



Sustainable Funding Policy of Azerbaijan Technical University

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Purpose	The purpose of this policy is to define standards for the allocation, use, and monitoring of university funds in a manner that promotes sustainability and compliance. The policy applies to all faculty, staff, administrators, and any other individuals with oversight of, access to, or responsibility for university funds.

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Introduction

The Sustainable Funding Policy establishes guidelines to ensure the responsible management and utilization of university funds to support long-term sustainability and institutional goals. This policy reflects the university's commitment to financial stewardship, compliance with applicable laws and regulations, and alignment with strategic objectives.

Purpose and Scope

The purpose of this policy is to define standards for the allocation, use, and monitoring of university funds in a manner that promotes sustainability and compliance. The policy aims to:

1. Ensure funds are utilized for their intended purposes in alignment with university goals.
2. Promote transparency and accountability in financial practices.
3. Support sustainable financial planning and operations.

This policy applies to all faculty, staff, administrators, and any other individuals with oversight of, access to, or responsibility for university funds.

Goals

The goals of this policy are to:

1. Align financial resources with the university's strategic objectives and sustainability initiatives.
2. Foster efficient and ethical use of financial resources.
3. Maintain compliance with donor restrictions, legal requirements, and university policies.
4. Encourage a culture of financial responsibility and sustainability.

Alignment with AzTU goals

This policy supports AzTU's institutional goals of providing high-quality education, fostering cutting-edge research and innovation, and promoting sustainability. AzTU's strategic focus includes:

1. Enhancing academic programs and research capabilities to align with global standards.
2. Investing in sustainable technologies and infrastructure to reduce environmental impact and operational costs.
3. Strengthening partnerships and collaborations to ensure long-term financial resilience.

Revenue Streams of Azerbaijan Technical University

Overview of Current and Potential Revenue Sources

1. **Tuition and Fees:** Revenue generated from student enrollment, including undergraduate, graduate, and specialized programs.
2. **Government Grants and Subsidies:** Financial support from national and local government bodies to fund education and research activities.
3. **Research Funding:** Grants and contracts secured through competitive research projects and collaborations.
4. **Endowments and Donations:** Contributions from individuals, organizations, and philanthropic entities to support university programs and initiatives.
5. **Commercial Activities:** Revenue from patents, licensing agreements, and partnerships with industries.
6. **Alumni Contributions:** Financial support from alumni through donations and fundraising campaigns.
7. **International Funding Opportunities:** Grants and partnerships with international organizations and institutions.

Strategies to optimize Revenue Streams

1. Diversify funding sources to reduce reliance on any single stream.
2. Strengthen relationships with alumni and philanthropic organizations to increase contributions.
3. Enhance research capabilities to attract competitive funding opportunities.
4. Expand commercial activities, including industry partnerships and licensing of intellectual property.
5. Develop tailored academic and training programs to attract international students and collaborations.
6. Regularly review and optimize tuition structures to balance affordability and revenue generation.

The alignment of sustainable funding policies with AzTU's initiatives and ESG impact

<i>ESG Factor</i>	<i>Alignment with AzTU</i>	<i>Potential Outcomes</i>
<i>Environmental</i>	- Sustainable campus projects (e.g., water efficiency, green buildings)	- Reduced carbon footprint and resource consumption
	- Research in environmentally friendly technologies (3D modeling, robotics)	- Development of innovative solutions for energy efficiency and pollution reduction
	- Integration of renewable energy sources (e.g., solar panels)	- Enhanced energy independence and sustainability
<i>Social</i>	- Expanded access to education through sustainability-focused programs	- Improved educational equity and skills development

Governance	- Investment in health and well-being initiatives (e.g., AzTU Sports Hall)	- Increased community engagement and inclusivity
	- Support for student and faculty projects on sustainability	- Fostering a culture of innovation and social resilience
	- Adoption of comprehensive ESG reporting practices	- Enhanced transparency and institutional accountability
	- Partnerships with international organizations to attract funding and promote shared ESG goals	- Strengthened global collaboration and reputation
	- Contribution to UN SDGs (e.g., Quality Education, Sustainable Cities, Climate Action)	- Increased alignment with global sustainability frameworks

Monitoring and Compliance

Monitoring

1. **Budget Oversight:** All units with budgetary responsibilities must regularly review and reconcile revenues and expenses, ensuring accuracy and compliance with university policies. Reconciliations should occur monthly, with a minimum frequency of quarterly reviews.
2. **Deficit Management:** Units must address and resolve any deficits promptly, with final resolution by the end of the fiscal year.
3. **Restricted Funds:** Transactions involving restricted funds must adhere to donor terms and other specific guidelines. Units managing these funds are required to document compliance.

Compliance

1. **Regulatory Adherence:** All expenditures must comply with applicable laws, regulations, and internal policies.
2. **Disciplinary Action:** Violations of this policy may result in disciplinary actions, up to and including termination. Individuals found to have misused funds are obligated to repay the university.
3. **Audits:** Regular audits will be conducted to ensure adherence to this policy and identify areas for improvement.

Roles and Responsibilities

1. **Financial Managers:** Responsible for overseeing fund allocation, ensuring compliance, and addressing discrepancies. Administrators include college deans, associate deans, and department heads.

2. **Unit Heads:** Accountable for managing unit budgets, ensuring proper use of funds, and implementing corrective actions for deficits.
3. **Employees with Spending Authority:** Expected to review expenditures, conduct reconciliations, and document financial activities accurately and timely.
4. **Internal Audit Office:** Provides guidance on fund management, conducts audits, and ensures overall compliance with financial policies.
5. **University Advancement Department:** Oversees restricted funds, ensuring alignment with donor intentions and institutional policies.
6. **External audit:** Republic of Azerbaijan Chamber of Accounts is a supreme financial control body of the Republic of Azerbaijan reporting, organizational and functional independence of the state budget-financial control body.

Review

This policy will be reviewed annually by the Financial Oversight Committee to ensure its relevance, effectiveness, and alignment with university objectives. Recommendations for updates will be submitted to the Board of Trustees for approval.

Conclusion

By adhering to the Sustainable Funding Policy, the university ensures the efficient and ethical management of its financial resources, fostering a sustainable future while meeting institutional and regulatory obligations.