

A'Sharqiyah University

Accounting Manual

September 2017

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Document review and approval

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A' Sharqiyah University S.A.O.C

CRITICAL ACCOUNTING POLICIES

A' Sharqiyah University

CRITICAL ACCOUNTING POLICIES



Objective and Authority:

The objective of this document is to provide an overview of critical accounting policies ASU is subject to. This document is integral part of Accounting Manual and *authoritative document approving* currently prepared and established Accounting Manual of A'Sharqiyah University.

In case of any discrepancy or misunderstanding, this document shall have the overriding authority over any other related document.

Purpose

The purpose of this document is to:

- Document the policies of A'Sharqiyah University ('ASU'/ 'the University') in the areas of finance and accounting.
- Provide the framework for the finance and accounting functions of the University, considering the requirements of International Financial Reporting Standards which are applicable or expected to be applicable in the context of finance and accounting for the University;
- Ensure uniformity and consistency in applying accounting policies; and
- Provide continuity of procedures despite changes in staff.

Coverage

The manual includes significant policies to enable the University follow International Financial Reporting Standards on a consistent basis from one accounting period to another, and to provide a framework for formulation of accounting procedures.

The document provides accounting policies in the following areas:

- Revenue, other income and receivables
- Purchase and payables
- Fixed assets expenditure
- Cash and Bank
- Payroll and employee related payments
- Budgeting
- Closing of accounts



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1 Revenue

(Accounting Manual Ref: 03.2.1)

Revenue shall comprise income from the following sources:

- Fee income
- Dormitory and Accommodation Charges
- Professional Development Courses
- Rental income and financial income,
- Government grant
- Other Income

1.1 Fee income

(Accounting Manual Ref: 03.2.2)

Represents the value of courses conducted during the period, net of discounts. This shall include the following:

- Application & registration fees, and
- Tuition fees;

No fee income is recognized if there are significant uncertainties regarding recoverability of the consideration due or associated costs.

1.2 Revenue from dormitory and accommodation fees

(Accounting Manual Ref: 03.2.3)

Revenue from dormitory and accommodation fees shall be collectable from all students staying in University provided dormitories (accommodation) and shall be recognized over the period of stay of students at the University's provided accommodation.

1.3 Professional development courses

(Accounting Manual Ref: 03.2.4)

Professional development courses Such as IELTS, AFL are short term courses and shall be charged to students studying the course on a specific course basis and are recognized on a delivery basis.



1.4 Rental income

(Accounting Manual Ref: 03.2.5),

Rental Income recognized over the term of the lease on a straight-line basis.

1.5 Finance income

(Accounting Manual Ref: 03.2.5)

Finance Income recognized over the term of the investment period on a straight-line basis.

1.6 Government Grant

(Accounting Manual Ref: 03.2.6)

Government Grant shall be recognized only when there is reasonable assurance that:

- The University will comply with any conditions attached to the grant; and
- The grant will be received.

Grant shall be recognized as income over the period matching with the related costs, for which they are intended to compensate, on a systematic basis.

Non-monetary grants, such as land or other resources, shall be accounted for at fair value.

A grant receivable or received as unconditional grant should be recognized as income in the period in which it is receivable.

1.7 Deferred fee income

Deferred fee income represents registration and tuition fees received in advance. These fees are recognized as revenue over the related terms.

1.8 Other income

(Accounting Manual Ref: 03.2.7)

Other income shall account for as follows:

- Revenue from student cards, entry door cards, book charges, fines and penalties shall be accounted for when issued.
- Revenue from issuance of tender documents shall be accounted as and when received.
- Profit and loss on sale of fixed assets shall be considered in the period in which the sale took place.



- Insurance claim shall be accounted for as income only if the related damages/losses have been incurred and necessary claim has been lodged as per contract and accepted by Insurance Company.

1.9 Fee and other receivables

Fee and other receivables are initially recognized at fair value and subsequently measured at amortized cost.

A provision for impairment of trade receivables (*Accounting Manual Ref: 03.2.51*) is established when there is objective evidence that the university will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

A provision for impairment of trade receivables is only established with the prior approval of Board of Directors with the recommendation made by the audit committee.



2 Payable and Purchases

(Accounting Manual Ref: 04)

Accounting for all purchases shall be on accrual basis based on supplier's invoice and approved delivery documents subject to its conformity with the Purchase Order. *(Accounting Manual Ref: 04.2.1)*

Liabilities to be recognized for amounts to be paid in the future for goods or services received shall be determined subsequent to satisfactory verification/inspection, whether or not invoiced to the University. *(Accounting Manual Ref: 04.2.2)*

Advances to suppliers shall not be adjusted unless the invoice has been passed for payment. *(Accounting Manual Ref: 04.2.5)*

The Department of Financial Affairs' responsibilities shall include:

- Processing of supplier's invoice
- Payment of expenses/liability/advance
- Three way matching of the payment documents
- Accounting for liability/prepaid expenses *(Accounting Manual Ref: 04.3.1)*



3 Fixed Assets

(Accounting Manual Ref: 5)

All costs incurred in relation to fixed assets shall be recognized on accrual basis.
(Accounting Manual Ref: 5.2.1)

All incidental expenses like custom duty, clearing forwarding charges (if any) transportation, insurance, spares, commissioning, etc. shall be added to the cost of the capital asset. The cost of acquisition shall be computed taking into account the cost of bringing the asset to working condition for its intended use.

(Accounting Manual Ref: 5.2.3)

The estimated useful life of an asset shall be assessed in conjunction with the existing accounting policy of depreciation. The facilities department shall make the best estimate of the useful life and advise finance about the estimated useful life.

Assets shall be recorded and carried in the balance sheet at the cost of acquisition less accumulated depreciation and any impairment in value.

(Accounting Manual Ref: 5.2.8)

Adequate insurance coverage shall be obtained on all assets of the University.

(Accounting Manual Ref: 5.2.5)

The carrying value and useful life of all major assets shall be reviewed every year for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets shall be written down to their recoverable amount.

(Accounting Manual Ref: 5.2.22)

Assets under construction shall be carried under capital work in progress.

(Accounting Manual Ref: 5.2.09)

Items individually costing less than RO 100 shall be fully written off in the year of purchase except for the items capitalized as a part of group of assets. However, if this forms part of a group of assets, it shall be capitalized.

(Accounting Manual Ref: 5.2.10)

Assets shall be depreciated on a straight-line basis, in a manner so that the asset cost is amortized over the normal estimated useful life of the asset.

(Accounting Manual Ref: 5.2.11)



The depreciation method selected shall be applied consistently from period to period unless altered circumstances justify a change. In an accounting period in which the method is changed, the effect shall be quantified and disclosed and the reason for the change shall be stated.

(Accounting Manual Ref: 5.2.12)

In the period of acquisition, depreciation shall be charged on a pro-rata basis from the month of capitalization.

(Accounting Manual Ref: 5.2.13)

Financial leased assets shall be depreciated so as to amortize the cost of such assets over the shorter of the lease term or its economic life.

(Accounting Manual Ref: 5.2.14)

All intangible assets shall be separately classified and the value disclosed in the financial statements. Such intangible assets shall be accounted at cost of purchase provided the cost can be suitably estimated and measured.

(Accounting Manual Ref: 5.2.25)

Library books shall be considered fixed assets. In case books are not returned/lost, the said books shall be treated as a FA disposal and shall be removed from the FAR.

(Accounting Manual Ref: 5.2.26)



4 Cash and Bank Balances

(Accounting Manual Ref: 06)

The University shall maintain separate Current Accounts with the bank for collections and disbursements.

(Accounting Manual Ref: 06.2.1)

All receipts (Cash/Cheque) for the day shall be deposited into bank, latest by the next working day.

(Accounting Manual Ref: 06.2.3)

All postdated cheques shall be properly monitored and deposited into bank on appropriate due dates to ensure timely collection from Debtors.

(Accounting Manual Ref: 06.2.4)

All payments, other than petty cash payments, shall be made through cheques only. .

The cheques shall clearly and correctly mention the name of the payee as stated in the invoice and shall be signed by the authorized signatory. Cheque shall only be issued on the name of vendor:

- With whom contract is made
- With whom services are received.

Cheque cannot be made in the name of any other vendor even if companies are associated among each other.

(Accounting Manual Ref: 06.2.7, 8)

All cheques shall be stamped "Account Payee Only", except for petty cash withdrawals.

(Accounting Manual Ref: 06.2.9)

All cancelled cheques shall be marked 'CANCELLED' and shall be retained in the cheque book after tearing off the cheque number.

(Accounting Manual Ref: 06.2.10)

The Bank Reconciliation Statement (BRS) shall be generated on a monthly basis. All un-reconciled items pending for more than 2 month shall be investigated. Further, all long out-standing cheques more than 6 months will be reversed. Upon discretion of FD, either new cheque will be prepared or liability will be reversed completely.

(Accounting Manual Ref: 06.2.11)



Petty cash shall be maintained on an imprest system and reimbursed:

- On a monthly basis; or
- When 80% of the limit is exhausted

Whichever is earlier.

(Accounting Manual Ref: 06.2.12)

ASU shall carry out insurance for its cash in hand and cash in transit as under:

Cash in Transit Limits. (Dorm Fee, Tuition fee from Private Students, Application, Registration and Tuition Fee Deposit)

Cash Limit	Officer Who Authorized to carry cash to Bank
From OMR 0- 10,000/-	Senior Driver
OMR 10,000/- to OMR 20,000/-	PRO
OMR 20,000 to OMR 25,000/-	PRO+ Accountant
Above OMR 25,000/- (Maximum Insured Amount)	Break the transit to two trips.

Management shall review the petty cash limit and nature of items to be purchased through petty cash from time to time.

(Accounting Manual Ref: 06.2.13)

Maximum value of individual cash payment shall not exceed payment authority in accordance with ASU's authority manual.

(Accounting Manual Ref: 06.2.14)

The cash box shall be kept locked at all times; it shall be opened only by the custodian to effect payments, deposit cash/cheque.

(Accounting Manual Ref: 06.2.15)

Petty cash boxes shall be physically verified on a regular basis. For any shortage noted on verification of cash or cash equivalent, the amount shall be recovered from the custodian of the cash immediately. If prompt reimbursement is not possible, the shortage shall be debited to his/her personal account and shall be recovered from his/her salary or other dues to him/her.

(Accounting Manual Ref: 06.2.16)



Any remaining petty cash balance shall be return to the Financial Affairs Department at least 3 days before the end of the fiscal year.

(Accounting Manual Ref: 06.2.17)

The University shall maintain a minimal balance of OMR 500K in its accounts. Once the lower limit is reached, FD shall notify immediately to the Executive Management (VC, DVC and AVC) about the shortage of funds and appropriate measures will be taken such as bank loan, discounting of bills or breaking of overdraft as the case may be.

The University shall maintain a maximum balance of OMR 1,000K in its accounts. Once the upper limit is reached, FD shall notify immediately to the Executive Management (VC, DVC and AVC) about the excess funds and appropriate measures will be taken such as short term investment opportunities may be explored.

4.1.1 Bank Facilities

(Accounting Manual Ref: 06.2.22)

On annual basis or based on University's requirements and cash flow projections, Dy Finance Director shall prepare a plan of desired facilities.

FD should review the plan and if appropriate, present the case to management for their review and approval.

Once the plan is approved, Management should present the entire scenario to the Executive Committee and to the Board of Directors and seek their advice and approval.

Once approved, various local and international banks are to be approached for their submission of offer and best alternates are to be negotiated and approved by the Board of Directors

4.1.2 Fixed Deposit

(Accounting Manual Ref: 06.2.23)

In case there is surplus cash above OMR 1.0 million, management must ensure, and there is no immediate payout requirements, the amount shall be converted into a Fixed Deposit with the bank.

The tenure of the deposit shall be decided by the management after carefully analyzing the cash flow projections for the current year.

The amount of Fixed Deposits shall be decided by the management and transfer amount has to process as per the authorities defined by the ASU's authority manual.

The process of analysis of cash flows shall be carried out again at the time of renewal of the Fixed Deposits.



5 Payroll and Employees Payments

(Accounting Manual Ref: 07)

Salaries, allowances and the other benefits payable to employees as per the terms of their contract or as per the rules and regulations of the University shall be accounted on accrual basis.

(Accounting Manual Ref: 07.2.1)

The payroll summary provided by HR Department shall form the basis for payment of monthly payroll and for leave availed by an employee during a particular month.

(Accounting Manual Ref: 07.2.2)

Payment of salaries shall be on a monthly basis unless an employee has resigned and end of service and other terminal benefits to be paid with altogether

(Accounting Manual Ref: 07.2.4)

Total payment against monthly payroll shall be made through bank transfer except in special circumstances (e.g. new recruits), where payment can be done by way of cheque after obtaining appropriate approval.

(Accounting Manual Ref: 07.2.6)

All other employee related payments as per terms of contract should be made by cheque payments.

(Accounting Manual Ref: 07.2.7)

The staff vacation benefits (passage fare) accruing to the employee's availing the leave entitlements shall be accounted for on the basis of information received from HR department in accordance with HR Policy.

(Accounting Manual Ref: 07.2.9)

The payment of leave salary shall be made on the basis of information received from HR department in accordance with HR Policy.

(Accounting Manual Ref: 07.2.10)

Payment of terminal benefits such as Gratuity shall be paid in accordance with ASU's HR Policy.

(Accounting Manual Ref: 07.2.11)

For Omani employees the monthly contribution to Social Insurance Scheme shall be made by the University as per rules and deposited along with employee's contribution deducted from monthly salaries. The University's contribution shall be accrued on a monthly basis and charged to the profit and loss account. The University shall ensure that the employer and employee's contribution for a particular month shall be deposited to the statutory authorities within the 15th of the subsequent month.

(Accounting Manual Ref: 07.2.12)



Advances may be paid for travel, salary, leave salary and other purposes to employees for official work, as per rules, against specific advance slips duly authorized by the appropriate authority and sanctioned by the management from time to time.

(Accounting Manual Ref: 07.2.13)

Travel and conveyance expenses shall be reimbursed on submission of bills and other details duly sanctioned by appropriate authority, and accounted for on that basis. All unpaid expenses of the year paid in the following year shall be accrued.

(Accounting Manual Ref: 07.2.14)



6 Budgets

(Accounting Manual Ref: 08)

The Vice Chancellor shall be the ultimately responsible for the budget process. However, the supervisory responsibility shall be delegated by the Budget Controller to the Director of Financial Affairs. The Director of Financial Affairs shall be responsible for the following:

- Communicating the business strategy and targets to the budget holders as these relate and apply to the budgeting process of each budget holder;
- Discussing and reviewing the draft budgets with the budget holders prior to submission to the VC; and
- Establishing priorities where budget requests exceed available resources.

6.1.1 The budget, at its highest level shall be based on the approved business strategy and targets of the University and incorporated in the annual plan.

(Accounting Manual Ref: 08.2.2)

6.1.2 The budget holders shall be responsible for the control, collation and preparation of the annual budget in their respective companies. They shall liaise with the Director of Financial Affairs to ensure that the budget is prepared on a timely basis.

(Accounting Manual Ref: 08.2.12)

6.1.3 Annual budget of the University shall be prepared in accordance with a budget timetable prepared by VC to plan and facilitate the timely preparation of the budgets.

6.1.4 The budget shall include the following:

- o Capital expenditure plan
- o Operational plan (including revenue and expenditure projections)
- o HR Plan for next year
- o Cash flow projections
- o Projected balance sheet



6.1.5 The budget shall be consolidated by the finance department and endorsed by Vice Chancellor and submitted to the following authorities for review recommendation and approval.

- Submission to the Board of Trustees for review
- Submission to the Executive Committee for review and recommendation
- Board of directors for approval if above authorities are satisfied

(Accounting Manual Ref: 08.2.14)

6.1.6 Budget Transfers

Transfer of approved funds, from one cost center or department to another shall not be allowed unless a recommendation of the same is made by the Assistant Vice Chancellor and upon the approval of Vice Chancellor. The Assistant Vice Chancellor may transfer the approved funds from one item to another within the same cost center. The Director of the financial affairs may also transfer the funds from one item to another within the same cost center if the interest of work so requires.

It is not allowed, in all cases, to transfer funds from following three classifications, from one classification to another, unless approved by the Board of Directors.

- Operational and Administration Cost
- Salaries and Benefits
- Capital Expenditure including IT Capex



7 Discount

(Accounting Manual Ref: 3.4)

ASU has to establish a discount committee to review and evaluate the existing discount policies allowed to students.

7.1.1 Discount Committee members comprise of,

1. Deputy Vice Chancellor - Chairperson
2. Director of Finance- Member
3. Director of Admission and Registration- Member
4. Director of Student affairs- Member
5. Representatives from College & GFP (Deans/ Director of GFP)- Member

This committee sits 2 times annually at the beginning of each core semester (Fall/Spring).

7.1.2 Criteria for Students eligible for Discount

- a) Students are eligible for ASU Discount once for the same course.
- b) Employees and their immediate family members are allowed for discount up to 50%
- c) Discount approved for failed course only. Not to increase the GPA.
- d) Maximum number of Discount approved shall be;
 - i. GFP student: English course once regardless of the level. For IT & Math, once for each level.
 - ii. College student: repeat the failed courses for maximum of 15/16 credit hours during the diploma stage only.

7.1.3 Award of Discount has to completed within 2nd week of drop out is finalized by Admission and registration division.

7.1.4 Approved list submitted to Vice Chancellor for Final approval.

7.1.5 ASU Employees and their family members are not eligible for ASU Discount on repeat subjects. Since ASU has already granted 50% discount from total tuition fee.

7.1.6 Refund to student will be made in the name of Guardian / Sponsor through cross Cheque only



8 Period end closing of accounts

(Accounting Manual Ref: 10)

- 8.1.1 Towards the close of the accounting period the University shall ensure that the annual closing of accounts is properly planned so that the books of accounts are made available to the auditors, and the audit is completed on time.
- 8.1.2 Accounts shall be closed for the following periods:
1. Monthly management accounts
 2. Quarterly financial statements
 3. Annual financial statements
- 8.1.3 Following set of financial statements shall be prepared at minimum for every period closing
1. A Balance Sheet
 2. A profit and loss account
 3. A statement of cash flows
 4. A statement of changes in Equity
- 8.1.4 Major considerations
- 8.1.5 Accruals for expenses

Cost of all materials/services/expenses for which the benefit has passed on to the University but invoices have not been received shall be accrued.

The Finance Director shall review the adequacy of the monthly charges for accrued expenses with respect to actual on a routine basis.

(Accounting Manual Ref: 10.2)



8.1.6 Depreciation and amortisation

For PPE and intangible, depreciation and amortisation shall be computed using the annual financial statement policy on depreciation and amortisation.

The depreciation shall be charged to an item of PPE or Intangible Asset from the date it is put to use

Any borrowing cost shall be capitalized as part of a qualifying asset in accordance with IAS 23, Borrowing Cost

8.1.7 Accruals for income

(Accounting Manual Ref: 10.3)

All income earned and due during the accounting period, for which credit/payment has not been received, will be accrued.

The Finance Director shall review the accrual amount and advise of necessary effect in the books of account.

8.1.8 General ledger control procedures

(Accounting Manual Ref: 10.5)

At the end of the period, the appropriate authority shall ensure

- All accounting vouchers for the period are properly posted to the general ledger and subsidiary ledgers and any errors or omissions rectified;
- Balances from all accounts in the general ledger are extracted from the system; and
- Balances of all control accounts in the general ledger agree with the total of all balances in the respective subsidiary ledgers.

In case there are any differences, the same will be investigated by the University and corrected by passing the necessary JV.



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1 Introduction

1.1 Purpose

The purpose of the Finance and Accounting Manual ('the manual') is to:

- Document the policies and procedures of A'Sharqiyah University ('ASU'/ 'the University') in the areas of finance and accounting.
- Provide the framework for the finance and accounting functions of the University, considering the requirements of International Financial Reporting Standards which are applicable or expected to be applicable in the context of finance and accounting for the University;
- Ensure uniformity and consistency in applying accounting policies, procedures and controls; and
- Provide continuity of procedures despite changes in staff.

1.2 Coverage

The manual includes significant policies and procedures to enable the University follow International Financial Reporting Standards on a consistent basis from one accounting period to another, and to provide a framework for formulation of accounting procedures.

The manual provides accounting policies and procedures in the following areas:

- Accounting policies
- Revenue, other income and receivables
- Purchase and payables
- Fixed assets and capital expenditure
- Cash and Bank
- Payroll and employee related payments
- Budgeting
- Insurance
- Closing of accounts
- Documents and records



1.3 Structure

The manual is divided into chapters and further subdivided into sections. Under each chapter, related activities are covered.

Each chapter is presented as follows:

- ☐ Overview
- ☐ Policies - The 'rules and regulations' for the activity
- Procedures (*whenever applicable*)- The procedures to be applied and followed to adhere to the policies including diagrammatic presentation through process maps

1.4 Distribution

The Director of Financial Affairs shall be the controller of this manual. All inquiries and requests for revisions relating to matters included in the manual should be addressed to the Director of Financial Affairs.

The contents of the manual are confidential and intended for internal use by the University. The distribution of the manual is controlled through the Manual Distribution Control Record (Form 1.1). The recipient of a copy of the manual will become the custodian of the manual.

This manual should always be kept in a safe custody by the custodians and must not be copied or revealed to third parties (persons not employed by the University) without the express written permission of the controller of this manual. Copies of this manual, in whole or in part, shall be designated to Financial Affairs staff only.

1.5 Revision

Revision of this manual shall be the responsibility of the University.

Revision of this manual is the principal way of implementing and communicating changes in the accounting policies and procedures that may arise in response to the changing needs and requirements of the University. Such revisions provide flexibility to ensure that the manual remains relevant at all times.

Requests for revision of this manual can originate from the Department of Financial Affairs. In case any other staff member of the University wishes to introduce revision to this manual, the request for such revision shall be routed through the respective Directors of Department. A request for manual revision is provided in Manual Revision Proposal (Form 1.2).

The controller shall review the proposed changes to this manual. If the revision proposal is not approved, notification to the effect together with the reason shall be sent to the originator.

If the revision proposal is approved, the controller shall ensure that suitable revision is made to the relevant pages of the manual. The controller shall then distribute the revised pages to all the custodians of the manual, along with a covering letter, that shall identify the attachments and the effective date for implementation of the revision. A Manual Revision Control Sheet (Form1.3) is provided in this manual.

1.6 Forms

Description	Form No
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Manual Distribution Control Record	1.1
Manual Revision Proposal	1.2
Manual Revision Control Sheet	1.3

1.7 Glossary of terms & abbreviations

Term / Abbreviation	Definition
ASU / the University	A'Sharqiyah University
BOD	Board of Directors
VC	Vice Chancellor
AVC	Assistant Vice Chancellor
DOD	Director of Department
AM	Authority Manual
PV	Payment Voucher
JV	Journal Voucher
PCV	Petty Cash Voucher
CPLD	Continuous Professional Learning Department
BTL	Bank Transfer Letter
PDC	Post Dated Cheques



2 Accounting policies

2.1 Overview

2.1.1 Accounting policies are the fundamental accounting assumptions and principles that will be consistently followed by the University in accordance with its system of accounting and International Financial Reporting Standards .

2.1.2 The objectives of defining accounting policies are:

- Ensure that the University follows International Financial Reporting Standards on a consistent basis from one accounting period to another; and
- Provide a framework for the formulation of accounting procedures.

2.1.3 The significant accounting policies followed by the University for dealing with items which are judged material or critical in determining revenues and expenditure and in stating the financial position for the accounting period should be disclosed by way of notes to the financial statements.

2.1.4 If accounts are generated on the basis of accounting policies, which differ materially from any of the stated policies, such fact should be stated in the financial statements and its effect quantified. In the absence of a clear statement to the contrary, there is a presumption that the stated accounting policies have been observed.

2.2 Roles and responsibilities

2.2.1 Department of Financial Affairs shall be responsible for the following:

- Collection and calculation of revenue and other income
- Monitoring receivables and payables
- Making payments
- Accounting for fixed assets and capital expenditure
- Monitor University's cash and Bank and preparation of monthly reconciliations
- Preparing monthly reports relating to actual and budgeted performance
- Closure of accounts
- Preparing financial statements and other financial data required by relevant stakeholders
- Retention and control of documents and records

2.3 Accounting assumptions, concepts and conventions

2.3.1 Fundamental accounting assumptions

All financial statements will be generated based on the following fundamental accounting assumptions.



1. **Going concern** The financial statements of the University will be generated on the assumption that these will continue in operation for the foreseeable future, and that there will neither be the intention nor the necessity to liquidate or materially curtail the scale of their operations.
2. **Consistency** The University will generate financial statements using consistent accounting policies and accounting treatment of like items, within each accounting period and from one period to another.
3. **Accruals** In the maintenance of accounts and preparation of financial statements of the University, revenues and expenses will be accrued i.e. recognised as they are earned or incurred and not as money is received or paid.

2.3.2 Accounting concepts

The selection and application of appropriate accounting policies and the preparation of financial statements will be based on:

1. **Prudence** Prudence is the inclusion of a degree of caution in the exercise of judgements needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.
2. **Substance over form** Transactions should be accounted for and presented in accordance with their substance and financial reality and not merely with their legal form.
3. **Materiality** Financial statements should disclose all items, which are material enough to affect evaluations or decisions regarding income and expenditure and the financial position of the University.

2.3.3 Accounting convention

The financial statements will be generated under the historical cost convention modified to include the measurement at fair value of trading investments.

2.4 General accounting policies

Legal status and principal activities

- 2.4.1 A'Sharqiyah University SAOC (the "University") is a private institution of higher education registered in the Sultanate of Oman on 15 July 2009 as a closed joint stock company. The University commenced its academic activities from 27 November 2010 which was the commencement date. The University co-operates with two American universities, the Oklahoma State University and the Texas Technological University in areas such as the design of academic programs and their implementation according to the best international standards.

Accounting period





2.4.2 The accounting year for all financial statements shall be a period of twelve months ending on 31 August every year.

Accounting currency

2.4.3 The base currency for recording financial transactions will be Rial Omani (RO).

Foreign currency transactions

2.4.4 Transactions denominated in foreign currencies will be translated into RO at the rates of exchange ruling at the date of the transaction, or where applicable, at the rate at which forward cover was arranged.

2.4.5 Assets and liabilities denominated in foreign currencies will be translated into RO at the rates of exchange ruling at the date of the balance sheet except for assets and liabilities covered by forward exchange contracts, which will be valued at the forward contract rates.

2.4.6 Profit or loss arising on account of translation will be accounted for as part of the profit and loss for the period.

Related party relationships and disclosures

2.4.7 The names of related parties and the nature of relationship shall have to be disclosed in the financial statements irrespective of the fact that there has been any transaction or not during the financial year.

2.4.8 The transactions with related parties shall be classified under broad heads and disclosed in the financial statements along with year end balances receivable/payable as the case may be.

Non-derivative financial instruments

2.4.9 Non-derivative financial instruments comprise fee receivables, other receivables, receivables from related parties, cash and cash equivalents, bank borrowing, payables to related parties and trade and other payables. Cash and cash equivalents comprise cash balances, call deposits and term deposits with original maturity not greater than three months. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management.

2.4.10 Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

2.4.11 Subsequent to initial recognition, non-derivative financial instruments are recognized, except for cash and cash equivalents, at amortized cost using the effective interest rate method, less any impairment losses.

Fee receivable

2.4.12 Fee and other receivables are initially recognized at fair value and subsequently measured at amortized cost, using effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the



university will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

- 2.4.13** The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the statement of comprehensive income within 'administrative and general expenses'. Subsequent recoveries of amounts previously written off are credited against 'administrative and general expenses' in the statement of comprehensive income.

Cash and cash equivalents

- 2.4.14** For the purpose of statement of cash flows, all bank balances with maturity of three months or less from the date of placement, net of bank overdraft are considered to be cash equivalents.

Deferred fee income

- 2.4.15** Deferred fee income represents registration and tuition fees received in advance. These fees are recognized as revenue over the related terms.

Deferred grant

- 2.4.16** Grant received for capital expenditure is accounted for as deferred grant. An amount equal to the annual charge for depreciation on those assets for which the University received grant is recognized as income in the statement of comprehensive income.

Employees' terminal benefits

- 2.4.17** Contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Oman Social Insurance Scheme, are recognized as expense in the statement of comprehensive income as incurred. The University's obligation in respect of non-Omani terminal benefits, under an unfunded defined benefit retirement plan, is the amount of future benefit that such employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate used reflects current market assessments of the time value of money.

Property, plant and equipment

- 2.4.18** Property and equipment are stated at cost less accumulated depreciation. The cost of property and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

2.4.19 The cost of the property, plant and equipment is written down to residual value in equal instalments over the estimated useful lives of the assets. Accordingly, the estimated useful lives are:

	<i>Useful lives</i>
Buildings	40 years
Roads	10 years
Motor vehicles	4 years
Furniture and fixtures	5 years
Computers	3 years
Office equipment	5 years
Laboratory equipment	3 years
Books for library	5 years
Kitchen Equipment	3 years

2.4.20 Capital work in progress represents structures and facilities under construction and is stated at cost. This includes the cost of construction, equipment and other direct costs. Capital work in progress is not depreciated until such time that the relevant assets are completed and put into operational use.

2.4.21 Depreciation methods, useful lives and residual values are reassessed at each reporting date.

2.4.22 Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized as “other income” in profit or loss.

Intangible assets

2.4.23 Intangible assets comprise computer software. The amortization of the intangible asset has been determined by the management on the basis of the finite useful life of 3 years using the straight line method. The management reviews the amortization period and amortization method on an annual basis and adjustment, required, if any, is made to the carrying amount on the basis of any expected change in the consumption of future economic benefits embodied in the asset.

Financial assets

2.4.24 The carrying amounts of the University’s financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from use of that asset.

2.4.25 An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.



2.4.26 Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2.4.27 All impairment losses are recognized in statement of comprehensive income.

2.4.28 An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of comprehensive income.

Non-financial assets

2.4.29 The carrying amounts of the University's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist then the asset's recoverable amount is estimated.

2.4.30 An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Recoverable amount is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future statement of cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset.

2.4.31 Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Creditors and accruals

2.4.32 Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the University.

Provisions

2.4.33 A provision is recognized in the statement of financial position when the University has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

2.4.34 Fee income represents the value of courses conducted during the period, net of discounts. No fee income is recognized if there are significant uncertainties regarding recoverability of the consideration due or associated costs. Rental income is recognized over the term of the lease on a straight-line basis.

Taxation



- 2.4.35** Income tax on the profits or losses for the year comprises current and deferred tax. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly to equity or in other comprehensive income.
- 2.4.36** Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- 2.4.37** Deferred tax is calculated in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.
- 2.4.38** A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Fair values

- 2.4.39** The Members consider the fair value of all financial assets and liabilities are approximately equal to their carrying amount. The University measures fair value using the following fair value hierarchy that reflects the significance of the input used in the making the measurements:
- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
 - Level 2: Valuation techniques based on observable inputs. This category included instruments valued using quoted market price in the active market using for similar instruments, quoted market for identical or similar instruments in market that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
 - Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments that are valued based on quoted prices of similar instruments where significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Capital management

- 2.4.40** The Management's policy is to maintain a strong capital base so as to sustain the future development of the business. Management monitors the return on capital, which the University defines as net profit before tax divided by the total shareholders' equity. The University's capital requirements are determined by Oman Commercial Companies Law of 1974, as amended.



3 Revenue, other income and receivables

3.1 Overview

3.1.1 This chapter describes the accounting policies and procedures relating to accounting, control and recording of revenue, other income and receivables of the University. The revenue, other income and receivables function shall consist of the following activities:

- Revenue; and
- Review of Accounts Receivables (including provision for debtors)

3.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.



3.2 Policies

3.2.1 Revenue shall comprise income from the following sources:

- College Fee
- Dormitory and Accommodation Charges
- Professional Development Courses
- Contracted Revenues, and,
- Government grant
- Other Income

3.2.2 College fees income shall comprise income from the following sources:

- Application & registration fees, and
- Tuition fees;

Revenue from tuition fees may be sponsored by:

- Ministry of Higher Education (MoHE)
- Government bodies/Corporate/ institutions;
- Private students;



3.2.3 **Dormitory and Accommodation Charges**

Revenue from dormitory and accommodation fees shall be collectable from all students staying in University provided dormitories.

3.2.4 **Professional Development Courses**

Professional development courses, such as IELTS, AFL are short term courses and shall be charged to students studying the course on a specific course basis.

3.2.5 **Contracted Revenues**

Contracted revenues include income from various sources for which ASU enters into a legally binding time based agreement. This includes the following:

- 1.1 Book shops
- 1.2 Mini market and canteens at both University campus and dormitories
- 1.3 Coffee vending machines
- 1.4 Telecom towers
- 1.5 Coordination committee management and administration
- 1.6 Rental agreements for provision of class rooms, halls and labs.

- 1.7 Bank interest,
- 1.8 Other agreements for shop and facilities

3.2.6 Other income shall mean a non-regular income source and shall comprise income from the following sources:

- 1.9 Student cards
- 1.10 Entry door cards
- 1.11 Book charges
- 1.12 Fines and penalties
- 1.13 Tender document fees
- 1.14 Photo copy charges
- 1.15 Sale of fixed assets
- 1.16 Insurance claim reimbursements; and
- 1.17 Charities and donations
- 1.18 Others.



Application & registration fees

- 3.2.7** All students, excluding MoHE students, shall be required to settle application and registration fees.
- 3.2.8** Revenue from application and registration fees shall be recognized on cash receipt basis.
- 3.2.9** All students, excluding MoHE students, Insurance deposit shall be obtained on registration and shall be refundable on completion of course or in case of withdrawal and be recognized as a liability.

Tuition fees

- 3.2.10** The University shall provide courses over three semesters each academic year:
 - Fall
 - Spring; and
 - Summer.
- 3.2.11** The University shall execute agreements with all sponsors including MoHE for a specific period of time. MoHE is generally for a period of five years.



- 3.2.12** MoHE agreement is to be approved by the Board of Directors with the recommendations from Academic Board and Executive Committee.
- 3.2.13** Other agreements to be approved according to the authority manual.
- 3.2.14** The tuition fee rate in each agreement, except MoHE, is to be reviewed annually and recommended by the Academic Board.
- 3.2.15** MoHE – sponsored students shall be registered through official letter from the Ministry of Higher Education – Directorate of Internal Scholarship undertaking financial obligation to settle part/all course fees of said student.
- 3.2.16** Invoice shall be raise to the sponsor as appropriate (3.2.2) at the beginning of each semester.
- 3.2.17** Private and Corporate funded Students must settle their dues prior to Issue admission for Examination by A & R department. A & R Department has to obtain confirmation from finance department prior to issue admission for Private and Corporate funded Students.
- 3.2.18** For private students, fees may be paid in installments after obtaining appropriate approval provided the student settles 50% of the total fees by due date and the balance during the semester via Post Dated Cheques. Also, 50% of the course fees shall be paid prior to commencement of the course. GFP Students have to settle their fee by cash or Postdated cheques prior to register for the Course for given semester.
- 3.2.19** Students failing to settle dues prior to sitting final exam shall be prohibited from receiving such benefit in the future and not permitted to sit in the class in the following semester.
- 3.2.20** Revenue shall be recognized on accrual basis.
- 3.2.21** **Dormitory and Accommodation Charges** Students opting for University's accommodation shall be registered through the Students Affairs Department by applying and filling the Accommodation Request. The accommodation request is to be countersigned and approved by Director or Dy. Director of Students Affairs.
- 3.2.22** Accommodation Request shall contain basic terms and conditions.
- 3.2.23** Per month dormitory charges shall be determined by the Management in coordination with Student Affairs and Approved by AVC and VC on an annual basis.
- 3.2.24** The dormitory charges shall be reviewed annually by the Student Affairs Department.
- 3.2.25** Dormitory fees shall be paid on a quarterly basis (in advance) and revenue shall be recognized on accrual basis.
- 3.2.26** Refundable deposit on use of dormitory shall be obtained prior to handing over of keys for allocated room.



Professional Development Courses

- 3.2.27** The CPLD shall identify the course for which cost shall be determined based on recommendation from the finance department. The course is required to be approved with the cost and profit margin by the Academic Board of the University.
- 3.2.28** The students shall apply for the course by filling the desired course application form.
- 3.2.29** The course application form shall be approved by the Director CPLD.
- 3.2.30** The fee shall be collected in advance for the entire course.
- 3.2.31** Refund of the course shall be through cheque and subject to approval of VC.

Contracted Revenues

- 3.2.32** The facilities and other department are required to make an analysis of facilities to be rented or provided except for the bank charges which are computed in accordance with the bank facilities letter
- 3.2.33** For rentable properties, The procurement department is to call for quotations for awarding any contract.
- 3.2.34** Based on quotations received, finance shall make the financial evaluation and the contract is to be awarded to the qualifying party.
- 3.2.35** The contract is to be signed in accordance with the Authority Manual of ASU.
- 3.2.36** Based on contract, finance department shall raise the invoice.
- 3.2.37** **Premature termination from the other party shall attract penalties that are material.**

Other

- 3.2.38** ASU must refer to agreements when applying policies and procedures related to various sources of revenue.
- 3.2.39** Revenue is to be recognized on an accrual basis for all types.

Government grants

- 3.2.40** Government Grant shall be recognized only when there is reasonable assurance that:
- The University will comply with any conditions attached to the grant; and
 - The grant will be received.
- 3.2.41** Grant shall be recognized as income over the period matching with the related costs, for which they are intended to compensate, on a systematic basis.

- 3.2.42** Non-monetary grants, such as land or other resources, shall be accounted for at fair value.
- 3.2.43** A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognized as income in the period in which it is receivable.
- 3.2.44** A grant relating to assets may be presented in one of two ways:
- As deferred income; or
 - By deducting the grant from the asset's carrying amount.
- 3.2.45** If a grant becomes repayable, it should be treated as a change in estimate.
- 3.2.46** Any other assistance, such as subsidies, shall be recognized as reduction of expenses.

Other income

- 3.2.47** Other income shall account for as follows:
- Revenue from student cards, entry door cards, book charges, fines and penalties shall be accounted for when issued.
 - Revenue from issuance of tender documents shall be accounted as and when received.
 - Profit and loss on sale of fixed assets shall be considered in the period in which the sale took place.
 - Revenue from fixed deposits shall be accrued over the period of holding the deposit.
 - Insurance claim shall be accounted for as income only if the related damages/losses have been incurred and necessary claim has been lodged as per contract and accepted by Insurance Company.
 - Bank interest shall be accrued on a monthly basis.

Receivables

- 3.2.48** Receivables shall be processed in a manner to ensure that all Debit/Credit Notes are adjusted appropriately.

Private Student Receivable (Excluding Private and Government Institutions)

A. Private Students excluding Sponsored by Private and Government Institutions has to pay



- a) 40% advance on tuition fees who register for General foundation Program (GFP) at registration for the Course and Balance amount must fully settle to finance during the semester prior to final Semester Exam. Student has to lodge (prior to obtain their course confirmation by finance) postdated cheques to Finance equal to

- balance amount (Course fee Less Advance paid). Postdated Cheque dates cannot exceed the final semester Examination date.
- b) 50% advance on tuition fees who register for College courses registration for the Course and Balance amount must fully settle to finance during the semester prior to final Semester Exam. Student has to lodge (prior to obtain their course confirmation by finance) postdated cheques to Finance equal to balance amount (Course fee Less Advance paid).
 - c) Postdated Cheque dates cannot exceed the final semester Examination date.
 - d) In case student is unable to pay 50% advance, any lesser amount needs to be approved by the Assistant Vice Chancellor (AVC).
 - e) Complete waiver from advance payment is only possible with the prior authorisation of Vice Chancellor (VC).
- B.** Student who registers for Repeat courses has to pay 50% as advance payment and balance has to settle prior to the final exam of given semester. Student has to lodge (prior to obtain their course confirmation by finance) postdated cheques to Finance equal to balance amount (Course fee Less Advance paid). Postdated Cheque dates cannot exceed the final semester Examination date.
- C.** Student who register for dormitory facility of ASU has to pay
- a. Dormitory advance of OMR 200/- to finance at signing of Tenancy agreement
 - b. In case the student cannot pay the entire amount, approval from competent authority needs to be obtained. In any case, at the beginning of each month (with in seven working day) student has to pay their dormitory fees to Finance for that.
- D.** Vice Chancellor approve extended time to settle tuition fees for Private Student if their AGPA is above 2.50
- E.** Based on recommendation provided by either A&R department or Student Affairs Department Following Authorized Positions can reduce/drop the percentage of advance amount for each student based on their financial background
- a. Vice Chancellor : 100% Drop from required Advance percentage
 - b. Assistant Vice Chancellor 25% Drop from required Advance percentage
- F.**



- 3.2.50** Accounts receivable shall be ascertained, net of provisions for amount estimated to be uncollectible.
- 3.2.51** A provision for doubtful debts shall be made at each period-end for debts that appear doubtful of recovery after being approved by the appropriate authority as per the Authorities Manual of the University.
- 3.2.52** Subsequent to obtaining legal opinion, the doubtful debts shall be considered as bad debts and shall be written off in the period in which they are determined as unrealizable against provision, if previously provided or to income statement, if not previously provided after being approved by the appropriate authority as per the Authorities Manual of the University.
- 3.2.53** Bad debts written-off earlier and realized subsequently shall be credited to the income statement in the period of realization.

Other

- 3.2.54** All transactions with related parties shall be made on normal commercial terms as applicable for other customers or other prices and terms, duly approved by the Board of Directors.
- 3.2.55** Cancelled receipts must be approved by the appropriate authority and copy maintained in records.



3.3 Procedures

3.3.1 Revenue from study fees – Application fee, registration fee and deposits

Responsibility	Activity	Forms
Accountant	<p>Application fee, registration fee and deposits</p> <p>The prospective student shall visit the Admission and Registration Department and obtain the Application Form.</p> <p>Based on Application Form, private students pays the dues and a manual receipt is issued by the Accountant.</p> <p>Cash book is updated</p> <p>Student receives a system generated ID once account is updated</p> <p>Based on the SIS ID manual receipt is updated in the System by the Accountant.</p> <p>Once the registration period closed Finance has to carry out reconciliation on,</p> <ul style="list-style-type: none"> • Ensure all students has paid Application fee, Registration and Insurance Deposit to Finance • Ensure all manual receipts (excluding students not register in SIS) has dully updated in SIS. • Finance has to inform A & R Division regarding any receivable in this category and continues follow up to collect such receivable. <p>Regarding private sponsored students,</p> <ul style="list-style-type: none"> • Finance has to refer Contract with such Sponsors prior to Invoice on Application Fee, Registration and Insurance Deposit. <p>Forward invoice to appropriate authority for verification and approval</p> <p>Forward invoice to student/sponsor</p> <p><i>On receipt of payment, same procedure as stated under Cash and Bank shall be followed</i></p>	



3.3.2 Revenue from study fees – course fees

Responsibility	Activity	Forms
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Accountant

MOHE – sponsored students

Receive official letter from sponsor in addition to approved registration form

A & R to register the students for the Semester in the SIS

(A period of 5 weeks is available to students to decide either to withdraw/transfer or drop courses in a semester. The student has to notify the A & R Division within this specified period. If Student withdraw from ASU Finance has to give clearance if Student has no dues to ASU)

Commencement of Registration and Invoicing Period

Semester	Registration Commence	Invoice to MOHE
Fall	30- September	1 st Week of November
Spring	31-January	1 st week of March
Summer	31- May	1 st Week of July

On completion of 5th week (the add and drop period) Finance Department downloads the Master Data from SIS and re validate the total revenue accuracy by Revenue Reconciliation

Revenue Reconciliation defines as SIS Registered Credit Hours and GFP Courses for given semester should tally with total revenue report of SIS.

Raise invoice based on agreed rate with MOHE and other Sponsored Institutions. agreement with MOHE and other supporting documents

Forward invoice to appropriate authority for verification and approval

Upon approval from the appropriate authority, forward approved invoice to MOHE

Monitor debtor collection to avoid delay in receipt for sponsors. For any delay, send reminder to sponsor to settle the invoices

All other students

Receive approved registration form at the beginning of the semester.

Finance has to obtain agreement with Other Sponsors from A & R Department.

Commencement of Registration and Invoicing Period

Semester	Registration Commence	Invoice
Fall	30- September	1 st Week of November
Spring	31-January	1 st week of March
Summer	31- May	1 st Week of July

Raise invoice based on registration form and other supporting documents

Forward invoice to appropriate authority for verification and



approval
Forward invoice to student/sponsor
In the case of receipt in installments, ensure appropriate approval is provided
Ensure payment prior to allowing student to sit final exam
On receipt of payment, same procedure as stated under Cash and Bank shall be followed
Tuition Receivable.
Finance has to send non settled Tuition fee list to A & R to follow up on Collection. Same report send to IT to inform respective student via SMS.
This report finance has to generate 2nd week of each month.

3.3.3 Revenue from study fees – Dormitory fees

Responsibility	Activity	Forms										
Accountant	<p>Dormitory fee</p> <p>Finance Receive dully attested list of dorm occupants from Student Affairs Department at the 1st week of each semester. Student affairs required to send New Occupants and withdrawal list to finance during 1st week of each month. Update the SIS. Reconcile the Student affairs list with SIS for Accuracy of Booking. Get approval on SIS Report from Authorized officer from Finance to record in Profit 5RM Book SIS Dorm Revenue Report in Profit 5RM and get approved. Finance issue receipt form SIS on Each Dorm fee collection from occupants. Daily physical cash count need to done by senior Accountant and cross check with SIS Collection Report, Manual Receipt Book. Accountant has to Update the Profit 5RM on cash Collection. Cash required sending bank on Following Working day. <u>Cash in Transit Limits. (Dorm Fee, Tuition fee from Private Students, Application, Registration and Tuition Fee Deposit)</u></p> <table border="1"> <thead> <tr> <th>Cash Limit</th> <th>Officer Who Authorized to carry cash to Bank</th> </tr> </thead> <tbody> <tr> <td>From OMR 0- 10,000/-</td> <td>Senior Driver</td> </tr> <tr> <td>OMR 10,000/- to OMR 20,000/-</td> <td>PRO</td> </tr> <tr> <td>OMR 20,000 to OMR 25,000/-</td> <td>PRO+ Accountant</td> </tr> <tr> <td>Above OMR 25,000/-</td> <td>Break the transit to two trips.</td> </tr> </tbody> </table>	Cash Limit	Officer Who Authorized to carry cash to Bank	From OMR 0- 10,000/-	Senior Driver	OMR 10,000/- to OMR 20,000/-	PRO	OMR 20,000 to OMR 25,000/-	PRO+ Accountant	Above OMR 25,000/-	Break the transit to two trips.	
Cash Limit	Officer Who Authorized to carry cash to Bank											
From OMR 0- 10,000/-	Senior Driver											
OMR 10,000/- to OMR 20,000/-	PRO											
OMR 20,000 to OMR 25,000/-	PRO+ Accountant											
Above OMR 25,000/-	Break the transit to two trips.											



(Maximum Insured Amount)

ASU cover money in Transit Risk From National life & General Company.

Cover Limit Up to OMR 25,000/- (Period of Cover Jan to December)

On receipt of payment, same procedure as stated under Cash and Bank shall be followed

Dorm Receivable.

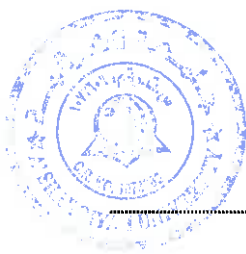
Finance has to follow up on Dorm Receivable. Receivable list has to submit to Student Affairs on Monthly basis at the end of each month.

3.3.4 Donations, grants and subsidies

Responsibility	Activity	Forms
Finance Director	<p>Receive donation/grant/subsidy and instruct Accountant to generate receipt</p> <p>provide receipt to donor and obtain acknowledgement</p> <p>ensure updation of ledger</p> <p>see process as under Cash and Bank</p>	

3.3.5 Revenue from Contracted Revenue

Responsibility	Activity	Forms
Dy. Finance Director	<p>The finance department shall maintain a list of receivable for the Contracted Revenues,</p> <p>Obtain the following documents from the party:</p> <ul style="list-style-type: none"> • ID copy in the case of individual use • Commercial Registration documents in the case of company use <p>Obtain security deposit and Post Dated Cheques for tenure of the Contract</p> <p>Prepare agreement</p> <p>Forward documents and security deposit to Accountant</p>	
Accountant	<p>Provide security deposit receipt to tenant</p> <p>Generate invoice and update receivables ledger</p> <p>Ensure payment against invoice on the respective due date</p> <p><i>On receipt of payment, same procedure as stated under Cash and Bank shall be followed</i></p> <p>On completion / termination of Contract</p> <p>Receive completed inspection report</p> <p>Ensure required notice has been given to ASU</p> <p>Complete formalities relating to the completion of Contract</p>	



3.3.6 Other income

Responsibility	Activity	Forms
Accountant	<p>Receipt of intimation/confirmation showing any other income /accrual of interest from deposits from time to time, etc.</p> <p>Prepare receipt</p> <p>Forward to appropriate authority along with supporting documents</p> <p>Forward invoice to appropriate authority for verification and approval</p> <p>File approved receipt along with supporting documents</p>	Receipt

3.3.7 Systems Reconciliation (till the time new ERP is acquired)

Responsibility	Activity	Forms
Sr. Accountant	<p>Download data in both systems i.e SIS and Profit on a weekly basis</p> <p>Identify variances between the two systems</p> <p>Investigate the reasons for the variances and address it according to its nature.</p> <p>Ensure that any change in the student's sponsorship classification is duly approved by both A & R and Finance</p> <p>Investigate any unusual items such as future receivables registration and revenue from withdrawn students and duplicate students.</p> <p>Reconcile both systems revenue and receivable for the period.</p> <p>Highlight and notify any unusual item</p> <p>Eliminate the reconciliation difference before the implementation on new ERP.</p>	Recon
Dy. Director Finance	<p>Review reconciliation for the accuracy and appropriateness.</p> <p>Ensure that there is no error in reconciliation and if there is any error update and request to re perform the reconciliation.</p> <p>Highlight and notify any unusual item</p> <p>Submit approved monthly receivables reconciliation to the Director of Finance</p>	
Director Finance	<p>Review reconciliation for the accuracy and appropriateness.</p> <p>Ensure that there is no error in reconciliation and if there is any error update and request to re perform the reconciliation.</p> <p>Highlight and notify any unusual item</p> <p>Submit approved monthly receivables reconciliation to the Director of Finance</p>	



3.3.8 Review of Accounts Receivables (including provision for debtors)

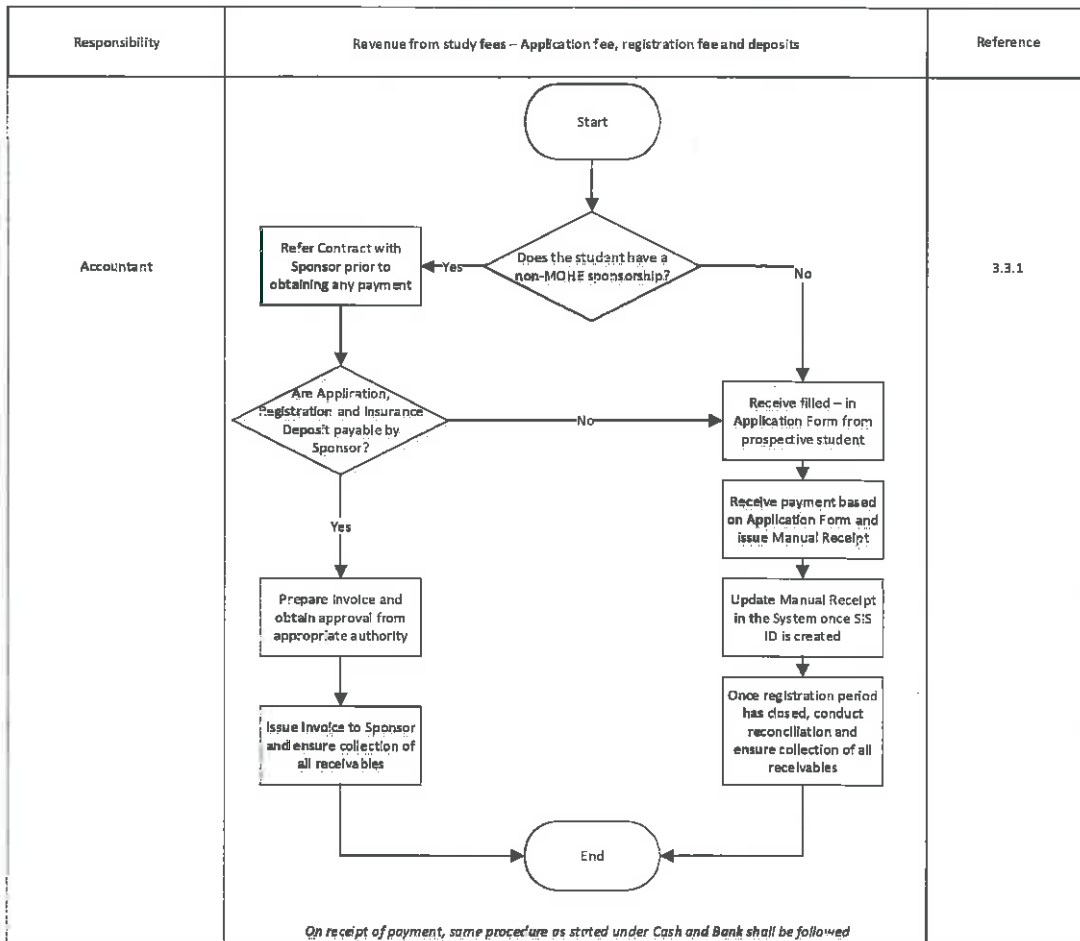
Responsibility	Activity	Forms
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Deputy Director of Financial Affairs	Conduct age analysis of accounts receivables on a monthly basis Identify long outstanding receivables Enquire the reasons for overdue receivables Follow up with the parties and enquire reasons for delay Identify parties where additional resources are required for the recovery of receivable. Send a reminder on a regular interval basis Determine the provision required for long outstanding receivables
Director of Financial Affairs	Review recommendation from the Dy Finance Directors Recommend if appropriate for Board Approval. Based on approval from Board, Instruct Accountant for the preparation of JV
Accountant	Prepare JV to record provision for doubtful debts/bad debt forward to the Director of Financial Affairs for approval Receive approved JV and enter in the system <i>On receipt of payment, if any, against provision same procedure as stated under Cash and Bank shall be followed</i>

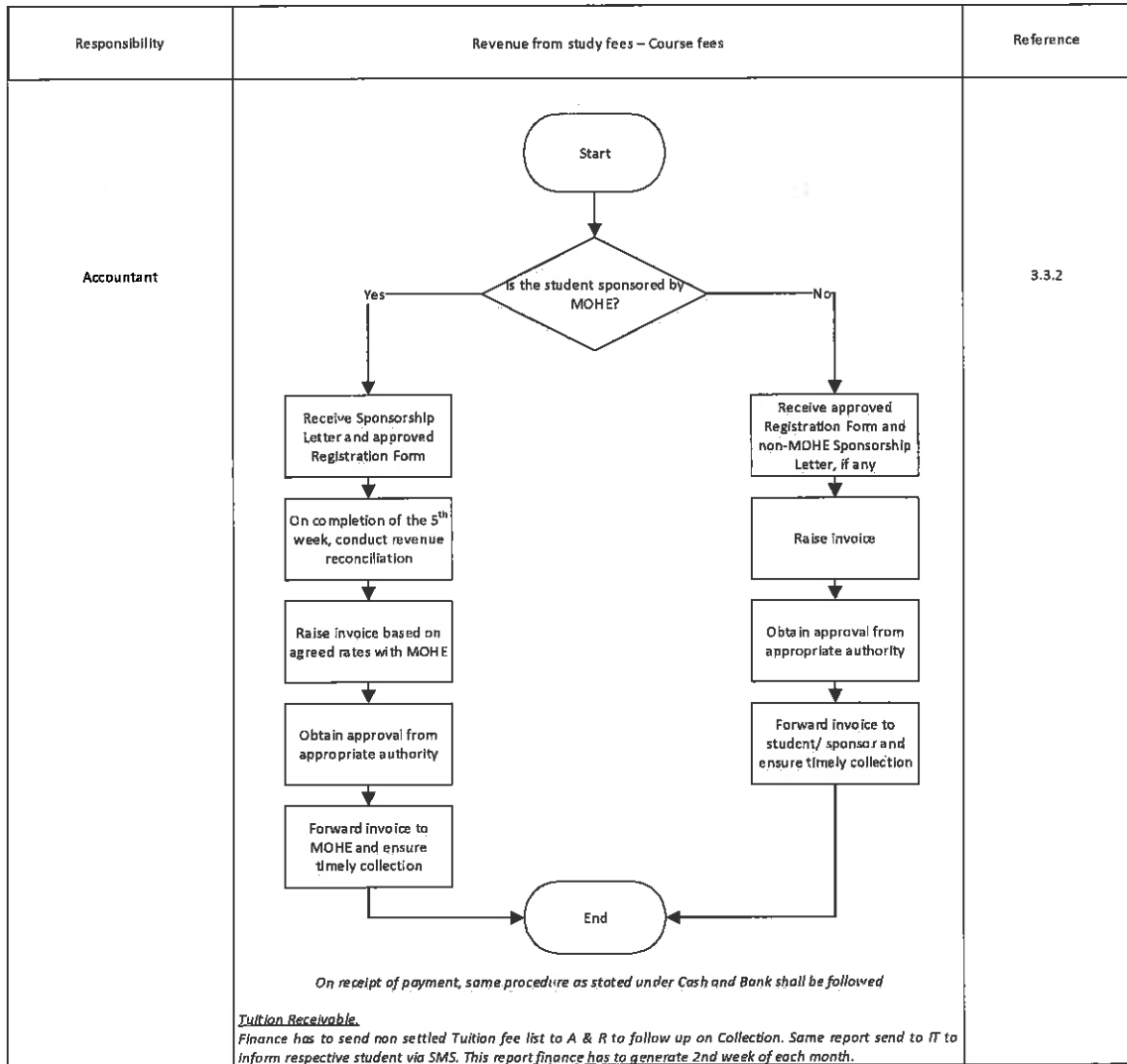


3.4 Flow Charts

3.4.1 Revenue from study fees – Application fee, registration fee and deposits



3.4.2 Revenue from study fees – course fees



3.4.3 Revenue from study fees – Dormitory fees

Responsibility	Revenue from study fees – Dormitory fees	Reference
<p>Accountant</p> <p>Sr. Accountant</p>	<div style="text-align: center;"> <pre> graph TD Start([Start]) --> Step1[Receive list of New Occupants and Withdrawals in the first week of each month] Step1 --> Step2[Update SIS] Step2 --> Step3[Receive duly attested list of occupants in the first week of each semester] Step3 --> Step4[Perform reconciliation between list of occupants and SIS] Step4 --> Step5[Obtain approval on SIS report and book revenue in System] Step5 --> Step6[Receive payment from occupants and issue receipt] Step6 --> Step7[Receive payment from occupants, issue receipt, and update System] Step7 --> Step8[Perform daily physical verification of cash collected] Step8 --> End([End]) </pre> </div> <p style="text-align: center;"><i>On receipt of payment, same procedure as stated under Cash and Bank shall be followed</i></p> <p><small>Dorm Receivable Finance has to follow up on Dorm Receivable. Receivable list has to submit to Student Affairs on Monthly basis at the end of each month.</small></p>	<p>3.3.3</p>



3.4.4 Donations, grants and subsidies

Responsibility	Donations, grants and subsidies	Reference
Director of Financial Affairs	<div style="text-align: center;"> <pre> graph TD Start([Start]) --> Step1[Receive donation/grant/subsidy and instruct Accountant to generate receipt] Step1 --> Step2[Provide receipt to donor and obtain acknowledgement] Step2 --> Step3[Ensure updation of ledger] Step3 --> End([End]) </pre> <p><i>Procedures as stated under Cash and Bank shall be followed</i></p> </div>	3.3.4

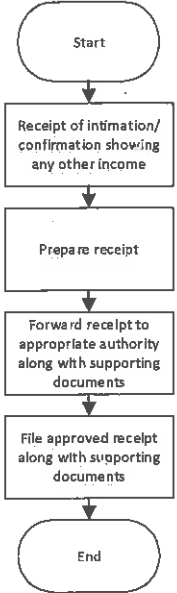


3.4.5 Revenue from Contracted Revenue

Responsibility	Contracted Revenue	Reference
Dy Director of Financial Affairs	<p style="text-align: center;">Start</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Obtain the required documents from the party</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Obtain security deposit and Post Dated Cheques for tenure of the Contract</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Prepare agreement</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Forward documents and security deposit to Accountant</p>	3.3.5.1
Accountant	<p style="text-align: center;">↓</p> <p style="text-align: center;">Provide security deposit receipt to tenant</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Generate invoice and update receivables ledger</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Ensure payment against invoice on the respective due date</p> <p style="text-align: center;">↓</p> <p style="text-align: center;"><i>On completion / termination of Contract</i></p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Receive completed Inspection report</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Ensure required notice has been given to ASU</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">Complete formalities relating to the completion of Contract</p> <p style="text-align: center;">↓</p> <p style="text-align: center;">End</p> <p style="text-align: center;"><i>On receipt of payment, same procedure as stated under Cash and Bank shall be followed</i></p>	3.3.5.2



3.4.6 Other Income

Responsibility	Other income	Reference
Accountant	 <pre> graph TD Start([Start]) --> Step1[Receipt of intimation/confirmation showing any other income] Step1 --> Step2[Prepare receipt] Step2 --> Step3[Forward receipt to appropriate authority along with supporting documents] Step3 --> Step4[File approved receipt along with supporting documents] Step4 --> End([End]) </pre>	3.3.6



3.4.7 Review of Accounts Receivables (including provision for debtors)

Responsibility	Review of Accounts Receivables (including provision for debtors)	Reference
Dy Director of Financial Affairs	<p>Start</p> <p>Conduct receivables age analysis on a monthly basis and identify long outstanding receivables</p> <p>Enquire reasons for overdue receivables and follow up with the parties</p> <p>Identify parties where additional resources are required for the recovery of receivable</p> <p>Send a reminder on a regular interval basis</p> <p>Determine the provision required for long outstanding receivables</p>	3.3.7.1
Director of Financial Affairs	<p>Review recommendation from the Dy Director of Financial Affairs</p> <p>Recommend if appropriate for Board Approval</p> <p>Based on approval from Board, instruct Accountant for the preparation of JV</p>	3.3.7.2
Accountant	<p>Prepare JV to record provision for doubtful debts/bad debt</p> <p>Forward JV to the Director of Financial Affairs for approval</p> <p>Receive approved JV and enter in the system</p> <p>End</p> <p><i>On receipt of payment, if any, against provision same procedure as stated under Cash and Bank shall be followed.</i></p>	3.3.7.3



4 Purchase and Payables

4.1 Overview

4.1.1 This chapter describes the accounting policies and procedures relating to accounting, control and recording of all purchase accounting and payables and shall consist of the following activities:

- Accounting for purchase order invoices
- Accounting for non PO expenses
- Monthly review of payables

4.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.



4.2 Policies

4.2.1 The Department of Financial Affairs' responsibilities shall include:

- Processing of supplier's invoice
- Payment of expenses/liability/advance
- Three way matching of the payment documents
- Accounting for liability/prepaid expenses

4.2.2 Accounting for all purchases shall be on accrual basis based on supplier's invoice and approved delivery documents subject to its conformity with the Purchase Order. In the absence of supplier's invoice, purchase shall be accounted for on the basis of the Purchase Order, allocation of funds in the budget for the purchase, approved delivery documents and inspection note.

4.2.3 All unpaid invoices along with supporting documents received shall be appropriately recorded and filed to ensure timely approval and subsequent payments.

4.2.4 Liabilities to be recognized for amounts to be paid in the future for goods or services received shall be determined subsequent to satisfactory verification/inspection, whether or not invoiced to the University..

4.2.5 Advances to suppliers shall not be adjusted unless the invoice has been passed for payment.

4.2.6 No invoice shall be processed unless the original invoiced is received in finance department. However, in exceptional situation VC or AVC may authorize an exception to original invoice.

4.2.7 Supplier's invoice shall be processed in a manner to ensure that:

- Calculations, extensions and totals in the supplier's invoice are accurate;
- Adjustments for supplier's Credit Notes considered;
- Adjustment of advance as per the supplier's invoice agrees with the advance paid against the order and the terms of adjustment of such advance; and
- Other adjustments are considered.

4.2.8 The Department of Financial Affairs shall develop a register to control funds allocations ensuring the value of purchasing orders shall be deducted from the original allocated amount for the specific item.



4.3 Procedures

4.3.1 Accounting for purchase order invoices

Responsibility	Activity	Forms
Accountant	<p>Enter the details into Payment Management Log Book.</p> <p>Receive following supporting documents:</p> <ul style="list-style-type: none"> ☐ Purchase Order (PO) ☐ Delivery Order (DO) ☐ Good Received Note (GRN) <p>Enter the details into Payment Management Log Book.</p> <p>Ensure rates are in line with Purchase Order price and other terms</p> <p>Ensure a three way matching by reviewing invoice, PO and GRN.</p> <p>Generate Payment Voucher (PV)</p> <p>Forward the PV and supporting documents to Sr Accountant</p>	PV
Sr. Accountant	<p>Review and verify the PV with supporting documents</p> <p>Obtain approval from appropriate authority and return it to Accountant</p>	
Accountant	<p>Receive and file the PV in the Payment Due file sequentially according to the due dates</p> <p><i>On the due date, cheque/ bank transfer letter is generated. Payment process is detailed in Chapter - Cash and Bank.</i></p>	

4.3.2 Accounting for non PO expenses

Responsibility	Activity	Forms
Accountant	<p>For all contract related expenses confirm the payment terms and conditions with the contract and appropriate authority</p> <p>For all other general expenses confirm the amount after checking if any adjustments are required</p> <p>Generate Payment Voucher (PV) in the system</p> <p>Attach invoice to the PV</p> <p>Forward the PV and supporting documents to Sr Accountant</p>	PV
Sr Accountant	<p>Review and verify the PV with supporting documents</p> <p>Obtain approval from appropriate authority and return it to Accountant</p>	



Responsibility	Activity	Forms
Accountant	Receive the PV and file in the Payment Due file sequentially according to the due dates <i>On the due date, cheque/ bank transfer letter is generated. Payment process is detailed in Chapter - Cash and Bank.</i>	

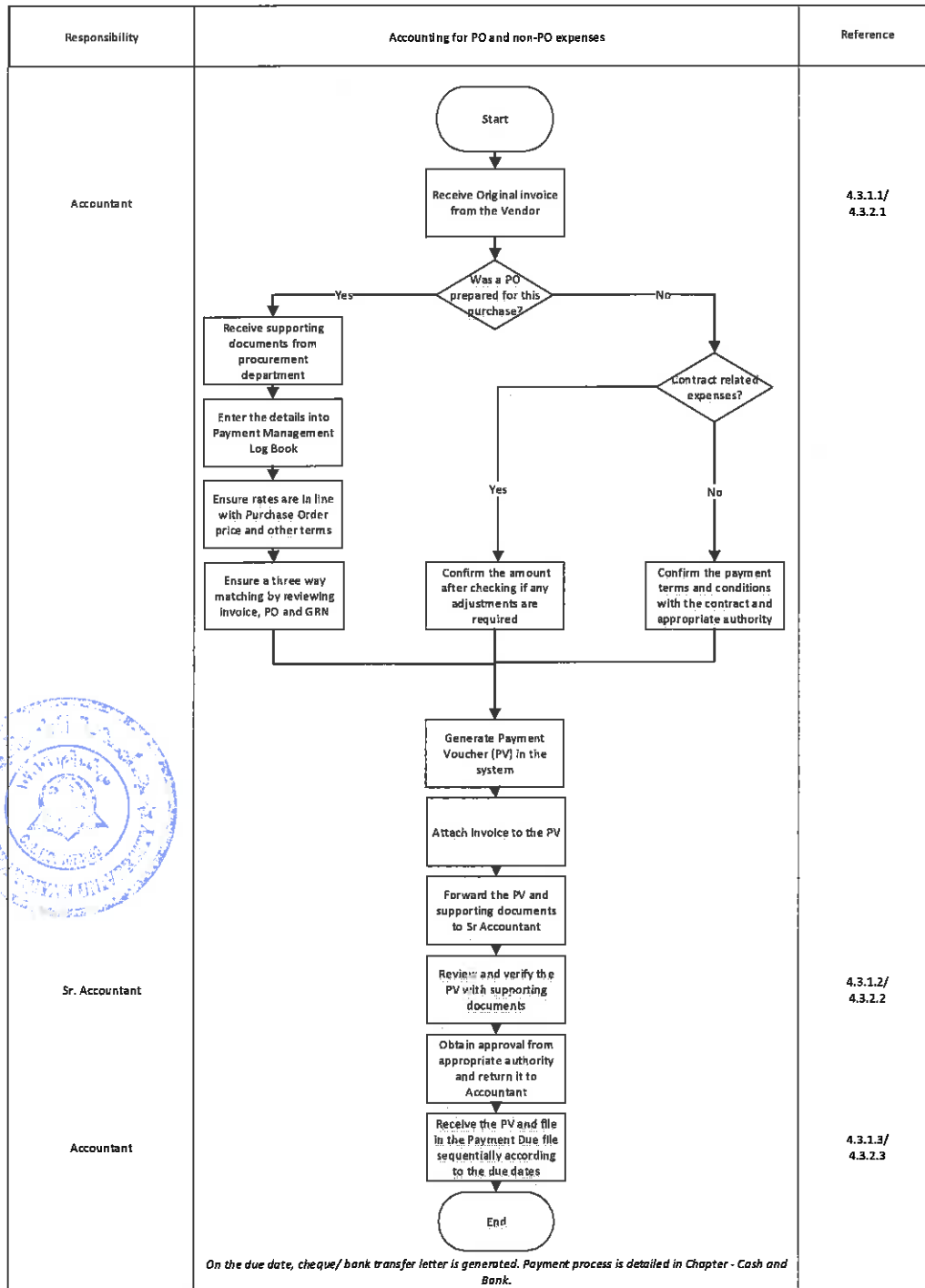
4.3.3 Review of payables

Responsibility	Activity	Forms
Sr. Accountant	Generate monthly payables statement of accounts from the system Review and confirm that the existence of the payables Identify and highlight the reasons for nonpayment if not paid as per due date Forward the payables statement of accounts to Dy Director of Finance Request major vendors' statement of account on a quarterly basis and reconcile the balance. Investigate any variance and update the balance as per ASU if need be. Perform an annual confirmation exercise for the all corporate vendors to ensure that the balances as reflected in the financial statements are genuine.	Payables statement
Dy. Director Finance	Verify the accuracy and completeness of the monthly payables statement of accounts Review the reasons for nonpayment of overdue Invoices Obtain remarks from appropriate authority and forward the documents to Accountant Approve all confirmation to be sent to the vendors	
Accountant	File the payables statement of accounts along with correspondence documents from the supplier	



4.4 Flow Charts

4.4.1 Accounting for purchase order invoices and non PO expenses



4.4.2 Monthly review of payables

Responsibility	Monthly review of payables	Reference
Accountant	<p>Start</p> <p>Generate monthly payables statement of accounts from the system</p> <p>Review and confirm that the existence of the payables</p> <p>Identify and highlight the reasons for nonpayment if not paid as per due date</p> <p>Forward the payables statement of accounts to Sr Accountant</p>	4.3.3.1
Sr. Accountant	<p>Verify the accuracy and completeness of the monthly payables statement of accounts</p> <p>Review the reasons for nonpayment of overdue Invoices</p> <p>Obtain remarks from appropriate authority</p>	4.3.3.2
Accountant	<p>File the payables statement with correspondence from the supplier</p> <p>End</p>	4.3.3.3



5 Fixed Assets and capital expenditure

5.1 Overview

5.1.1 This chapter describes the accounting policies and procedures relating to accounting, control and recording of fixed assets and capital expenditure of the University. The fixed assets and capital expenditure function shall consist of the following activities:

- Accounting (including depreciation)
- Relocation
- Physical verification
- Disposal

5.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.





5.2 Policies

- 5.2.1** All costs incurred s in relation to fixed assets shall be recognized on accrual basis.
- 5.2.2** Assets shall be recorded and carried in the balance sheet at the cost of acquisition less accumulated depreciation and any impairment in value.
- 5.2.3** All incidental expenses like custom duty, clearing forwarding charges (if any) transportation, insurance, spares, commissioning, etc. shall be added to the cost of the capital asset. The cost of acquisition shall be computed taking into account the cost of bringing the asset to working condition for its intended use.
- 5.2.4** All costs incurred for a particular asset shall be capitalized on the asset being installed/ put into use. Prior to installation all such costs will be accounted for as capital work in progress.
- 5.2.5** The estimated useful life of an asset shall be assessed in conjunction with the existing accounting policy of depreciation. The facilities department shall make the best estimate of the useful life and advise finance about the estimated useful life.
- 5.2.6** Adequate insurance coverage shall be obtained on all assets of the University.
- 5.2.7** The carrying value and useful life of all major assets shall be reviewed every year for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets shall be written down to their recoverable amount.
- 5.2.8** Assets under construction pending installation shall be carried under capital work in progress and capital stores respectively.
- 5.2.9** Items individually costing less than RO 100 shall be fully written off in the year of purchase except for the items capitalized as a part of group of assets. However, if this forms part of a group of assets, it shall be capitalized.
- 5.2.10** Assets shall be depreciated on a straight-line basis, in a manner so that the asset cost is amortized over the normal estimated useful life of the asset.
- 5.2.11** The depreciation method selected shall be applied consistently from period to period unless altered circumstances justify a change. In an accounting period in which the method is changed, the effect shall be quantified and disclosed and the reason for the change shall be stated.
- 5.2.12** In the period of acquisition, depreciation shall be charged on a pro-rata basis from the month of capitalization.
- 5.2.13** Financial leased assets shall be depreciated so as to amortize the cost of such assets over the shorter of the lease term or its economic life.
- 5.2.14** A Fixed Asset Register (FAR) shall be maintained for all assets owned by the University including the ones that have been completely written off in the books. The register shall include

the details of the asset, quantity, location, date of purchase/sale, cost, accumulated depreciation, written down value and classification under relevant asset base.

- 5.2.15** Each asset shall be allotted a specific code.
- 5.2.16** All fixed assets shall be physically verified on periodical basis (once every two years), tallied with the Fixed Asset Register and discrepancies, if any, shall be reported to management for necessary action.
- 5.2.17** Disposal of fixed assets shall primarily be for assets, which are past their estimated useful lives, damaged, and/or defective.
- 5.2.18** All disposal of assets shall be supported by a Fixed Assets Disposal Form (FADF) mentioning relevant details with proper justification.
- 5.2.19** Sale of assets disposed, net of disposal costs, shall be set-off to the written down value of the asset to determine gain or loss on sale and assets shall be suitably disclosed.
- 5.2.20** In the period of disposal, depreciation shall be charged on pro rata basis till the asset is sold, discarded, demolished or otherwise disposed of.
- 5.2.21** Revaluation should be made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet.
- 5.2.22** All transfer of Fixed Assets from one department/location to another shall be supported by an Asset Movement Form (AMF) duly authorized by the management and acknowledged by the transferee department. In all such cases the revised location of the Fixed Asset shall be updated in the Fixed Asset Register.
- 5.2.23** All assets owned and purchased by the University but utilized exclusively for the employees personal use shall be capitalized in the books of Accounts. Subsequent to resignation of respective employee, all such assets shall be returned to University supported by the Asset Movement Form. The Fixed Asset Register shall be accordingly updated with the revised location.
- 5.2.24** All intangible assets shall be separately classified and the value disclosed in the financial statements. Such intangible assets shall be accounted at cost of purchase provided the cost can be suitably estimated and measured.
- 5.2.25** Library books shall be considered fixed assets and shall be included in the FAR. In case books are not returned/lost, the said books shall be treated as a FA disposal and shall be removed from the FAR.





5.3 Procedure

5.3.1 Accounting

Responsibility	Activity	Forms
Accountant	<u>Additions</u>	
	Receive invoice, freight, transit insurance, custom duty, and clearing and forwarding charges bill from respective service providers	
	Receive DN duly accepted and installation certificate from the Purchasing and Stores Department, verify with PO and invoice	
	Identify the asset item with related PO, invoice and other expenses incurred up to the point of installation	
	Record the invoice price, other related costs, date of purchase, description of item, location and quantity against the respective asset code and generate the value of the asset	
	Advice Facilities Department to update the Fixed Asset Register	
	<u>Relocation of assets</u>	
	Receive copy of the approved AMF from the current location and update the Fixed Asset Register with the revised location	Fixed Asset Register
	<u>Disposal/sale of assets</u>	
	Receive approved FADF and supporting documents/sale invoice from the Purchasing and Stores Department (or intimation of lost book from the Library)	JV
Update the Fixed Asset Register	AMF	
Generate JV to record profit or loss on sale/disposal of assets and forward to appropriate authority after verification		
Forward to Sr Accountant	FADF	
Sr Accountant	Review the JV and the supporting	JV
	Obtain approval from appropriate authority and return to Accountant along with all supporting documents	
Accountant	File JV along with all supporting documents	

5.3.2 Physical verification and reconciliation (to be discussed with facilities)

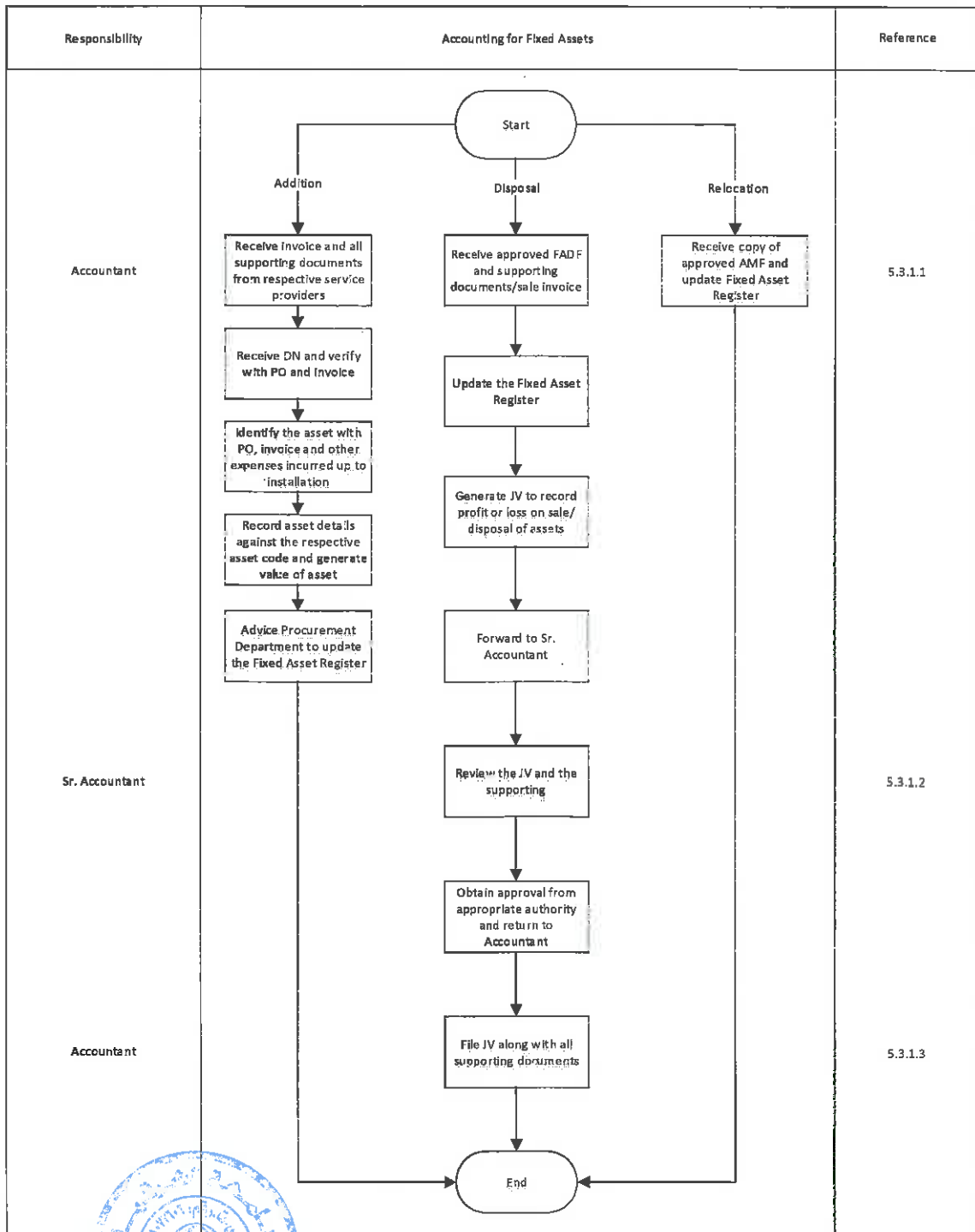
Responsibility	Activity	Forms
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Responsibility	Activity	Forms
Sr Accountant / Accountant	<p>Generate list of Fixed Assets to be physically verified from the Fixed Asset Register</p> <p>Physically verify assets at all locations and tally with the Fixed Asset Register</p> <p>Reconcile and record difference between physical record and book record</p> <p>Generate physical verification report along with discrepancies identified, if any.</p> <p>Generate JV to adjust book records with physical records and forward to appropriate authority after verification</p>	JV
Appropriate authority	<p>Review physical verification report and JV</p> <p>Approve JV and return to Accountant</p>	
Sr Accountant / Accountant	<p>On approval of JV update the Fixed Asset Register</p> <p>File approved JV along with the copy of Fixed Asset Register</p>	

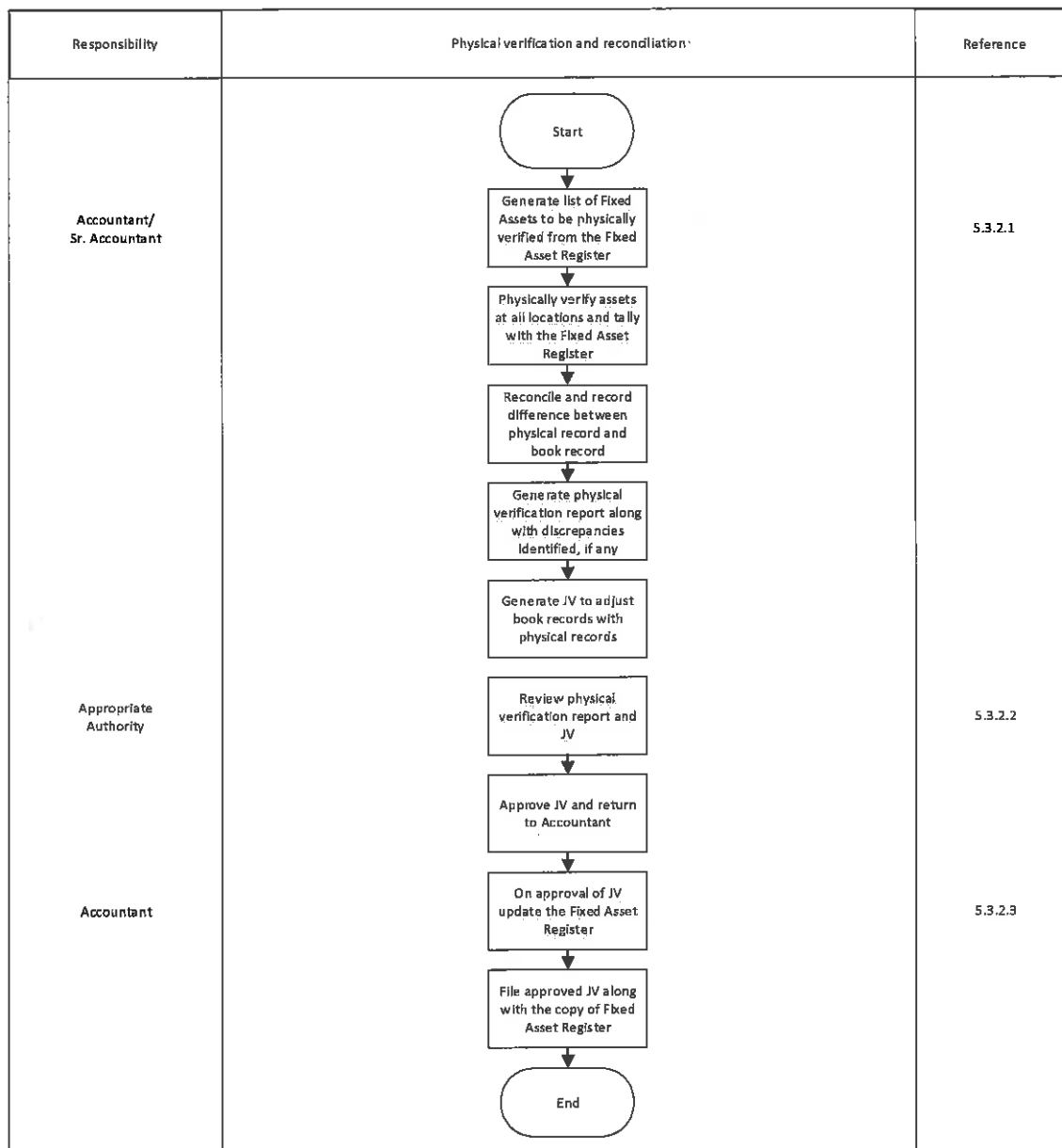


5.4 Flow Charts

5.4.1 Accounting



5.4.2 Physical verification and reconciliation



6 Cash and Bank

6.1 Overview

6.1.1 This chapter describes accounting policies and procedures relating to accounting, control and recording of receipts and payments in cash and through bank of the University. The cash and bank function shall consist of the following activities:

- Receipts (cash/cheque)
- Returned cheques
- Payments (cash/cheque)
- Bank reconciliation statements
- Petty cash Imprest and payments

6.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.



6.2 Policies

- 6.2.1 The University shall maintain separate Current Accounts with the bank for collections and disbursements.
- 6.2.2 Deposits in any bank shall not exceed 50% of the total deposits appearing in the final financial statements.
- 6.2.3 All receipts (Cash/Cheque) for the day shall be deposited into bank, latest by the next working day.
- 6.2.4 All postdated cheques shall be properly monitored and deposited into bank on appropriate due dates to ensure timely collection from Debtors.
- 6.2.5 Cheques and bank drafts received shall be accounted as receipts in the bank book only on being deposited in the bank. Cheques and bank drafts shall be treated as cheques in hand until such time the instruments are deposited in the bank.
- 6.2.6 All returned cheques shall be approved by the appropriate authority.
- 6.2.7 All payments, other than petty cash payments, shall be made through cheques only.
- 6.2.8 The cheques shall clearly and correctly mention the name of the payee as stated in the invoice and shall be signed by the authorized signatory. Cheque shall only be issued on the name of vendor:
1. With whom contract is made
 2. With whom services are received.
- 6.2.9 **Cheque cannot be made in the name of any other vendor even if companies are associated among each other.**
- 6.2.10 All cheques shall be stamped "Account Payee Only", except for petty cash withdrawals.
- 6.2.11 All cancelled cheques shall be marked 'CANCELLED' and shall be retained in the cheque book after tearing off the cheque number.
- 6.2.12 The Bank Reconciliation Statement (BRS) shall be generated on a monthly basis. All un-reconciled items pending for more than 2 month shall be investigated. Further, all long outstanding cheques more than 6 months will be reversed. Upon discretion of FD, either new cheque will be prepared or liability will be reversed completely.
- 6.2.13 Petty cash shall be maintained on an imprest system and reimbursed:
- On a monthly basis; or
 - When 80% of the limit is exhausted
- Whichever is earlier.
- 6.2.14 ASU shall carry out insurance for its cash in hand and cash in transit as under:



Cash in Transit Limits. (Dorm Fee, Tuition fee from Private Students, Application, Registration and Tuition Fee Deposit)

Cash Limit	Officer Who Authorized to carry cash to Bank
From OMR 0- 10,000/-	Senior Driver
OMR 10,000/- to OMR 20,000/-	PRO
OMR 20,000 to OMR 25,000/-	PRO+ Accountant
Above OMR 25,000/- (Maximum Insured Amount)	Break the transit to two trips.



- 6.2.15** Management shall review the petty cash limit and nature of items to be purchased through petty cash from time to time.
- 6.2.16** Maximum value of individual cash payment shall not exceed payment authority in accordance with ASU's authority manual.
- 6.2.17** The cash box shall be kept locked at all times; it shall be opened only by the custodian to effect payments, deposit cash/cheque.
- 6.2.18** Petty cash boxes shall be physically verified on a regular basis. For any shortage noted on verification of cash or cash equivalent, the amount shall be recovered from the custodian of the cash immediately. If prompt reimbursement is not possible, the shortage shall be debited to his/her personal account and shall be recovered from his/her salary or other dues to him/her.
- 6.2.19** Any remaining petty cash balance shall be return to the Financial Affairs Department at least 3 days before the end of the fiscal year.
- 6.2.20** The University shall maintain a minimal balance of OMR 500K in its accounts. Once the lower limit is reached, FD shall notify immediately to the Executive Management (VC, DVC and AVC) about the shortage of funds and appropriate measures will be taken such as bank loan, discounting of bills or breaking of overdraft as the case may be.
- 6.2.21** The University shall maintain a maximum balance of OMR 1,000K in its accounts. Once the upper limit is reached, FD shall notify immediately to the Executive Management (VC, DVC and AVC) about the excess funds and appropriate measures will be taken such as short term investment opportunities may be explored.
- 6.2.22 Bank Facilities**
- The University shall negotiate with its bankers for the umbrella facilities, including, credit card, overdraft, bill discounting and other facilities as may be deemed necessary.

- The individual facility limit shall be decided by the management after carefully analyzing the cash flow requirements.
- Once the facilities limit is provided by the bank, the management shall ensure that the limits are utilized to the maximum based on the University's requirements and cash flow planning.
- Each year the management should carefully evaluate the limits and deal with the bank accordingly.

6.2.23 Fixed Deposit:

- The management must ensure that if there are idle cash balance lying in current account, and there is no immediate payout requirement, the amount shall be converted into a Fixed Deposit with the bank.
- The tenure of the deposit shall be decided by the management after carefully analyzing the cash flow projections for the current year.
- The amount of Fixed Deposits shall be decided by the management and transfer amount has to process as per the authorities defined by the ASU's authority manual .
- The process of analysis of cash flows shall be carried out again at the time of renewal of the Fixed Deposits.

6.3 Procedures



Receipts

6.3.1 Cheque/cash receipts

Responsibility	Activity	Forms
Accountant	Receive cheque/cash from students/sponsors/donor along with supporting documents, if any Match cheque/cash amount with the invoice amount If cheque, record in cheque register.	
Dy. Director Finance	Instruct authorized personnel for depositing the cash/cheque in the bank (latest by the end of next working day)	
Sr. Accountant	Ensure acknowledgement of deposit is obtained on the pay-in-slip Update receivables ledger	

6.3.2 Direct transfer from students/sponsors/donors

Responsibility	Activity	Forms
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Accountant	Check bank account for payments on a daily basis Update receivables ledger once payment is received
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6.3.3 Returned cheques

Responsibility	Activity	Forms
Accountant	Receive returned cheque along with bank intimation slip mentioning the reason of return Liaise with the bank to obtain sufficient details, in case reason provided by bank is not clear Generate Debit Note (DN) for the amount of cheque returned and forward to Director of Financial Affairs	DN
Director of Financial Affairs	Verify the DN, cheque and bank intimation with respect to completeness and accuracy	
Sr. Accountant	Send a copy of the returned cheque to the respective Department along with the copy of DN and bank intimation slip	
Sr. Accountant	Forward the DN with the supporting documents such as intimation slip, returned cheque, to appropriate authority	
Appropriate authority	Review and approve the DN Return DN to Accountant along with supporting documents	
Accountant	File DN serially along with supporting documents	

Payments

6.3.4 Payment by cheque / Bank transfer

Responsibility	Activity	Forms
Accountant	On the due date, check the Payment Vouchers (PV) to be processed Attach original invoice and other supporting documents to the PV	PV
Sr. Accountant	Generate cheque/bank transfer letter (BTL) for the PV Forward PV and cheque/BTL along with all the supporting documents to Dy. Director of Financial Affairs	BTL
Director and Deputy Director of Financial Affairs	Review the supporting documents and approve PV Obtain authorized signatory's signature on cheque/Bank transfer letter Return approved PV along with the signed cheque/bank transfer letter and supporting documents to the Accountant	
Accountant	On receipt of signed PV and cheque, Send cheque/bank transfer to supplier and obtain the acknowledgement of the payment File PV along with supporting documents	

6.3.5 Bank reconciliation statement

Responsibility	Activity	Forms
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Accountant	Obtain bank statements from respective banks on a monthly basis	JV
	Compare transactions in bank statement with Bank book for receipts and payments	BRS
	Enquire with the bank to obtain details on all the unidentifiable debits and credits	
	Generate Journal Voucher (JV) for bank charges, interest credited for, etc.	
	Generate the Bank Reconciliation Statement (BRS) on a monthly basis to ensure that there are no un-reconciled items	
	Forward JV and BRS to Sr. Accountant	
Sr Accountant	Verify the JV and BRS and supporting documents with respect to completeness and accuracy	
	Forward to Dy. Director of Financial Affairs	
Dy. Director of Financial Affairs	Approve BRS and JV and return it to the Accountant	
Accountant	File BRS and JV with bank statements and supporting documents	

6.3.6 Petty cash imprest and payments

Responsibility	Activity	Forms
Accountant	Receive bills/receipts together with statement of expenses, duly approved by the respective Director of Department	
	Verify the statement of expenses with the corresponding supporting bills / receipts	
	Forward the statement along with the supporting bills/ receipts to Sr Accountant	
Sr Accountant	Verify the statement along with the supporting bills/ receipts with respect to completeness and accuracy	PCV
Dy. Director Finance	Review and approve the claims statement and forward to Accountant to generate Petty Cash Voucher (PCV)	
Accountant	Generate Petty Cash Voucher (PCV)	
	Generate cash cheque for replenishment of petty cash balance	
	Forward PCV and cheque along with the supporting bills/ receipts to Dy. Director of Financial Affairs for approval	
	On receipt of approved PCV and signed cheque, forward the same to the concerned person for cashing the cheque	
	Disburse the claim amount in cash	
	Obtain acknowledgement of recipient on Petty Cash Voucher (PCV)	
	File PCV along with supporting documents	
Director of Financial Affairs	Confirmation of period end balances	
	Physically verify petty cash balance along with Accountant and tally with the ledger	
	Countersign on physical verification sheet signed by Accountant and	



Responsibility	Activity	Forms
	retain for records	

6.3.7 Treasury Management Procedures Minimal and Maximum Cash Balance

Responsibility	Activity	Forms
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Minimal Cash Balance

Dy. Director Finance	<p>Once the balance of the bank is below OMR 500,001, Deputy Director Finance Shall Immediately Notify the Director Finance about the deficit of funds.</p> <p>The director finance shall prepare cash flow analysis of three to six months and see how ASU can mitigate the cash flow deficit.</p> <p>Based on the above FD should advise the Executive Management for the necessary action such as discounting of bills, taking overdraft, liquidating investments or breaking fixed deposits as the case may.</p> <p>In addition, expected payments should be classified on a priority basis and salary being the most prior, unless a legal or contractual payment, which otherwise can result in financial and non-financial penalties to ASU.</p>	
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Maximum Cash Balance

Dy. Director Finance	<p>Once the balance of the bank is over and above OMR 1,000,001, Deputy Director Finance Shall Immediately Notify the Director Finance about the excess of funds.</p> <p>The director finance shall prepare cash flow analysis of six months to one year and see how ASU can invest the cash flow excess.</p> <p>Based on the above FD should advise the Executive Management for the necessary investing decisions, such as investments in securities, fixed deposits as the case may.</p>	
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6.3.8 Bank Facilities

Responsibility	Activity	Forms
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Type of Bank Facilities

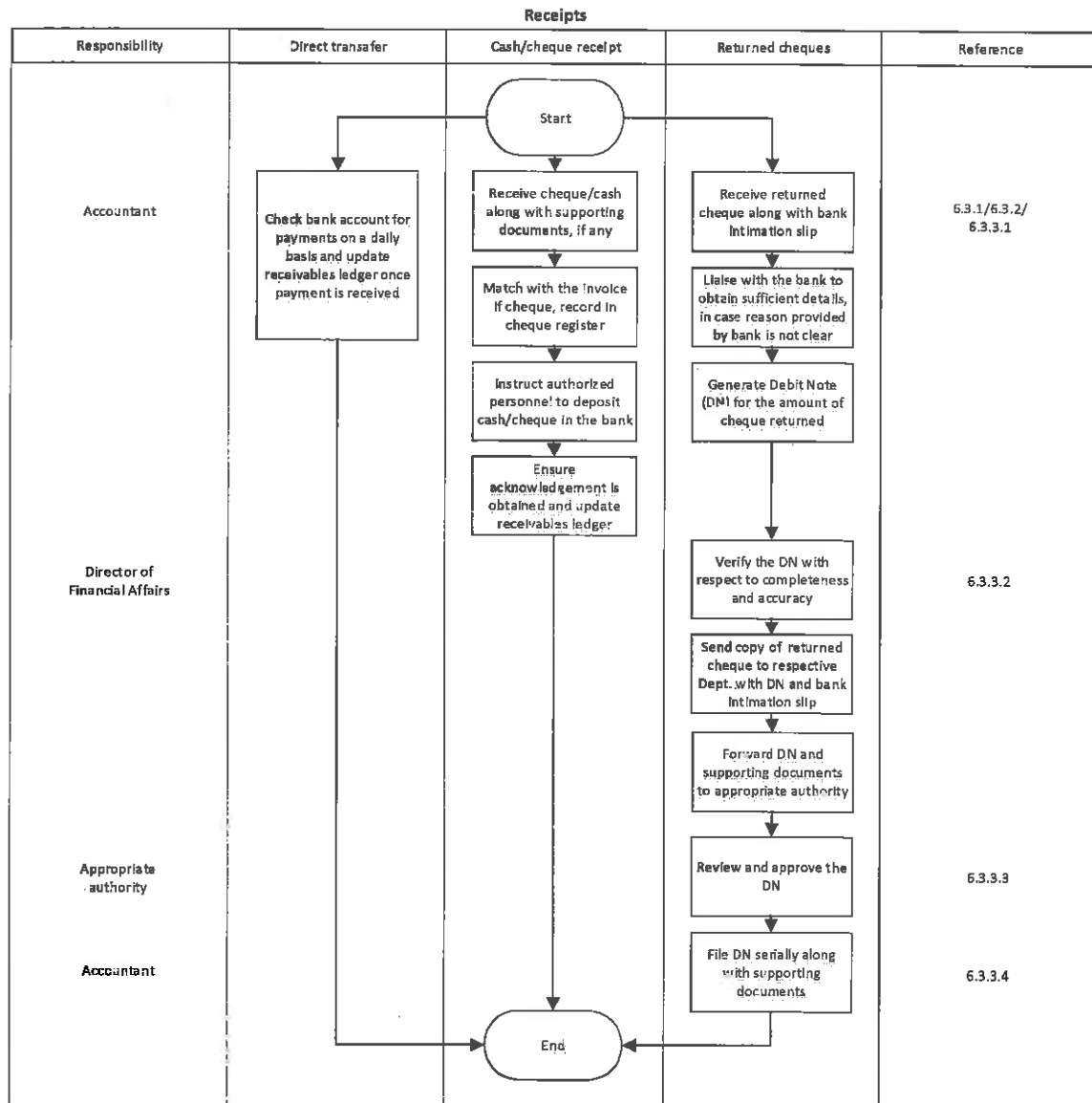


Dy. Director Finance	<p>Based on University's requirements and cash flow projections, Dy Finance Director shall prepare a plan of desired facilities.</p> <p>The plan shall also include the acquisition and settlement of those facilities.</p>
Finance Director	<p>FD should review the plan and if appropriate, present the case to management for their review and approval.</p> <p>Once the plan is approved, Management should present the entire scenario to the Executive Committee and to the Board of Directors and seek their advice and approval.</p> <p>Once approved, Dy Finance Director shall coordinate with a minimum of 3 banks (preferably, rated banks) and seek their quotations.</p> <p>Based on quotes received, FD and DFD shall analyse the offered bank facilities. Based on various factors, including tenure, rates and quality of banking service, appropriate evaluation of the quotations shall be made.</p> <p>The above evaluation is to be sent to the Executive Management for their evaluation and final recommendation to the BoD for the selection of the most favourable banking option. Once approved by the BoD, The FD/DFD shall coordinate with the bank to complete the formalities.</p> <p>Once all formalities are completed ASU shall obtain the facility letter and approved it by the Board of Directors of ASU.</p> <p>Once facilities are in place, Management shall utilize the facilities based on following:</p> <ul style="list-style-type: none">Appropriate cash flow analysis showing when the debt can be repaidEstimated cost of funding <p>Based on the above Management shall prepare a drawdown/utilisation request to the banks duly signed by the authorised signatories. In accordance with the ASU's authority manual</p>



6.4 Flow Charts

6.4.1 Receipts

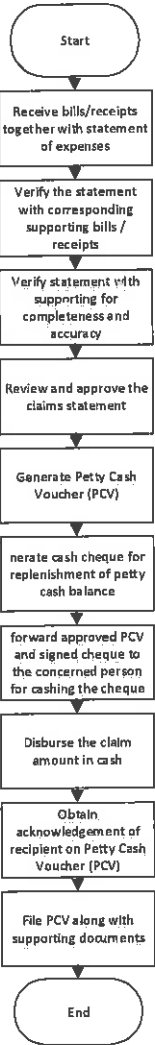
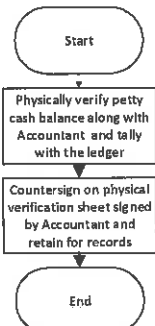


6.4.3 Bank Reconciliation

Responsibility	Bank reconciliation	Reference
Accountant	<pre> graph TD Start([Start]) --> A[Obtain bank statements from respective banks on a monthly basis] A --> B[Compare transactions in bank statement with Bank book for receipts and payments] B --> C[Enquire with the bank to obtain details on all the unidentifiable debits and credits] C --> D[Generate JV for bank charges, interest credited for, etc.] D --> E[Generate BRS on a monthly basis to ensure that there are no un-reconciled items] E --> F[Verify the JV BRS and supporting documents for completeness and accuracy] F --> G[Approve BRS and JV and return it to the Accountant] G --> H[File BRS and JV with bank statements and supporting documents] H --> End([End]) </pre>	6.3.5.1
Sr. Accountant	Verify the JV BRS and supporting documents for completeness and accuracy	6.3.5.2
Dy Director of Financial Affairs	Approve BRS and JV and return it to the Accountant	6.3.5.3
Accountant	File BRS and JV with bank statements and supporting documents	6.3.5.4



6.4.4 Petty cash imprest and payments

Responsibility	Petty cash imprest and payments	Reference
<p>Accountant</p> <p>Sr. Accountant</p> <p>Dy Director of Financial Affairs</p> <p>Accountant</p>	 <pre> graph TD Start([Start]) --> Step1[Receive bills/receipts together with statement of expenses] Step1 --> Step2[Verify the statement with corresponding supporting bills / receipts] Step2 --> Step3[Verify statement with supporting for completeness and accuracy] Step3 --> Step4[Review and approve the claims statement] Step4 --> Step5[Generate Petty Cash Voucher (PCV)] Step5 --> Step6[Generate cash cheque for replenishment of petty cash balance] Step6 --> Step7[forward approved PCV and signed cheque to the concerned person for cashing the cheque] Step7 --> Step8[Disburse the claim amount in cash] Step8 --> Step9[Obtain acknowledgement of recipient on Petty Cash Voucher (PCV)] Step9 --> Step10[File PCV along with supporting documents] Step10 --> End([End]) </pre>	<p>6.3.6.1</p> <p>6.3.6.2</p> <p>6.3.6.3</p> <p>6.3.6.4</p>
Responsibility	Confirmation of period end balances	Reference
<p>Director of Financial Affairs</p>	 <pre> graph TD Start([Start]) --> Step1[Physically verify petty cash balance along with Accountant and tally with the ledger] Step1 --> Step2[Countersign on physical verification sheet signed by Accountant and retain for records] Step2 --> End([End]) </pre>	<p>6.3.6.5</p>



7 Payroll and related payments (Processed by HR Finance only makes payment).

7.1 Overview

7.1.1 This chapter describes accounting policies and procedures relating to accounting, control and recording of payroll and employee related payments of the University. This payment function shall consist of the following activities:

- Payroll generation and accounting
- Other employee related payments

7.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.





7.2 Policies

- 7.2.1** Salaries, allowances and the other benefits payable to employees as per the terms of their contract or as per the rules and regulations of the University shall be accounted on accrual basis.
- 7.2.2** The payroll summary provided by HR Department shall form the basis for payment of monthly payroll and for leave availed by an employee during a particular month.
- 7.2.3** The 3rd week of any month shall be last date of receipt of instructions for affecting any change/deductions to the payroll for that month.
- 7.2.4** Payment of salaries shall be on a monthly basis unless an employee has resigned and end of service and other terminal benefits to be paid with altogether
- 7.2.5** The VC, according to his own discretion, decide to pay the salaries before their due date on special occasions such as religious holidays/other events.
- 7.2.6** Total payment against monthly payroll shall be made through bank transfer except in special circumstances (e.g. new recruits), where payment can be done by way of cheque after obtaining appropriate approval.
- 7.2.7** All other employee related payments as per terms of contract should be made by cheque payments.
- 7.2.8** Unclaimed pay remaining to the credit of persons who have left the services of the University shall be credited to 'Due to Employees' account and shall not be written back.
- 7.2.9** The staff vacation benefits (passage fare) accruing to the employee's availing the leave entitlements shall be accounted for on the basis of information received from HR department in accordance with HR Policy.
- 7.2.10** The payment of leave salary shall be made on the basis of information received from HR department in accordance with HR Policy.
- 7.2.11** Payment of terminal benefits such as Gratuity shall be paid in accordance with ASU's HR Policy.
- 7.2.12** For Omani employees the monthly contribution to Social Insurance Scheme shall be made by the University as per rules and deposited along with employee's contribution deducted from monthly salaries. The University's contribution shall be accrued on a monthly basis and charged to the profit and loss account. The University shall ensure that the employer and employee's contribution for a particular month shall be deposited to the statutory authorities within the 15th of the subsequent month.
- 7.2.13** Advances may be paid for travel, salary, leave salary and other purposes to employees for official work, as per rules, against specific advance slips duly authorized by the appropriate authority and sanctioned by the management from time to time.

- 7.2.14** Travel and conveyance expenses shall be reimbursed on submission of bills and other details duly sanctioned by appropriate authority, and accounted for on that basis. All unpaid expenses of the year paid in the following year shall be accrued.





7.3 Procedures

7.3.1 Payroll Processing and accounting

Responsibility	Activity	Forms
Sr Accountant	Receive approved monthly payroll summary from the HR department	Payroll Summary
	Generate bank wise Salary Transfer letter for payment	Salary Transfer Letter
	Generate Payment Voucher (PV)	PV
	Send bank wise Salary Transfer letter, PV and Salary slips along with Payroll Summary to the appropriate authority after verification	Salary Slips
Appropriate authority	Verify and approve PV and JV	
	Obtain appropriate authority's signature on the cheque / bank transfer letter	
	Forward all the above along with the Payroll Summary to the Department of Financial Affairs	
Department of Financial Affairs	Forward approved Salary Transfer letter/cheque to the bank	
	Obtain bank advice for transfer of salary	
	Retain approved Payroll Summary with office copy of Salary Transfer letter.	
	File approved PV with bank advice and JV	
	Distribute Salary slips	

7.3.2 Payment to Social Insurance

Responsibility	Activity	Forms
Accountant	Obtain monthly statement showing details of employee's and University's contribution from HR Department	PV
	Generate PV with cheque and forward to Director of Financial Affairs	
Director of Financial Affairs	Verify and approve PV	
	Obtain appropriate authority's signature on the cheque / bank transfer letter	
	Forward the documents to the Accountant	
Accountant	On approval forward cheque to the statutory authorities and obtain acknowledgement	
	File PV along with supporting documents	

7.3.3 Terminal benefits

Responsibility	Activity	Forms
HR	Receive approved intimation of termination/cessation of service from	Final



Responsibility	Activity	Forms
Department	employee Generate a Final Settlement Sheet Forward for employee's review and obtaining his/her confirmation on the same Forward confirmed Final Settlement Sheet to appropriate authority	Settlement Sheet
Appropriate authority	Review the Final Settlement Sheet with the supporting documents and approve and return to Department of Financial Affairs	
Department of Financial Affairs	Generate PV and the cheque/ bank transfer letter for final settlement amount Forward, PV, cheque/bank transfer letter, approved final settlement sheet and other supporting documents to appropriate authority	PV BTL
Appropriate authority	Verify and approve PV Sign the cheque/bank transfer letter obtain other appropriate authority's signature Forward the documents to the Department of Financial Affairs	
Department of Financial Affairs	Release the cheque to the employee Obtain employee's acknowledgement of receipt File PV and Final Settlement sheet Forward a copy of Final Settlement sheet to HR Department	

7.3.4

Advances

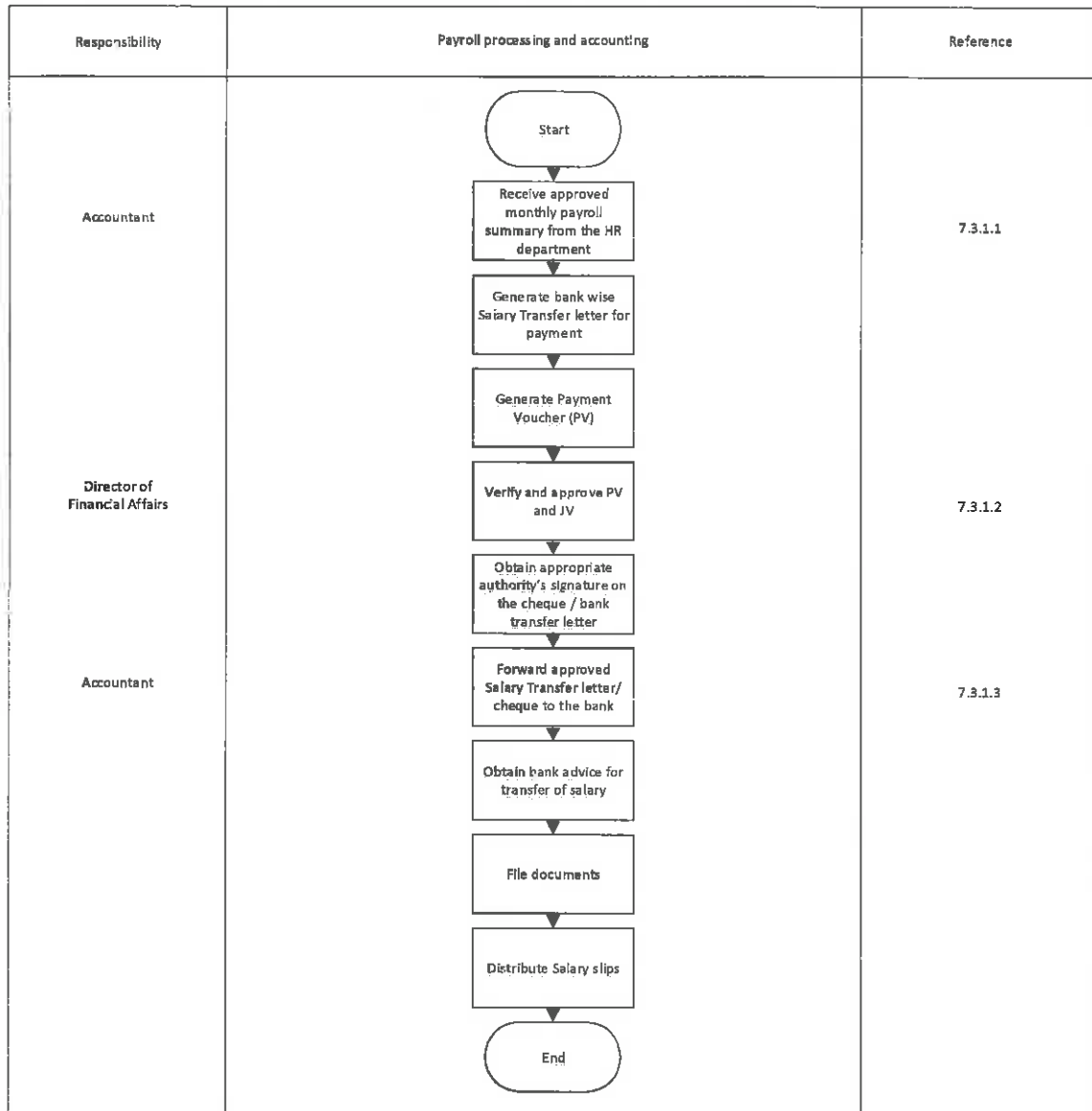
Responsibility	Activity	Forms
Accountant	Receive approved advance slip from employee Prepare PV Forward advance slip and PV to appropriate authority	
Appropriate authority	Review the PV with the supporting documents and approve Return to Accountant	
Accountant	Generate PV and the cheque/ bank transfer letter for advance amount Forward, PV, cheque/bank transfer letter, approved advance slip and other supporting documents to appropriate authority	PV BTL
Appropriate authority	Verify and approve PV Sign the cheque/bank transfer letter obtain other appropriate authority's signature Forward the documents to the Department of Financial Affairs	
Department of Financial Affairs	Release the cheque to the employee (if paid by cheque) Obtain employee's acknowledgement of receipt File PV and advance slip Forward a copy of advance slip to HR Department ensuring appropriate	

Responsibility	Activity	Forms
	adjustment has been made in the records	

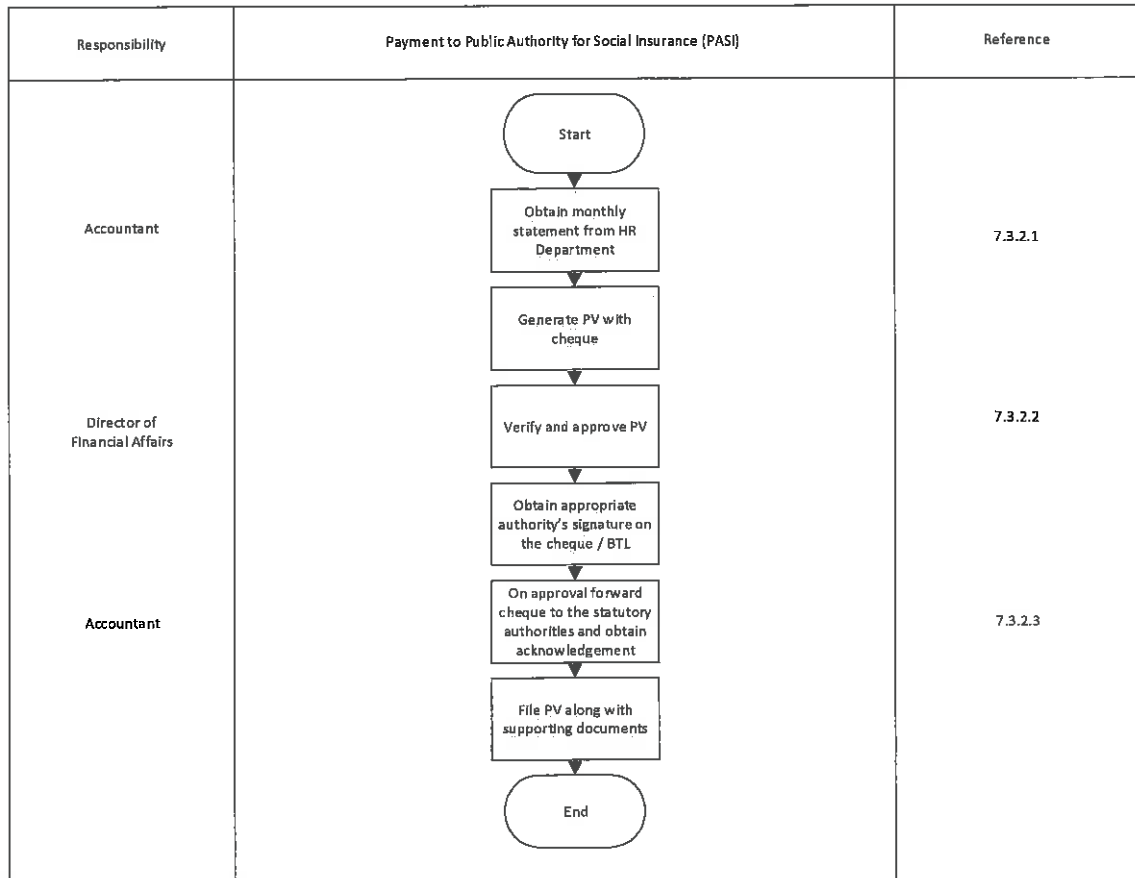


7.4 Flow Charts

7.4.1 Payroll Processing and accounting



7.4.2 Payment to Social Insurance

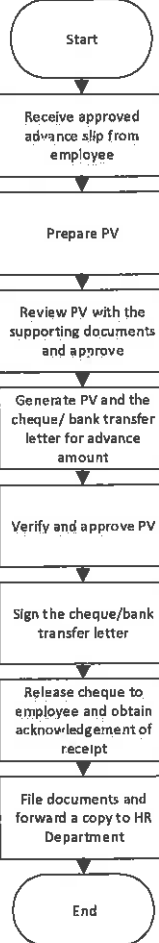


7.4.3 Terminal benefits

Responsibility	Terminal benefits	Reference
Accountant	<p>Start</p> <p>Receive approved intimation of cessation of service from employee</p> <p>Generate a Final Settlement Sheet</p> <p>Obtain employee confirmation and forward to appropriate authority</p>	7.3.3.1
Appropriate authority	<p>Review Final Settlement Sheet with the supporting documents and approve</p>	7.3.3.2
Accountant	<p>Generate PV and the cheque/ bank transfer letter for final settlement amount</p>	7.3.3.3
Appropriate authority	<p>Verify and approve PV</p> <p>Sign the cheque/bank transfer letter</p>	7.3.3.4
Accountant	<p>Release cheque to employee and obtain acknowledgement of receipt</p> <p>File documents and forward a copy to HR Department</p> <p>End</p>	7.3.3.5



7.4.4 Advances

Responsibility	Advances	Reference
<p>Accountant</p> <p>Appropriate authority</p> <p>Accountant</p> <p>Appropriate authority</p> <p>Accountant</p>	 <pre> graph TD Start([Start]) --> Step1[Receive approved advance slip from employee] Step1 --> Step2[Prepare PV] Step2 --> Step3[Review PV with the supporting documents and approve] Step3 --> Step4[Generate PV and the cheque/ bank transfer letter for advance amount] Step4 --> Step5[Verify and approve PV] Step5 --> Step6[Sign the cheque/bank transfer letter] Step6 --> Step7[Release cheque to employee and obtain acknowledgement of receipt] Step7 --> Step8[File documents and forward a copy to HR Department] Step8 --> End([End]) </pre>	<p>7.3.4.1</p> <p>7.3.4.2</p> <p>7.3.4.3</p> <p>7.3.4.4</p> <p>7.3.4.5</p>



8 Budgeting

8.1 Overview

8.1.1 The purpose of this chapter is to:

- Document the budgeting policies and procedures of the University;
- Serve as a means of defining and clarifying the responsibilities associated with preparation, review and approval of budgets;
- Serve as a point of reference to ensure that budgeting procedures are properly and consistently applied; and
- Enable efficient and timely preparation of budgets.

8.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.





8.2 Policies

Budgeting approach

- 8.2.1 The respective budget holders shall be responsible for setting budgets (based on agreed assumptions which are developed on an annual basis includes increase in costs based on inflation etc) and explaining any variations between budgeted and actual expenditure and income.
- 8.2.2 The budget, at its highest level shall be based on the approved business strategy and targets of the University and incorporated in the annual plan.
- 8.2.3 Transfer of approved funds, from one cost center or department to another shall not be allowed unless a recommendation of the same is made by the Assistant Vice Chancellor and upon the approval of Vice Chancellor. The Assistant Vice Chancellor may transfer the approved funds from one item to another within the same cost center. The Director of the financial affairs may also transfer the funds from one item to another within the same cost center if the interest of work so requires.
- 8.2.4 It is not allowed, in all cases, to transfer funds from following three classifications, from one classification to another, unless approved by the Board of Directors.
- Operational and Administration Cost
 - Salaries and Benefits
 - Capital Expenditure including IT Capex
- 8.2.5 It is not allowed to use any of the approved funds of the budget for other purposes rather than the purposes specified for such funds.
- 8.2.6 .
- 8.2.7 .
- 8.2.8 Commitment is made to financial obligations and payments thereof within the limits of the approved funds allocated for them in the budget. It may be allowed to secure any increase in financial obligations related to projected or required capital projects which have been contracted for in the budgets of future years within the limits of the projected funds required to implement such projects after getting the approval of the Board of Directors.
- 8.2.9
- 8.2.10 All variances in expenditure, whether arising from changes in assumptions or changes in expenditure levels, must be explained against the original budget.

Responsibility for budgeting

- 8.2.11 The Vice Chancellor shall be the ultimately responsible for the budget process. However, the



supervisory responsibility shall be delegated by the Budget Controller to the Director of Financial Affairs. The Director of Financial Affairs shall be responsible for the following:

- Communicating the business strategy and targets to the budget holders as these relate and apply to the budgeting process of each budget holder;
- Discussing and reviewing the draft budgets with the budget holders prior to submission to the VC; and
- Establishing priorities where budget requests exceed available resources.

8.2.12 The budget holders shall be responsible for the control, collation and preparation of the annual budget in their respective companies. They shall liaise with the Director of Financial Affairs to ensure that the budget is prepared on a timely basis.

8.2.13

Budget timetable

8.2.14 Annual budget of the University shall be prepared in accordance with a budget timetable prepared by VC to plan and facilitate the timely preparation of the budgets.

The budget timetable shall set dates for the following:

- Capital expenditure plan
- Operational plan (including revenue and expenditure projections)
- Cash flow projections
- Draft budget
- Submission to the Director of Financial Affairs for preparation of consolidated budget and submission to the VC
- Submission to the Board of Trustees
- Submission to the Executive Committee
- Review meetings
- Final budget issue and submission to the Board Members

8.2.15 The aim of the budget timetable is to crystallise the dates for the various stages of budget preparation, approval and communicating these to the budget holders before the start of the following financial year. If the budget preparation process kick-off is delayed, the effectiveness of the whole budgeting process shall be undermined as the budgets shall not be ready on time for the following financial year. If the process kicks off too early, insufficient current year data shall be available on which to base projections for the following financial year. This shall reduce the budget's credibility.

8.2.16 It is imperative that the timetable is strictly followed. The only exception shall be ± 2 days adjustment to accommodate the weekends i.e. Fridays & Saturdays.

8.2.17 The proposed time table of budget process is as follows:



1 May	Start of the budget process
1 June	First draft of the budget provided to the Director of Financial Affairs for preparation of consolidated budget for onward submission to the VC
15 July	VC to submit budget to Board of Trustees
20 July	Submission of the Budget to Executive Committee
1 August	Final budget submitted to the Board of Directors

Budget setting

8.2.18 The starting point for the budgeting process is the approved annual plan that shall contain overall business strategy of the University and direction, financial and other targets and broad assumptions which shall form the basis for the budget of the University for the following financial year.

The broad assumptions shall relate to –

- Rates chargeable for basic and additional study fees.
- Expected demand/increase in commercial activity
- Capital expenditure to be incurred
- Desired improvements in operational and cost efficiency
- Desired economies in cost

8.2.19 The budget "call" is a set of assumptions, supporting the overall business strategy.

8.2.20 The call shall include for each service area specific assumptions on activity levels, e.g. manpower levels. This avoids the potential for any misunderstandings and reduces the amount of "re-budgeting" required during the review process. The call shall be approved by the Board of Directors, which shall be sent to the budget holders and Director of Financial Affairs by the VC.

8.2.21 The underlying assumptions and other supporting information shall be consistent with the long-term strategy of the University.

8.2.22 The University's budget shall consist of several items, each corresponding either to an account code grouping or a specific account code. The budget should be set to the same degree of detail at which it shall be monitored against actual results.

8.2.23 The University's budget shall contain the following information:

- Bases of preparation (i.e. assumptions, including levels of physical activity directly supporting the budgeted amount);
- Budgeted amount for each item for each month together with the annualized figure;
- Actual amount to date in the current year together with an annualized figure incorporating



an estimate for the last period to 31 August;

- Justification for any decrease in income or increase in expenses greater than 5% in the budgeted amounts when compared with the previous year's actual levels; and
- Signature of the budget holder (VC).

8.2.24 Budgeted amounts in foreign currencies, if any, shall be converted into RO based on the foreign exchange rates schedule provided to each budget holder by the Director of Financial Affairs.

Calculation of budgeted items

8.2.25 The consolidated annual budget shall contain the following information:

- Projected income and expenditure for the budget year and details of assumptions made in calculating the projected amounts
- Projected capital expenditure
- Projected cash flow

8.2.26 The basis for preparation of the annual budget shall begin with a forecast of the current year's income and expenditure. This shall be based on the actual results for the first three quarters and an estimate of the last (fourth) quarter of the current year.

8.2.27 The actual figures for the first three quarters of the current year shall be available from the management accounts. The figures for the last quarter can be estimated by using any one of the methods as stated below:

- Proportionate of the actual figures for the first three quarters of the current year adjusted for known/expected changes; and
- Budgeted figures for the last quarter of the current year adjusted for known/expected changes;

8.2.28 The estimated figures for the last quarter arrived at by using any of the above methods shall be added to the actual figures for the first three quarters of the current year to get the annual figures.

8.2.29 The Director of Financial Affairs in consultation with the budget holders shall complete budget schedules.

8.2.30 The basis for calculating each item must be clearly noted on every budget schedule. Where a complete schedule is prepared on one single basis or is based on one general assumption, a note at the foot of the schedule shall indicate this. In all other cases it is essential to indicate how each item is calculated.

Operating Income and Expenditure (Opex)

Revenue

8.2.31 The revenue budget shall be the foundation on which all other budgets shall be built. This budget shall essentially be a forecast of revenue to be achieved in the following financial year.



VC shall be responsible for the preparation and execution of this budget.

Following factors shall need to be considered when budgeting revenue:

- Last three years actual figures and current trend;
- Number of students to be admitted in the academic year;
- Expected growth rate in investments;
- External factors such as expected growth in business/commercial activities;
- Feedback received from the different departments;
- Limitations on internal resources such as manpower, finance etc.;
- Government controls and other regulations affecting the industry

Purchases

8.2.32 The purchases budget shall provide an estimate of the total quantity and value of purchases. The VC shall be responsible for the preparation and execution of this budget.

Provisions and Accruals

8.2.33 Basis for calculating provisions and accruals shall be:

- For provisions against loss such as doubtful debts etc., the amount provided shall be an agreed percentage (as decided by the Board) of the value of such assets e.g. 5% of debtors etc.
- For provision of liabilities such as employees' terminal benefits, leave pay etc., the amount provided shall be based on the expected amount payable to employees;
- For other provisions such as bonus, provision for claims etc., the amount provided shall be based either on the business policy (such as for bonus provision) or on the results of a special exercise carried out to estimate the liability; and
- For accrual of expenses such as payroll, rent, utilities, etc., estimate liability based on known amounts due for payment and the expense pattern in the last few months.

Administrative and Financial Costs

8.2.34 Administrative expenses cover the administration costs of all departments within the University. The administrative cost budget for each department shall initially be set by the Director of Financial Affairs i.e. at the lowest level of the managerial hierarchy to which spending authority has been delegated according to the authority matrix and who shall be monitored against the budget. Subsequently, these costs shall be reviewed and challenged by both the VC and the budget holder.

8.2.35 Each item of expense must be supported by an underlying assumption justifying the reason, amount and timing of such expenditure.

8.2.36 In addition to the year to date actual expense, extrapolated to the year end, specific factors shall need to be considered for each expense item in administrative and financial costs such as recruitment plans, expansions, etc.



Other Items

- 8.2.37** This shall cover other items of income and expenditure not covered above, which are not significant and/or have no material impact on operating profit. This budget component shall be the overall responsibility of the Director of Financial Affairs.

Capital Expenditure (Capex)

- 8.2.38** Setting of the Capex budget shall be identical to that of the income and operating expenditure (Opex) budget, and procedures for Capex and Opex budgets shall be coordinated at several stages.

- 8.2.39** For budgeting purposes, Capex shall be split into two parts:

- Those extending beyond one financial year i.e. multi-year (such as long term work in progress); and
- Those expected to be incurred within the following financial year i.e. single year.

- 8.2.40** Assumptions pertaining to the strategic growth of the business of the University shall be relevant for the Capex budget. The Board shall include in its key events any expected major capital initiatives, either multi-year as described above or significant single year e.g. major replacement of old/existing vehicles/machinery by new/improved ones, purchase of additional vehicles/machinery, up-gradation of computer systems etc.

- 8.2.41** Capex budgets for each Department shall be prepared at the same time as the Opex budget. The respective budget holders should review the following before estimating capital expenditure:

- Expected level of activity
- Remaining useful lives of the existing assets
- Planned disposals or retirement of assets currently owned

Cash Flow

- 8.2.42** Estimates of working capital components as at 31 August of the current year shall form the basis of cash flow projections for the following financial year.

Budget review

- 8.2.43** After the initial budget is drafted, it shall be reviewed and amended by the Director of Financial Affairs, as appropriate, in consultation with the budget holders. The budget shall then be submitted to the VC for preliminary approval.

- 8.2.44** The budget preparation process shall progress through following review levels:

- Director of Financial Affairs and AVC
- VC
- Board of Trustees
- Executive Committee



- Board of Directors

8.2.45 Review by the VC shall be a detailed review of the information provided for the University's budget by the budget holders.

8.2.46 The review by Director of Financial Affairs shall ensure that the overall business assumptions have been adhered to and:

- Check that the budget is arithmetically correct;
- Check that the underlying assumptions have been clearly documented and support the monetary amounts;
- Check that the supporting information is accurate and relevant;
- Collate the various sections of the budget of the University; and
- Prepare the budget of the University in draft form.

During this review, the Director of Financial Affairs shall have to revert back and consult with the budget holder on matters regarding further input and/or clarification.

8.2.47 The VC shall review the draft budget after the profit and loss has been prepared. The VC shall review the budgeted performance against the targets set out in the annual plan and add his/her review comments.

8.2.48 The budget shall then be presented to the meeting of the approving authority together with a commentary from the VC.

8.2.49 If the budget does require modifications, the Director of Financial Affairs shall liaise with the relevant budget holders and the VC to effect the necessary changes.

Finalize and Communicate

8.2.50 The finalized budget shall then be communicated to and within each Department at the appropriate level of detail. As a general rule the budget holder should receive his/her own detailed budget, detailed budgets of other subordinate levels (if any) which consolidate into his budget, and a summary of the higher level budget (if any) of which his/her budget forms a part. All budget holders should also receive a summary of the overall budget to allow them to put into perspective their contribution to the service area.

Expenditure monitoring and reporting

8.2.51 The monitoring of expenditure against budget shall be undertaken by:

- Director of Financial Affairs
- VC

8.2.52 The first of these is with the purpose of checking that expenditure is approved within budget. The second check shall be carried out after approval of the expenditure but on a continual basis as an additional control over expenditure levels.

8.2.53 The check by budget holder shall not be on all expenditure, but focused on areas of concern,

which shall be agreed upon with the VC and Director of Financial Affairs. The criteria for deciding upon the areas of concern shall include:

- Expectation based on current year performance that the budget shall be exceeded
- Past history of the business unit in maintaining costs within budget
- The degree to which expenditure can be managed by the business unit

8.2.54 Each month the Director of Financial Affairs shall prepare budgetary control reports for management.

8.2.55 The budgetary control reports shall reflect the position with respect to:

- Current month - current year
- Current month - previous year
- Previous month - current year
- Year to date - current year
- Year to date - previous year
- Budgeted cost - current month
- Budgeted cost - year to date
- Budgeted cost – previous year to date
- Budgeted cost – previous year current month

8.2.56 Comments on variances against budget shall be provided where year to date actual amounts vary by $\pm 5\%$ from the budget.





8.3 Procedures

Responsibility	Activity
Director of Department	Generate annual budget guidelines as per business plan and agreed budget assumptions Discuss and agree budget forecast with appropriate authority
Director of Financial Affairs	Receive the budget guidelines Director of Departments. Generate function wise and aggregate budget of both revenue & operating and capital expenditure. Compile all the details to generate budget summary Forward it for VC review.
Vice Chancellor	Verify the budget for completeness and accuracy Present the budget to the Board of Trustees Present the Budget to Executive Committee Make revisions, if any Present the budget to the Board of Directors
Board of Directors	Approve the budget
Director of Financial Affairs	Provide the approved budget summary to Director of Departments

1. BUDGET PROCESS

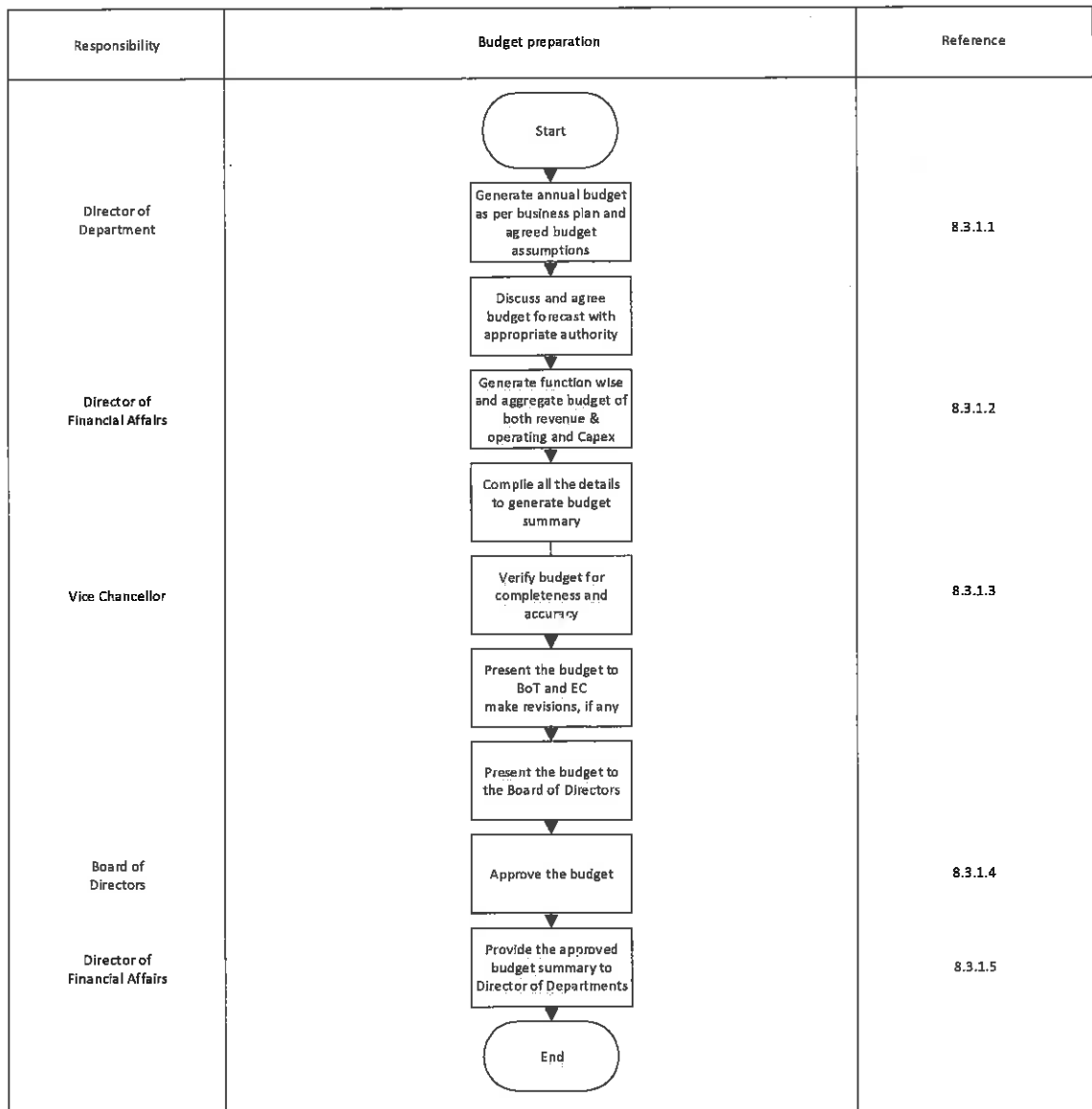
We have classified the revised budget process for second half with the department level responsible.

Ref No.	Description	Responsible Party	Timeline
01	Finance Department will send the Uniform budget Input Sheets and the guideline to all Director and Deans	Finance Team	
02	After receiving the Budget Input Sheets Deans and Directors they should start the process with the help of their finance business partner as identified in the later part of this document.	Deans and Directors	
03	Once all the Deans' and Directors' have completed their budgetary input sheets in writing then this will be forwarded to Finance Department for the review.	Deans and Directors	
04	Finance department to collect all the information and consolidate the Budget.	Finance Director	
05	If there is any clarification or amendment require. It will be revert back to respective heads.	Finance Team	
06	First Cut of Budget to be presented to EM.	Finance Director	
07	Approval of budget for all departments/colleges from EM.	Office of the Vice Chancellor	
08	Proposed amendments will be incorporated in	Finance Director	

Ref No.	Description	Responsible Party	Timeline
	the budget and second draft will be submitted to EM. Once approved internally the Budget is to be presented to Executive Committee (EC).		
09	Presentation of Budget to the EC	VC/AVC and FD	
10	Incorporation of changes requested by the EC and to submit the same to the Board of Directors	VC/AVC and FD	
11	Obtain the approval of BoD	VC/AVC and FD	



8.4 Flow Chart



9 Insurance

9.1 Overview

9.1.1 This chapter describes the policies and procedures relating to the Insurance policies and claim settlement of the University. It covers the following processes:

- Insurance identification and selection ; and
- Processing insurance claims

9.1.2 The authorities and limits associated with the activities wherever not provided in this chapter shall be as per the approved Authority Manual.



9.2 Policies

Insurance Identification and Selection

- 9.2.1** University's insurance programs shall be initiated and managed as per authority matrix.
- 9.2.2** Areas to be covered under insurance shall be identified in consultation with Management and business process owners annually.
- 9.2.3** Valuation and estimation of coverage will be based on the available approved budget and actual requirement of the University.
- 9.2.4** In respect of the insurance policies, premium quotes shall be obtained from reputable insurance companies and rates negotiated as required by University.
- 9.2.5** Quotations for insurance policies shall be invited and obtained directly through floating RFQs
- 9.2.6** Final selection of the vendor (Insurer) shall be approved as per authority matrix

Processing Claims

- 9.2.7** The concerned person/ department shall contact the appropriate authority when a covered event occurs.
- 9.2.8** Insurance companies and insurance broker shall be informed and updated at the earliest.
- 9.2.9** No third party claim shall be settled directly or accept liability without consulting the Insurers, or agreed by them in advance.
- 9.2.10** All necessary documents relating to the accident shall be kept separately until the matter has been resolved or claim has been recovered and passed on to insurance section upon request.
- 9.2.11** The damaged items or replaced items shall be kept aside until the claim is settled, or advised by Insurance section for its removal.
- 9.2.12** All claims amount received shall be accrued.



9.3 Procedures

9.3.1 Insurance Identification and Selection

Responsibility	Activity
Director of Financial Affairs	<p>Identify types of insurance required by consulting individual departments for insurance requirements.</p> <p>Assess all insurance requirement associated with the University</p> <p>Finalize the assets that require insurance coverage.</p> <p>Determine the value of assets that require insurance cover.</p> <p>Estimate the required coverage amount.</p> <p>Send a Memo/communication on valuation and estimated coverage to appropriate authority for approval.</p>
Appropriate authority	<p>Review, finalize and approve the estimated insurance coverage.</p> <p>Instruct Director of Financial Affairs to initiate vendor identification and selection process.</p>
Director of Financial Affairs	<p>Develop selection criteria for vendors and scope of requirement</p> <p>Float enquires and request for quotations (RFQs) to leading approved local insurers</p> <p>Receive quotations</p> <p>Generate a comparative statement of the quotations received.</p> <p>Review and make recommendation for list of appropriate vendors based on the set selection criteria.</p> <p>Provide the recommendation to the appropriate authority.</p>
Appropriate authority	<p>Select, finalize and approve the most appropriate vendor.</p>
Director of Financial Affairs	<p>Communicate acceptance of proposal to vendor.</p> <p>Request vendor to initiate process to issue insurance policy.</p> <p>Receive Insurance policy document</p> <p>Review the terms and conditions in the offered insurance policy</p> <p>Ensure sufficiency of insurance coverage as previously discussed and agreed.</p> <p>Ensure Policy agreement filed and kept in safe custody.</p>
Accountant	<p>Cross check premium calculations with the policy document and generate PO.</p>
Director of Financial Affairs	<p>Ensure timely payment of premium and renewal of policies before expiry.</p>

9.3.2 Claims Processing

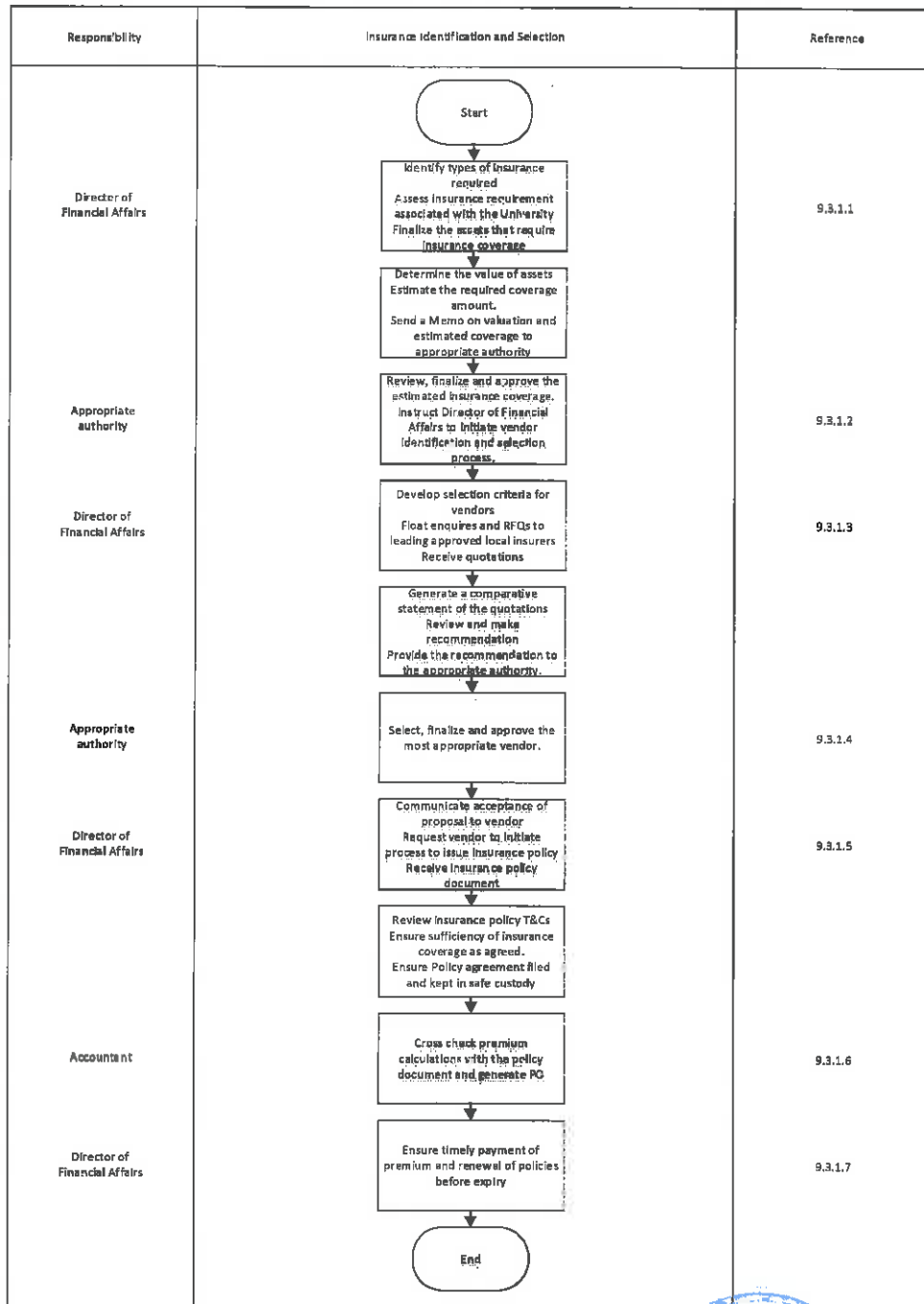


Responsibility	Activity	Forms
Director of Department	<p>Inform Director of Financial Affairs about the loss or damage suffered immediately by phone followed by Incident report.</p> <p>The reports should consist the following:</p> <ul style="list-style-type: none"> - Date and time of loss/accident - Loss assignment/asset number or reference - Registration/contract number - Place of accident/loss, if can be determined - Nature of damage - Photographs of the damaged item; and - Any other information requested by the finance/insurers 	
Director of Financial Affairs	Instruct Accountant to do the needful for insurance claim process.	
Accountant	<p>Inform insurers immediately with details</p> <p>Generate and compile information required for claims processing.</p> <p>Advice concerned Director of Department on the insurance procedures to be followed.</p> <p>Register the claim in the Claims Register</p> <p>Write details of accident as per the loss/incident report</p> <p>Open a claim file and file all the documents/records in the file</p> <p>Submit the claim to insurers with the supporting documents</p> <p>Intimate the Director of Financial Affairs on the status and recovery aspect of the claim.</p>	
Director of Financial Affairs	Advise Management about the recovery aspect and/or abnormalities and status on the outstanding claims.	
Accountant	Enter settlement details in the claims register and the claim file once the claim is settled.	

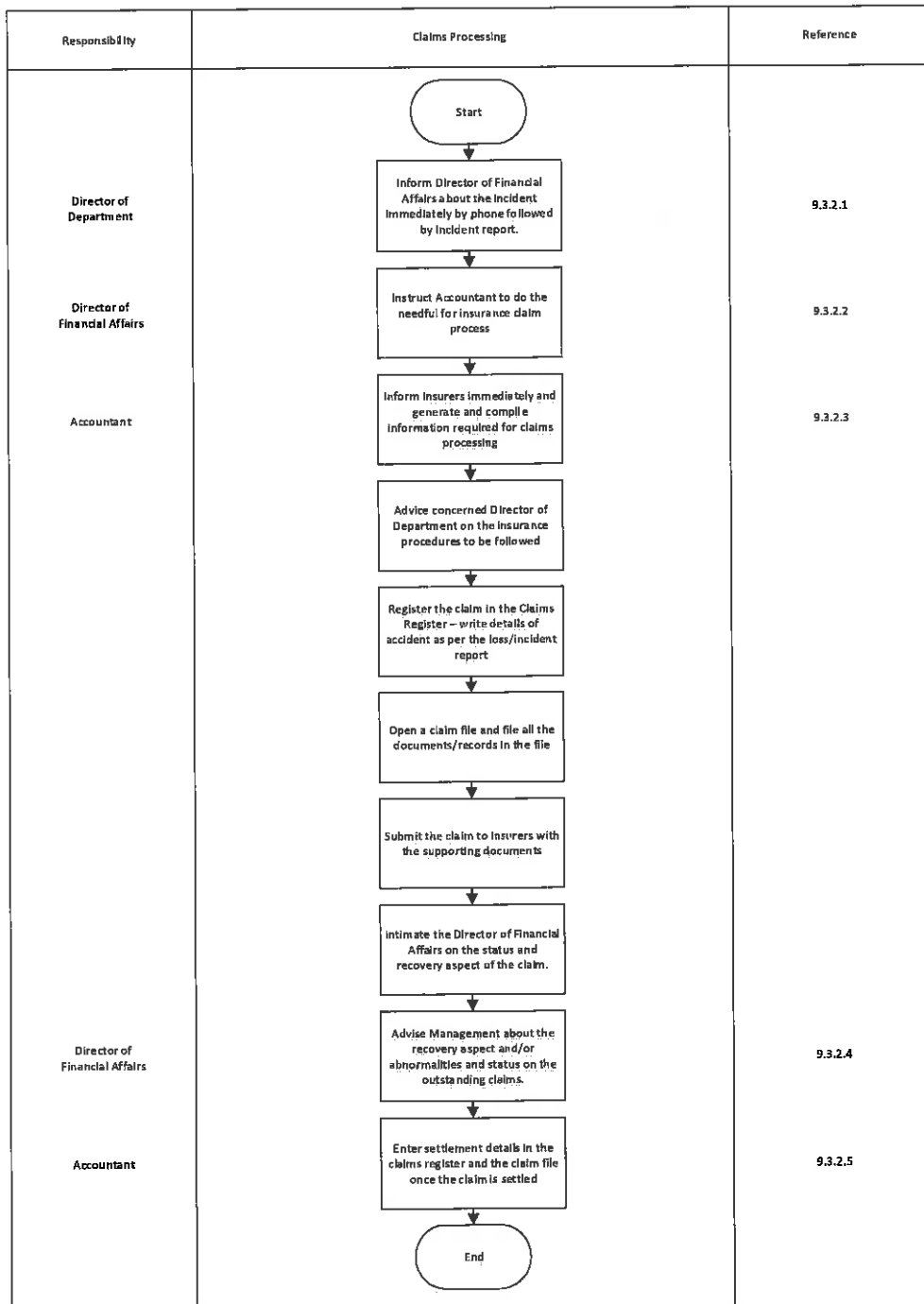


9.4 Flow Charts

9.4.1 Insurance Identification and Selection



9.4.2 Claims Processing





10 Period end closing of accounts

10.1 Overview

- 10.1.1** Towards the close of the accounting period the University shall ensure that the annual closing of accounts is properly planned so that the books of accounts are made available to the external auditors, and the audit is completed on time.

10.2 Accruals for expenses

- 10.2.1** Cost of all materials/services/expenses for which the benefit has passed on to the University but invoices have not been received shall be accrued.
- 10.2.2** In case of the expenses accrued at the year end, when such an accrued expenditure is eventually paid in the next year, the relevant 'accrued expense account' will be debited to the extent of provision available, the difference being debited to the relevant expense account. If the difference is material same is reflected as "prior period expenditure" in the books of account.
- 10.2.3** The appropriate authority will review the adequacy of the monthly charges for accrued expenses with respect to actual on a routine basis. If the charge is found to be short/excess, the appropriate authority shall advise suitable amendments to the basis of quantification for future accruals.

10.3 Accruals for income

- 10.3.1** All income earned and due during the accounting period, for which credit/payment has not been received, will be accrued.
- 10.3.2** The University shall generate summary of monthly/yearly accruals.
- 10.3.3** The appropriate authority shall review the accrual amount and advise of necessary effect in the books of account.
- 10.3.4** When accrued income is eventually received in the next year, the relevant 'accrued income account' will be credited to the extent of provision available, the difference being credited to the relevant income account.
- 10.3.5** If the difference is material same is reflected as "prior period income" in the books of account.

10.4 Prepayments

- 10.4.1** A prepayment is defined as a payment made now for benefits relating to future year(s). The full value of the expense cannot be absorbed in the year of payment but will be spread over the future years over which the benefit would be realized.

10.4.2 Examples of prepayments include:

- Insurance
- Utility expenses
- Communication expenses
- Rent

10.4.3 The appropriate authority shall review the prepaid expenses. If the charge is found to be incorrect, the appropriate authority shall advise of suitable amendments to the basis of quantification for future absorption.

10.5 General ledger control procedures

10.5.1 At the end of the period, the appropriate authority shall ensure

- All accounting vouchers for the period are properly posted to the general ledger and subsidiary ledgers and any errors or omissions rectified;
- Balances from all accounts in the general ledger are extracted from the system; and
- Balances of all control accounts in the general ledger agree with the total of all balances in the respective subsidiary ledgers.

In case there are any differences, the same will be investigated by the University and corrected by passing the necessary JV.

10.6 Detailed closing procedures

10.6.1 The following shall be completed before the trial balance is generated:

10.6.1.1 Physical verification

- Cash balances
- Fixed assets (once every year)

10.6.1.2 Confirmation of balances

- Banks with whom short term deposits are placed
- Banks (for balances in current/overdraft accounts, bank guarantees issued, etc.)
- Debtors and suppliers

10.6.1.3 Provisions and adjustments

- Outstanding expenses
- All provisions including that of doubtful debts
- Prepaid expenses
- Depreciation
- Insurance claims





- End of service benefits of the employees
- Taxation, if any

10.6.1.4 Reconciliation

- Bank book with the Cash book
- Subsidiary ledger account balances of accounts payable and accounts receivable accounts with respective control accounts

10.6.1.5 Others

- Preparation of all relevant asset, liability, revenue and expense schedules.
- Valuation of Finished goods/Work in progress and its incorporation in books.

10.7 Trial balance

- 10.7.1.1 The trial balance shall be scrutinized by the appropriate authority to ensure that all the entries have been passed correctly and that the balance against each account code is reasonable and as expected.
- 10.7.1.2 The appropriate authority will approve the agreed trial balance of the University.

10.8 Profit and loss account and balance sheet

- 10.8.1.1 On finally approving the trial balance, a draft profit and loss account and balance sheet shall be generated for the University and this will be reviewed by the appropriate authority after considering amounts to be transferred to statutory reserves, if any.
- 10.8.1.2 The following shall be ensured when preparing the draft profit and loss account and balance sheet:
- All amounts are correctly stated and represented in the financial statements
 - Profit and loss account and balance sheet are adequately supported by notes and schedules; and
 - Significant accounting policies are disclosed in accordance with the accounting policies of the University.
- 10.8.1.3 The appropriate authority shall review the draft profit and loss account and balance sheet with respect to completeness and present it to the Board of Directors.
- 10.8.1.4 The Board of Directors will approve the draft profit and loss account and balance sheet and advise preparation of the final profit and loss account and balance sheet for the University for the Annual Audit.

10.9 Monthly cash flow forecast

On a monthly basis, a rolling forecast is to be prepared considering all expected expenditure. The forecast shall be prepared for the remaining period of the year. The forecast is to be prepared by Dy FD and Approved by FD. This should be presented to the Executive Management on 7th of every month.

11 ASU Discount

ASU grant following types Discounts for Students and Staff Members.

- Discount on Repeat Tuition Fees
- Discount on Staff members who study in ASU
- Discount on Student Relatives

11.1 Discount on Repeat Tuition Fees

PURPOSE:

This Policy aims to support students who are repeating a course (s) at ASU. ASU is ready to provide financial help by giving discount to those students who have the capacity and capability to complete their higher education and serve the nation. This will in-turn help in Oman's economic and social development.

SCOPE:

This policy provides financial support for ASU Students who are Sponsored & Private and who are repeating their courses. The Objective of the Policy is to encourage them to complete their studies.

This policy covers

- GFP Students

Pre Intermediate Level

Intermediate Level

Advance Level

- College Students

College of Business Administration

College of Applied Science

College of Engineering



DEFINITION:

In this policy, the University or ASU means A' Sharqiyah University.

A course is a discrete component of study which normally has a value of four credit points.

A program means a plan of study necessary to qualify for a degree, diploma, certificate or other qualification approved by the University Academic Board. The Foundation Program includes English language, Math and IT

11.1.1 Students eligible for discount for repeat courses as per following table.

Program Level	Program Type	Type of Sponsor	Type of repetition	Tuition fees suggestion
Foundation Program	English language (Foundation program consist of 80% of English language which cost OMR 735) and may be it can reach 100% in the first level	Scholarship	1. Repeated level for the second time (study level for 3 times) 2. Study the level for the first, second or third time after scholarship is over for the foundation program.	1. During the Scholarship: any repetition for second time 50% then 100% 2. After the scholarship is over: 50% for any level than 100% if he/she repeats it again.
		Private	3. Repeat level in foundation program.	For the first repetition 50% then 100%
	Math and IT program 1. Total Cost of Math subject is OMR 165/- 2. Total cost of IT Subject is OMR 80	Scholarship	1. Study the subject for the first time after completing foundation program (English component). 2. Repeat the subject after completing foundation program (English component) and during his/her joining the college for the first, second or third time.	As per MOHE Students whom have scholarship, they eligible to repeat courses for the first and second time for any program in GFP or College. After that if student repeat any courses ASU will charge 50% for the first time then 100%
		Private	Repeat Subjects	For the first repetition 50% then 100%
		Students who transfer from other institutions.	If Student doesn't study Math and IT or he/she study one of them.	Students eligible to repeat courses for the first and second time without paying any fees. After that if student repeat any courses ASU will charge 50% for the first time then 100% if student doesn't got (F) grade
Academic Program	Cost of One Credit Hour = OMR 70/- for CAS & COBA. OMR 80/- for COE	Scholarship	Repeat courses for more than 2 times	50% for the second time then 100%
	Cost of One Credit Hour = OMR 80/- for CAS & COBA. OMR 90/- for COE	Private	Repeat courses for the 1st time	50% for the second time then 100%



4.1 Discount committee has to critically evaluate each student based on eligibility criteria in awarding ASU Discount. This committee sits 3 times annually at the beginning of each semester.

Discount Committee members comprise of;

- 4.1.a Deputy Vice Chancellor - Chairperson
- 4.1.b Director of Finance- Member
- 4.1.c Director of Admission and Registration- Member
- 4.1.d Director of Student affairs- Member
- 4.1.e Representatives from College & GFP (Deans/ Director of GFP)- Member

4.2 Criteria for Students eligible for Discount

- a) Students are eligible for ASU Discount once for the same course.
- b) Discount approved for failed course only. Not to increase the GPA.
- c) Maximum number of Discount approved would be;
 - i. GFP student: English course once regardless of the level. For It & Math, once for each level.
 - ii. College student: repeat the failed courses for maximum of 15/16 credit hours during the diploma stage only.

4.3 Maximum Discount amount could grant per semester would be RO 30,000/- and RO 10,000/-for the summer.

4.4 Award of Discount has to completed within 2nd week of drop out is finalized by Admission and registration division.

4.5 Approved list submitted to Vice Chancellor for Final approval.

4.6 ASU Employees and their family members are not eligible for ASU Discount on repeat subjects. Since ASU has already granted 50% discount from total tuition fee.

Refund to student will be made in the name of Guardian / Sponsor through cross Cheque only



11.1.2 The Application Process

- Students register with A&R Division for semester. Student who are applied for ASU discount and approved by ASU Discount committee. ASU will refund the discounted amount to student through finance department.
- To apply for ASU Discount A& R Division has to submit following ASU Discount application form.

ASU Discount application form	
Student Name	<input style="width: 90%;" type="text"/>
Student Registration Number	<input style="width: 90%;" type="text"/>
College	<input style="width: 90%;" type="text"/>
Repeat Subject	<input style="width: 90%;" type="text"/>
.....
Prepared by (A&R Officer)	Director (A&R)
*Attach Transcript of Student	<div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Committee Remarks </div>

- Discount Committee members approve each student by critical evaluation of each student based on eligibility criteria set in policy.
- A&R Division submit approved discount list to Finance



A APPENDIX

11.1.3 Student Fees Structure

A.1 Foundation

11.1.4 Stages in Foundation and Fees Structure

Stages	Subjects	Scholarship	Private
Pre Intermediate	English	RO 1,000/-	RO 730/-
Intermediate	English/ Mathematics/ IT-01	RO1,000/-	RO 980/-
Advance	English/ Pure mats / IT-02	RO1,000/-	RO 980/-

11.1.5 ASU Discount:

11.1.6 For scholarship student- Registered only for English

Foundation	1 st time sitting to Exam	2 nd time sitting to Exam	3 rd time sitting to Exam	4 th time sitting to Exam
Fees	Scholarship RO1,000/- If Student not study IT & Mathematics MOHE made advance payment to ASU RO 245/-	Scholarship RO1,000/- If Student not study IT & Mathematics MOHE made advance payment to ASU RO 245/-	Student has to pay 50% on Private student fee breakup for repeat subjects. • English RO 735* 50%	Student has to pay 100% for repeat subjects on private student fee breakup. • English RO 735
ASU Discount	Advance Payment Received from MOHE RO 245/-	Advance Payment Received from MOHE RO 245/-	**ASU Discount Apply for balance 50%	





11.1.7 GFP Student Register for College & Study IT and Mathematics

1 st time sitting to Exam	2 nd time sitting to Exam	3 rd time sitting to Exam	4 th time sitting to Exam
IT & Mathematics	IT & Mathematics	Student has to pay 50% on Private student fee breakup for repeat subjects	Student has to pay 100% for repeat subjects on private student fee breakup.
ASU Not charges, since MOHE has paid advance in 1 st semester	ASU Not charges, since MOHE has paid advance in 2 nd semester	IT RO. 80/-*50% Mathematics RO. 165*50%	IT RO. 80/- Mathematics RO. 165
Not Invoicing-Use of Advance Payment	Not Invoicing-Use of Advance Payment	**ASU Discount Apply for balance 50%	

11.2 For Private Student

For Pre Intermediate stage:

Foundation	1 st time sitting to Exam	2 nd time sitting to Exam	3 rd time sitting to Exam
Fees	<ul style="list-style-type: none"> English RO 735 	1.English RO 730*50%	Student has to pay 100% for repeat subject. <ul style="list-style-type: none"> English RO 735
ASU Discount	**ASU Discount Apply for balance 50%		

Intermediate & Advance stage:

Foundation	1 st time sitting to Exam	2 nd time sitting to Exam	3 rd time sitting to Exam
Fees	<ul style="list-style-type: none"> English RO 735 Mathematics RO 165 IT RO 80 	<ul style="list-style-type: none"> English RO 735*50% Mathematics RO 165*50% IT RO 80*50% 	Student has to pay 100% for repeat subjects <ul style="list-style-type: none"> English RO 735 Mathematics RO 165 IT RO 80
ASU Discount	**ASU Discount Apply for balance 50%		

11.2.1 College fees Structure

11.2.2 For Scholarship Student

College	Fees/Credit Hrs.	1 st time sitting to Exam-	2 nd time sitting to Exam	3 rd time sitting to Exam	4 th time sitting to Exam
Applied Science	RO.70	RO.70	RO.70	RO.35	RO.70
Business Administration	RO.70	RO.70	RO.70	RO.35	RO.70
Engineering	RO.80	RO.80	RO.80	RO.40	RO.80
Payment by student		NIL	NIL	Student has to Pay.	Student has to Pay.
ASU Discount				**ASU Discount Apply for balance 50%	

11.2.3 For Private Student

College	Fees/Credit Hrs.	1 st time sitting to Exam-	2 nd time sitting to Exam	3 rd time sitting to Exam
Applied Science	RO.80	RO.80	RO.40	RO.80
Business Administration	RO.80	RO.80	RO.40	RO.80
Engineering	RO.90	RO.90	RO.45	RO.90
ASU Discount			**ASU Discount Apply for balance 50%	



11.2.4 Roles and Responsibility

	<u>Responsibility</u>
Discount Committee Members	<ul style="list-style-type: none"> Approval of each student after critical evaluation of his/her achievements in GP.
A&R Division	<ul style="list-style-type: none"> Submission of student list who are entitle for ASU Discount to each Head of College and GFP Registering Approved students by Discount Committee. Providing Information to Finance to Compute the Value of Discount for semester
Finance	<ul style="list-style-type: none"> Finance has to value the discount and Record in Profit 5RM. Refunding discounted course fees for approved students.

Exceptional Clauses

- Any exception to this policy will be approved by Board of Directors.
- Board of Directors reserve the right to decide any situation/ circumstances outside the conditions stated in this policy and procedure.
Vice Chancellor has right to Amend/ alter the process and procedure of this discount policy





13 Documents and records

13.1 Custody of documents and records

- 13.1.1 All accounting documents and records must be suitably stored to ensure their safety and availability when required.
- 13.1.2 The designated custodian shall be responsible for the safe custody of all accounting documents and records and for ensuring that no uninvited employee or any third party gains access to the accounting documents and records of the University.
- 13.1.3 All staff should make efforts to ensure that the documents and records are stored in cabinets designated for this purpose.
- 13.1.4 Any employee wishing to access any accounting documents and records can do so only on the express permission of the designated custodian unless he is already authorized to so access the records and documents.

13.2 Retention and disposal of documents and records

- 13.2.1 Accounting documents and records such as **Ledgers, Journal Vouchers, Debit/Credit notes, Correspondence with principals, Bank payment/receipt vouchers, Fixed Asset Register, Inventory registers** should be retained for at least **10 years** from the date of its origination.
- 13.2.2 Accounting documents and records such as **Petty cash receipts, petty cash payments** etc. should be retained for at least **10 years**.
- 13.2.3 The accounting documents other than those mentioned above such as counterfoils of the bills shall be retained for the period of at least **3 years**.



14 Forms

14.1 Manual Distribution Control Record

FORM No 1. 1					
MANUAL DISTRIBUTION CONTROL RECORD					
Manual Copy No. _____					
Date of issue	Custodian			Date of return	Signature of Controller
	Position	Name	Signature		

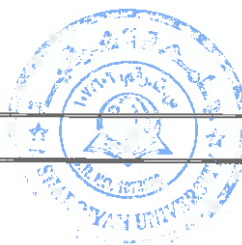


14.2 Manual Revision Proposal

FORM No1. 2	
MANUAL REVISION PROPOSAL	
	Serial No.
	Date
Originated by:	Position:
Matters proposed to be revised (attach photocopies if required)	
	Number
	Description
Chapter	
Section	
Paragraph No	Page No.
Proposed revisions	
Reasons for proposed revisions	
Comments of Director of Department	
Authorized signatories sign-off	
Approved	Effective date
Not approved	Signature
	Date

14.3 Manual Revision Control Sheet

	FORM No 1. 3
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MANUAL REVISION CONTROL SHEET

				Chapter	Section	Page
Release Number	Release Date	Covering Letter Reference	Manual Revision Proposal Reference	Remarks		

