



Financial Policy
of Georgian American University, LLC

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The purpose of the University's financial policy is to define guidelines and general mechanisms for budgeting to be closely linked to the choice of the University's strategic priorities and the strategy for acquiring relevant resources, establishing norms for schools of basic educational units, other structural / auxiliary units, incentives for academic staff and other relevant norms - through acquisition of the productivity of existing resources and external resources.

Given that there is currently no rigorous theoretical framework for determining what a university budget should be, GAU, in defining its financial policy and budgeting, still takes into account the views of higher education theory. Therefore, the purpose of this financial policy is to show the stakeholder how our financial policy and its philosophy are understood through the nature of its specific manifestation - the budget in our reality. In this regard, it should be emphasized that although GAU is a small university to date, its financial policies and philosophy could be freely expressed in its budget, such as:

- Technical means as a mechanism of rational and alternative approaches and organizing process to achieve the strategies, priorities and organizational tasks of the University.

In addition, policy development aims to show stakeholders' willingness and ability to make creative, alternative decisions by the University. Based on the above:

- The process of forming the financial policy of the University and the main financial document - the budget is not considered as a technical option. The budget process, in addition, includes the negotiation and competition process, which involves those university entities that compete to achieve the goals and objectives set for university resources.

Finally, GAU, as an institution with scientific research activities, as well as activities aimed at public solidarity and responsibility, sees the budget process and gives some place to the budget in its philosophy as:

- A cultural and symbolic act that ensures the achievement of the social norms and values that the University stated in its strategic plan through the distribution of university funds.

The financial policy of the University is adopted in accordance with the legislation of Georgia, the internal regulations of the University and the strategic plan.

I. Purpose of Financial Policy

The purpose of the University's Financial Policy is:

- Long-term support of the University, its financial sustainability and increasing the efficiency of university activities in the field of teaching and research;
- Achieving the University's mission, vision and strategic plan.

II. University budget formation priorities

The priorities of the university budget formation are:

- Create an appropriate environment for quality academic education;
- Develop research and development activities and innovation-oriented areas;
- Allocate funds to improve the weaknesses of the university;

III. Course of action

To achieve its goals, the University focuses on financial policy in four ways:

- Revenue diversification and focus;
- Modernization of educational programs;
- Managing administrative costs policy;
- Increase the efficiency of financial management.

III.I. Revenue diversification and focus

In order to increase the total income of the University, the income of the University should be increased:

- by percentage of funds received from international programs and international funds;
- Co-financing joint scientific activities with private sector participants, including applied research.

This financial policy is aimed at optimizing the activities of academic and scientific staff, the work requirements for academic and scientific staff should be flexible. It is possible to reduce teaching-related commitments for the purpose of successfully completing research and development activities or developing educational programs. This helps to focus financial resources on the priority activities for the university at that stage.

The University promotes lifelong learning in all its diversity. It is important to increase the income from continuing educational activities.

The University facilitates the activities of its staff outside the University, thereby creating added value between the employee and the University, strengthening the relationship between the University and the community, as well as creating a condition for the University to mobilize additional revenue.

III.II. Modernization of educational programs

The University's financial policy envisions the systematic modernization of curricula with the main goal of improving the quality of curricula and teaching and linking them to the needs of the community. Quality is ensured by reducing the number of training programs that creates a prerequisite for better funding of important and viable training programs. Consequently, financial support for these activities is a strategic approach of the University.

The University pays attention to the development of interdisciplinary programs, where the consolidation of material and academic resources will be carried out.

III.III. Manage administrative costs policy

The University's financial policy is geared towards optimizing administrative costs, which will help to increase costs incurred on the core activities of the University.

Administrative costs include:

- Funds for the activities of the administration and auxiliary structural units;
- Costs for the activities and undertakings implemented throughout the university;

The University promotes the development of e-services.

The university helps to increase energy efficiency.

III.IV. Increasing the efficiency of financial management

The University Financial Office monitors the fulfillment of financial obligations by the main educational units - schools, scientific research centers (institutes) and additional structural units;

The heads of the auxiliary structural units of the main educational unit - school, scientific-research centers (institutes) are responsible for reporting on projects, agreements / contracts, events and other activities.

The Financial Office ensures an increase in the effectiveness of financial management at all levels - in the main educational unit - in the school, scientific / research institute or auxiliary structural unit.

For this purpose, the Financial Office:

- Presents financial statements;
- Controls structural units to comply with financial discipline and contract deadlines;
- Conducts trainings and individual consultations.

According to the remuneration policy, the increase in employees' salaries is related to the evaluation indicators of their performance.

The increase in the salaries of the heads of the main educational units, the auxiliary structural units, is also related to the evaluation rate of their activities, including financial activities.

The criteria for evaluating the financial performance of the heads of basic educational units, auxiliary structural units are:

- Adherence to financial discipline;
- Salary rate of academic / invited / scientific staff;
- Increase in structural unit revenues.

The University plans to launch new projects / activities based on a thorough financial analysis.

III.V. Other activities

The University considers it important to provide financial support to student associations / clubs, as well as student events. A strong student group is an important partner in creating a better university life.

The University considers it important to develop measures to support the socially vulnerable, other vulnerable groups and outstanding students.

The University is developing a flexible system of GAU grants, scholarships and benefits, focused on students and academic / administrative staff and changing according to the internal and external factors of the University.

IV. Participation in public activities

The University considers it important to popularize science and support the introduction of important scientific / research achievements in the community.

The University develops sports, cultural and creative activities in the interests of the community and its members. The financial resources supporting these activities are determined in the University budget each year.