APPROVED

by the Decision of the Director
of the Public Foundation
International Research Hub
10.12.2025

INTERNATIONAL RESEARCH HUB

FINANCIAL POLICY

of the International Research Hub Public Foundation

Astana, 2025

1. General Provisions

1.1. This Financial Policy (the Policy) establishes the legal and organizational framework governing the management of the financial resources of the International Research Hub Public Foundation (the Foundation), including the planning, utilization, accounting, control, and reporting of the Foundation's financial operations.

1.2. This Policy applies to all financial transactions of the Foundation, irrespective of the source of funding, including the Foundation's own resources, grants, donations, earmarked contributions, and any other funding sources permitted under the legislation of the Republic of Kazakhstan.

1.3. The purpose of this Policy is to ensure transparency and accountability in the Foundation's financial management, promote the efficient and intended use of financial resources, ensure compliance with the legislation of the Republic of Kazakhstan, and fulfil the Foundation's obligations to donors and other partners.

1.4. The Foundation's financial activities shall be carried out in accordance with the legislation of the Republic of Kazakhstan, including legislation governing taxation, non-profit organizations, accounting and financial reporting, as well as the Foundation's Charter and this Policy.

2. Principles of Financial Management

2.1. The Foundation manages its financial resources in accordance with the principle of purpose-specific use of funds, whereby all financial resources shall be used exclusively for the implementation of the Foundation's statutory objectives and activities, as well as for the fulfilment of obligations arising from projects and programmes.

2.2. The principle of transparency and accountability requires that all financial transactions be properly documented, accurately recorded in the accounting system, and be capable of verification through internal controls, audits, or upon request by competent authorities or donors.

2.3. The Foundation applies the principle of reasonable assurance, implementing internal control procedures sufficient to prevent errors, misuse, and irregularities while avoiding unnecessary administrative burdens and ensuring the efficient operation of the Foundation.

2.4. Where practicable, the Foundation shall ensure an appropriate segregation of duties, whereby the initiation of expenditures, approval of expenditures, and execution of payments are performed by different individuals, taking into account the Foundation's organizational structure and operational scale.

2.5. Under the principle of cost proportionality, all financial commitments shall be economically justified, consistent with the objectives and scope of the relevant project, and limited to expenditures reasonably necessary to achieve the intended results.

2.6. Where donor funding is received, the Foundation shall comply with the applicable financial management, reporting, and control requirements of the relevant donor organization, provided that such requirements do not conflict with the legislation of the Republic of Kazakhstan.

Below is a polished, publication-ready translation suitable for use as an official internal policy of an international foundation, aligned with the drafting style commonly used by the World Bank, UN agencies, OECD, the European Commission, and international NGOs.

3. Financial Management and Allocation of Responsibilities

3.1. The overall management of the Foundation's financial activities, including the organization of financial processes, managerial decision-making, and ensuring compliance with this Policy, shall be carried out by the Director of the Foundation within the scope of the authority established by the Foundation's Charter.

3.2. The Director shall make decisions regarding the allocation of financial resources and approve expenditures based on the supporting justifications and documentation submitted, while ensuring that an internal control system is maintained to the extent necessary to ensure the legality and appropriateness of financial transactions.

3.3. Accounting and tax bookkeeping, the preparation of financial and tax reports, and the recording of financial transactions shall be performed by the Accountant or another duly authorized person assigned with such responsibilities.

3.4. The person responsible for accounting shall bear independent responsibility for maintaining accurate accounting records, ensuring the reliability of financial reporting, the proper recording of transactions, and compliance with the accounting and tax legislation of the Republic of Kazakhstan.

3.5. The Director shall not perform accounting functions and shall not be responsible for the technical accuracy of accounting records, calculations, or financial reports, provided that such responsibilities have been assigned to a competent person. The Director may reasonably rely upon the information, calculations, and documentation prepared by the Accountant unless there are evident grounds to question their accuracy or reliability.

3.6. Individuals who prepare and submit documents serving as the basis for financial decisions shall be responsible for the completeness and accuracy of such documents.

3.7. The Director may delegate specific financial responsibilities to authorized personnel. Such personnel shall be accountable for the performance of the delegated functions within the limits of their assigned authority.

3.8. The Director shall perform financial management responsibilities in accordance with the principles of good faith, reasonableness, and due care.

4. Financial Planning and Budgeting

4.1. Financial planning shall be carried out to ensure the sustainability of the Foundation's operations and the efficient use of resources. Financial planning may include an annual operating budget as well as budgets for individual projects and programmes.

4.2. Funds shall be expended within the limits of the approved budgets unless a duly justified deviation from the approved budget has been documented.

4.3. Project and programme budgets may be amended during implementation where circumstances change, including changes in donor requirements, funding levels, or project scope, provided that such amendments comply with the applicable grant agreements or other governing instruments.

5. Expenditures and Payment Procedures

5.1. Expenditures shall be made only on the basis of duly executed supporting documentation, including contracts, invoices, completion certificates, service acceptance certificates, or other documents demonstrating the economic justification and actual execution of the relevant transaction.

5.2. Every expenditure shall relate to the Foundation's activities or the implementation of a specific project, shall be economically justified, and shall be supported by appropriate documentary evidence.

5.3. Approval of expenditures shall be granted by the Director or an authorized representative, taking into account the availability of financial resources, the intended purpose of the expenditure, and compliance with the approved budget.

5.4. Payments shall generally be made by bank transfer unless otherwise required by the legislation of the Republic of Kazakhstan or justified by the specific nature of the transaction.

5.5. Individuals preparing and signing documents supporting expenditures shall be responsible for the accuracy and completeness of such documentation.

6. Procurement

6.1. The procurement of goods, works, and services shall be conducted in accordance with the Foundation's Procurement Policy, which constitutes a separate internal document governing supplier selection and contract award procedures.

6.2. Financial decisions relating to procurement shall be based on the principles of justification, value for money, and adequate documentary support, while ensuring that all procurement activities remain subject to subsequent verification and audit.

7. Documentation and Accounting

7.1. All financial transactions shall be properly documented and recorded in the accounting system in accordance with the legislation of the Republic of Kazakhstan.

7.2. Financial documents may be created, maintained, and stored electronically, provided that the applicable legal requirements governing electronic documents and their legal validity are satisfied.

7.3. The Foundation shall retain financial records for the periods prescribed by applicable legislation and shall ensure their availability for review, audit, and inspection.

7.4. Financial transactions shall be recorded on the basis of primary accounting documents by the person responsible for accounting, who shall ensure their accuracy and timely recording.

8. Financial Reporting

8.1. The Foundation shall prepare statutory financial and tax reports in accordance with the legislation of the Republic of Kazakhstan and shall prepare project- and grant-specific financial reports in accordance with the relevant contractual obligations.

8.2. The scope and content of financial reporting shall be determined by applicable legal requirements, donor agreements, and the Foundation's internal management needs.

9. Relations with Donors

9.1. Where donor funds are utilized, the Foundation shall ensure that such funds are used exclusively for their intended purposes, that financial transactions remain transparent, and that all supporting documentation is readily available.

9.2. The Foundation shall comply with donor requirements relating to financial reporting, expenditure verification, procurement procedures, and other aspects of financial management, provided that such requirements do not conflict with the legislation of the Republic of Kazakhstan.

9.3. The Foundation shall maintain full traceability of financial resources from the funding source through to the achievement of project results, including the ability to reconcile expenditures with project outputs and outcomes.

10. Internal Control and Audit

10.1. The Foundation shall maintain an internal control system designed to ensure the legality, appropriateness, and reliability of financial transactions.

10.2. The Foundation may conduct internal and external financial audits on its own initiative or at the request of donors.

10.3. Financial processes and supporting documentation shall be organized in a manner that facilitates effective audit, verification, and independent review.

10.4. The internal control framework shall be based on an appropriate segregation of duties and responsibilities among participants in the Foundation's financial processes.

11. Financial Risk Management

11.1. The Foundation shall take reasonable measures to prevent financial risks, including the risks of misuse of funds, accounting errors, fraud, and other improper conduct.

11.2. Risk management and control measures shall be proportionate to the scale of the Foundation's operations, the nature of its projects, and the principle of reasonable assurance.

12. Final Provisions

12.1. This Policy shall be approved by the Director of the International Research Hub Public Foundation in accordance with the Foundation's Charter and shall enter into force on the date of its approval unless another effective date is specified in the approval decision.

12.2. Any amendments or additions to this Policy shall be approved by the Director and adopted in accordance with the same procedure applicable to its original approval.

12.3. This Policy shall be applied together with the Foundation's other internal policies governing financial management, procurement, human resources, and project management. In the event of inconsistency between this Policy and any other internal document, this Policy shall prevail unless otherwise required by applicable law or by the nature of the relevant legal relationship.

12.4. Matters not expressly regulated by this Policy shall be governed by the legislation of the Republic of Kazakhstan, the Foundation's Charter, and other applicable internal policies.

12.5. Should any provision of this Policy be declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Policy.

Appendix 1. Payment Justification Form

PAYMENT JUSTIFICATION FORM

1. General Information

Project / Programme: ____________________________

Project Code (if applicable): ____________________

Funding Source: _________________________________

2. Basis for Payment

Contract / Supporting Document: __________________

Date and Reference No.: __________________________

3. Description of the Obligation

4. Payment Amount

Amount: ____

Currency: _______________________________________

5. Justification for the Expenditure

6. Supporting Documents

☐ Contract

☐ Invoice

☐ Completion / Acceptance Certificate

☐ Other: ___________________________________

7. Certification

I hereby certify that the information provided above is accurate and complete and that the expenditure is consistent with the objectives of the relevant project and the activities of the Foundation.

Initiator / Accountant: ________________________

Name: ____

Date: ____