



On approval of the Agreement on the financial rules of the Turkic Culture and Heritage Foundation

Unofficial translation

Resolution No. 842 of the Government of the Republic of Kazakhstan dated November 8, 2019

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The Government of the Republic of Kazakhstan hereby **RESOLVES**:

1. To approve the attached Agreement on the financial rules of the Turkic Culture and Heritage Foundation, executed in Bishkek on September 2, 2018.
2. This resolution shall be enforced from the date of its signing.

*Prime Minister
of the Republic of Kazakhstan*

A. Mamin

Approved by
Resolution No. 842
of the Government
of the Republic of Kazakhstan
dated November 8, 2019

Agreement on the Financial Rules of the Turkic Culture and Heritage Foundation

The Governments of the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic and the Republic of Turkey, hereinafter referred to as the "Parties",
guided by the generally recognized principles and norms of the international law,
in accordance with the decision to establish the Turkic Culture and Heritage Foundation (hereinafter the Foundation), adopted at the IX Summit of the Heads of Turkic-speaking states, held in the city of Nakhchivan, the Republic of Azerbaijan, on October 3, 2009,
pursuant to the provisions of Article 6 of the Charter of the Turkic Culture and Heritage Foundation (hereinafter -the Charter), signed in Bishkek on August 23, 2012,
with due respect to the Agreement of the Host State between the Government of the Republic of Azerbaijan and the Turkic Culture and Heritage Foundation on the conditions and procedure for the placement of the Foundation in the Republic of Azerbaijan,
have agreed as follows:

Article 1 Definition

In this Agreement:

“Turkic Council” shall mean the Cooperation Council of Turkic Speaking States;

“Parties” shall mean the governments of the member states of the Turkic Council that have signed the Charter;

“CFM” shall mean the Council of Foreign Ministers of the Turkic Council;

“CSO” shall mean the Committee of Senior Officials of the Turkic Council;

“host state” shall mean the member state of the Foundation in whose territory the Fund is located;

“Agreement” shall mean this Agreement on the Financial Rules of the Turkic Culture and Heritage Foundation;

"president" - the president of the Foundation;

“Council” shall mean the Council of the Foundation, which is a supervisory body, composed of one representative from each member state;

“secretariat” shall mean the secretariat of the Foundation;

“Foundation staff” shall be comprised of the president, professional staff, and general service staff;

“dependents” shall mean a spouse, unmarried children under the age of 18, and parents who are fully dependent on the staff of the Foundation;

“premises of the Foundation” shall mean buildings or part of the buildings and adjacent territories used by the Foundation for the performance of its functions;

“professional staff” shall comprise professional personnel recruited on a contract basis;

“general service staff” shall consist of technical personnel recruited on a contract basis;

“budget” shall mean the formation and management of funds intended for the fulfillment of the tasks and functions of the Foundation;

“financial year” shall mean the period from January 1 to December 31 of a calendar year;

“contributions” shall mean amounts established for the Parties to cover the costs of the Foundation for the current financial year;

“external audit” shall mean checking of the financial and economic activities of the Foundation, which shall be carried out by independent auditor / auditors appointed by the CFM;

“income” shall mean the funds received by the Foundation in the form of assessed contributions to the budget;

“other incomes” shall mean all the income other than assessed contributions, monetary donations, and amounts received as a result of direct reimbursement of expenses in the current financial year;

“expenditure” shall mean funds allocated by the Foundation from the budget to finance its tasks and functions;

“candidate expenses” shall mean expenses of the candidates for travel, hotel accommodation and per-diem subsistence allowance;

“working capital reserve” shall mean the part of the budget used for the expenditure of the Foundation until the full payment of the assessed contributions.

Article 2 General Provisions

This Agreement defines the funding sources, the procedure for the formation, implementation and accountability of the Foundation's budget.

Article 3 Budget

3.1 The budget of the Foundation shall comprise all incomes and expenses of the financial year in cash and / or other form, including annually determined expenses for the implementation of long-term projects of the Foundation.

3.2 The budget of the Foundation shall be developed by the president and approved by the CFM after the approval of the CSO.

3.3 Incomes shall include:

a) mandatory contributions of the Parties, the amount of which shall be determined by the CFM, proceeding from their paying capacity, the scale of contributions to the United Nations and their current contributions to similar regional organizations. However, the share of the host state shall not be less than the share of other member states. The scale of mandatory contributions shall be indicated in a separate protocol, signed by the CFM. Changes shall be made to the protocol as necessary;

b) grants;

c) payments to the budget of the Foundation from voluntary contributions, the amount of which shall not be limited;

d) voluntary contributions in monetary and / or other form, which can also be accepted from observer countries of the Foundation, other states, observer organizations of the Foundation, other international organizations and foundations, legal entities and individuals subject to the approval of the Parties;

e) other incomes, including interest and other incomes, provided that they do not contradict the goals and objectives of the Foundation.

3.4. Costs shall include:

a) cultural and scientific expenses:

1) research expenses;

2) project costs;

3) expenses for symposia, scientific conferences and meetings;

4) printing costs;

5) outsourcing;

6) consulting;

b) personnel costs:

a) remuneration of the president, including:

1) medical insurance;

2) dependency allowance;

3) educational grant;

4) housing rental allowance;

- 5) rotation allowance;
- 6) vacation bonus (once a year);
- 7) hospitality expenses;
- 8) contributions for pension and social security;
- b) remuneration of professional personnel, including:
 - 1) medical insurance;
 - 2) dependency allowance;
 - 3) educational grant;
 - 4) rotation allowance;
 - 5) vacation bonus (once a year);
 - 6) contributions for pension and social security;
- c) remuneration of general service personnel, including:
 - 1) medical insurance;
 - 2) dependency allowance;
 - 3) contributions for pension and social security;
- d) severance pay in the event of personnel contracts' termination;
- e) travel expenses of the Foundation's personnel, including daily subsistence, transport expenses and hotel accommodation;
- f) training of the Foundation's personnel;
- g) expenses of candidates.

Dependency allowance and educational expenses shall not apply to citizens of the host state;

- c) administrative expenses:
 - 1) expenses for insurance of the Foundation's personnel against accidents in the performance of their work-related (official) duties;
 - 2) compulsory social insurance;
 - 3) purchase of commodities and services for the Foundation;
 - 4) acquisition of office equipment and furniture, road transport and other assets necessary for the functioning of the Foundation;
 - 5) maintenance and repair of real estate, office furniture, equipment, cars and other means ;
 - 6) protocol costs;
 - 7) travel expenses of the Council members, including travel expenses, hotel accommodation and daily subsistence allowance.

3.5. The staffing table of the Foundation, indicating expenses according to the rank and salary of the Foundation staff for the financial year, shall be developed by the Foundation and , after the approval of the CSO, shall be approved by the CFM.

Article 4 Budget execution

4.1. The budget shall be administered by the President.

4.2. The specific amount of each Party's contributions shall be indicated in the budget.

4.3. Annual contributions to the budget shall be calculated and paid in U.S. dollars.

4.4. The Foundation, through the Secretariat of the Turkic Council, shall notify the CFM about the timing of the mandatory contributions transfer to the budget in full.

4.5. The due contributions shall be paid preferably within the first three months of the financial year. However, if this is not possible due to national law, payments can be made in four intervals and at the beginning of every three months.

Article 5 Cost estimate

5.1. The budget of the Foundation shall be executed in accordance with the cost estimate - a document that includes expenses for the financial year.

5.2. The president of the Foundation shall draw up the budget draft with calculations and rationale for each expenditure item and direct it via the CSO for examination by the Parties through the Turkic Council Secretariat and for approval by the CFM in the first half of the year preceding the new financial year.

5.3. The CFM shall examine and approve the budget for the next financial year by December 31 of the current year. However, if the budget was not adopted during the year preceding the new fiscal year, the current budget shall be used subject to the approved changes.

5.4. Cash transactions may be carried out in the national currency of the host country and, where applicable, in the currencies of other countries.

5.5. For expenditures in local currency, the budgetary exchange rate shall be estimated based on the previous year's average exchange rate set by the host country's central bank.

5.6. Within the approved budget, the Foundation may transfer the funds from one expenditure item to another, with the exception of the expenditure item on salaries, but not more than 10 percent of the total expenditure approved under these items, by notifying the Parties in advance with an explanation of their actions. In the event that the Parties have not raised objections within 30 (thirty) days from the notification receipt date, the proposed transfers of the funds shall be deemed approved. If the transfer from one item to another item exceeds 10 percent, then the transfer shall be submitted for approval by the CFM.

5.7. The balances of the Foundation's budget that were not used for their intended purpose by the end of the financial year must be credited to the income of the next financial year budget. The contributions of each member state must be prorated and shall be transferred to the Parties against their total contributions.

5.8. The budget balance as of January 1 due to underutilization for the purchase of equipment and durable goods in the previous year shall be used to pay for pending orders.

Article 6 Keeping of cash assets

6.1. The president shall determine the bank accounts in which the Foundation keeps cash assets.

6.2. The Foundation's accounts shall be kept in U.S. dollars and in the national currency of the host state. The accounting for the exchange rates of the previous period's expenses shall be based on the host country's three-month average exchange rate.

Article 7 Reporting

7.1. The president shall exercise control over and shall be accountable to the CFM through the CSO for the management of the Foundation's financial resources.

7.2. The President shall submit to the CFM through the CSO an annual financial report / report for each financial year no later than March 31 of the year following the previous financial year.

7.3. At the end of each fiscal year, the cash balance or deficit shall be determined by calculating the excess of income over expenses or by calculating the excess of expenses over income. In the event of budgetary funds shortage, the president, through the CSO, shall notify the CFM and submit a motion on the necessary financial measures.

Article 8 Audit

8.1. An external audit of the Foundation's financial activities shall be carried out at the end of each budget period. The audit shall be carried out by an internationally established independent organization (company) authorized by the CFM after approval by the CSO. The president shall submit all the necessary documents to the authorized organization for external audit.

8.2. Upon the completed external audit, the president shall send an audit report to all the Parties.

Article 9 Working assets reserve

9.1. The working assets reserve shall be part of the budget and shall be used exclusively to finance budgetary appropriations pending the receipt of annual assessed contributions.

9.2. The amount of the working assets reserve shall be set at no less than 10 percent of the annual budget. Upon receipt of the annual mandatory contributions, the advance shall be returned to the working assets reserve.

Article 10 Final Provisions

10.1. This Agreement shall take effect on the thirtieth day after receipt by the depositary through diplomatic channels of the last written notification of the completion by the Parties of the domestic procedures necessary for its enforcement.

This Agreement is open to accession of the Turkic-speaking states. The Agreement shall take effect for the acceding state on the thirtieth day after the receipt by the depositary of the accession instrument.

10.2. The Republic of Azerbaijan is the depositary of this Agreement. The depositary shall notify the Parties in writing through diplomatic channels of the date of enforcement of this Agreement, and also the receipt of the instrument of ratification, acceptance, approval or accession.

10.3. In the event of disagreements regarding the interpretation or application of this Agreement, the Parties shall resolve them through consultations and negotiations.

10.4. By mutual consent of the Parties, this Agreement may be amended and supplemented in the form of separate protocols that take effect in accordance with the procedure set forth in clause 10.1. of this article. These changes and additions shall be an integral part of this Agreement.

10.5. Each of the Parties may withdraw from this Agreement at any time by giving written notice to the depositary. This Agreement shall terminate in relation to this Party upon the expiration of 6 months from the receipt date of such notification by the depositary.

Concluded in the city of Bishkek on September 2, 2018 in one original copy in the Azerbaijani, Kazakh, Kyrgyz, Turkish and English languages, all texts being equally authentic. In case of discrepancy, the English version shall prevail.

For the Government of the Republic of Azerbaijan

For the Government of the Republic of Kazakhstan

For the Government of the Kyrgyz Republic

For the Government of the Republic of Turkey