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Adopted by the General Meeting of
the "Freedom of Information Center" NGO
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Accounting Policy of the "Freedom of Information Center" NGO

I. General Provisions

1. The Organization performs its accounting pursuant to the legislation of the Republic of Armenia on accounting, in accordance with the RA law "On Accounting", the RA Accounting Standards and other legal acts regulating accounting.
2. The accounting of a company is performed by an organization providing accounting services, the person authorized by which is the chief accountant of the company or a qualified accountant.
3. The head of the organization bears responsibility for organization of accounting in accordance with legal acts regulating the accounting, which:
   - defines the organization's accounting policies based on the presentation by the chief accountant;
   - defines the procedure for control over economic operations;
   - ensures execution of accounting, preparation and presentation of financial statements.

4. The chief accountant shall:
   - execute the company's accounting and prepare financial statements in accordance with the requirements of the legal acts regulating the accounting.

5. The chief accountant is responsible for:
   - rightful execution of accounting,
   - timely preparation and presentation of financial statements.

II. Selected versions of accounting methodology

1. Fixed assets

For further measurement of fixed assets, the approach of measuring by the initial value (minus the accumulated depreciation and devaluation) is applied.

2. Intangible assets

For further measurement of intangible assets, the approach of measuring by initial value (minus losses from amortization and depreciation) is applied.

3. Financial investments

Financial investments kept until the repayment term (long-term bonds from banks) are registered by the value amortized by the method of effective interest rate, without losses caused by depreciation. Depreciation is assessed on portfolio bases.

Financial investments accessible for sales are presented with their real value. The profit or the loss occurred as a result of assessment is included in the financial results in the period of their occurrence.

4. Recognition of exchange rate differences of foreign currency

The exchange rate differences of actives and liabilities expressed in foreign currency are recognized as expense and income for the reporting period when they occur.

During the alienation of net investments, the exchange rate differences attributed to the equity capital are attributed to financial results in the reporting period when the profit or the loss from alienation is recognized.

5. Essential errors

The impact of correction of essential errors and the changes in accounting policies is reflected in the incomes and costs of the reporting period.

The amount of the sum for correction of essential errors related to the previous periods is reflected in the initial balance of the undistributed profit. The comparable information is identified.

6. Changes in accounting policies

Change in accounting policies is applied retrospectively, if it is possible to definitely distinguish between the corrections related to the previous reporting periods. The amount of the sum of the correction related to a previous period is reflected in the initial balance of the undistributed profit. The comparable information is re-presented.

In the event if it is impossible to determine the amount of sums related to the previous period, the change in the accounting policies is applied by the prospective method; the new policies is applied in the periods following the period of acceptance of the change.

7. Period of determination of value and financial results

The reporting period of accounting corresponds to the calendar year.

8. Fixed assets

The expense related to the amortization of fixed assets is calculated by the linear method, from the initial value, pursuant to the minimal amortization terms set out by Article 12 of the law “On Profit Tax”.

9. Intangible assets

While determining the taxable profit, the gross income is decreased on the basis of profitable service periods of tangible assets (but no longer than the legally fixed usage period of intangible assets) calculated in the size of amortized amount.

The amortization of intangible assets, including the goodwill amortization, is implemented by a linear method, with the defined useful service term of 10 years.

10. Recognition of exchange rate differences

The positive or negative exchange rate differences of foreign currencies or other assets and liabilities expressed in foreign currencies are not included in decreases or increases of gross incomes for taxation purposes.

11. Essential errors

The expenses and incomes discovered in the reporting year and not registered during the 3 years directly preceding the reporting year are decreased/increased from the gross income, regardless of their size.

12. Changes in accounting policies

Changes in accounting policies is applied retrospectively, while the amount of sums of corrections made as a result of those changes are not included in decreases or increases of gross incomes for taxation purposes.

13. Recognition of revenue (income) and expenses

The grants provided to the organization is assistance to the organization delivered in the form of transfer of capital from donors against certain conditions related to the organization's past or future operational activities. Grants are recognized as income on a systematic and rational basis in the periods during which they compensate the corresponding costs.

Recognition of incomes occurring from grants on cash basis does not correspond to the billing approach of accounting and will be acceptable only in case if there are no prerequisites to distribute the grant according to the reporting periods, except for the period when the grant has been received.

The grants related to assets, including in-kind grants, are presented in the accounting balance with their real value, registering as postponed income, which is recognized as income on systematic and rational basis, during the useful service of the asset.

Normally, the reporting periods, during which the organization recognizes the expenses or costs associated with grants, are already determined and therefore the grants are recognized as income for the same period, during which the corresponding expense is recognized. Similarly, the grants related to amortized (worn) assets are normally recognized as income during those reporting periods and in those proportions, according to which the amortization of those assets are calculated.

Grants related to incomes are presented in the reports on financial results as “Other income”.

Costs, expected in case of accumulated compensable absence, in particular paid annual leaves, are recognized during the service of the employees, regardless of whether they have actually used their annual leave right or not.

The cost price of stocks is determined by actual costs made. The production expenses that are common for all orders are divided by all orders produced during the particular time period, by a rational principle. During such measurement, the unit of measuring the expenses is selected, with the help of which the cost price is calculated.

The incomes and expenses recognized for accounting purposes as a result of change in the market value of investments are included in decreases and increases of the gross income.

Expenses related to loan and credit interest rates are subtracted from the gross income in the reporting period when they occur.

Approved by
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