



**University President Decision No. (11) of 2024 In
Issuance of the
Financial Bylaw at the University of Khorfakkan***

We, Sultan bin Mohammed Al Qasimi, Ruler of the Emirate of Sharjah, President of the University of Khorfakkan,

After the perusal of:

- Law No. (4) of 2017 concerning the financial regulations of the Government of Sharjah;
- Law No. (8) of 2017 concerning the purchases, tenders, auctions, and resources of the Government of Sharjah;
- Decree-Law No. (1) of 2022 concerning the organization of the University of Khorfakkan and its executive bylaw;
- Amiri Decree No. (40) of 2022 concerning the establishment of the University of Khorfakkan;
- The President's Decision No. (10) of 2024 on issuing the Procurement Bylaw at the University of Khorfakkan;
- And based on the approval of the Board of Trustees, and upon public interest,

We hereby issue the following decision:

Article (1)

This decision shall be named the "Financial Bylaw at the University of Khorfakkan."

Definitions

Article (2)

In the Application of the provisions of this decision, the following terms and expressions shall have the meanings assigned to them unless the context requires otherwise:

The University:	University of Khorfakkan.
The Board:	University Board of Trustees.
The President:	President of the University and Chairman of the Board.
The Finance Committee:	Board of Trustees Finance Committee.
The Chancellor:	Chancellor of the University.
The Vice Chancellor:	Vice Chancellor for Financial and Administrative Affairs.
The Finance Department:	Finance Department at the University.
The Director of the Finance Department:	Director of the Finance Department at the University

The Finance Employee: The University accountant and auditor and any employee in the Finance Department is entrusted with receiving, keeping and disbursing its funds and maintaining and utilizing any accounting records.

***This bylaw is translated from Arabic into English. In the event of any inconsistency or conflict between the two versions, the Arabic version shall prevail**



Budget and Financial Accounts

Article (3)

1. The University shall have an independent annual budget based on the University Strategic Plan and the law regarding its reorganization.
2. The Chancellor shall issue the "budget regulations" upon their approval by the Finance Committee at the beginning of each fiscal year. The regulations shall indicate the Short-term specific objectives or recommended modifications to the university's administrative processes that require examination and incorporation into the strategic plan when drafting the budget.
3. The budget shall become effective upon its approval by the Board.
4. Procedural amendments may be made to the budget for transfers that take place during the fiscal year to meet urgent operational requirements.
5. Each year the new budget shall be subject to evaluation in comparison to the approved budget of the previous year and the latest budget forecasts.

Article (4)

In cases when the budget is issued late prior to the beginning of the new fiscal year, work will continue based on the previous year's estimated costs and revenues until the new budget is issued. Expenditures and revenues during this period will be considered part of the new budget's calculations after it has been issued. These expenses may not exceed the proportion of one-twelfth of the new budget.

Article (5)

The annual University budget shall include all revenues and operational and capital expenditures.

Article (6)

The University's draft annual budget shall be prepared in light of the annual requirements estimated by the different colleges, centers and departments in the administration as per the plans and programs approved by the Board.

Article (7)

1. The Vice Chancellor shall issue instructions on the dates for submitting the budget and data disclosure based upon the recommendation of the Director of the Finance Department.
2. The Director of the Finance Department shall be responsible for managing the budget cycle.



Article (8)

The Chancellor shall present the draft budget for approval to the Board, together with the recommendation of the Finance Committee, after it has been studied by the concerned authorities at the University and discussed with the Finance Committee.

Article (9)

1. During the fiscal year, additional allocations may be added as an appendix to the budget, for cases that the Board finds necessary, on the condition that the same procedures used in the preparation of the annual budget for the University and its organization be followed, with the exception of articles related to the dates of its submission.
2. It is not permitted to use any of the allocations in the budget or its appendices for purposes other than those specified in that budget or those in the appendices.

Article (10)

Expenditures in the budget shall be approved in accordance with each of the budget chapters and shall be distributed in accordance with each of its chapters:

1. **Chapter One:** Salaries, wages and supplementary benefits that include remunerating the University faculty and administrative staff members their salaries, wages, cash and in-kind benefits.
2. **Chapter Two:** Operational expenses that include University expenditures required for its regular activities.
3. **Chapter Three:** Capital expenditures that include capital items, which requires use for more than one fiscal year and exceed the amount of AED 5,000.

Article (11)

1. The transfer of expenditures from one chapter to another requires the recommendation of the Vice Chancellor and Chancellor and the approval of the Finance Committee. The transfer from one account to another within the same chapter of the same account may be processed upon the recommendation of the Director of the Finance Department and approval of the Vice Chancellor in the maximum amount of AED25,000 per each request, and exceeding this amount, by decision of the Chancellor.
2. Expenditures may be transferred from one account to another within the same chapter upon the decision of the Vice Chancellor in the maximum amount of AED25,000 per each request, and by decision of the Chancellor for requests exceeding this amount.

Article (12)

The supplementary budget shall be approved by the President.



Article (13)

Payments and obligations related to capital projects and their disbursement shall be made within the limits of the provisions allocated in part or in whole to them in the budget. Additional expenditures, estimated or requested, for any projects that have been contracted may be paid from the budgets of the coming years within the limits estimated or requested funds defined, subject to the approval of the Board.

Article (14)

The number of full-time faculty and administrative staff included in the University budget shall be limited in accordance with the year for which the budget has been planned. This number may not be increased except upon the approval of the Board. The Chancellor may approve the transfer of human resources between departments and units. In exceptional cases, the Chancellor may approve additional human resources, provided that the necessary financing for such is available in accordance with the bylaws and upon the approval of the Board in its first meeting.

Article (15)

1. The capital budget may be shifted to the following year upon the approval of the Finance Committee.
2. The operating budget contained in the budget may not be shifted to the following year.

Duties and Responsibilities

Article (16)

The Chancellor is responsible for the University funds and is authorized to issue payment orders after the budget is approved by the Board and in accordance with the bylaws. The Chancellor may delegate in writing any of his authorities stipulated in this bylaw to the Vice Chancellor, and the Chancellor retains the right to rescind this authorization.

Article (17)

1. The Finance Department at the University is the responsible party for all University financial affairs in accordance with the University bylaws, regulations and decisions issued by the University Administration.
2. The Director of the Finance Department at the University shall report to the Vice Chancellor and is responsible for University accounts, financial transactions, records, safeguarding University funds and ensuring the application of the provisions of this decision.
3. Finance employees in the University shall report to the Director of the Finance Department and are responsible for the financial responsibilities they carry. They shall organize entries, accounts and bookkeeping in accordance with the articles of this decision and the regulations issued pursuant thereto.



4. Each employee at the University shall be personally liable for any pecuniary loss incurred by the University due to his/her shortcoming, fault or negligence. The University shall seek to recover the value of such loss by the means it views appropriate.

Expenditures

Article (18)

Expenditures are disbursed in accordance with the approved budget allocation, issued by the designated authority in accordance with Article (4) in the Procurement Bylaws at the University of Khorfakkan.

Article (19)

The Vice Chancellor shall issue special instructions regarding all that is related to the implementation and monitoring of financial transactions in accordance with the University financial bylaws approved by the Board.

Article (20)

Payment procedures shall not be completed directly until after transactions are completed by specialists, each according to their specialization (transaction preparer, auditor and approval authority).

Article (21)

Actual payment of University expenditures is in cash, checks or transfer orders, according to the instructions issued by the Vice Chancellor.

Article (22)

It is not permitted to commit any amount for recurrent expenditures or for payment, except within the limits specified in the budget.

Article (23)

The President shall designate the persons authorized to sign checks, money orders and other banking transactions issued by the University and shall determine the authorities and signature categories of these persons.

Article (24)

Received funds that have not been requested shall be transferred to other sources of income after three years have passed from the date that they were received. The concerned parties may follow up on this by retrieving these funds, after presenting the necessary documents, for a period of up to five years.

Article (25)

External purchases, including subscriptions in journals and periodicals, shall be paid in accordance with contracts concluded by the concerned party at the University. Such contract specify the method of payment, which may be through letters of credit or bank remittances. Transfers may be made in one lump sum, installments or advance payments, provided that the guarantees to ensure the delivery of procurements are taken within the prescribed specifications and the specified times.

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Article (26)

1. The Chancellor or Vice Chancellor may approve the payment or settlement of certain amounts when payments or expenditures are not supported by documents or receipts for any reason. Such amount shall not exceed the amount determined by a decision from the Finance Committee for each payment. The individual making the disbursement is required to present a written statement with his/her signature indicating the amount of the expenditure and verify that it was spent in the interest of the University or for activities related to the University on the condition that the statement is approved by the Vice Chancellor.
2. The Chancellor or the Vice Chancellor may approve the payment of amounts against substitute documents for lost originals in amounts that do not exceed the maximum payment determined by a decision from the Finance Committee. The reasons for such a loss require verification and proof that no previous payment was made for which the beneficiary might make claim to in the future.

Revenues

Article (27)

1. The Director of the Finance Department shall approve the design and coordination of all receipt vouchers and forms upon the approval of the Vice Chancellor.
2. The collection of funds for University accounts shall be completed in exchange for original receipts, a copy of which shall be provided to the payer. All collected funds shall be entered in the relevant chapter and account for that month. The Vice Chancellor shall issue regulations on the procedures for collecting, recording, saving, and depositing these funds, in addition to the necessary procedures to be followed in case of the loss of any financial document.
3. Upon the approval of the Director of the Finance Department, receipt booklets may be provided to staff outside the Department of Finance in order to collect funds for University activities. The names of those carrying receipt booklets shall be recorded, and collected funds shall be returned to the Finance Department in order to deposit them in the bank at the end of the event or periodically for continuous activities. These funds may not be used for any expenditure.

Article (28)

Incoming funds to University accounts will be refunded to the payer in the following cases upon the approval of the Chancellor and recommendation of the Vice Chancellor:

1. Refunds to students shall be based upon the applicable policies in effect. The approval of the Vice Chancellor is required in exceptional cases.
2. If a refund is requested by a supplier, justification and the approval of the Vice Chancellor are required.



Non-Budgetary Accounts

First: Advances

Article (29)

1. Continuous Cash Advance: This is a cash advance provided to each department or college for their operational requirements. Approval of the list of names entrusted with the advance is required from the Director of the Finance Department, based upon the approved budget for each department or college, and in accordance with its operational requirements.
2. Temporary Cash Advance: This is a cash advance that is provided for a short activity or specific event, which shall be settled at the end of such an event.

The use of cash advances shall be in accordance with the regulations issued by the Director of the Finance Department.

Article (30)

The Chancellor or Vice Chancellor have the authority to approve the payment of advance funds in the following cases:

1. Daily expenses paid as an advance to persons officially assigned with certain tasks or to attend conferences or training sessions.
2. Salary advances to newly appointed employees provided the amount does not exceed AED5,000 and that it is deducted from the employee's salary (not more than 10% per month) starting from the following month of the salary advance date.
3. An advance payment may be made to suppliers in accordance with the agreed payment terms upon receipt of bank checks or bank guarantees for amounts over AED100,000.
4. A research advance may be paid to any researchers entitled to receive grants in accordance with the regulations in effect at the University. These advances are required to be paid back on time.
5. The Chancellor may grant an advance in the maximum amount of AED50,000, and the Vice Chancellor may grant an advance in the maximum amount of AED25,000, according to need.
6. An advance may be paid to a party as per unconditional bank guarantees in the same amount of the advance. The recipient gives the University the full right to retain the advance without notification in the case that s/he fails to repay the dues.

Article (31)

According to circumstances, the Chancellor and the Vice Chancellor have the authority to make exceptions to any of the terms listed under article (30) of this decision.



Article (32)

Without prejudice to the provisions of Article (30) in this decision, the following regulations shall be observed:

1. Advances shall be settled at the end of the purpose for which they were paid within no more than two weeks or at the end of the year during which the advance was paid, whichever comes first.
2. The Vice Chancellor shall issue a decision on regulating the procedures and conditions for paying advances as well as how to settle them in the cases mentioned in Article (30) of this decision.
3. The employee to whom the advance is paid shall be responsible for its value and present documents verifying that the advance was spent for the specified purposes.

Second: Security Accounts

Article (33)

Amounts not received by those payable and amounts submitted by others to the University as part of their payables will be kept in securities accounts. These amounts will be recovered when the reasons for their seizure are no longer valid.

Article (34)

Securities are paid back upon a request from beneficiaries signed by the concerned unit at the University to indicate that the work for which these securities were paid has been completed. These securities shall also be signed to indicate that they have been paid back.

Article (35)

The security deposit, or part of it, may be transferred to the University revenue account or to another University account in case the depositor fails to complete the transactions for which the deposit was paid or s/he is legally indebted to the University.

Article (36)

Securities exceeding AED5,000, not claimed within five years from the date of deposit, shall be considered as revenues for the University account. The securities owner shall be contacted or an announcement shall be posted in this respect in a prominent location at the University. Another notification shall be sent to any known address for the owner. Should no known contact details exist, or should the existing contact details be inaccurate, an announcement shall be published in one of the UAE daily Arabic and English newspapers, or an announcement shall be made by any other means deemed appropriate by the Vice Chancellor, at least three months prior to the end of this period.



Records

Article (37)

University accounting transactions shall be documented in accordance with international accounting standards.

Article (38)

1. The Finance Department shall keep all of the necessary records to document financial transactions, including documents and papers supporting such records, in order to clearly demonstrate the financial status of the University, particularly the following records:
 - a. Affiliate record
 - b. Revenue record
 - c. Received/collected funds record
 - d. Payments record
 - e. Record of debit and credit notifications
 - f. General daily record
2. The Finance Department may keep other subsidiary accounting, regulatory and statistical records. It may also prepare all types of lists and statements to ensure the proper application of the accounting system at the University and its finance and accounting workflow in accordance with regulations and instructions issued by the Vice Chancellor, following their submission by the Director of the Finance Department.
3. A regular update of the finance system shall be undertaken as appropriate to systematic practices in this area.

Vouchers

Article (39)

Payment vouchers, receipt vouchers, and journal vouchers are the basis of entry for any accountancy action. Vouchers will have serial numbers and will be issued in one original and many copies (paper or electronic) according to the usage requirements in this regard.

Article (40)

1. Invoices and receipts shall be prepared, supervised, and approved by the concerned staff member at the University. These shall be accompanied by original documents that prove their authenticity and the legitimacy of the financial and accounting procedures mentioned in these documents. Substitute copies for lost documents will not be accepted unless approved by the Chancellor or the Vice Chancellor after investigating the loss of the original documents and making sure that the invoices/receipts have not already been paid; the beneficiary shall not undertake to claim these amounts in the future.



2. The authorized individual, or staff member delegated with a portion of the Director's authority, shall issue invoice payments, and the Director of the Finance Department shall issue payment receipts.
3. The authorized person, or whomever s/he may authorize, shall issue expenditures payment vouchers. Receipt vouchers, issue vouchers, and security payment vouchers are issued by the Director of the Finance Department.
4. When amounts are to be paid in cash, it should be observed that this is done on the basis of net due amount, which is the gross amount less than all amounts that should be deducted, whether or not these amounts are in the form of amounts due to the University.
5. Checkbooks are obtained from the bank at which the University funds are deposited by decision of the Chancellor and Vice Chancellor.
6. After issuing checks or the transfer order, all papers and documents, and original documents will be stamped with a (PAID) stamp or any electronic proof of payment.

Bookkeeping

Article (41)

All financial records, forms, and documents will be kept with the competent financial employees who will be responsible for receiving them as trust and will be responsible for maintaining the confidentiality of its contents.

Article (42)

When the employee in charge leaves his/her job, moves to another job or stops working for any reason whatsoever, s/he shall deliver all financial records, forms, and documents in his/her custody to another employee by a receipt book/record signed by both parties and approved by the Director of the Finance Department and the Vice Chancellor.

Article (43)

Financial records, forms, and documents used in the University will be kept on record for not less than ten years after no longer being used. Following this period, such records, forms and documents may be destroyed or discarded, according to instructions issued by the Chancellor upon the recommendation of the Vice Chancellor. The Chancellor may also approve delivering such records, forms, and documents to the competent official authorities to document them.

Article (44)

A copy of the financial records, forms, and documents shall be kept off campus in accordance with instructions issued by the Chancellor upon recommendation from the Vice Chancellor.



Internal Financial Audit and Reports

Article (45)

All University financial transactions will be subject to internal auditing. The mandate of the internal audit is to:

1. Monitor the movement of University assets in banks and at other financial institutions on a continuous basis.
2. Monitor the movement of University assets in the storehouses and oversee their inventory.
3. Audit payment vouchers (before requesting payment), journal vouchers (before recording them), and receipt vouchers.
4. Sign on all financial obligations to ensure the availability of funds in the budget.
5. Verify that the figures in the final accounts are correct before presenting them to the competent authorities.
6. Ensure the availability of the allocated amount in the budget and that this amount is not exceeded.

Article (46)

The Chancellor shall present the Annual Finance Report and final accounts to the Finance Committee for discussion and later to the Board (in its first meeting) for approval and ratification.

Article (47)

The Board, upon the recommendation of the Financial Committee, shall appoint an external auditor every year to audit the University accounts, issue an independent financial report, and authenticate final fiscal year reports prepared by the concerned University authority.

Article (48)

The Finance Department shall present a monthly report to the Vice Chancellor indicating the financial status of the University in terms of revenues, expenditures, and cash flow so that the Vice Chancellor may present it to the Chancellor for presentation to the Board Finance Committee.

Final Provisions

Article (49)

The University Administration shall obtain insurance policies covering financial employees. The Chancellor shall determine the value of the insurance policy upon the recommendation of the Vice Chancellor after such has been presented by the Director of the Finance Department and approved by the Finance Committee.

Article (50)

The Director of the Finance Department shall be provided with a copy of every contract or agreement that imposes any financial obligations or commitments on the University to be observed prior to the implementation of the contract or agreement.



Article (51)

Bad debts, shortfalls, and losses in University cash funds may be written off according to the following authorizations and based on proposals of a committee formed by the Chancellor for this purpose:

- a. Upon decision of the Chancellor and the Vice Chancellor if the amount does not exceed AED10,000.
- b. Upon decision of the Finance Committee if the amount exceeds AED10,000.

Article (52)

In case of embezzlement, a shortfall in University funds or any forgery in records or entries, the financial employee responsible for these funds, records, and entries is required to inform the Director of the Finance Department, who will inform the Vice Chancellor, who will then inform the Chancellor so that the proper action may be taken.

Article (53)

The Chancellor, upon the recommendation of the Vice Chancellor, shall issue the decisions, procedures, and regulations required for the implementation of the provisions of this decision.

Article (54)

This decision shall become effective as of the date of issue, and all parties concerned shall act in its accordance. Any provision that contradicts with this bylaw shall be repealed to the extent required, and this decision shall be published in the Official Gazette.

Issued by us on:

Monday, Rajab 17, 1445 A.H.

Corresponding to: January 29, 2024, A.D.

Sultan bin Mohammad Al Qasimi,
Ruler of the Emirate of Sharjah
President of the University of Khorfakkan