AZERBAIJAN TECHNICAL UNIVERSITY

Sustainable Funding Policy

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1. CONTEXT AND PURPOSE

The Sustainable Funding Policy establishes guidelines to ensure the responsible management and utilisation of university funds to support long-term sustainability and institutional goals.

Azerbaijan Technical University (hereinafter “AzTU”) operates within a financial and regulatory framework that requires transparency, accountability, and compliance with applicable laws. Financial sustainability is essential to maintaining high-quality education, advancing research, and supporting institutional development.

The purpose of this Policy is to establish a clear institutional framework that:

- ensures responsible and sustainable use of financial resources;
- promotes transparency and accountability in financial practices;
- aligns financial management with AzTU’s strategic objectives.

This Policy is aligned with applicable national legislation, AzTU’s Charter, and international best practices in financial governance and sustainability.

2. KEY TERMS AND DEFINITIONS

For the purposes of this Policy:

- **Sustainable Funding:** The management and allocation of financial resources in a way that ensures long-term institutional stability and growth.
- **Restricted Funds:** Funds subject to specific donor conditions or legal requirements regarding their use.
- **Revenue Streams:** Sources of income supporting university operations, including tuition, grants, and commercial activities.
- **Financial Stewardship:** Responsible management and oversight of financial resources.
- **Deficit Management:** Measures taken to address and resolve financial shortfalls within a defined period.
- **Compliance:** Adherence to laws, regulations, donor requirements, and institutional policies.

3. APPLICABILITY

This Policy applies across AzTU and establishes mandatory standards for financial management.

It applies to:

- all staff, including academic, administrative, and managerial personnel;
- administrators responsible for budgeting and financial oversight;
- any individual with access to or responsibility for university funds.

The Policy applies to all financial activities conducted within AzTU, including budgeting, spending, revenue generation, and fund management.

4. GOVERNANCE

Governance of sustainable funding at AzTU is embedded within institutional financial and administrative structures.

University Council / Rectorate:	Provides overall oversight and approves financial policies.
Financial Managers:	Oversee fund allocation, ensure compliance, and address discrepancies.
Unit Heads:	Manage budgets and ensure appropriate use of funds.
Internal Audit Office:	Conducts audits and ensures compliance.
University Advancement Department:	Oversees restricted funds and donor alignment.
External Audit Authority (Chamber of Accounts of the Republic of Azerbaijan):	Provides independent financial control.

5. SUSTAINABLE FUNDING PRINCIPLES, RISK AREAS, AND INSTITUTIONAL STANDARDS

5.1. Responsible and Lawful Financial Management

AzTU ensures that all financial activities comply with applicable laws, regulations, and institutional policies. Financial management must be ethical, transparent, and aligned with sustainability objectives.

5.2. Key Financial Risk Areas

Higher financial risks may arise in:

- budget allocation and expenditure;
- management of restricted funds;
- procurement and contracting;
- research funding and grants;
- revenue-generating activities.

Controls are implemented to mitigate these risks.

5.3. Allocation and Use of Funds

Funds must:

- be used strictly for their intended purposes;
- align with institutional goals;
- be properly documented and monitored.

Misuse of funds is subject to disciplinary action.

5.4. Revenue Streams and Financial Sustainability

AzTU supports diversified revenue sources, including:

- tuition and fees;
- government funding;
- research grants;
- donations and endowments;
- commercial activities;
- alumni contributions;
- international funding opportunities.

Strategies are implemented to strengthen financial sustainability and reduce dependency on single funding sources.

5.5. Conflicts of Interest and Financial Integrity

Individuals must avoid situations where personal interests may affect financial decisions. Any conflicts must be disclosed and managed appropriately.

5.6. Transparency and Reporting

All financial activities must be accurately recorded, regularly reviewed, and transparently reported. Accountability mechanisms ensure proper oversight.

6. IMPLEMENTATION

This Policy is implemented through AzTU's financial systems, budgeting procedures, and internal controls.

Implementation includes:

- integration into financial planning and operations;
- adherence to budgeting and reporting procedures;
- alignment with ESG (Environmental, Social, Governance) principles;
- support for sustainable campus initiatives and research.

7. MONITORING AND PERFORMANCE INDICATORS

Monitoring ensures effective implementation and compliance.

Key mechanisms include:

Budget Oversight:	Regular review of revenues and expenditures (monthly/quarterly);
Deficit Management:	Resolution of financial shortfalls within the fiscal year;
Restricted Fund Compliance:	Adherence to donor requirements;
Audits:	Internal and external audits;

Performance indicators include:

- financial sustainability and efficiency;
- alignment with strategic and ESG goals;
- transparency and accountability levels.

8. POLICY EVOLUTION

This Policy is reviewed periodically to ensure relevance and effectiveness.

- Review cycle: every two years or as needed;
- Updates are based on audit findings, financial performance, and regulatory changes;
- Revisions are approved by the University Council.

AZTU

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SUSTAINABLE DEVELOPMENT GOALS

