

APPROVED
Executive Director
NGO «Technology of Progress»
Zadvornyy V.V.
April 8, 2025



Approved
By Order No. 2-D dated April 8, 2025

Approved
By the Decision of the Extraordinary General
Meeting No. 1-P dated April 8, 2025

FINANCIAL AND ACCOUNTING POLICY

Kyiv, 2025

Name of the Organization:	NGO «TECHNOLOGY OF PROGRESS»
State Registration Number:	1009361020000000000 19.05.2022
Registered Address:	Ukraine, 79000, Lviv Region, Lviv City, 10 Kyshynivska Street
Legal entity Code:	44784941
Non-Profit Code:	0032
Subsidiaries, Branches, and Representative Offices:	None
Legal Form:	Non-Governmental Organization (NGO)

In accordance with the Law of Ukraine «On Accounting and Financial Reporting in Ukraine» dated July 16, 1999, No. 996-XIV, the National Accounting Standards, and other regulatory acts governing the procedures for accounting, preparation, and submission of financial reporting, and with the aim of ensuring the timely provision of reliable information to users of financial statements:

1. Organization of Accounting

- 1.1 The responsibility for accounting and financial control lies with the organization's accountant. In their work, the accountant is guided by their job description.
- 1.2 The journal-order system of accounting shall be used, employing the BookKeeper SaaS software.
- 1.3 Primary (original) documentation confirming business transactions shall be printed monthly, grouped by specific characteristics, and promptly recorded in the accounting registers.
- 1.4 Accounting registers (journals-orders, trial balances, etc.) shall be stored in electronic form and printed on paper upon request or when necessary.
- 1.5 The basis for recording business transactions in accounting is the primary documentation.
- 1.6 Primary documents shall be prepared on paper or as electronic records in a format that ensures their content is accepted and precludes the possibility of subsequent falsification (Article 5 of the Law of Ukraine «On Electronic Documents and Electronic Document Management»).
- 1.7 Standardized forms of primary accounting documents are used for bookkeeping. If no approved form exists for a specific business transaction, custom-developed forms may be used, provided they include all mandatory requisites required by law.
- 1.8 The following forms of primary accounting documentation are used by the organization:

No.	Document Code	Title of Primary Document
	Personnel <i>In accordance with the Order of the State Statistics Committee of Ukraine No. 489 dated December 5, 2008.</i>	Recordkeeping
1.	Form P-1	Employment Order
2.	Form P -3	Leave Order
3.	Form P -4	Employment Termination Order
4.	Form P -5	Timesheet

5.	Form P -6	Business Trip Order
	Payroll Accounting and Payment Records (Order No. 489)	
6.	Form P -7	Employee Payroll Statement
7.	Form P -8	Consolidated Payroll Statement
8.	W	Sick Leave Certificate
		Cash operations and their inventory (audit) <i>According to the Regulation dated December 29, 2017, No. 148</i>
9.	W	Cash Payment Statement
10.	Form KO-1	Cash Receipt Voucher
11.	Form KO-2	Cash Payment Voucher
12.	Form KO-2	Register Journal of Cash Receipt and Payment Documents
13.	Form KO-4	Cash Book
14.	-	Inventory Report on Cash on Hand
	Accounting for Settlements with Accountable Persons <i>According to the Order of the Ministry of Finance dated 28.09.2015 No. 841</i>	
15.	-	Report on the Use of Funds Issued for Business Trips or Advances
	Cashless Payments <i>According to the Resolution of the National Bank of Ukraine dated 15.05.2009 No. 296</i>	
16.	041001	Payment order
17.	-	Invoice
	Accounting for Intangible Assets <i>According to the Ministry of Finance Order No. 732 dated November 22, 2004</i>	
18.	Form IA-1	Act of Commissioning an Intellectual Property Object into Economic Circulation as Part of Intangible Assets
19.	Form IA -2	Inventory Card for Accounting of an Intellectual Property Object as Part of Intangible Assets
20.	Form IA -3	Act of Disposal (Liquidation) of an Intellectual Property Object as Part of Intangible Assets
21.	Form IA -4	Inventory Description of Intellectual Property Objects as Part of Intangible Assets
	Inventory Accounting <i>According to the Order of the Ministry of Statistics dated June 21, 1996 No. 193, and May 22, 1996 No. 145</i>	
22.	-	Waybill
23.	-	Inventory Acceptance and Transfer Act (of small tools, materials, goods, etc.)
24.		Write-off Act for Low-Value and Fast-Wearing Items
25.	Form M-2	Power of Attorney

26.	Form M-21 Inventory Description	
	Accounting for Fixed Assets <i>According to the Order of the Ministry of Finance dated 13.09.2016 No. 818</i>	
27.	-	Fixed Assets Acceptance and Transfer Act
28.	-	Fixed Assets Commissioning Act
29.	-	Act of Transfer for Repair, Reconstruction, and Modernization of Fixed Assets
30.	-	Inventory Card for Fixed Asset Accounting
31.	-	Depreciation Calculation of Fixed Assets (except for Intangible Non-Material Assets)
32.	-	Depreciation Calculation of Other Non-Current Tangible Assets
33.	Form IDF - 1	Inventory Description of Fixed Assets
	Accounting for Settlements with Counterparties	
34.		Contracts, Acceptance Certificates of Completed Works, Invoices
35.		Reconciliation Statement of Mutual Settlements
36.	Documents Regulating the Organization's Accounting Policy	
37.		Order on Accounting Policy
38.		Annexes to the Order on Accounting Policy
	Accounting Registers	
39.		General Ledger
40.		Accounting Registers
	Organization's Reporting	
41.	-	Tax calculation of amounts of income accrued (paid) to individual taxpayers, withheld tax amounts, and accrued single social contributions
42.	-	Report on the use of income (profits) of a non-profit organization
43.	-	Financial report of a microenterprise (Form №1-ms, 2-ms)

1.9 The recording of the organization's business transactions is carried out in accordance with the working Chart of Accounts, prepared based on the Chart of Accounts approved by the Ministry of Finance Order No. 291 dated November 30, 1999 (annex to Order No. 1).

1.10 For expense accounting, the organization uses Class 9 of the accounts.

1.11 The list of employees authorized to record business transactions in primary documents and to sign primary documents, as well as the persons permitted to receive and issue inventory items, is approved by the order of the organization's head.

List of officials authorized to conduct business transactions and sign primary documents

No.	Signing authority	Full Name (initials and surname)
1	2	3
1	First Signature Authority	Zadvornyy Vasyl

List of officials authorized to receive and issue inventory and materials

No.	Position	Full Name (initials and surname)
1	2	3
1	Executive Director	Zadvornyy Vasyl

1.12 List of primary documents that serve as the basis for recording business transactions in the accounting records of the public organization:

No.	Business transaction	Primary document
1.	Acquisition of fixed assets	Contract, invoice, acceptance-transfer act
2.	Acquisition of inventory (small tools, materials, goods)	If inventory purchased from supplier – invoice, consignment notes, delivery notes; if received from accountable persons – sales receipts, payment slips, cash receipts
3.	Capitalization of intangible assets	Acceptance act of intangible assets indicating date of receipt, initial cost, useful life, depreciation, main characteristics of the intangible asset; documents confirming organization's rights to intellectual property
4.	Receipt of services	Contract, work completion act, invoice
5.	Receipt of grant, charitable contributions	Grant agreement or contract specifying amount of funds, purposes of use, reporting conditions for targeted use of funds
6.	Transfer of fixed assets	Acceptance-transfer act
7.	Transfer of inventory	Waybill, acceptance-transfer act
8.	Write-off of small tools and inventory	Write-off act

1.13 Persons who prepare and sign primary documents are responsible for their timely preparation, accuracy of information contained therein, and their submission within the prescribed deadlines and for the intended purpose.

1.14 At the beginning of the reporting year, the organization prepares a planned budget of income and expenses. At the end of the current year, the organization prepares an actual budget to analyse which budget items have remaining funds and which lack sufficient funds to finance expenses.

1.15 Employee remuneration is carried out within the limits of the approved income and expense budget for the current year, according to the staffing schedule and based on the time sheet.

1.16 Accounting for cash operations shall be conducted in accordance with the Regulation on conducting cash operations in the national currency in Ukraine, approved by the NBU Resolution dated 29.12.2017 No. 148.

1.17 Business trips within the organization are formalized by the relevant order; only trips related to specific projects and work are allowed. Only persons who have labour relations with the organization (including part-time employees) may be sent on business trips.

1.18 Received funds are accounted for in account 484 «Other funds of targeted financing and targeted receipts» and recognized as income at the time and in the amount of incurred targeted expenses in account 745. Targeted financing is recognized as a monetary item in the amount of foreign currency funds; accordingly, exchange differences are accounted for as targeted financing. Account 48 «Targeted financing and targeted receipts» is adjusted for exchange differences as of the balance sheet date.

1.19 The organization uses income (profits) exclusively to finance expenditures for its maintenance, implementation of the purpose (goals, objectives), and activities defined by the Charter of the public organization.

1.20 Annual report is prepared using the forms: «Financial reporting of a microenterprise» (form No. 1-ms) and «Report on financial results» (form No. 2-ms) and submits the Report on the Use of Income (Profits) of a Non-Profit Organization.

1.21 Responsibility for submitting financial, tax, and statistical reports within the timeframes established by law lies with the Executive Director of the Organization and the Chief accountant of the Organization.

2. Fixed Assets

2.1 A fixed asset is recognized if its expected useful life exceeds one year and its cost exceeds UAH 20,000.

2.2 A fixed asset is considered a completed device with all accessories and attachments as defined in clause 4 of Accounting Regulation (Standard) 7 (P(S)BO 7).

2.3 The useful life of fixed assets is determined by a commission appointed by the organization's head. The useful life may be revised if the expected economic benefits from the fixed asset change due to improvements (additional equipment, reconstruction, modernization, modification, extension) or repairs.

2.4 According to P(S)BO 7 «Fixed Assets», the organization uses the straight-line method for depreciation calculation.

2.5 Depreciation is calculated considering the minimum permissible useful life terms of fixed assets established by Article 138 of the Tax Code of Ukraine.

2.6 To organize accounting and ensure control over the preservation of non-current assets, each asset is assigned an inventory number.

2.7 Assigned inventory numbers are retained for the entire period the asset remains in the organization. Numbers of disposed or liquidated assets are not reassigned to new assets.

3. Low-value Non-current Tangible Assets (LVNTA)

3.1 LVNTA include assets other than fixed assets (per clause 138.3.3 of the Tax Code), with useful life over one year and cost not exceeding UAH 20,000.

3.2 Depreciation for LVNTA is charged 100% in the first month of use.

4. Intangible Assets (IA)

4.1 The initial cost of an intangible asset consists of the purchase price and other directly attributable expenses to bring the asset to its intended use.

4.2 Useful life of intangible assets:

– Accounting software — 2 years;

– Other software products — 2 years.

4.3 Intangible assets are amortized using the straight-line method over their expected useful life.

5. Inventory (Low-value and Fast-wearing Items)

5.1. Items with a usage term less than one year are accounted for in account 22 «Low-value and fast-wearing items». At the moment of issuing such items for use, they are written off.

6. Foreign Currency Transactions

6.1 Foreign currency transactions are recorded at the exchange rate on the date of the transaction (NBU exchange rate).

6.2 Exchange differences on monetary items in foreign currency are determined at the transaction date and at the balance sheet date on all monetary items and are reflected as other operating income (expenses).

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7. Provisions for Future Expenses and Payments

7.1 According to clause 8 of Section I of P(S)BO 25, the organization does not create provisions for accrued employee vacation pay but recognizes the expenses in the period they are incurred.

8. Other Income.

8.1 Summary information on other operating income during the reporting period is maintained in account 71 «Other Operating Income».

8.2 Credit balance of account 71 reflects income increase, debit reflects write-offs to account 79 «Financial Results».

8.3 Analytical accounting is maintained in subaccounts: 714 — Income from operating exchange differences; 719 — Other operating income.

8.4 Summary information on other income is maintained in account 74 «Other Income».

8.5 Analytical accounting in subaccount 745 — Income from gratuitously received assets.

9. Recognition of Income and Expenses

9.1 Income from targeted financing for acquiring current assets is recognized as income over the periods in which expenses related to fulfilling targeted financing conditions are incurred (per clause 17 of P(S)BO 15).

9.2 Income from targeted financing for acquiring fixed and intangible assets is recognized over the useful life of the acquired assets, proportional to accrued depreciation (per clause 18 of P(S)BO 15).

9.3 Expenses without primary documents at the reporting date are recognized in the period of income receipt or actual incurrence if the expenses cannot be directly linked to income. Such transactions are reflected based on an accounting memo prepared on December 31 with estimated expenses.

9.4 If documents received after financial statements reveal significant errors affecting previous period reports, an accounting memo is prepared in the month of error detection; previous financial statements are corrected, and an amended Report on Use of Income (Profits) is submitted.

9.5 Income and expenses from operations are included in the financial result report on the accrual and matching principles and reflected in the accounting and financial reports of the respective periods.

10. Financial Result

10.1 Subaccount 791 «Operating Activity Result» shows profit (loss) from operating activities. The credit of this subaccount includes closing of income from other operating activities (account 71) and other income (account 74), debit includes administrative expenses (account 92) and other operating expenses (account 94).

11. Inventory

11.1 To ensure reliability of accounting data and financial reporting, annual inventory of assets is conducted.

11.2 Inventory is performed based on the order of the organization's head.

11.3 Before the inventory, a permanent inventory commission is appointed by the head (annex to order No. 2).

12. Document Storage

12.1. Storage of primary documents and accounting registers that have been processed and served as a basis for report preparation and transfer to the archive is ensured by the Chief accountant of the Organization.

13. Final Provisions

13.1. This Policy comes into effect from the date of its approval by the Executive Director of the Organization.