United Arab Emirates University

Financial

Policies & Procedures

Document Revision History

Revision No.	Revision Date	Description	Page No.

Key definitions

Manual A policies and procedures manual is a functional guide for conducting the operations of an organization, division or department. It prevents difficulties in performing duties due to lack of understanding or inconsistent approaches and assists in developing a consistent method in handling any task. The manual typically consists of policies, procedures and process maps.

Policy A definite course or method of action to guide and determine present and future decisions. A policy is a guide to decision-making under a given set of circumstances within the framework of corporate objectives, goals and management philosophies.

Procedure A particular way of accomplishing something, or an established way of doing things. A procedure is a series of steps followed in a definite regular order that ensure the consistent and repetitive approach to actions.

Process A set of activities that uses resources to transform inputs into outputs. A graphical, sequential description of the activities involved in a process is referred to as a **Process Map.**

Contents

0 Introduction

0.1 Role of the Financial Affairs Function

The Financial Affairs function at the United Arab Emirates University (UAEU) is comprised of all the functions under the Chief Financial Officer (CFO). The Financial Affairs function will play a key role in managing UAEU's financial resources and provide appropriate financial and accounting services to the University. In this context, the primary role of the Financial Affairs function will be to perform:

Financial Accounting

1) Establish appropriate accounting standards for accurate and timely accounting of all financial transactions

2) Prepare periodic financial statements

3) Monitor and provide guidance on accounting transactions

Overall responsibility of the UAEU's Finance policies, processes and procedures rests with the CFO.

Financial Management

1) Plan, develop, and direct financial policies and practices to meet UAEU's goals and objectives.

2) Manage the budgeting systems that provide control of operational and capital expenditures related to functions at UAEU.

3) Advise management on matters such as effective use of resources and assumptions underlying budget forecasts

The CFO has the responsibility for initiating, implementing and making future updates to the financial policies and procedures and reporting to the Secretary General on any non-compliance.

The CFO is also responsible for defining broad guidelines to ensure compliance of all colleges, divisions and departments with accounting and reporting regulations.

Financial officers in individual colleges, divisions and departments are functionally accountable to the University Financial Affairs function. The CFO has the authority and responsibility to monitor, audit and ensure compliance of all colleges, divisions and departments with the policies and procedures set out in this manual.

0.2 Objectives of the UAEU Finance Policy manual

The objectives of the UAEU Finance Policy Manual are as follows:

1) Define policies that govern all aspects of UAEU's financial and accounting operations.
2) Protect UAEU's interests and safeguard its assets and operations by setting out clear and concise rules that will be followed when executing financial operations.

3) Provide a basis for an internal audit function for assessing that the financial policies and procedures are being adhered to.
4) Facilitate the review and production of the financial statements at year-end.
5) Facilitate the rotation of work responsibilities amongst Financial Affairs function personnel allowing them to gather knowledge and experience about the different aspects of UAEU's financial operations.

0.3 Use of the Manual

1) The CFO is the owner of this manual. All inquiries and matters relating to the Manual will be addressed to him.
2) All policies and procedures contained in this manual operate in conjunction with the relevant Signing Authority Matrix.
3) Requests for updating policies (add/delete/amend) can be originated by any of the users of the manual through their immediate supervisor, to the CFO.
4) Whenever the CFO deems such an update appropriate, he updates the policy upon receiving the requisite approval from the Secretary General.
5) Copies of the manual, revision proposal and amendment notifications will be posted online.
6) All policy changes require the approval of the Provost, Vice-Chancellor and Chancellor, in that order.
7) Procedures associated with these policies require the approval of the Provost, at the recommendation of the policy owner via the Secretary General.

0.4 Glossary of terms

Unless provided otherwise, or irrelevant to the context, the following words and expressions will have the respective meanings assigned to them.

i. **Capital Assets`**

Items with an expected useful life greater than the minimum useful life (1 year), and an accounting level that exceeds the capitalization threshold level (AED 5,000)

ii. **Capitalization**

The process of allocating a capital asset's cost as an expense over the asset's useful life.

iii. **Cash Receipts**

Cash includes cash, checks and any negotiable instruments.

iv. **Division/College/Department**

Any Division, College, Department, or unit within the University.

v. **Direct Supervisor**

The employee's immediate supervisor (Chancellor, Vice Chancellor, Secretary General, /Dean, Associate Provost, Manager, Specialist, Generalist, etc).

vi. Government

The Government of the United Arab Emirates.Internal Controls.

vii. Internal Controls

Methods put in place to ensure the integrity of financial and accounting information, meet operational targets and transmit management policies throughout UAEU.

viii. Key Performance Indicators (KPI)

Financial and non-financial metrics used to guide UAEU to define and measure progress toward organizational objectives.

ix. Manual

This document and the policies, procedures and process maps contained therein – also referred to as the Financial Policies and Procedure.

x. Performance Measurement

The use of specified, performance related, statistical evidence to determine progress toward specific defined organizational objectives.

xi. Risk Management

A structured approach to managing uncertainty related to threats caused by a variety of factors such as the environment, technology, humans, organizations and politics.

1 Accounting and Reporting

This section details UAEU's policy on Capital Assets, Internal Controls, Financial Reporting, Risk Management, Property Insurance, Grants, Gifts and Donations, Financial Irregularities and Chart of Accounts.

1.1 Capital Assets

1.1.1 Scope

The scope of this section includes all UAEU's capital assets.

1.1.2 Objective

The objective of this policy is to ensure accurate identification and reporting of plant, property and equipment used to conduct the University's mission.

1.1.3 Policy

1) For the sake of this policy, UAEU is to establish a capitalization threshold level of AED 5000, and a minimum useful life of 1 year. Capital assets are defined as items with an expected useful life greater than the minimum useful life, and an accounting level that exceeds the capitalization threshold level. Otherwise, assets are neither added to the capital inventory, nor are they depreciated, but are fully expensed at the time of acquisition.

2) The acquisition, disposal and accounting of UAEU's capital assets should be performed in an orderly manner. Capital assets must be recorded and capitalized by the Financial Affairs function.

3) Capital assets may only be moved from one unit to another, upon obtaining the approvals (on the designated form) of heads of both sending and receiving units.

4) The Capital assets policy and procedures is applicable for assets purchased or obtained through UAEU.

1.1.4 Procedures

1) At UAEU, a capital asset is an item that has a useful life that is greater than the minimum specified useful life (1 year) and a value of at least the minimum threshold level (AED 5,000). Capital assets are long-term, tangible, and held for purposes other than investment or resale.

a) Recording

1) Departments of UAEU possessing capital assets are responsible for reporting all capital asset acquisitions to the Financial Affairs function to ensure adequate recording of the university's capital assets.

2) The value of an acquired asset includes the purchase price, transportation costs, installation costs, and any other direct expenses incurred by the university in obtaining the asset.

3) If an asset is donated to the university, its value is recorded at the market value of the asset at the time it is received. The market value is the amount that would cost the university to purchase the asset if it had not been donated.

4) The value of a fabricated asset is equal to the total cost associated with its construction. This includes salaries and wages directly attributable to the asset, supplies and materials used in the asset, and incremental overhead costs that can be directly attributable to the project.

5) Improvements and renovations are recorded as capital assets given they exceed the minimum threshold level. The value of these assets equals the total amount paid such as labor, materials, architectural and design fees.

b) Capitalization

1) UAEU's capital assets are to be capitalized over the duration of their useful life using the straight-line method.

2) The depreciation cost of a capital asset will be recorded under operating expenses over the asset's useful life.

3) Depreciation will be calculated on a monthly basis, using whole months and not the exact purchase date

4) The month in which the asset is purchased will be included, the month in which a capital asset is disposed of will not be included and salvage value is assumed to be nil.

5) Since fabricated assets are unusable until fabrication period is complete, they are not to be capitalized until the fabrication/construction is completed.

6) The useful life of a capital asset depends on the category it falls under. The list below depicts typical useful lives of some capital asset. The CFO will define categories and sub-categories of capital assets if need be.

Category	**Useful Life**
Buildings	25
Equipment:	
Buses	20
Cars	7
Computers	3
Furniture	4

7) To maintain accurate inventory lists of UAEU's capital assets throughout the year, colleges, divisions and departments are responsible for notifying the Financial Affairs function of any changes to the capital assets held by these departments. The capital assets record maintained by the Financial Affairs function is the official University record for capital asset inventory. Accuracy of the information within this system depends on information submitted by the departments on the acquisition, relocation and disposal of capital assets.

8) The Financial Affairs function will ensure that a physical inventory count of UAEU's capital assets is conducted at the end of each fiscal year. Every department will assign its financial officer or identify an employee to be its Capital Asset Liaison. The Financial Affairs function will distribute a capital asset inventory list with instructions, classified by department, annually to the liaisons who will complete taking inventory and return the lists to the Financial Affairs function. The physical inventory is checked against the University's capital assets records, and is used to verify the existence, location, and condition of equipment and the accuracy of the University's accounting records. The Financial Affairs function, on a sample basis, will test count/observe inventory reported by liaisons. Every third year, staff from the Financial Affairs function will join liaisons to perform the physical inventory observation.

c) Disposal of Capital Assets

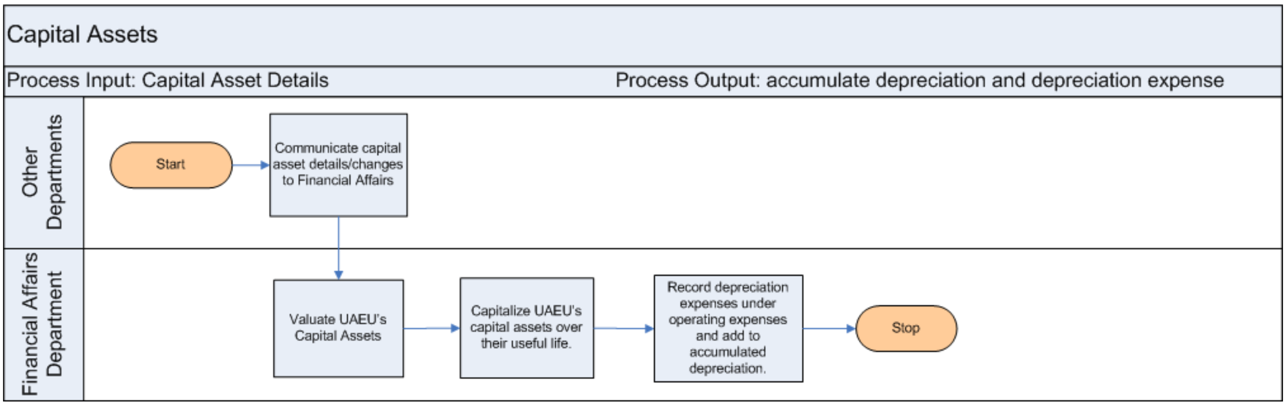
1) The overall responsibility of ensuring proper disposal of unwanted items rests with the University Procurement Committee, and is to be carried out as per the policy and procedures on Material Disposal in the Procurement Policies and Procedures manual (Section 6.4).

2) In cases where capital assets are to be donated, the procedures outlined in the Procurement Manual are to be applied.

3) After disposing of a capital asset, departments must communicate disposal to the Financial Affairs function along with the item number, description, reason for disposal and disposal method, for updating of the financial records.

4) The Insurance Company will then be notified of the disposed assets to make necessary adjustments in premium payments.

1.1.5 Process Map



1.2 Internal Control

1.2.1 Scope

The scope of this section is to govern all activities that fall within the Financial Affairs function.

1.2.2 Objective

The objective of this policy is to maintain efficient and effective administrative and accounting controls at the University.

1.2.3 Policy

1) The CFO is responsible for maintaining an effective system of internal controls through ongoing reviews throughout the year to verify the soundness of existing controls and introducing new controls wherever required to:

    a) Safeguard the University's Assets.

    b) Check the reliability and integrity of accounting data.

    c) Promote operational efficiency through economical and efficient use of resources.

    d) Ensure compliance to prescribed managerial policies.

    e) Accomplish objectives and goals.

    f) Monitor performance against metrics and,

    g) Ensure compliance with financial policies, procedures, and controls.

1.3 Financial Reporting

1.3.1 Scope

The scope of this section is to govern the financial reporting process within the Financial Affairs function.

1.3.2 Objective

The objective of this policy is to achieve an efficient and effective financial reporting process.

1.3.3 Policy

1) The University prepares financial statements at the end of the fiscal year. The University's fiscal year begins on January 1 and ends on December 31. UAEU's financial statements are to be presented in UAE Dirham.

2) The consolidated financial statements will be prepared as per the needs of the University in accordance with relevant government regulations.

3) All financial and accounting transactions must be recorded in the fiscal year when they occur to properly report UAEU's financial position and the results of operations for the fiscal year.

4) Accounting principles must be applied consistently within a fiscal year. The CFO is responsible for ensuring consistent, university-wide application of these accounting principles.

5) The financial statements shall be subject to annual audit by the State Audit Institution.

1.3.4 Procedures

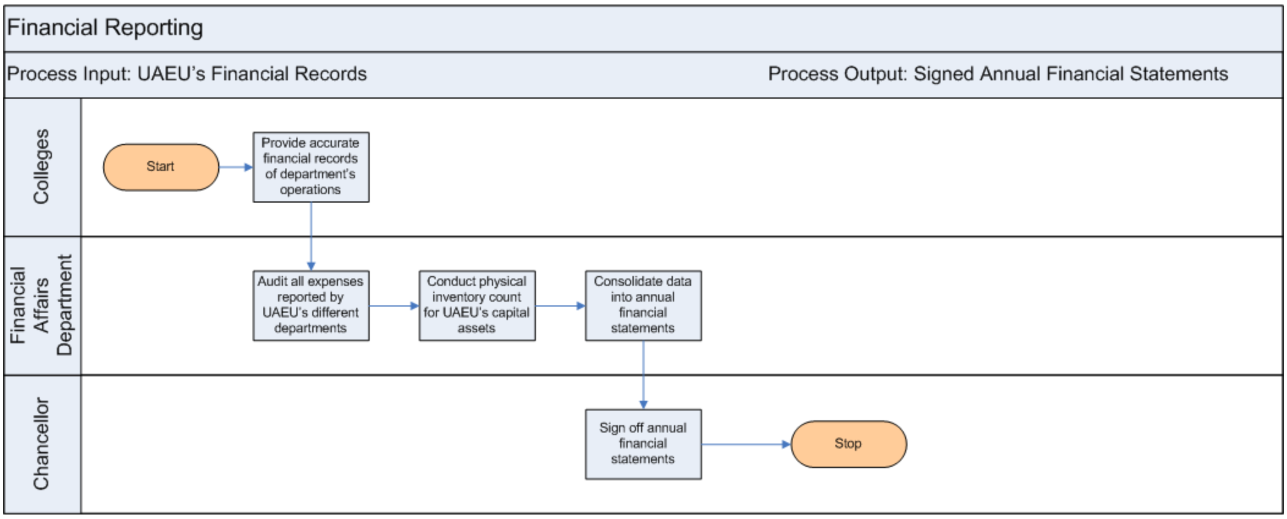
1) UAEU's annual financial statements must be submitted in accordance with relevant government regulations.

2) All UAEU's departments are accountable for providing the Financial Affairs function with accurate, up-to-date financial records.

    a) The Financial Affairs function reviews and compiles all data submitted by the different departments and creates consolidated financial statements for UAEU. Additional reports such as the variance analysis reports will be generated as deemed appropriate by the CFO.

4) A physical inventory count of UAEU's capital assets is to be conducted by each department under the supervision of the Financial Affairs function, in accordance with capitalization procedures, under Capital Assets policy (see 1.1.4.b.8). The physical inventory is checked against the University's financial records, and the University's financial records are updated accordingly.

1.3.5 Process Map



1.4 Risk Management

1.4.1 Scope

The scope of this section is to govern activities that affect UAEU's financial resources.

1.4.2 Objective

The objective of this policy is to ensure risks are adequately addressed and to protect UAEU's financial resources.

1.4.3 Policy

1) University assets must be safeguarded from loss or unauthorized use. Sufficient safeguards include the following:

   a) All cash, checks or cash equivalents received, and all petty cash funds, should be secured properly while on-hand, and either processed promptly or deposited as per the cash receipts policy.

   b) All departments' assets are to be properly accounted for by the Financial Affairs function. Actual physical assets are compared to assets recorded in the Financial System at the end of the fiscal year. Discrepancies are resolved in a timely manner, and adjustments to asset records must be documented and approved.

   c) Physical access to University premises, warehouses and offices must only be granted to the appropriate personnel.

   d) Access to any forms or on-line systems that can be used to alter financial balances must be restricted to authorized employees who require such access to perform their University duties.

   e) All records maintained and used by the Financial Affairs function must be adequately secured through implementing sufficient measures. Access to these records must only be limited to authorized personnel and backups of these records are to be maintained at remote locations.

1.5 Property Insurance

1.5.1 Scope

The scope of this section includes all property owned by UAEU.

1.5.2 Objective

The objective of this policy is to cover risks of physical loss or damage to University property.

1.5.3 Policy

1) This policy provides coverage for all University owned assets at their replacement cost. For the purpose of this policy, University property comprises all buildings, motor vehicles, equipment – including computers and any equipment on loan or hire to or from the University.

2) The amount and types of insurance depend on cost-benefit considerations and product availability and the University may choose to allocate insurance expense to the different departments.

1.5.4 Procedures

a) Insurance of new items of property

1) Whenever a new item of property is acquired by Procurement or other departments, the Financial Affairs function must be notified for processing of Insurance through filling the form/format designated by the department.

2) For assets other than buildings, such as equipment and vehicles, the University will maintain a common/ blanket insurance policy. New as well as disposed assets will be added to/deleted from this policy accordingly.

3) The Financial Affairs function selects the appropriate insurance plan for the respective property from the list of insurance plans offered by UAEU's contracted insurance company, and forwards the insurance request along with the required documentation to the contracted insurance company.

4) The Financial Affairs function receives the insurance policy, and hence notifies the corresponding department or the Procurement Department on the attainment of the insurance policy. The insurance policy is forwarded, and a copy is kept with the Financial Affairs function.

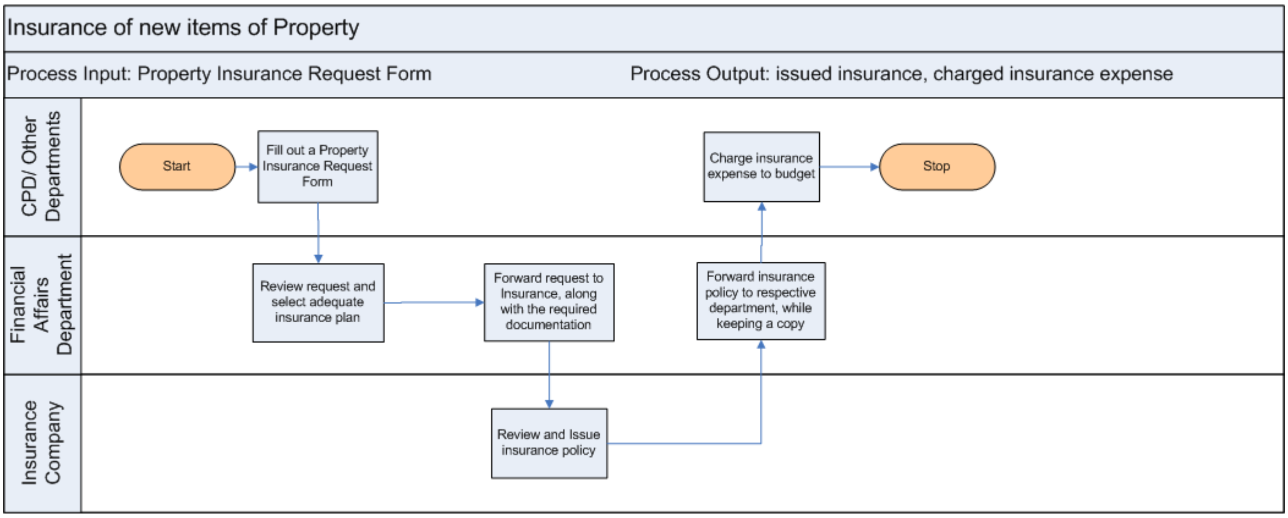
5) The insurance premium for a particular property is charged directly against the budget of the department the property falls under.

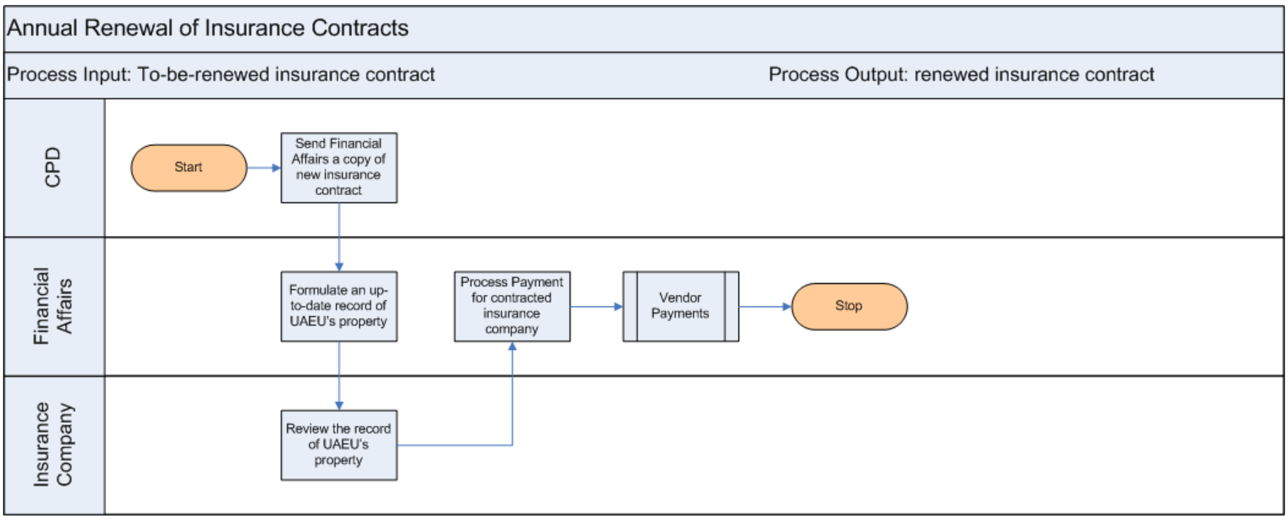
b) Annual Renewal of Insurance Contracts

1) UAEU's insurance contract is to be renewed annually, and the payment issued is processed by the Financial Affairs function according to the direction of the Procurement Department, as per the Vendor Payments Policy.

2) When renewing annual insurance contracts, the Financial Affairs function is responsible for providing the contracted insurance company with an up-to-date record of the University's property. Property that has been insured in the past year and then disposed of needs to be clearly communicated.

1.5.5 Process Map





1.6 Grants, Gifts, Donations and Other Revenue (Restricted Funds)

1.6.1 Scope

The scope of this section includes all grants, gifts and donations received by to UAEU.

1.6.2 Objective

The objective of this policy is to place adequate controls on grants, gifts and donations received by UAEU.

1.6.3 Policy

1) Grants, Gifts and donations must be accepted, processed, recorded, and acknowledged in a manner that protects the interests of both the institution and its donors. All monetary pledges and gifts of property must be reported immediately to the Financial Affairs function, and require the approval of the Dean/Director of Division/College/Department.

   a) Each grant, its objective and the appropriateness to achieve objective must be approved by the Dean/Director of the Division/College/Department.

   b) Gifts-in-kind of personal property must have a related use to the university to be accepted.

   c) Gifts-in-kind may not be accepted with the intent that they be sold or disposed of, except with the written approval of the Provost.

   d) Endowments, which are funds donors have given with some stipulation/restriction as to the use of the principal of the gift, should be approved by the Provost.

2) Any grant from an external party is to be placed in a restricted fund account which the Financial Affairs function is to create under its chart of accounts. Spending privileges for the fund will be granted to the Fund Manager appointed by the Dean of the School receiving the grant.

3) Revenue generated by the University/Colleges/Divisions/Departments, such as sale from agricultural products, fees from conferences and other such revenue, are restricted by nature and should be reported to the Financial Affairs function.

   a) The CFO will make recommendations to the Provost and the Provost will allocate such revenue for spending.

1.6.4 Procedures

1) A separate bank account is to be established for restricted funds.

2) All new monetary pledges must be reported immediately to the Financial Affairs function by the appointed Fund Managers. Grants and Donations may be paid to UAEU by cash, checks or

credit card. These grants and donations must be processed as per UAEU's Cash Receipts policy (section 5.3).

3) Once a grant or donation has been reported to the Financial Affairs function, they will record this grant or donation in an account under its chart of accounts, including details of the Fund Manager accountable for this account.

4) UAEU departments must report all gifts-in-kind to the Financial Affairs function. Gifts-in-kind include real estate, equipment, art, antiques, rare books, mortgages, and copyrights, all of which must be recorded in the University's accounting system.

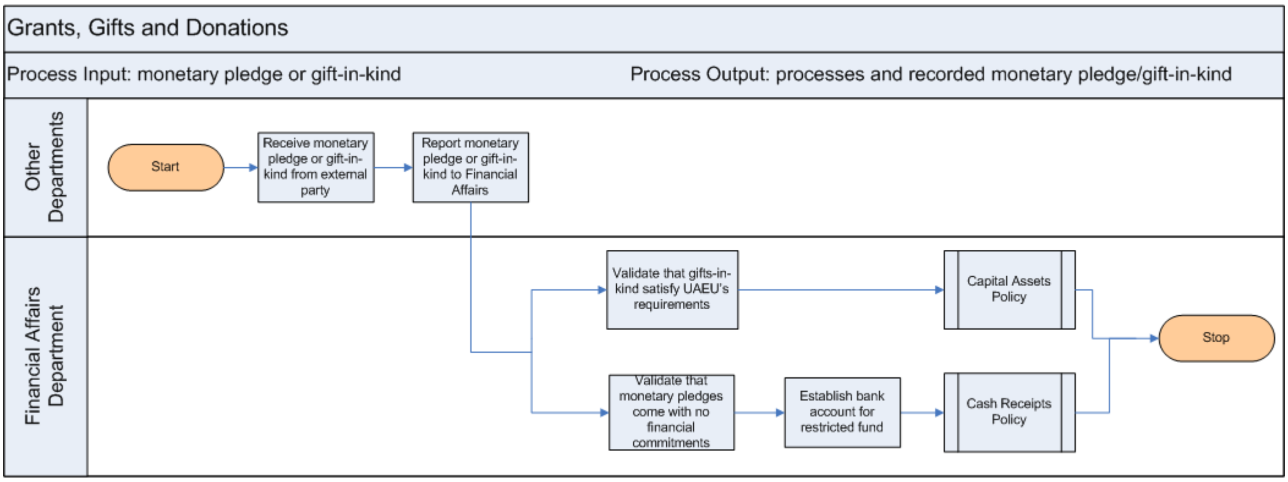
5) A department receiving a gift-in-kind is to notify the Financial Affairs function through filling the form designated by the department. The Financial Affairs function will record the gift, as per UAEU's Capital Asset policy.

6) Whenever a department receives any grant, gift or donation that requires a present or future financial commitment from the University over and above the amount pledged, the receiving department must obtain the written approval of the Provost.

7) Fund Managers should ensure that gifts, donations and grants are uploaded by the Budget and Planning Department prior to executing any transactions related to those funds.

8) Excess funds if any, remaining after the closure of the project, will be spent as formulated in the agreement. In case the agreement does not specify the details for spending excess funds the excess funds will be transferred to a separate fund/ account, based on recommendation from the CFO. The funds can then be expensed as approved by the Vice-Chancellor.

1.6.5 Process Map



1.7 Financial Irregularities

1.7.1 Scope

The scope of this section includes any financial irregularities at UAEU.

1.7.2 Objective

The purpose of this policy is to provide guidance for handling suspicious financial activities.

1.7.3 Policy

1) All members of the UAEU community have a responsibility to report known or suspected financial irregularities. Reporting must be handled by all parties in a confidential manner to their immediate supervisor or the CFO. Decisions on disciplinary action should be made with due regard for appropriateness and consistency.

2) In case of evidence of any misappropriation, embezzlement or other financial irregularities, consequences will be implemented as per the HR policy on Discipline Management.

1.8 Chart of Accounts

1.8.1 Scope

The scope of this section includes UAEU's Chart of Accounts.

1.8.2 Objective

The purpose of this policy is to provide the framework for using and updating UAEU's chart of accounts.

1.8.3 Policy

1) UAEU's chart of accounts is used University-wide to record the University's activities and financial position. The Chart of Accounts must be maintained accurately to sustain the integrity of the University's financial reporting.

2) Any requested modifications (additions, deletions or changes) to the chart of accounts must be submitted to the CFO, accompanied by a statement justifying the business reason for the change. The CFO will assess the request and modify the chart of accounts where deemed relevant.

2 Accounts Payable

This section details UAEU's policy on Direct, Contract and Other Payments and Advance Payments.

2.1 Direct, Contract and Other Payments

2.1.1 Scope

The scope of this section includes all vendor payments processed by the Financial Affairs function.

2.1.2 Objective

The objective of this policy is to ensure efficient and effective processing of procurement payments.

2.1.3 Policy

1) UAEU must apply common standards in handling vendor payments in order to reduce risks and ensure cost-effective and equitable business practices.

2) All purchases and financial commitments for goods and services are performed by members of the Procurement Department or individual departments, while payment is handled by the Financial Affairs function as instructed by issuer of the purchase order after reviewing relevant documentation.

    a) Penalties/ retention of payments due to delays on part of the vendors will be as outlined in section 7.2 - Purchase Order Policy in the Procurement Manual.

2.1.4 Procedures

1) The Financial Affairs function is responsible for processing vendor payments coming from the different departments. Payments are only to be made directly to the respective vendor.

2) In the case of direct payments, the Financial Affairs function receives purchase order details, relevant contracts or agreements, and any other required documents from the Procurement Department or the department placing the purchase order.

    a) CPD/ the issuing department receive the receipt vouchers from receiving party upon receipt of the ordered goods.

    b) The respective vendor submits the invoice to the issuing department, and the department compiles the invoice, purchase order and receipt and forwards it to Accounts Payable.

    c) Accounts Payable checks that all required documents are complete.

    d) Accounts Payable processes submitted documents, and creates an electronic invoice authorizing the payment and specifying payment details.

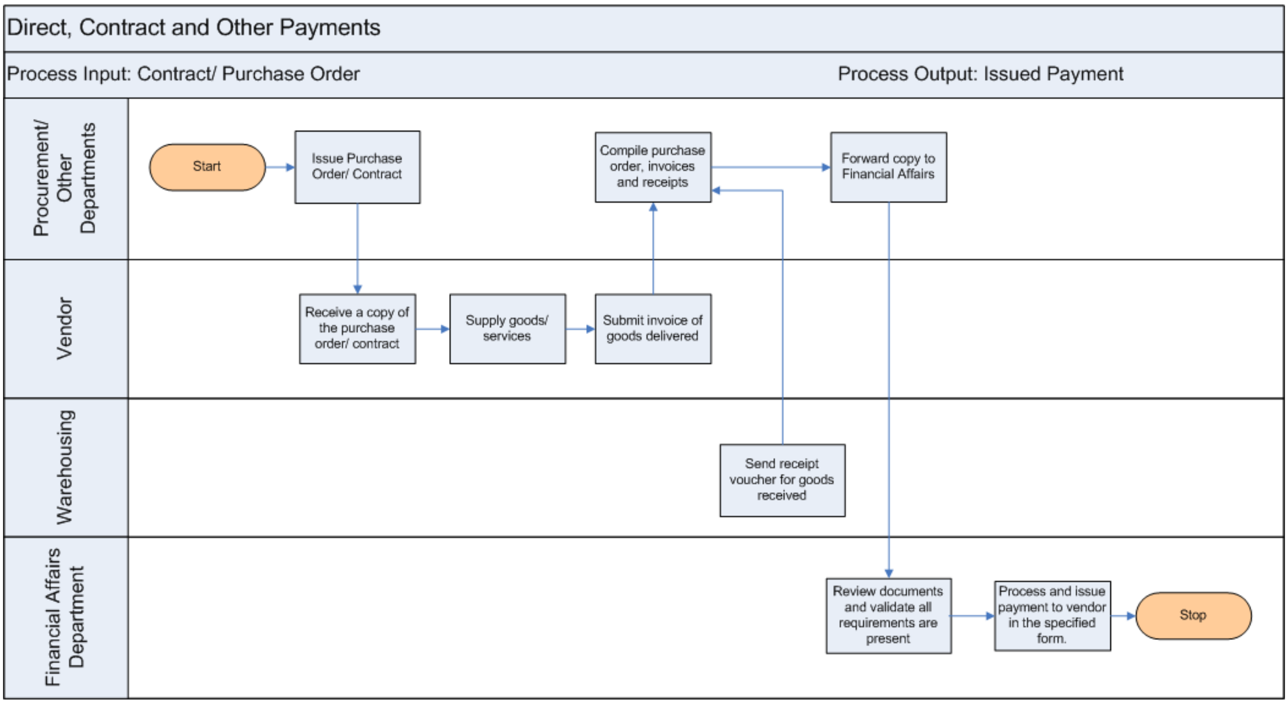
    e) Payment is made to the vendor through either a check or bank transfer as specified. Payment for any purchase order received by the Financial Affairs function should be made promptly after receiving the complete required documentation, unless a particular later date is specified.

3) With contract payments, the maintenance and service contracts are initially sent by the Procurement Department to the Financial Affairs function. Contracts are kept with the Accounts Payable department since these payments are systematic, recurring payments. Accounts Payable is responsible for making prompt and accurate payments to maintenance and service contract vendors.

   a) Accounts Payable reviews the payment details and due date, and creates an electronic invoice authorizing the payment and specifying payment details. Payment is made to the vendor through either a check or bank transfer as indicated by the Procurement Department.

4) Payments for all contracts will be made in accordance with the provisions of the contracts.

2.1.5 Process Map



2.2 Advance Payments - Vendors

2.2.1 Scope

The scope of this section includes all advance payments to UAEU's vendors.

2.2.2 Objective

The objective of this policy is to place adequate controls on advance payments to vendors.

2.2.3 Policy

1) Advance payments are payments made ahead to a vendor before the goods or services have been received. Advance payments are only to be made in instances where they are deemed necessary.

2) Advance Payments may only be made to a vendor against a bank guarantee carrying the same amount. As an exception, bank guarantees are not required in cases of advance payments for rent and magazine/ journal subscriptions or others as approved by the CFO or his designee.

3) Approvals required for advance payments are as per the Signing Authority Matrix in Appendix A.

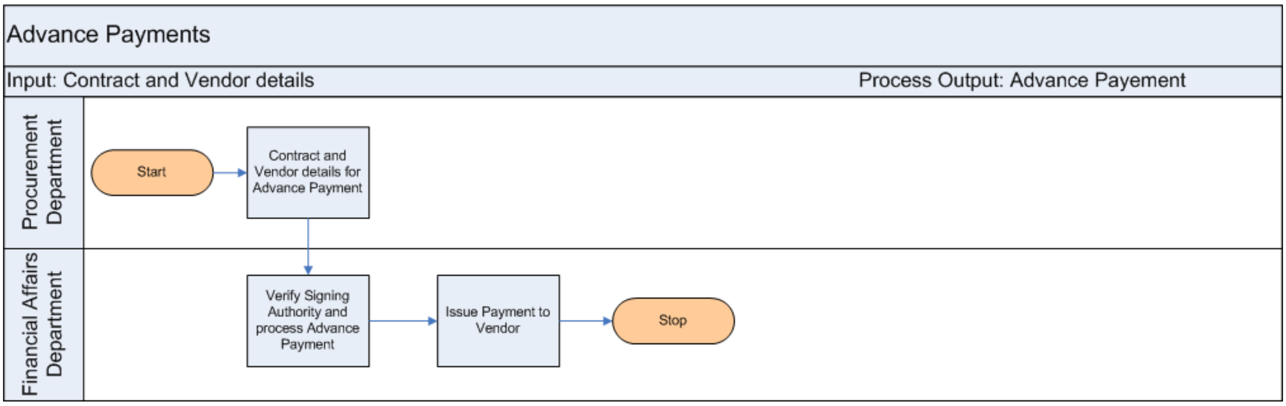
4) Advance payments to vendors may not exceed AED 10 million or 25% of the project/ contract cost, whichever is lower.

2.2.4 Procedures

1) The Procurement Department forwards contracts or purchase orders requiring Advance Payments to Accounts Payable.

2) Treasury verifies the required Signing Authority and processes the amount of Advance Payment to be made to the Vendor.

2.2.5 Process Map



3 Financial Information Systems

This section details UAEU's policy on Financial Records Management.

3.1 Financial Records Management

3.1.1 Scope

The scope of this section includes all UAEU's financial records and all university employees who create, receive or maintain such records in the course of University business.

3.1.2 Objective

The objective of this policy is to set standards for an adequate financial records management process.

3.1.3 Policy

1) Journals/ registers and other required financial and accounting information and records will be kept in manual or electronic form.

2) UAEU officers are responsible for the confidentiality and correctness of records. Financial records must be properly and securely managed, backed up, disposed of, preserved and/or archived in a manner that supports operational needs and internal control directives.

3) Financial records must be retained for a minimum of ten (10) years following the year to which they relate. Thereafter, the Provost may authorize their destruction as recommended by the CFO, provided the accounts of that year have been approved by the federal law.

4 Payroll and Disbursements

This section details UAEU's policy on Payroll Processing, End of Service Benefits, Reimbursement and Expense Claims, Advance Payments to employees and Other Disbursements.

4.1 Payroll Processing

4.1.1 Scope

The scope of this section includes payroll records for all UAEU's employees.

4.1.2 Objective

The objective of this section is to ensure:

1) Timely and accurate processing of payroll.

2) Timely and accurate processing of reimbursement claims.

3) All deductions on account of advances, loans, and unpaid leave are correctly accounted and deposited with the concerned authorities.

4) Reconciliation of approvals, advances, salaries payable, etc

4.1.3 Policy

1) Payroll processing is done in-house by the Financial Affairs function. The Financial Affairs function is responsible for processing employee's salaries, and business and travel expenses, as provided by HR and individual departments.

4.1.4 Procedures

The monthly payroll for all UAEU employees should be timely and accurately processed by the Financial Affairs function.

The procedure for payroll processing is:

1) A Pay Record is created and maintained by Human Resources for the entire duration of an employee's employment. This record is accessed by the Financial Affairs function for payroll processing and payment.

2) The Financial Affairs function is to process all data input into the system by HR, and is to issue employees' salaries accordingly. After the salaries are released, employees are notified automatically through the UAEU intranet.

3) The cut-off to have all information in for the monthly check run is the 20th of the month, with exceptions on holidays. This is to ensure that there is sufficient time for the payment process to be completed by the pay date which is the last day of the month.

4) Any changes to an employee's salary is to be input directly by the Human Resources Department by updating the employee's pay record, except where a salary change is retroactive.

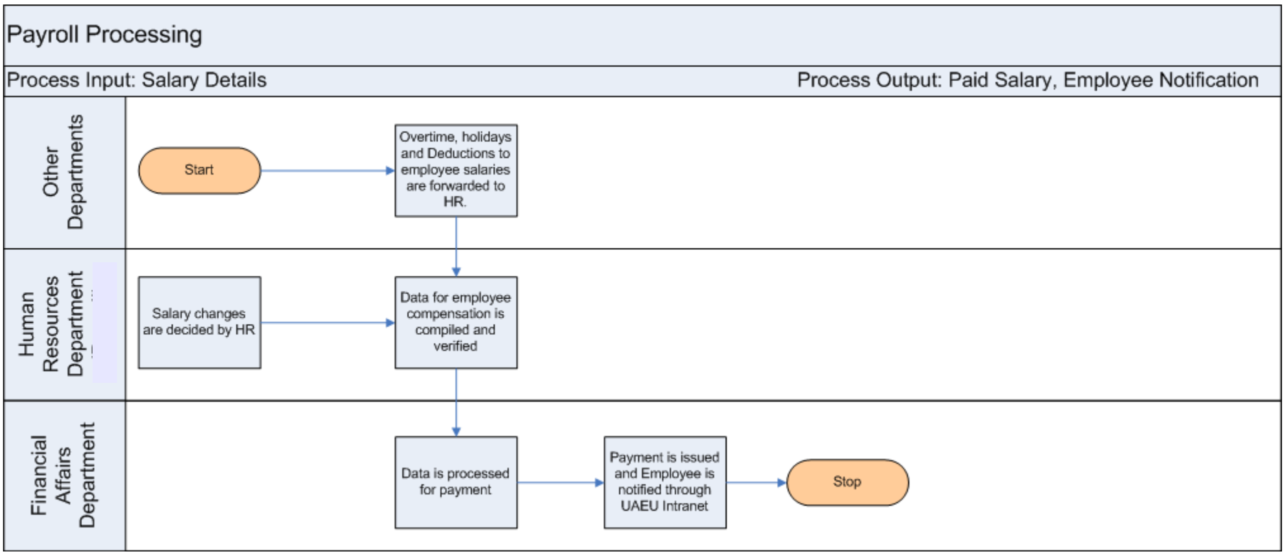
5) In cases where a retroactive change is made to an employee's salary, the change is sent to the Human Resources department to be entered into the system.

6) Deductions to an employee's salary for a specific month are forwarded from the respective department to Human Resources for review.

7) Human Resources will then forward the data to Payroll for inputting into the system.

8) Overtime, monthly attendance and holiday details for each employee for a specific month are forwarded from his/her respective department.

4.1.5 Process Map



4.2 End of Service Benefits

4.2.1 Scope

The scope of this section includes end of service benefits for all UAEU's employees

4.2.2 Objective

The objective of this section is to ensure timely and accurate processing of end of service benefits for UAEU employees.

4.2.3 Policy

1) End of Service Benefit is to be paid to an employee after having completed his/her employment period with UAEU, unless otherwise stated in the contract.

2) End of service benefit processing is done in-house by the Financial Affairs function. End of service benefit payment is as indicated by the HR department and is only to be paid when employee's debts are reconciled and he/she provides all required documents.

4.2.4 Procedures

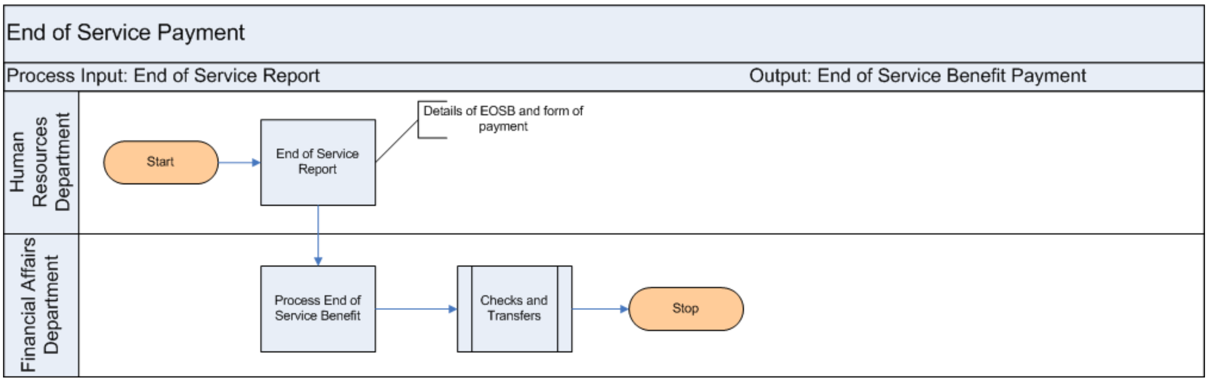
Whenever an existing employee resigns, retires or his services are terminated, the end of services benefits will be processed as per the HR Policy Manual – Section 4- Personnel Management.

The procedure for end of services benefits process is as under:

1) The Financial Affairs function will receive an End of Service report from HR, specifying the amount of end of service benefit the employee is entitled to, and whether he is to receive all, some or none of the amount. The report also denotes whether the employee is to receive an air ticket and repatriation allowance.

2) The Financial Affairs function will issue the payment in the form of a check or bank transfer according to the form from the Human Resources Department.

4.2.5 Process Map



4.3 Reimbursements/Expense Claims

4.3.1 Scope

The scope of this section includes all UAEU employees.

4.3.2 Objective

The objective of this policy is to ensure uniformity and set adequate standards for efficiently and effectively reimbursing UAEU employees on business and travel expenses.

4.3.3 Policy

1) UAEU reimburses individuals for business and travel expenses that are used for University purposes and are reasonable, appropriately documented, and properly authorized.

2) Employees on domestic or international business travel have to obtain the formal approval of Dean/Director of Division/College/Department prior to travel.

3) The reimbursement of travel and business expenses to employees will be as outlined in the schedule below:

Domestic Travel:

Per diem amounts indicated below cover accommodation, meals, and transportation cost for every day (24 hours) provided the destination is not less than 80km from place of residence or work:

Category	Position	Over night (> 24 hours)
1	Vice Chancellor, Provost, and Secretary General	**1,500**
2	Associate Provosts, Deans, Directors and staff Grades 1 & 2.	**1,300**
3	Faculty, tutors, and heads of academic departments or units and their equivalent, and staff Grades 3 & 4.	**900**
4	Staff of all other grades	**700**
5	Drivers and companions	**400**

International travel:

Per diem amounts indicated below cover accommodation, meals, and transportation cost for every day (24 hours) or part of the day according to the following schedule:

Category	Position	Amount (Dhm)	Ticket Class
1	Vice Chancellor	**3000**	**First Class**
2	Provost and Secretary General	**3000**	**Business Class**
3	Associate Provosts, Deans/Directors and staff Grades 1 & 2	**2000**	**Business Class**
4	Faculty, tutors, heads of academic departments or units and their equivalent, and staff of all other grades	**2000**	**Economy Class**
5	Students	**200**	

- The university pays for all other pre-approved expenses that are not covered by the per diem amount, such as registration fees and Visa issuing fees.
- Two additional days (one day before the mission and one day after the mission) are added to the mission duration to any destination outside the UAE.
- The University also covers the cost of all expenses incurred by students who travel to pre-approved training courses, including airline tickets, transportation, accommodation, meals and the medical treatments.
- Travel expenses will be paid from departmental budgets.

3) The form of reimbursement could be through previously issued travel advances, per diem, or direct payment to a vendor. These reimbursements will be based upon the nature of the expense and the grade of the employee.

4.3.4 Procedures

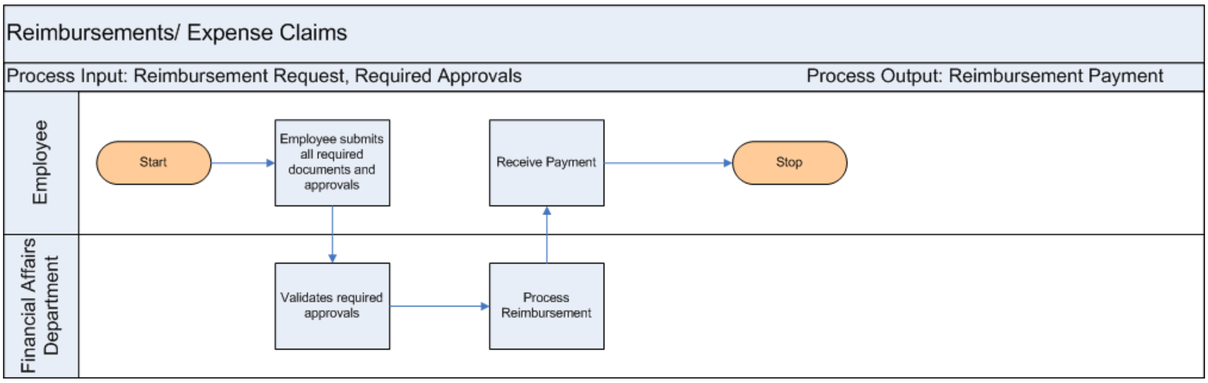
1) When submitting a reimbursement request, employees are required to submit all documents relating to the respective expense to the Financial Affairs function, after obtaining the approval of their Dean/Director of Division/College/Department.

   Required documents include: purpose of the trip (where applicable), dates and destinations, all original receipts with details of expenditure receipts and reference to any advance payment relating to the trip.

2) The Financial Affairs function will process promptly all properly approved reimbursement requests submitted.

3) Travel advances relating to a business trip must be settled within two weeks of the employee's return. Otherwise, the advance payment shall be deducted from the employee's salary.

4.3.5 Process Map



4.4 Advance Payments - Employees

4.4.1 Scope

The scope of this section includes all advance payments to UAEU's employees.

4.4.2 Objective

The objective of this policy is to ensure a consistent process for advance payment to employees.

4.4.3 Policy

1) Employees may avail of advance payments in cases of business travel and prior to taking annual leave.

2) Leave advance can be applied for just prior to employee taking his/her annual leave.

3) Travel advance payments will be made upon the approval of the Dean/Director of Division/College/Department as specified for the travel approval in Section 4.3.3.2, and are to be settled within 2 weeks of the employee's return from his/her travel.

5 Treasury

This section details UAEU's policy on Bank Accounts, Bank Reconciliations, Receipts, Petty Cash, Payments and Bank Guarantees.

5.1 Bank Accounts

5.1.1 Scope

The scope of this section applies to the Financial Affairs function.

5.1.2 Objective

The objective of this policy is to institute standard financial controls for establishing and maintaining UAEU's bank accounts.

5.1.3 Policy

1) Establishing UAEU's bank accounts and requesting credit card facilities are as per the Signing Authority Matrix outlined in Appendix A.

5.1.4 Procedures

a) Establishing Bank Accounts

1) To establish a bank account, the CFO reviews the validity of the business need, the signing authorities, the appropriateness of the account's proposed funding, and forwards the request to the Vice Chancellor for approval.

2) The Vice Chancellor reviews the request, approves it, and informs Treasury.

3) Treasury chooses a bank from a list of UAEU's preferred banks and prepares all required documents for establishing the bank account.

4) Treasury fills the bank's form, obtains the signatures of the Vice Chancellor and the designated signing authority, and follows up until the account is established.

5) Once the bank account has been established, Treasury will add that bank account to UAEU's chart of accounts.

b) Closing of Bank Accounts

1) In particular instances where the need for closing a UAEU bank account is identified, the CFO revises the closing considering the reason behind it, and instructs Treasury accordingly.

2) Treasury verifies that no pending checks are issued from that particular bank account, and communicates the closing request to the bank. Required documents and signatories required to close the account are submitted to the bank along with checkbooks, if any.

3) Any funds remaining in closed bank accounts will be remitted to another university bank account. Once the account is closed, the bank will submit a signed affirmation of the closure and a final bank statement to be retained by Treasury.

c) Requesting Credit Card Facilities

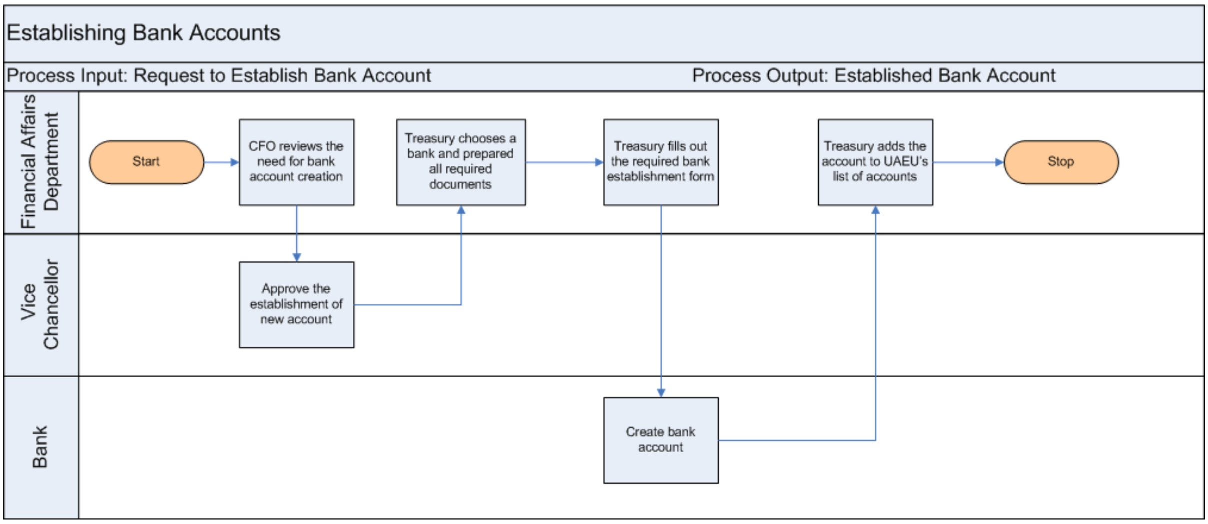
1) To request credit card facilities, the concerned department fills a credit card request form to be approved by the Dean/Director of Division/College/Department and the CFO and sends it to the Banking Department.

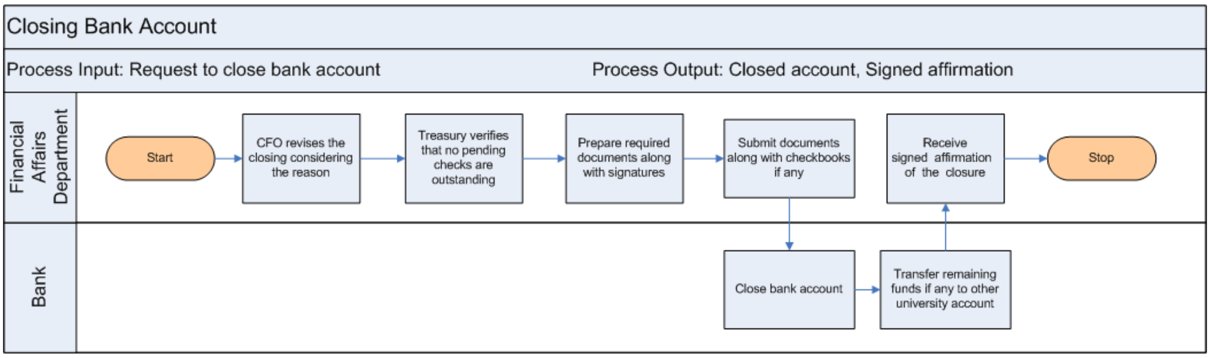
2) Upon receiving the approvals, the Banking Department fills the required form, sends it to the CFO to be signed and commences with the required bank procedures to issue the card.

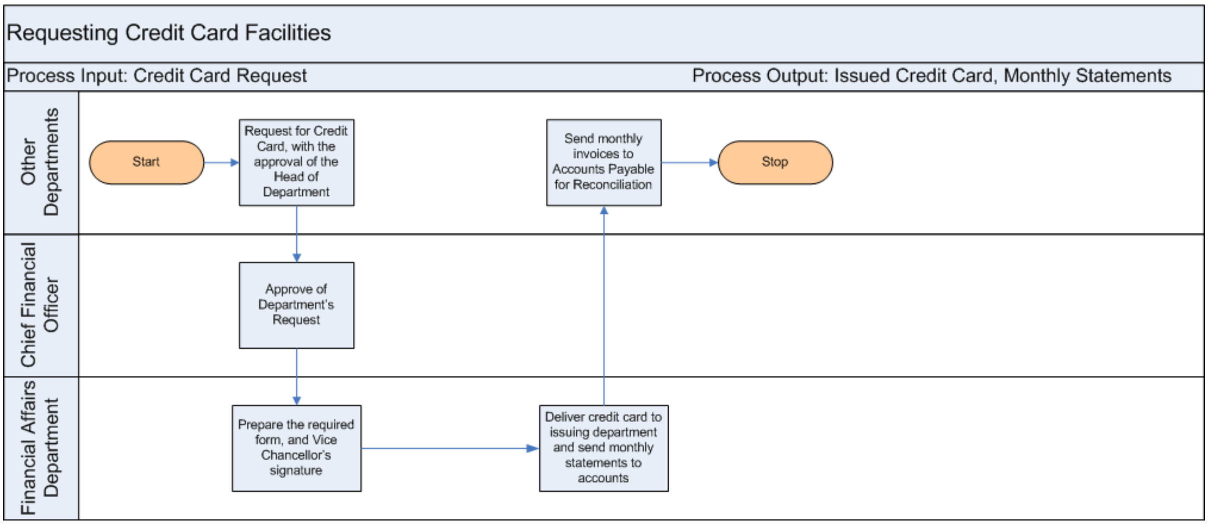
3) At the end of each month, the credit card statement is received by Treasury from the issuing bank.

4) The credit card statement is then forwarded to the Accounts Payable for reconciliation with the invoices provided by the employee holding the credit card.

5.1.5 Process Map







5.2 Bank Reconciliation

5.2.1 Scope

The scope of this section includes all bank accounts under UAEU's chart of accounts.

5.2.2 Objective

The objective of this policy is to ensure that all transactions are reflected accurately in the bank statement.

5.2.3 Policy

1) The University will undertake regular bank reconciliations to control the risk of fraud or error by University or bank employees. UAEU's bank accounts will be reconciled within ten working days from the receipt of the Bank Statement.

2) Invalid entries will be isolated and corrected. Any discrepancies are to be resolved with the Bank or Banking Department depending on the source of the discrepancy.

3) The Financial Affairs function is responsible for confirming that monthly reconciliations for each bank account, under UAEU's chart of Accounts, are performed.

5.2.4 Procedures

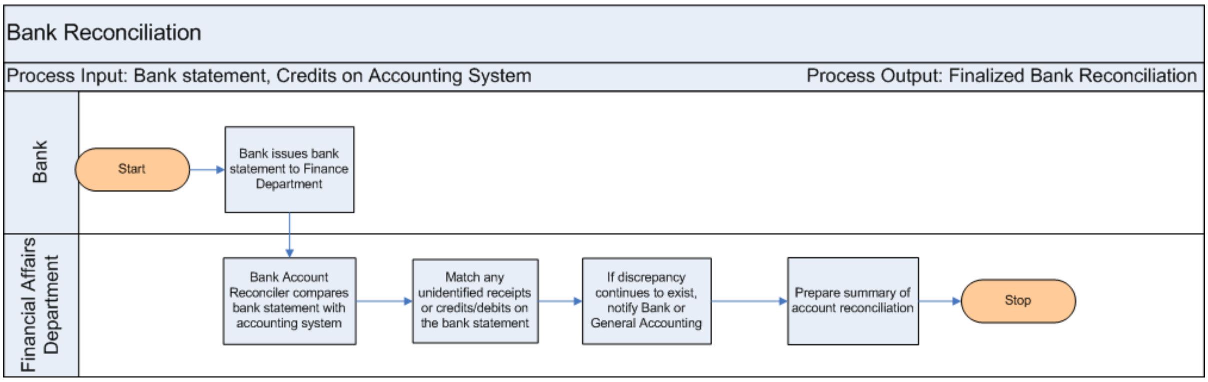
1) The bank account reconciler will compare the credits and debits on the bank statement with recorded deposits and disbursements on UAEU's financial records. The bank account reconciler will match the balance as per UAEU's financial records, in respect of each bank account, with the balances as per the monthly bank statement.

2) Any discrepancies will be investigated and resolved within two business days. Any bank discrepancies are to be resolved with the bank. Any posting discrepancies will be communicated to UAEU's Controller for inclusion or correction in the University's financial records. If discrepancies remain unresolved after two business days, the bank account reconciler will document the situation and report it immediately to their supervisor.

3) Bank statements will be reconciled by the 15th of the month following the bank statement cut-off date.

4) The summary of the account reconciliation will be signed by the bank account reconciler. The signatures will confirm that current procedures were followed and that the reconciliation accurately presents the status of the account at the bank as well as on University records.

5.2.5 Process Map



5.3 Cash Receipts

5.3.1 Scope

The scope of this section includes all departments of UAEU.

5.3.2 Objective

The objective of this policy is to achieve an efficient and effective cash receipts process.

5.3.3 Policy

1) All cash and check receipts may only be deposited with UAEU's Cashier.

2) Cash and check receipts must be deposited into UAEU's bank account and followed up to check if the credit advice is received.

3) Credit card payments are accepted by UAEU, and will have an additional handling fee.

4) UAEU cashier is responsible for strictly limiting access to paper records containing credit card and bank account numbers.

5.3.4 Procedures

a) Cash Receipts

1) When receiving cash deposits, the cashier should:

   a. Verify the total received by counting the currency in the presence of the depositor.

   b. Keep the money received out of the cash register, cash box, or deposit bag until the transaction is complete.

   c. Secure cash and deposits immediately upon receipt in a locked cash box, or safe.

2) The cashier is to issue the depositor a sequentially numbered receipt voucher, a copy of which is kept with the cashier.

3) Cashier submits cash receipts and supporting documentation to the Banking Department where someone, independent of the cashiering function, prepares the receipts for deposits.

4) The cashier is to deposit all cash received at the bank by the end of every week. However, in instances where receipts held by the cashier exceed AED 5,000, the Banking Department should deposit these receipts to the bank on the same day.

5) Cash receipts must be reconciled before being sent to the bank. Individuals reconciling payments should not be the same individuals to initially receive or send these cash payments to the bank.

6) Bank deposit slips and related documentation should be turned in to the department responsible for Accounting at UAEU immediately to be recorded in the financial system.

b) Check Receipts

1) Checks received by UAEU must be in the form of an account payee check. When receiving check deposits, the cashier should:
   a. Examine the check for any alterations.
   b. Check that the numeric and written amounts match.
   c. Authenticate that the check is addressed to UAE University or to the proper UAEU entity.
   d. Verify that the date of the check is valid

2) Based on the above, if the check appears flawed or fraudulent, the cashier is to request reissuance of a check.

3) The cashier submits check receipts and supporting documentation to the Banking Department where someone, independent of the cashiering function, prepares the receipts for deposits.

4) If a check is returned after being sent to the bank, someone independent of cashiering should contact the issuer of the check to determine the reason for the check being returned and to seek good funds if necessary.

5) Bank deposit slips and related documentation should be turned in to the department responsible for Accounting at UAEU, immediately to be recorded in the financial system.

c) Credit Card Payments

1) Payments to UAEU may be made with a credit card to UAEU's cashier. All major debit cards and credit cards are accepted for payment.

2) The cashier swipes the credit card with the specified payment amount, and issues the payee with a receipt and a copy of the credit card payment slip.

3) Transactions are sent automatically to the bank and the bank is responsible for processing credit card receipts on a daily basis and crediting UAEU's account.

4) Payments may also be made by authorizing credit card use by filling out the form designated by the department, and faxing this form to the UAEU Cashier.

5) Upon receiving the credit card authorization form, the cashier is to process the payment similarly.

6) Bank credit memos and related credit card transaction documentation should be turned in to the department responsible for Accounting at UAEU, immediately to be recorded in the financial system.

d) E-Payments (receipt)

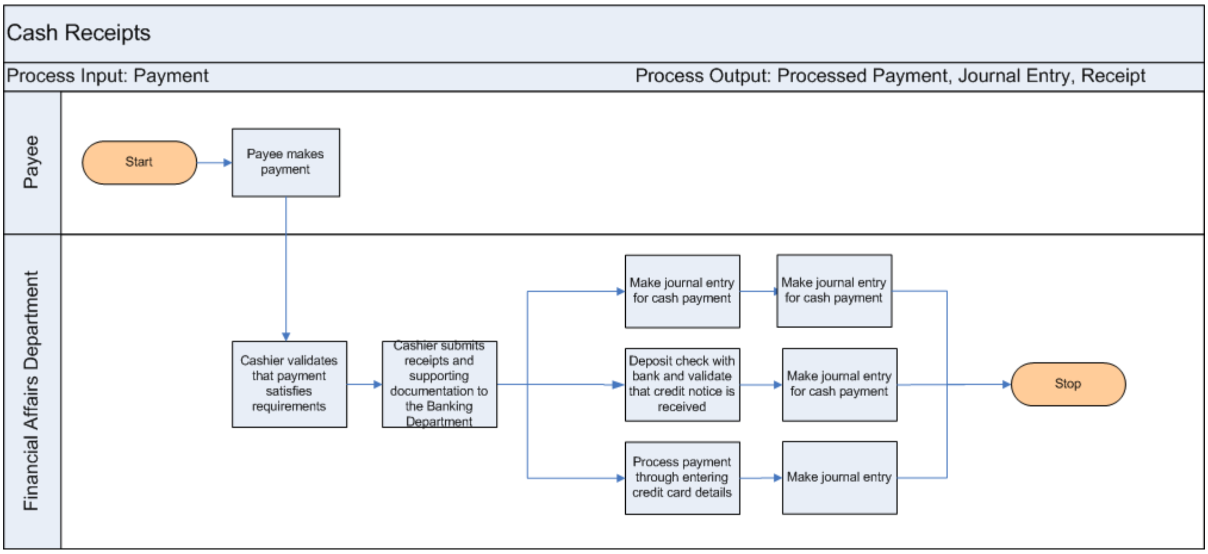
1) UAEU accepts e-payments through its online portal present on UAEU's website. The payee inputs all required data into the online form and authorizes the payment.

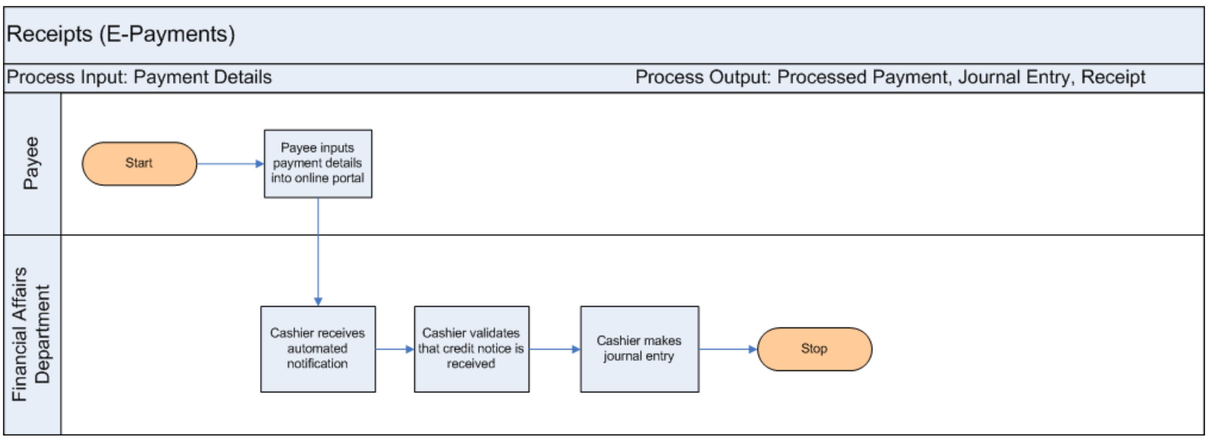
2) The payee receives an electronic invoice via email, once the payment is processed.

3) The Cashier receives an automated notification of the payment made, and follows up on receiving the credit notice from the bank.

4) Bank credit memos and related e-payment transaction documentation should be turned in immediately to be recorded in the financial system.

5.3.5 Process Map





5.4 Petty Cash

5.4.1 Scope

The scope of this section includes all departments of UAEU.

5.4.2 Objective

The objective of this policy is to govern the establishment and use of petty cash funds.

5.4.3 Policy

1) Petty cash funds are advances awarded to employees for expenditures incurred on behalf of UAEU for certain supplies and services. Petty cash funds can only be used to meet minor, non-travel, out-of-pocket expenditures of the University. Petty cash funds may only be used for minor expenditures of less than AED 500 per receipt.

2) Petty cash funds may only be used to incur legitimate expenses related to an approved University business.

    a. All petty cash funds are to be audited annually, without advance notice.

3) Access to the petty cash fund is limited to the petty cash custodian~~,~~ and he/she will be responsible for safekeeping, disbursing and reconciling the fund. The custodian is also responsible for ensuring that each incurred expense is appropriate, reasonable and only for University purposes.

4) The reconciliation of petty cash funds is to be performed on a weekly basis.

5) To increase petty cash funds float limit, units must request approval from the CFO and provide a reason for the increase.

5.4.4 Procedures

a) Establishing Petty Cash funds

1) A Petty Cash custodian for the Division/College/Department is designated and authorized by the Dean/Director of Division/College/Department.

2) The petty cash custodian will complete the designated requisition form and send it to the Dean/Director of Division/College/Department and then to the CFO for approval.

3) Upon receiving the approval, the request is forwarded to the Accounting to open a ledger account for the fund.

b) Issuing Petty Cash

1) An employee wishing to avail of the petty cash fund is requested to fill out an I.O.U. form, as per the form/format designated by the Division/College/Department, and submit it to the custodian.

2) The custodian reviews the request, the appropriateness and reasonableness of the petty cash use and issues the employee cash accordingly. The Custodian keeps record of all cash payments made to employees.

3) The employee is then required to provide the original expense receipt to the custodian.

4) The custodian verifies the expense details and files the receipt.

5) In instances where an employee has incurred expenditures on behalf of UAEU that meet the requirements of being reimbursed through petty cash, these expenditures may be reimbursed from the petty cash fund.

   a) The employee presents the original expense receipt to the custodian, who in turn reviews the appropriateness and reasonableness of the expense for petty cash use and verifies the expense details.

   b) The petty cash custodian reimburses the employee and files the respective receipt.

c) Replenishing Petty Cash Funds

1) Petty cash funds are based on an estimate of qualifying expenses. The maximum value of petty cash funds held by the cashier is the Float Limit, which is specified at AED 5,000.

2) Whenever the petty cash fund held by the custodian falls sufficiently low, the custodian can request to replenish the fund through Accounts Payable.

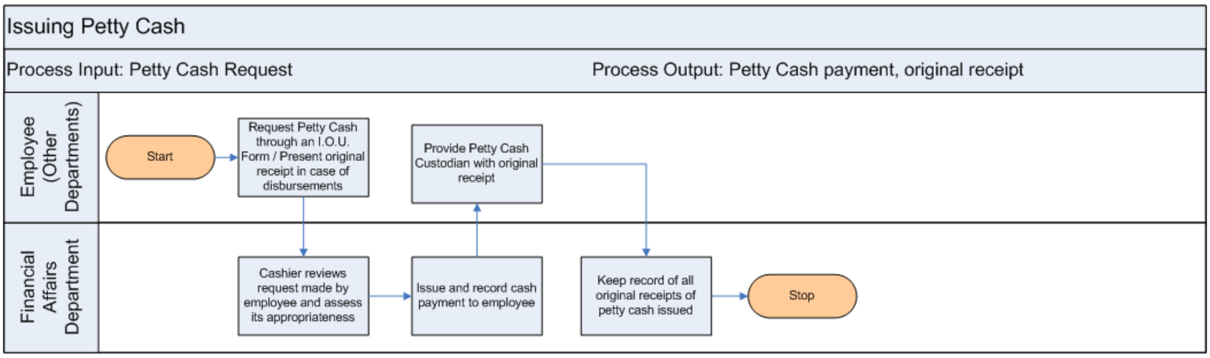
3) All the original receipts that have been submitted in return for cash and pertinent records should be forwarded to Accounts Payable along with the replenishment request.

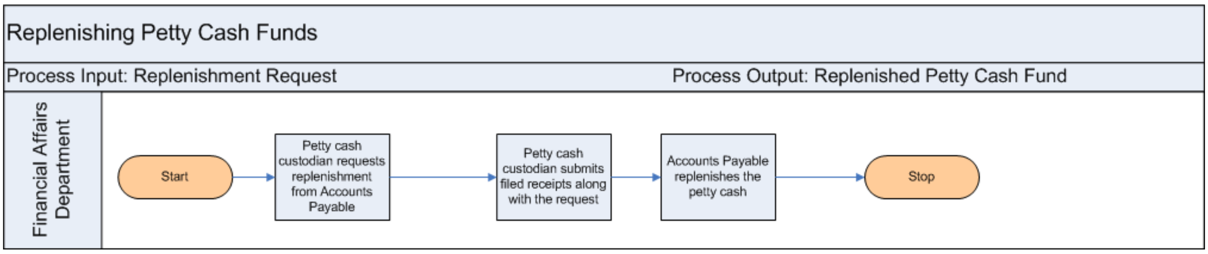
d) Daily Reconciliation of Petty Cash Funds

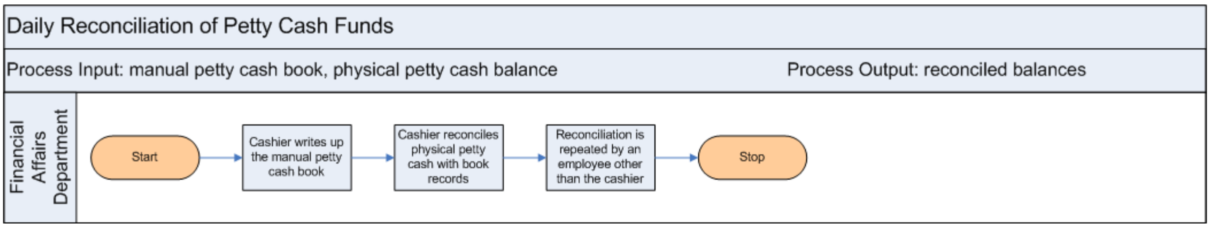
1) The custodian must reconcile the petty cash fund by ensuring that receipts and cash add up to the fund's balance.

2) On a weekly basis, the petty cash fund should be verified by an employee independent of the custodial function.

5.4.5 Process Map







5.5 Payments

5.5.1 Scope

The scope of this section includes checks and bank transfers issued by the Financial Affairs function.

5.5.2 Objective

The objective of this policy is to ensure efficient, effective and consistent transfer of payments (bank transfers, e-payments and checks).

5.5.3 Policy

a) Bank transfers or checks are prepared with the carrying amounts and beneficiaries as instructed by Human Resources or other colleges, divisions or departments, upon receiving the appropriate approvals.

b) Signatures required for checks and/or bank transfers depend on the carrying amount of the check or the bank transfer, and are as outlined in Appendix A.

5.5.4 Procedures

a) Checks

1) Orders for check payments are received by the Financial Affairs function from Human Resources or other colleges, divisions or departments through the online system, containing payment details and the beneficiary.

2) Approvals for check payments are input online through the system and signatures are printed digitally on the checks. The required signatures depend on the carrying amount of the check and are as per the Signing Authority Matrix in Appendix A.

3) Checks are either deposited directly into the beneficiary's bank account, or are to be received from UAEU's cashier.

4) To receive a check from the UAEU cashier, the beneficiary is required to provide a valid form of authentication such as a driving license, national ID or passport.

b) Bank Transfers

1) Orders for bank transfers are to be sent manually from the requesting Division/College/Department to the Financial Affairs function.

2) Required signatories for bank transfers depend on the value of the bank transfer and follow the same Signing Authority Matrix outlined in Appendix A. Authorizing signatures for bank transfers are required to be physical signatures.

3) Where a bank transfer is requested, Treasury retrieves bank account details from the payment request and processes the payment from UAEU's bank account accordingly.

c) Electronic Payment

1) The CFO will designate and authorize a staff member to make the required e-payments. This staff member will be the custodian for the e-payment username and password.

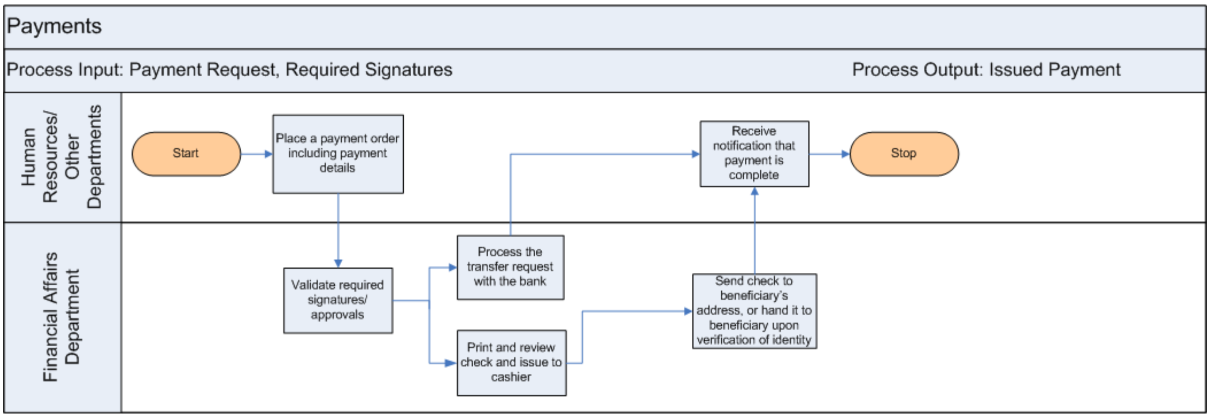
2) Invoices for electronic payments are to be sent from the requesting department to the Financial Affairs function.

3) The Financial Affairs function verifies that the payment request has the required approvals. Required approvals for the payment depend on the value of the payment and follow the same Signing Authority Matrix outlined in Appendix A.

4) After reviewing the necessary approvals, the designated person makes the required e-payment.

5) Treasury is notified once the payment is made, and a copy of the payment notification is filed.

5.5.5 Process Map



5.6 Bank Guarantees

5.6.1 Scope

The scope of this section includes all bank guarantees and bid bonds received by UAEU.

5.6.2 Objective

The objective of this policy is to effectively manage bank guarantees and bid bonds received by UAEU.

5.6.3 Policy

1) Bid bonds or bank guarantees received by UAEU should be as per the details outlined in the request for proposal or in the tender form. Bid bonds and bank guarantees must be forwarded to Treasury.

2) If the conditions under which UAEU may require the bid bond or calling upon the bank guarantee occur, UAEU shall take immediate action. These conditions will be clearly set out in the tender or RFP and in the contract documents.

3) The head of Procurement shall be responsible for co-coordinating with vendors and ensuring that performance bonds or bank guarantees are maintained current.

5.6.4 Procedures

1) Upon opening bids or proposals, the senior administrator present is responsible for tabulating any bid bonds received. All bank guarantees and bid bonds must be submitted to Treasury.

2) Bid bonds in the form of checks will be deposited for clearance by the bank upon receipt. Bank guarantees received will be placed in the vault for safekeeping.

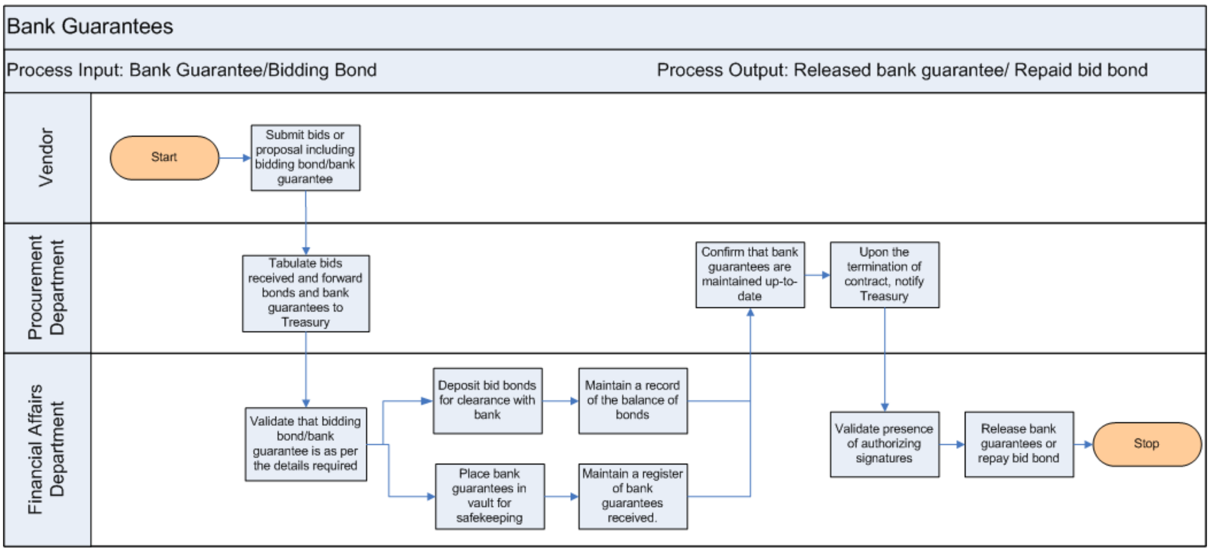
3) Treasury maintains a record of the amounts constituting the balance of bonds deposited and maintains a register of bank guarantees received along with validity/expiry details.

4) Treasury will review the bank guarantees on a periodic basis and decide, along with Procurement, whether an extension of guarantee is required. Procurement function will instruct the vendor to furnish an extension of guarantee, wherever required.

5) Upon receiving the new bank guarantee, Procurement function will forward it to Financial Affairs function where it is paired with the expiring bank guarantee, registered and maintained in the vault for safekeeping.

6) The release of bank guarantees or the repayment of bid bonds to the Division/College/Department from which they were received will only be processed subsequent to receiving the appropriate signatures from the relevant Division/College/Department as per the Signing Authority Matrix in Appendix A.

5.6.5 Process Map



6 Budget and Planning

This section details UAEU's policy on Budget and Planning.

6.1 Budget and Planning

6.1.1 Scope

The scope of this section includes UAEU's budgeting process.

6.1.2 Objective

The objective of this policy to provide guidelines to develop a standardized budgeting process to be followed within UAEU.

6.1.3 Policy

1) UAEU's budget is to be prepared each year based on the projected activity level for the fiscal year and in consonance with UAEU's plans approved by the Chancellor.

2) UAEU will implement the budgeting approach such that UAEU's services (outputs) and their costs will be linked to UAEU's goals, outcomes and KPIs. With this approach, resource allocation decisions are supported by outputs and overall goals so that the allocated budget is linked to the overall strategy.

3) UAEU's budget includes the University's projected revenues and expenditures. UAEU's budget needs to be approved by the Chancellor and other appropriate government agencies.

4) Commitments for spending within a given year have to fall within the allocated budget and may only be approved by the respective Signing Authority.

5) The University may enter into contracts involving financial commitments that extend into coming fiscal years, upon receiving the approval of the Provost. The commitment to be paid in the coming years may not exceed the funds assigned for the fiscal year during which the contract is signed.

6) Upon the approval of Provost, Budget and Planning Department may transfer commitments earmarked for such contracts in the University Budget into a special trust fund account, out of which the required disbursements shall be made.

7) In instances where UAEU's budget has not been approved prior to the beginning of a fiscal year, the previous fiscal year's budget will be used as the budget for the new fiscal year, until the time the new budget is issued and approved.

6.1.4 Procedures

1) The Provost, assisted by the Budget and Planning Department, issues a circular requesting the start of budget preparation for the coming year. Budget and Planning Department provides the Divisions/Colleges/Departments with the Budgeting Form and information.

2) Each Division/College/Department within UAEU prepares estimates of its projected expenses and revenues through the following process:

    a) Establishing a definitive set of goals, outcomes and KPIs in accordance with UAEU's strategic plan,

    b) Defining the costs associated with the goals, outcomes and KPIs.

3) The respective department heads are responsible and accountable for providing the detailed budgets as per the Budget Form circulated by the Budget and Planning Department.

4) Budget and Planning Department verifies the figures submitted by the different colleges, divisions and departments for reasonability and appropriateness. Whenever deemed relevant, Budget and Planning Department may request supporting documentation, from the respective Dean/Director of the Division/College/Department.

5) Whenever required, the Financial Affairs function will request the procurement section to evaluate the technical / specialized requirement and validate the cost of material and services budgeted.

6) Budget and Planning Department then undergoes a similar process to provide estimates of the UAEU's projected revenues and expenditures, and then combines the colleges', divisions' and departments' estimates into a consolidated draft budget into the relevant format.

    a) UAEU's capital and operating expenses are budgeted in separate chapters and divided into lines as appropriate.

    b) Expenditures and revenues for each Division/College/Department are budgeted separately within the total budget.

7) The formatted draft budget is submitted by the CFO to the Provost for review.

8) The Vice-Chancellor submits the draft budget to the Chancellor for review and approval and then to the appropriate government agencies.

9) On receipt of the approved budget values from the appropriate government agency, Budget and Planning Department drafts a proposal for budget reallocation. The budget allocation proposal is submitted to the Provost for approval. Budget and Planning Department incorporates any comments and/or suggestions. Once approved, the reallocated budget is circulated to the departments and sections.

    a) Funds may be transferred one chapter to another, upon receiving the necessary approvals from the Chancellor.

b) Funds may be transferred from a line item to another, within a chapter; upon receiving the necessary approvals from the Provost/ Secretary General/ Deans, as per respective approval authority.

10) Actual spending will be compared against the budget periodically, and presented to the CFO. Explanations should be obtained for any variances that exceed 10%.

a) The approved budget will be the basis for reporting. Actual revenue and expenses will be reported against budget with full justification and explanation of all significant variances.

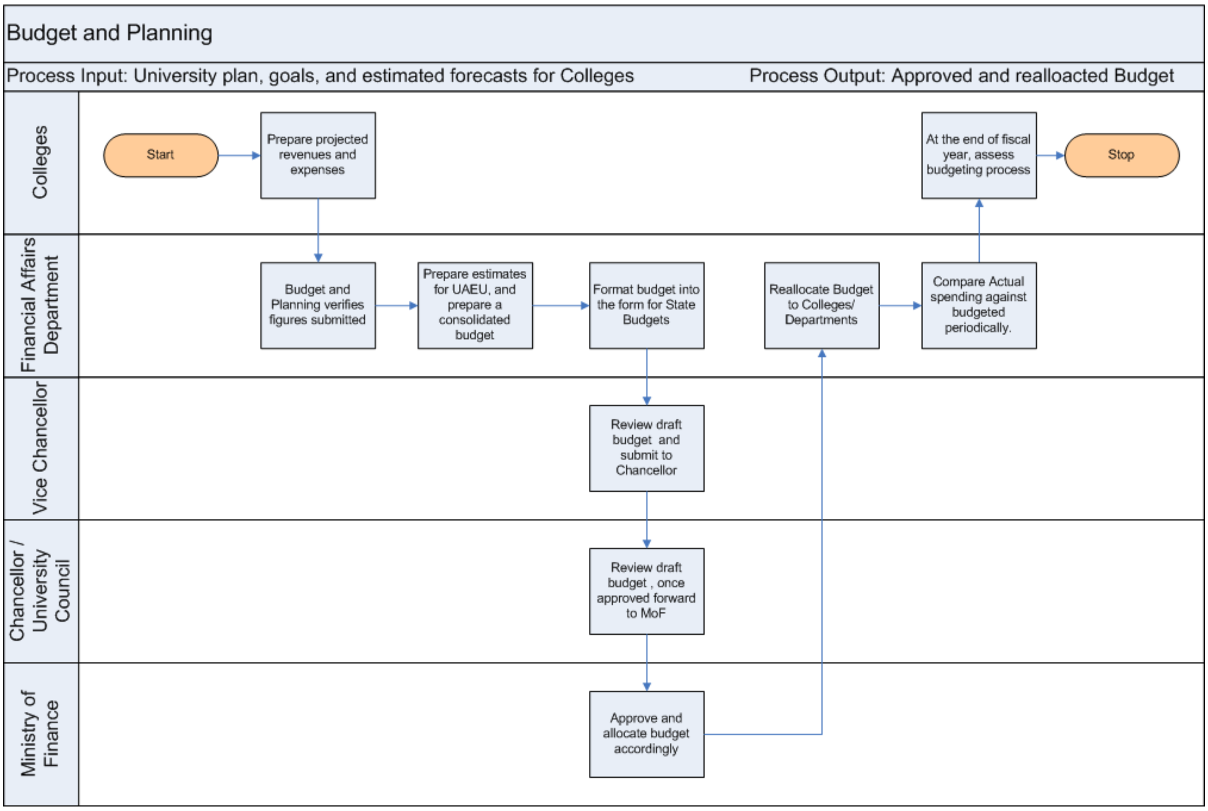
b) The preparation of variance statements relating to variances between budget and actual figures covering various operational areas shall assist management in decision-making and control.

11) Variance Analysis reports are prepared by the Budget and Planning Department on a regular (monthly/ quarterly) basis, as part of the Financial Reporting process.

12) Variance Analysis Reports are forwarded to UAEU's colleges, divisions and departments in order to make the budgeting process more efficient.

13) At the end of a fiscal year, each Division/College/Department is to assess its budgeting process through measuring the set of delivered services against the planned services and testing the link between the delivered services and incurred costs.

6.1.5 Process Map



7 Performance Measurement

This section details UAEU's policy on Performance Measurement.

7.1 Performance Measurement

7.1.1 Scope

The scope of this section is to govern the operations of the Financial Affairs function.

7.1.2 Objective

The objective of this policy is to outline the performance management framework to be used by the Financial Affairs function.

7.1.3 Policy

1) The CFO is responsible for establishing a definitive set of Key Performance Indicators (KPI's), as illustrated in Appendix B, for measuring the performance of the Financial Affairs function.

2) The CFO will be responsible for reviewing and revising the KPI's as necessary.

3) Key Performance Indicators for the Financial Affairs function include but are not limited to:

a) Time taken for signing of the Annual Financial Report,

b) Percentage of transactions that are completely processed by the Financial Affairs function during 48 hours,

c) Average duration required for processing of transactions coming from different departments,

d) Percentage of transactions delayed due to incomplete documentation received from other departments,

e) Annual user satisfaction report on the level of services provided by the Financial Affairs function.

f) Innovation, suggestions, accuracy, cost-cutting, time saving.

Appendix A: Signing Authority Matrix

	Chancellor	Vice Chancellor	Provost	Secretary General	Chief Financial Officer	Head/Dean of Division, College or Department	Head of Procurement	Designated Signing
Changing or amending policies or initiating new policies	**X**							
Changing, amending, or initiating new procedures			**X**					
Bank Accounts								
Establishing Bank Accounts		X						X
Closing Bank Accounts					X			
Approving Credit Card Requisitions					X			
Payments								
Up to AED 500,000					X*	X*	X*	
Above AED 500,000 to AED 3,000,000			X*	X*				
Above AED 3,000,000		X						
Advances to Vendors					X			
Increasing petty cash float limit					X			
Releasing bid bonds/ bank guarantees					X		X	
Reimbursement of expenses to employees						X		
Advances to Employees						X		
Accepting donations with financial commitments			X					

X* = Either of the signatures

Appendix B: Key Performance Indicators

Accounts Payables

Critical Success Factors	Key Performance Indicators
Reducing erroneous processing Increased customer orientation	Number of instances where invoices are booked without proper approval/ supporting documents/ PO
	Time to resolve invoice errors
	Time to process all payments accurately within credit period
	Total/ average value of overdue invoices
	Number of overdue invoices
	Cycle time for disbursement of advances to vendors

Payroll & Disbursements

Critical Success Factor	Key Performance Indicator
Improvement in monthly payroll process Increased customer orientation	Cycle time for payroll disbursement
	Cycle time for disbursement of expenses
	Payment errors as percentage of total payroll disbursement
	Average delay in monthly payroll processing (compared with planned date)
	Cost per pay-slip issues
Improving efficiency of employees settlement process	Time to process for full and final settlement of employees leaving UAEU

Treasury

Critical Success Factor	Key Performance Indicator
Increasing efficiency of reconciliation process	Number of days delay in preparing bank reconciliation
	Number of entries appearing for more than one month
	Maximum number of days where revenue has not been credited in Bank Statement and is outstanding
	Number of days delay in reconciling cash collected with Register
Improving efficiency of Petty cash payments	Instances where petty cash is paid without proper verification of supporting vouchers
	Lead time for making advance payment for petty cash expenses

Budgeting & Planning

Critical Success Factor	Key Performance Indicator
Improving efficiency and customer orientation of annual budgeting process	Cycle time to provide clarification to the cost center managers
	Number of clarifications sought by departments
	Time taken to consolidate budgets and present for approval
Accurate and timely reporting	Adherence to budget monitoring plan/ frequency
	Reports generated on time, as per agreed schedule

Accounting and Reporting

Critical Success Factor	Key Performance Indicator
Increasing efficiency in GL close	Reduction in lead time for closing GL