to Financial Controller.

No new travel advance should be issued until all outstanding travel expenses and reports are submitted.

Each travel advance should be listed in the finance department under one person's name. The individual should be responsible for accounting for all monies advanced including any money given to other employees or individuals. A receipt signed by another person does not relieve the travel advance recipient of the obligation to obtain receipts and provide a detailed accounting of all monies received.

Advances should be accounted for within 10 days of the completion of the related trip.

All business-related expenditure that is presented for reimbursement should have justification and receipts, this can include expenditure such as the following:

#### 9.1.1 Communication

Communication pertaining to business will be reimbursed at the actual cost charged, and a receipt is required for reimbursement.

#### 9.1.2 Currency Conversion, ATM Fees

The cost to to exchange money and ATM fees for withdrawing for a trip will be reimbursed, with proof of expense.

#### 9.1.3 Road/Rail/Air Travel

Air, road and rail travel are reimbursed at the actual cost of passage. A ticket receipt should be required as proof of travel. Air travel will be in the Economy class, traveling by bus or rail allowed to be in the second class only.

#### 9.1.4 Visa

Visa expenses are reimbursed only for essential travels and this expense should always be approved by the President.

#### 9.1.5 Lodging

LUkraine reimburses the expenses for lodging only in economy hotels or hostels with the most reasonable pricing per night.

### **9.1.6. Meal**

LUkraine reimburses the expenses for meal according to the Association's guidelines.

### **9.2 Cigarettes**

LUkraine does not reimburse expenses for Cigarettes.

### **9.3 Travel Expense Report**

Association will reimburse employees, contractors and volunteers for reasonable business travel expenses incurred while on overnight assignment away from the normal work location. Travelers are expected to limit expenses to reasonable amounts. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under circumstances prevailing at the time the decision was made to incur the costs.

The traveler must submit a completed travel expense report to the Finance department no later than five days after his/her travel has been completed. In instances where the amount of the advance was not sufficient to cover allowable travel expenses the traveler will be reimbursed for the difference. When the advance exceeds the allowable travel cost, the traveler is expected to remit the difference immediately to the Finance department upon receipt of the final expense report. Invoices, checks or any other backup documents are required to support all expenses.

When the Financial Controller receives the Travel Expense Report Form, he/she should calculate the total allowable expenses and match the total cost of funds expended against the total advance obtained. If the total expenses are more than the advance, the expense report form will form the basis as backup documentation for issuing a reimbursement to the traveller. It should be noted that consistency here is very important. If the advance is more than the total expenses, the traveller owes the association the difference.

## 10.0 ORGANIZATION OF EVENTS

### 10.1 Event Organization

The Event Coordinator should request for the prepayment to cover expenses related to an organized event by sending an email to Financial Controller.

No new advance should be issued until all outstanding expenses and reports are submitted.

Each prepayment should be listed in the finance department under one person's name (requestor). The individual should be responsible for accounting for all monies advanced including any money given to other employees or individuals. A receipt signed by another person does not relieve the travel advance recipient of the obligation to obtain receipts and provide a detailed accounting of all monies received.

Advances should be accounted for within 10 days of the completion of the event. All expenditures related to the organization of the event that is presented for a reimbursement should have justification and receipts.

### 10.2 Purchase of Alcoholic Beverages

LUkraine does not reimburse expenses for Alcohol unless its preapproved by the Treasurer. If alcoholic beverages are needed for an organized event, a payment request should be sent to Financial Controller and the purchase will be done following standard payments process.

### 10.3 Expense Report

The organizer of the event must submit a completed expense report to the Finance Controller no later than five days after event occurred. In instances where the amount of the advance was not sufficient to cover allowable expenses the organizer will be reimbursed for the difference. When the advance exceeds the allowable cost, the organizer is expected to remit the difference immediately to the Finance dept upon receipt of the final expense report. Invoices, checks or any other backup documents are required to support all expenses.

When the Financial Controller receives the Expense Report, he/she will calculate the total allowable expenses and match the total cost of funds expended against the total advance obtained. If the total expenses are more than the advance, the expense report form will form the basis as backup documentation for issuing a reimbursement to the traveller. It should be noted that consistency here is very important. If the advance is more than the total expenses, the organiser owes the association the difference.

### 10.4 Vendor payments

All invoices issued by suppliers/vendors in the name of Association should only be paid by LUkraine.

## 11.0 EMPLOYEE CONTRACTS, TIMESHEETS AND PAYROLL

All employees associated with LUkraine must have valid contracts on file. Contracts must outline the terms of employment, termination, compensation and benefits and must be signed by the employee and an authorized representative(s) of LUkraine to be valid.

An outsourced Accountant will prepare a summary payroll report at month end indicating the gross to net salary payment to each employee. Each payroll item must be listed separately (i.e. gross salary, payroll taxes, other deduction, net payroll). The payroll summary report must be reviewed by Financial Controller.

## 12.0 CHECKLIST OF END OF MONTH PROCEDURES

The close of an accounting period should be done when all transactions for the period have been recorded and the bank account, petty cash, and prepayments have been reconciled to bank reconciliations and other supporting schedules. The following checklist should be followed at the close of the month:

- All backup documents for processed payments (invoices, agreements, or any other relevant documents) are archived in hard copies.
- All backup documents for processed payments (invoices, agreements, or any other relevant documents) are archived in electronic format.
- All supporting documents for processed payments are accurate and meet the following criteria:
  - Issued in the name of the association.
  - Final invoice, not a proforma.
  - Expense reports are duly signed.
- Bank statements are verified against internal reporting, with final balances matching.
- Notes on available or missing items (invoices, agreements, contracts) are documented in the internal reporting file.
- Cash donations and payments are registered in the Cash Position file, with links correctly aligned with source documents.
- The prepayments file has been checked, and a reminder email has been sent to the prepaid owner.
- The file with invoices issued by LUkraine has been reviewed, and a reminder email has been sent to the debtor.
- The final reconciliation letter is prepared and duly signed.

## 13.0 PHYSICAL INVENTORY

The Office Administrator should maintain a Fixed Assets register log listing all equipment in close liaison with the Financial Controller.

The property register will have the following details:

- a) Acquisition date
- b) Description
- c) Serial number
- d) Location /assigned user
- e) Fund/project number
- f) Unit acquisition cost
- g) Estimated life
- h) Condition and date information was provided
- i) Ultimate disposition data (if applicable)

Physical inventory verification should be done once a year to make sure all equipment and materials are accounted for and recorded accordingly. The Finance team will conduct the exercise. Any missing items will be taken note of and investigated accordingly. After completion of the verification exercise, the inventory log is updated and the copy signed by the Office Administrator. These documents will be filed in the accounting office.

All fixed assets of the organization should be labeled with a unique asset number according to the asset category. The labeling should be in indelible ink.

All disposed property must be cancelled from the fixed asset register and transferred to a record or file of disposed property. All disposal correspondences, approvals and mode of disposal (sale, donation, scrapping etc) and evidence of disposal (such as sales/donation agreements), delivery notes must exist in the disposed assets file.

A fixed asset register is included in *Appendix 4*.

## 14.0 PROJECT VEHICLE AND EQUIPMENT USE

### 14.1 Vehicle use: Refer to Vehicle Use Policy

### 14.2 Project Equipment Use Policy

Staff using the organization's equipment both on and off premises should take all precautions to ensure that the equipment is used properly, and is not unduly subjected to abuse. All equipment should be insured.

If an employee wishes to remove a piece of equipment except the laptop from the office, the Office Administrator will log it in the logbook, with the name, date, duration, purpose and return date. Any equipment to be removed for a long time (more than 1 month) should have written request containing the following information and must be submitted for approval to the Lead Team:

- a) description of the item to be borrowed
- b) reason for removal
- c) length of time the item will be needed
- d) follow-up will take place to ensure that all items are returned as required.

## 15.0 DONOR'S POLICY AND GUIDELINES

While the policies and procedures outlined above are LUkraine's policies, the donor's policy will take precedence over the policies and procedures outlined above, if donor's policies are stricter from LUkraine ones.

## 16.0 PURCHASING/PROCUREMENT POLICY

LUkraine's Procurement Policy is based on the principle of assuring the most cost efficient and rational use of resources for goods or services that will best serve the organization in both the immediate and long-term. The policy shall also ensure that procurements are conducted in a manner to provide open and free competition to the maximum extent practical. Staff should be alert to organizational conflicts of interest as well as noncompetitive practices among vendors that may restrict or eliminate competition or otherwise restrain trade. Awards should be made to the bidder or offer or whose offer is responsive to the solicitation and is most advantageous to the recipient with price, quality and other factors being considered.

Procedures to avoid unnecessary purchases or duplicative items should be in place at all times. No employee or agent should participate in the selection, award of a contract if a real or apparent conflict of interest is involved. A conflict of interest originates when an employee or any member of his/her immediate family, member of Board or associate, has some interest, economical or not in the procurement in a specific business or hiring the service of a particular person or business. The Project should ensure that only contracts with responsible parties are made. While this section is devoted to project purchases of goods or services via Accounts Payable, this principle applies to all project transactions.

Where a particular vendor has been selected as a preferred supplier based on the most cost effective and efficient supplier, in terms of: quality, capacity, timeliness and price competitiveness, comparative invoices for exactly the same goods and services will be compared on a yearly basis to determine the eligibility of the preferred supplier. Normally, the bidder offering the lowest bid will be selected as the supplier. However, if there are specific reasons why the lowest bid is recommended, this justification needs to be documented on the bid comparison.

For purchase of over EUR 20,000, at least 2 quotes must be obtained and documented, and include a detailed description of name of providers, contact details and the exact description for the products to be procured.

The following documents for each procurement should be in place:

- a) Appropriate number of estimates/quotes from different suppliers
- b) Invoice

Only goods and services specified in the approved budget can be procured. Any other procurement will need written authorization from the Committee members and funding agency/donor where applicable.

When competitive bids or offers are not obtained, justification for lack of competition should be given.

### 16.1 Consultants and/or Independent Contractors

### **16.1.1 Definition of Consultant and/or Independent Contractors**

A consultant is a self employed, independent contractor for whom LUkraine has no legal obligation to withhold taxes or pay benefits. Consultants are considered to be local contractors, rather than LUkraine's employees, and as such are not eligible for payroll or regular employee benefits.

### **16.1.2 Procurement Process/Requirements**

After the conditions and rates have been negotiated and approved, a Service Agreement (see *Appendix 5*) stating duration of assignment, must be drafted and approved by the President. Contractors are not entitled to receive any rights, privileges, benefits, or allowances from LUkraine except as provided in the consultant agreement.

The Service Agreement must be signed by both the consultant and the LUkraine's authorized signatories.

### **16.1.3 Review/Approval Required**

If required by the donor, consultants must be approved by the sponsor before being hired by the LUkraine. Approvals may also be required for scopes of work, and/or daily rates. It is the responsibility of Project Coordinator to determine what approvals are required from the donor and ensure that they are secured in writing before the contractor can begin work.

### **16.1.4 Contracting and Payment Procedures**

Contractors are required to submit a fee payment note (or invoice) that specifies the number of hours worked each day, the approved daily or monthly rate, and the description of activities. The request (invoice) must be reviewed and approved by the Financial Controller. LUkraine pays contractors in accordance with the payment schedule.

## 17.0 SECURITY POLICY

### 17.1 Internet Banking Policies and Procedures

Only users with signature authority can approve or release payments within the internet banking system up to the authority levels that have been assigned to them.

In order to maintain a segregation of duties, all users must have individual user IDs and passwords. The duties for internet banking must be segregated as follows:

1. The Financial Controller, who does not have signature authority on the bank account, must review all requests for payment and enter to the banking system. He/she should review all required documentation. The person who authorizes the payments on-line cannot be the person responsible for reviewing the request for payments.
2. The Financial Controller will be responsible for setting up the payments in the internet banking system.
3. Treasurer who has signature authority on the bank account will be responsible for approving and releasing the payments.
4. The Financial Controller will be responsible for the monthly bank reconciliation which must be signed by the Treasurer.

### 17.2 Safe policy

Association should have a lockable cash box or safe for safekeeping of cash.

The organization should ensure that all cash balances on the premises are adequately/comprehensively insured.

## 18.0 GLOSSARY OF TERMS

The terms defined below are commonly used accounting terms, some of which are used in this Manual.

Detailed explanations are provided in the text, where necessary.

Account	A personal or impersonal record of one or more business transactions to enable a balance to be determined at any moment in time.
Accounting	The process of analysing, classifying and recording transactions and operations in terms of time, quantity and monetary values.
Accounting Period	The period for which final accounts are customarily prepared.
Accounting System	The day-to-day method by which transactions are recorded and ultimately appear in the financial statements.
Accrual	The accounting treatment of a transaction whose actual value can only be ascertained after the close of an accounting period, where all or part of the transaction relates to that accounting period, such a transaction is brought into books of accounts by 'accruing'.
Amortisation	The writing off against profits of the loss in value of certain fixed or intangible assets where such loss is occasioned by the passage of time e.g. Leasehold property (see Depreciation).
Analyse	The process of classifying and aggregating similar types of transaction under common headings.
Asset	Goods, resources and property of all kinds belonging to a company or to an individual, which are used in the business.
Audit	An examination by an independent, qualified expert (the auditor) of the accounts and supporting records prepared by a company's management and the accounting principles and policies underlying them.
Auditor	A duly qualified person who conducts the audit.
Balance (noun)	The net difference between the debit and credit sides on an account.
Balance (verb)	To total the debits and credits in a ledger account and to enter, as a balance, the difference between the two.
Balancing the books	The periodical closing up and adjusting of all accounts in the ledger, in order to ascertain the profit or loss made during the period under consideration.
Bank reconciliation	A statement explaining the difference between the balance of an account reported by a bank by way of a bank statement and the general ledger balance (see reconciliation statement).
Capital	The money supplied by the proprietors of a business in order to acquired the resources (Assets) with which to operate the business.
Cash Position	A report in which an account (record) is kept of all receipts and payments of money, by cash or cheque.

Credit (noun)	An entry on the right hand side of a ledger account.
Credit Note	Document sent to a person, firm, etc, stating that his account is credited (reduced) with the amount stated (e.g. when goods are returned by that person, firm etc. or an allowance is made to that person, firm etc.)
Creditor	One to whom money is owed for goods, services, etc
Current Assets	That group of assets in cash or near cash state (e.g. Cash, debtors, stock).
Debit (Noun)	An entry on the left hand side of a ledger account.
Debit (Verb)	To 'debit' an account to make an entry on the left hand side.
Debit Note	Document sent to a person, company etc. stating that his account is debited (increased) with the amount stated (e.g. as a result of price hikes, or invoice initially undercast)
Debtor	One who owes money for goods, services supplied.
Depreciation	The measure of the estimated loss in money value of a fixed asset owing to use, obsolescence or passage of time (see Amortisation).
Discount	An allowance deducted from an invoice price, account etc.
Double entry	Method of book-keeping in which two entries are made debit and credit for each transaction in order to record the two aspects which every transaction has and to provide a means of providing the entries by balancing the ledgers in which each transaction is recorded.
Entry	The record of a transaction in a book of account.
Final Accounts	The Profit and Loss Account and Balance Sheet as agreed by the proprietor of the business.
Fixed Asset	An asset which is in permanent use within a business (e.g. Land, Buildings, furniture, plant, machinery, etc)
Gross	A total before any deductions.
Gross up	The calculation of a gross figure from a net figure by adding back deductions.
Intangible Assets	Asset, which is neither fixed nor current yet, possesses a value (e.g. Goodwill, Investment).
Inventory	The Stock-in-trade and work in progress of a business.
Invoice	A document showing the character, quantity, price, terms, nature of delivery and other particulars of goods sold or services rendered.
Journal	Literally, the book containing an account of each day's transactions. A collection of accounts.
Ledger	The principal book of accounts in which the entries from all the other books are summarised divided into Cash Book, Bought Ledger, Sales Ledger and Nominal Ledger.
Ledger account	A record in the ledger showing one of the two aspects of each transaction or group of transactions (see also 'Account').
Liabilities	A term denoting the combined debts owed by a firm, company etc.
Liquidity	The excess of cash or near cash assets over current liabilities.
Lodgement	A payment into the bank or the credit of a specified account.

Materiality	The consideration of the significance of an amount in relation to the context in which it is placed. In relation to accounts, an amount is not material if its effect on the accounts would not distort the overall truth and fairness of the view they give.
Net	The amount of any charge or cost after all deductions has been made.
Netting off	See 'contra'
Nominal Accounts	Accounts for the income and expenses of a business (see 'impersonal accounts')
Nominal Ledgers	Otherwise known as the Impersonal or General Ledger. The ledger, which contains impersonal, accounts (see 'impersonal accounts').
Personal Account	An Account showing transactions with a particular person, firm or company as distinct from a nominal account.
Posting	The transfer of entries from the books of prime entry to their separate accounts in the ledgers.
Prepayment	A payment made in the current accounting period of which part or all relates to a future period.
Profit and Loss Account	A summary account of all revenue and expense accounts, showing as its balance, the profit (or loss) for the period under consideration.
Provisions	Amounts written off or retained out of profits to provide for depreciation, renewals or diminution in value of assets, or retained to provide for any known liability of which the amount cannot presently be determined with accuracy.
Reconciliation	A statement showing the process whereby the balances of two accounts, independently written up in respect of the same transactions, which show an apparent discrepancy, are brought into agreement. The most common reconciliation statement is that used to bring into agreement with the General Ledger Bank account balance and Bank Statement balance (see "bank reconciliation").
Reconcile (verb)	To ascertain the precise components of the difference between two related figures produced independently of each other.
Revenue	Income received from any source.
Schedule	A detailed list of items, on a properly headed working paper, totaled to agree with the figure that is being analysed or supported and cross-referenced.



Ukrainian Community in Luxembourg  
 Adresse : 29 Boulevard Prince Henri  
 L-1724, Luxembourg  
 Registre LBR: F9931

**CASH RECEIPT CONFIRMATION**

<b>Event / Donation / Other / Payment</b>	
<b>Received from:</b>	
<b>Received by:</b>	
<b>Date of Receipt:</b>	
<b>Amount Received:</b>	

Received from:

Received by:

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

Name

Name

Date & Location

Date & Location

## APPENDIX 2



EXPENSE REPORT Reference: **IP112023**

Page 1 of 1

### SECTION 1: REQUESTOR INFORMATION

First Name	Last Name	Phone	Email	Date:		
				dd	mm	yyyy
Ім'я	Прізвище	телефон	імейл	1	1	2023

### SECTION 2: EXPENSE TYPE

Administrative / Адміністративні      Emergency Response / Допомога з  
 Culture / Культура      Fundraising / Фандрейзінг      Refugees / Допомога біженцям

*(Check one box / виберіть один напрямок)*

If expense is related to an event or specific project please name it below / Якщо витрати відносяться до події чи певного проекту, вкажіть їх назву:

EVENT / ПОДІЯ \_\_\_\_\_  
 PROJECT / ПРОЕКТ \_\_\_\_\_

### SECTION 3: EXPENSES

Date	Description	Category	Currency	Amount / Сума	Exchange Rate	Currency to be paid	Amount to be paid
		Other	EUR		1.0000	EUR	-
		Other	UAH		1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-
					1.0000	EUR	-

Category Totals	Amount
Office supplies	-
Food&Drinks	-
Bank fees	-
Petrol	-
Maintenance	-
Fees&taxes	-
Rental	-
Acquisition	-
Administrative	-
Delivery (drivers etc.)	-
Marketing materials	-
Merch	-
Other	-

Total to be Reimbursed: \_\_\_\_\_ -  
 Currency to be Reimbursed: \_\_\_\_\_ Euro

*All receipts should be taped separately and submitted with this report.*

### SECTION 4: BANKING INFORMATION

#### SEND PAYMENT TO:

Bank Name: \_\_\_\_\_  
 Account Name: \_\_\_\_\_  
 IBAN: \_\_\_\_\_  
 BIC: \_\_\_\_\_

### SECTION 5: APPROVALS

#### APPROVAL: (Sign & Print Name)

Ім'я Прізвище \_\_\_\_\_  
 Name \_\_\_\_\_ Date (dd/mm/yy) \_\_\_\_\_  
 Approver \_\_\_\_\_ Date (dd/mm/yy) \_\_\_\_\_  
 Approver \_\_\_\_\_ Date (dd/mm/yy) \_\_\_\_\_

### SECTION 6: SUBMISSION - SEND EXPENSE REPORT AND RECEIPTS TO:

LUkraine Asbl  
 ATTN: Mariia Dulyk  
 TEL: +32 498 93 87 84      EMAIL: mariia.dulyk@ukrainians.lu

ATTN: Mariya Kolesnyk  
 TEL: +352 661 909 817      EMAIL: mariya.kolesnyk@ukrainians.lu



## APPENDIX 4

### SERVICE AGREEMENT

**THIS AGREEMENT** is signed on [date] (the Effective Date) and purports to set out in writing the terms of a service agreement effective as of the Effective Date (henceforth referred to as the Agreement),

BETWEEN:

**LUkraine, association sans but lucratif**, a not for profit organisation incorporated under the laws of Luxembourg, having its registered office at L-1724 Luxembourg 29, boulevard Prince Henri registered under the number F 9931, duly represented by its President, Nicolas Zharov (the Client or the Company);

AND

[name][address][bank details]

(the Service Provider).

The Client and the Service Provider shall hereinafter be collectively referred to as the Parties, and each individually as a Party.

WHEREAS

- A. The Client desires to retain the Service Provider, to perform certain services described herein in a professional manner and with the level of professional skills and expertise required for the performance of the requested services.
- B. The Service Provider has represented to the Client that it possesses the qualification and the expertise to provide the Services and desires to perform the Services and take responsibility for such Services in accordance with the terms of this Agreement.

IT IS AGREED as follows:

#### 1. INTERPRETATION

- 1. In the Agreement, the following words shall have the following meaning:

*Clause* shall mean a clause of the Agreement.

*Commencement Date* shall mean the Effective Date or such other later date as shall be mutually agreed between the Parties.

*Services* shall mean the services to be provided by the Service Provider on the terms contained in the Agreement as described in Article 2

#### 2. SERVICES

- 1. With effect from the Commencement Date, the Service Provider shall provide the following Services and, in so doing, shall at all times now and in the future comply with any applicable law and regulation, such as, without limitation, data privacy and confidentiality:
  - a. [service description]

2.2 The Services shall be provided from any geographic place deemed suitable for their due performance as the Service Provider in his/her reasonable discretion shall determine from time to time.

2.3 For avoidance of doubt, it is hereby agreed that this Agreement is not entered into on an exclusive basis by either of the Parties and that each Party may consequently contract with third parties for the provision of services similar or identical to the Services.

### 3. DUTIES OF THE SERVICE PROVIDER

1. The Service Provider shall perform the Services with due diligence and in a safe and competent manner. The Service Provider shall acquaint himself/herself and comply with any working practices, rules or procedures applicable to others (whether independent contractors or employees) at any location from where and to where the Service Provider is performing the Services.
2. The Service Provider shall also comply with all applicable laws. The Parties agree specifically that it is the Service Provider's duty to carry out any administrative operations and duties required of the Service Provider to be in compliance with the Luxembourg legislation on business authorisations, on social security and taxation.
3. In case the Service Provider is, for whatever reason, not able to perform the Services, the Service Provider shall immediately inform the Client thereof.
4. The Service Provider shall act in, and use his/her best endeavours to promote and protect, the interests of the Client in accordance with the general policy, articles of association, and directions of the Client. The Service Provider shall comply with all reasonable instructions given to it by the Client in connection with the performance of the Services.
5. The Service Provider shall provide the full benefit of his/her knowledge, expertise, technical skill and ingenuity in connection with the provision of Services and devote the requisite time, attention and abilities for the proper performance of the Services.

### 4. FINANCIAL TERMS

For the period starting from the Commencement Date until the date of termination of the contract (as determined in accordance with Clause 6.2.), a service fee of EUR [FEE total amount or fee per hour] gross will be payable by the Client to the Service Provider.

The Service Provider will invoice [total time spent, or number of services provided within a month at the end of each month] OR [total FEE amount]

- a. The invoices must be paid by the Client within a timeframe of 10 working days following receipt of the invoice.
- b. Any payments made by the Client to the Service Provider under the Agreement shall be paid to the bank account indicated by the Service Provider to the Client.

### 5. LIABILITY AND OTHER MATTERS

The Service Provider agree to obtain and maintain at his/her costs professional liability insurance against the risk of third party's bodily injury or property damage.

In addition, as the Service Provider shall act as an independent contractor for and not as an employee of the Client he/she shall be exclusively in charge of any applicable social security and other requirements necessary or useful for him/her in connection with the provision of the Services. This will as the case may be include any applicable coverage for employer's liability, workers compensation legislations, occupational health and safety legislation.

### 6. DURATION AND TERMINATION

1. Duration

The Agreement is effective from the Commencement Date and is concluded for a duration of [number of months] months which, if so desired, may be extended by mutual agreement in writing between the Parties hereto.

2. Termination

1. The Service Provider's services pursuant to the Agreement shall be terminated by the first to occur of the following events:

- i. Expiry of the term as defined in Clause 6.1.
- ii. The insolvency ("faillite") or liquidation or similar event of the Service Provider;
- iii. The termination by any of the Parties. Such termination may be initiated at any time (without justification) upon one (1) month prior written notice to the other Party;
- iv. The discharge of the Service Provider by the Client for Cause. Cause as used herein shall mean:
  - A. Acts of fraud, negligence or willful misconduct by the Service Provider against the Client, or in connection with the performance of the Services and the duties hereunder; or
  - B. The Service Provider's willful failure or refusal to comply with the provisions of the Agreement or of the articles of association of the Client, or to perform the Service Provider's duties and obligations, in any material respect (a Default); provided, however, that in the case of this sub-clause (B) termination for Cause shall occur only if the Client has given written notice of the Default to the Service Provider and the Service Provider has failed to cure the Default in question during a period of thirty (30) days after the date the Service Provider's receipt of such notice;
- v. Upon any such termination, the Client shall be released from all obligations hereunder, including without limitation, the obligation to pay the Service Provider pursuant to Clause 4 hereof, except for services already performed, subject always to compliance with the mandatory requirements of Luxembourg law.

## **7. MISCELLANEOUS**

1. No employment, partnership or agency

Nothing contained in the Agreement shall be construed or have effect as constituting any relationship of employer and employee or partners between the Client and the Service Provider.

2. Expenses, fees

Each of the Parties shall pay the expenses made or undertaken by it prior to the date of the Agreement relating to the entry into and the performance under the Agreement.

3. Further assurance

Each of the Parties agrees to perform now and/or in the future (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and/or give effect to the Agreement.

4. Notices

Any notices or communications under the Agreement or in connection herewith shall be in writing and forwarded by registered mail to the address of the other Party set forth at the beginning of the Agreement, or shall be handed over against receipt. Such notice or communication shall be deemed to have been given the third Luxembourg business day after the same is mailed, or the first business day after the delivery against receipt. The Parties may change their addresses by notice in writing to the other Party in accordance with this section.

5. Severability

Every provision of the Agreement is intended to be severable.

If any term, condition or provision of the Agreement shall be judged to be invalid or unenforceable for any reason whatsoever, such invalidity shall not affect the validity or enforceability of any other term, condition or provision.

6. Non-Waiver

The waiver, express or implied, by any of the Parties of any right under the Agreement or of any failure to perform or breach thereof by the other Party shall neither constitute nor be deemed to constitute a waiver of any other right thereunder or of any claims or remedies available under applicable law in respect of any other failure to perform or breach hereof by such other Party, whether of a similar or dissimilar nature thereto.

7. Modifications

No oral explanation or oral information by any of the Parties hereto shall alter the meaning or interpretation of the Agreement. No amendment or change thereof or addition thereto shall be effective or binding on any of the Parties unless it shall be set forth in writing and be duly executed by the Parties.

8. Counterparts

The Parties, to the extent necessary, waive their rights with respect to article 1325 of the Luxembourg Civil Code and agree that the Agreement may be executed simultaneously in as many counterparts as there are parties hereto, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This will have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

**8. APPLICABLE LAW AND JURISDICTION**

1. The validity, construction and performance of the Agreement are governed by, and shall be construed in accordance with, the laws of the Grand Duchy of Luxembourg.
2. Any dispute between the Parties arising out of, or in connection with, the Agreement shall be submitted to the exclusive jurisdiction of the courts of the District of Luxembourg City.

IN WITNESS THEREOF the Parties to the Agreement have executed the Agreement in two original counterparts on the day and year which appears first on page 1. Each of those Parties acknowledges having received one original copy of the Agreement.

**LUkraine, Association sans but lucratif**

\_\_\_\_\_  
Nicolas Zharov

President

\_\_\_\_\_  
Mariia Dulyk

Treasurer

\_\_\_\_\_  
**[responsible committee member]**

**Service Provider**

\_\_\_\_\_

Name: