

Financial Policies

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**Section 1 Organization Charts**

**Article A. Financial Administration- Authorities and Responsibilities**

**Purpose**

In order to achieve Qatar University’s mission, goals and objectives, in an efficient and effective manner, it is important that financial planning and management responsibilities are defined clearly and resources used prudently. This policy delineates the financial and business management authorities and responsibilities of the President of Qatar University, the Vice Presidents and their staff.

**Policy Statement**

The President has the authority and responsibility to establish and maintain an appropriate framework to conduct the University’s business functions.

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The University’s major Financial Administration responsibilities are as follows:

* To conduct a financial planning process that is in general alignment with the University’s Strategic Plan;
* To organize and manage budget development submissions first, to the Board of Regents and, then, to State of Qatar Government for review and approvals, and, to develop resource allocation distributions to Colleges, departments and units and to functions and purposes and to manage budget monitoring processes;
* To prepare management information which measures financial impacts on programs and purposes;
* To maintain a comprehensive and secure framework of policies, procedures, protocols and business systems to approve, record, manage, and regulate the University’s financial transactions and to prepare financial statements in accordance with the standards prescribed by the International Federation of Accountants-Public Sector Committee (IPSAS);
* To establish procurement guidelines and procedures governing purchasing practices including the application of e-procurement, e-stores and other modern supply chain management practices;
* To establish effective internal control procedures and make provision for internal and external auditing in order to safeguard University assets;
* To establish guidelines for the investment of University funds; and,
* To advise and assist administrators accomplish the University’s mission through prudent use of financial resources.

The Vice President and Chief Financial Officer has the authority to administer the following responsibilities and to delegate authority to administer the following responsibilities to the Finance Director and his or her staff:

* Prepare guidelines and develop documents for budget request submissions, resource allocation processes and systematic, periodic budget monitoring;
* Supervise the General Accounting Function by establishing financial accounting, requirements, including business systems, controls and reporting. These responsibilities shall include:
* Establishing the Chart of Accounts and Accounting Classifications;
* Processing accounting transactions;
* Reconciling and verifying General Ledger Accounts and other financial information;
* Determining Accounting periods for financial reporting; and,
* Preparing and publishing Annual Financial Statements
  + - * Supervise and manage the following Financial Accounting processes:
* Accepting and depositing revenues;
* Accounts receivables;
* Cash management;
* Asset management ( with the Directors of Procurement and Business Operations);
* Payroll
* Disbursements and accounts payable;
* Financial Management of projects, contracts and grants accounting and reporting;
* Investment management under the direction of the Executive Committee of the Board of Regents;
* The establishment and maintenance of Internal Controls guidelines.

**Article B. Financial Administration**

**Purpose:**

Financial planning, budgeting and administration provides a means to ensure the proper recording of all transactions executed by University officers and that access to financial documents and records is available to authorized individuals. The University’s financial systems and accounting mechanisms provide control of fiscal activity against established plans, budgets and other expenditure authority.

**B.1. Financial Planning**

Financial planning shall align proposed funding and staffing requirements and resource allocations to instructional, research, public services, academic and institutional support services and administrative priorities that are reasonably consistent with the University’s Strategic Plan. Financial Plans shall include Capital Projects, Capital Equipment and annual Operating Budget forecasts.

The Vice President for Administration and CFO shall oversee the development of multi-year funding projections and Annual Financial Plans that reflect balanced budgets within defined time periods.

The Finance Director and his/her staff shall have responsibility for preparation and monitoring of the Annual Financial Plan and any subsequent modifications.

**B.2. Budgeting and Monitoring**

To ensure that resources are directed to meet the priorities of the University, revenues and expenses shall be budgeted in a comprehensive manner and changes in budgetary expectations shall be forecast and managed.

The budget process serves as the primary planning and control tool for linking of the University’s various programs and financial resources necessary for its success. Budgets shall be finalized and entered into the University’s financial system before each fiscal year begins. Budgets shall include both operating and capital components, which shall be aligned to reflect the effects of capital activity on the operating budget.

The Board of Regents or their delegate, the Executive Committee of the Board of Regents, shall approve the budget request to government prior to formal discussions/ negotiations with external funding agencies.

The Finance Director shall have responsibility for preparation, review and monitoring of the approved budget.

Each Director/ Dean has responsibility to prepare budget proposals for submission as part of the annual budget development process. The budget requires an understanding of the major budget components by the Academic and Research departments or centers and unit heads. Responsibilities for budget details are typically delegated to faculty and staff, who have operational decision-making authority. Departments, colleges and Research Centers are responsible for accurately budgeting revenues and associated expenses for all of their activity groups

Under the direction of the Vice President for Administration and CFO, the Finance Director (and his/ her delegate, University Budget Officer) shall propose the format and structure for the submission of budget proposals and assist Vice Presidents, Deans and Department Heads in the creation of plans and may also provide a set of centrally supported financial planning tools to help in the creation of specific proposals as well as the entire process of financial planning, monitoring, and reporting.

**B.3. Administration of Financial Records**

The University's accounting records provide information regarding financial transactions against established fiscal plans in the form of appropriations, budgets, and other expenditure authority. Financial administration ensures the propriety of financial transactions conducted by the University’s various officers and that access to financial documents and records is confined to authorized individuals.

Administration of Financial Records covers the following:

* Approval of Financial Documents;
* Access to Financial Systems; and
* Retention of Records.

**B.3.a Approval of Financial Documents**

The President has approved the authority matrix.

Signature authority on the bank accounts or/and estates and trusts contracts and approval to execute contracts or agreements that create an obligation on the University is outlined in the authority matrix

Approval authority for general operating and equipment expenditures within a budget approved by the Board of Regents is delegated to Vice Presidents, Deans and Directors of departments; and

Within each department/ college, the directors/deans are responsible for the overall financial administration of the department/ college and may delegate transaction approval authority.

A signature, either on paper or in electronic form, or a procurement card transaction shall evidence the approval of transactions. The approval of a financial transaction attests to its completeness, accuracy, and validity. Executed transactions shall carry evidence of approval in the form of the unique ID of the approver or some other auditable means of identification.

**B.3.b. Access to the University’s Financial Systems**

Access to the University’s financial systems shall be granted where there are valid business reasons. Vice Presidents, and Directors/ Deans shall decide and approve the access level of the employees in their respective areas/ colleges.

University employees with access to financial records are responsible for the proper use of access privileges and are accountable for any inappropriate transactions or access, and inappropriate use of University information. Employees shall be assigned unique IDs, which shall not be shared. Users are responsible for maintaining the security of ID’s and passwords. Information shall be kept confidential and shared only with authorized employees.

**B.3.c. Retention of Financial Records**

University records shall be maintained for a period of time and in a manner that supports operational needs and internal control directives, and also meets any legal and regulatory requirements. Such records shall be destroyed according to established destruction schedules. Document retention standards and systems shall ensure that transactions and related authorizations are fully supported in the event of an audit, litigation, or other external action.

Records retention and disposition schedules apply to records in all formats, including paper records, computer files (e-mail, word-processed documents, spreadsheets, databases, and materials in imaging systems).

VP for Administration and CFO shall propose guidelines and standards for retention and management of University financial records. The Archives and Mail unit shall manage the University archives and maintain the official retention and disposition schedules and be cognizant of government retention standards.

Ownership of University Records

University financial records are the property of Qatar University and do not belong to those who prepare such records or to their official custodian.

Accessibility of Records

Financial records shall be retrievable for examination by authorized personnel. The Finance Director shall instruct departmental employees on procedures for labeling and record keeping, ensuring documents can be retrieved in a timely manner. Finance department employees are responsible for retrieving records upon request, by any party authorized by the Vice President for Administration and CFO or by a recognized legal authority.

Access to electronic records shall be subject to the University's policy governing information access and security.

**Article C. General Accounting**

**Purpose:**

The general accounting framework, functions and processes provide management with complete, accurate and timely information necessary in the effective allocation and use of resources for the conduct of University programs.

The General Accounting function provides a foundation for the establishment of a system of accounting, controls and reporting based on relevant accounting standards and consisting of business processes used to maintain the University's general and subsidiary ledgers, prepare reports from those ledgers and other accounting records, and safeguard University assets.

The general ledger system includes asset, liability, revenue and expense accounts. These financial records contain and summarize the financial data needed by the University for Information and reporting requirements.

The Finance Director (or his/ her delegate, University Controller) shall have the authority to define responsibility for the general accounting function and processes, including developing, implementing and supervising modifications to the accounting standards and the operation of suitable business systems to accomplish this function.

General Accounting covers the following areas:

C.1. Basis of Accounting;

C.2. Chart of Accounts and Accounting Classifications;

C.3. Interdepartmental Transfers of Expenditures

C.4. Reconciling and Verifying General Ledger Accounts and Other Financial Information; and,

C.5. Financial Statements and Reports:

C.5.a Accounting Periods and Reporting

C.5.b. Annual Financial Statements

**C.1. Basis of Accounting**

The University shall maintain its accounts and prepare financial statements using the International Public Sector Accounting Standards prescribed by the International Federation of Accountants – Public Sector Committee, as determined by the Board of Regents.

**C.2. Chart of Accounts and Accounting Classifications**

The Chart of Accounts is a reflection of the University’s organizational, functional and financial structures. The Chart of Accounts structure shall provide for the organization of financial information in a manner that supports the effective and efficient control of the University’s financial transactions.

The Finance Director, or his/her delegate University Controller, has the authority and responsibility to create the chart of accounts and other necessary financial accounting classification methods, and develop and install suitable business procedures to maintain these. He/ she are responsible for ensuring that the coding systems meet the requirements of the University’s financial reporting requirements.

**C.3. Interdepartmental Transfers and Recharge of Expenses**

Interdepartmental transfers include services / goods provided by one University department to another as well as reimbursement of expenses incurred by one department on behalf of another. Interdepartmental transfers are not revenue to the University, but rather are shown as an expense to one department and an expense credit to another

**C.4. Reconciling and Verifying General Ledger Accounts and related financial information**

The General Ledger contains all of the financial statement accounts of the University. The General Ledger receives summarized financial information from the sub-modules, and reflects actual, budgeted and commitment information.

Reconciliation, verification and substantiation are essential to an effective internal control environment. The Finance Director or his/her delegate university controller shall set guidelines to ensure the accuracy, completeness and timeless of financial and accounting information.

**C.5. Financial Statements and Reports**

**C.5. a Accounting Periods and Reporting**

Fiscal Year

The university operates on an April 1 to March 31 fiscal year. The fiscal year shall be divided into 12 monthly accounting periods for financial reporting.

Closing/ Reporting

The Finance Director is responsible to :

* Establish account closing schedules and coordinate data requirements for the University’s financial management system; and
* Prepare and distribute periodic accounting statements and management reports.

All University constituents (colleges, research centers and/or administrative departments) shall comply with the closing schedule as established.

**C.5.b. Annual Financial Statements**

The Financial Report contains information presented in accordance with the International Public Sector Accounting Standards and shall communicate the University's financial results to the Board of Regents and its external constituents – Government, donors and/or granting agencies.

The University’s Financial Statements shall be subject to annual audit by the University’s independent public accountant as appointed by the Board of Regents.

The annual Financial Report shall be submitted to the Executive Committee of the Board of Regents for review and presentation to the full Board of Regents for approval.

**Article D. Asset Management**

**Purpose:**

The purpose is to establish policies governing supervision and control of all assets including capital assets; accounting for and managing revenues due to the University; all cash handling functions; the investment of University funds; and, inventory management.

**D.1. Revenues and Receivables**

**D.1.a. Definition of Revenue**

Revenue consists of inflows resulting from services or other activities that constitute University operations and related support functions. University revenue shall be recorded on an accrual basis at fair value. All University constituents that collect and process revenue shall ensure that such revenues are received on a timely basis and are accurately recorded in the University’s accounting system in the period in which these are earned. University constituents shall maintain appropriate internal controls and sound financial practices for recognition and billing of revenue, and collection and management of accounts receivable.

Written authorization by the VP for Administration and CFO shall be required for University personnel and other individuals or other entities or groups to collect money or sell services / goods on behalf of Qatar University.

**D.1.b. Managing and Monitoring Revenue**

The VP for Administration and CFO has delegated to the Finance Director responsibility to establish procedures and controls for billings and collections of the University’s revenue generating activities. Specifically, the Finance Director shall ensure that:

* Billings for revenue amounts are timely and accurate;
* Amounts received are appropriately recorded in the university accounting systems; and
* Revenues are reconciled to billings to ensure that services rendered have been billed and collected.

**D.1.c Accepting and Depositing University Revenue**

Revenue Generating Activities

* The Board of Regents has authorized the President to establish any new revenue generating activity.
* The President at his/ her discretion may delegate the authority to establish any new revenue generating activity. The President has delegated to the VP for Administration and CFO, responsibility to establish appropriate internal controls and accounting procedures for revenue generating activities.
* Personnel authorized to establish Revenue Generating Activity shall be responsible for the prudent management and appropriate internal controls in his/her area.
* The President approves a schedule of fixed charges covering the use of University facilities and/or the provision of university services and/or event hosting for Community organizations. The schedule of fixed charges shall be reviewed and updated periodically to reflect current costs and market conditions.

**D.1.d. Cash Handling**

**Policy Statement**

The Finance Director or his/ her delegate Assistant Director University Budget officer shall ensure that collected cash and checks are accurately recorded and processed in a manner to safeguard against loss or theft and deposited promptly into the bank accounts.

The Finance Director shall ensure that the following principles are adhered for cash handling:

* Duties are adequately segregated between cash handling and recording; and
* All persons handling and recording cash shall be made aware of their specific duties and responsibilities and should be adequately trained in the cash handling procedures.

Authorization to Open and Close Bank Accounts

The President has delegated to the VP for Administration and CFO, authority and responsibility to open bank accounts for checking, savings, depository and other investment banking services for the benefit of the University.

Requests for closure of accounts earmarked for investment activities shall be initiated by the University Controller and approved by the Finance Director. The Finance Director shall notify the appropriate persons that the bank account has been approved for closure and that all activity in the account is suspended. Unused checks shall be returned to the bank or appropriately destroyed.

Balances remaining in accounts marked for closure shall be transferred to the University’s primary bank account.

Cash Collection and Deposit

Cash Collection

* Only University cashiers or an external entity such as a bank authorized by the Finance Director shall collect cash/checks;
* Finance Director may establish temporary or permanent cash collection facilities at remote locations as requested by departments/ colleges;
* An authorized receipt shall be issued as an evidence of collection by the authorized cashier. The receipt shall be generated from University’s financial management system;
* Only one cashier shall be allowed access to a cash register or cash drawer during a single shift; and,
* Cash/ Checks shall be stored in a safe or other secure place until deposited.

Cash Deposits in Bank

* University Controller shall be responsible for ensuring the deposit of cash and check collections in the bank(s) on the day immediately following the date of collection or the next business day;
* Cash/ check collections shall be deposited intact and evidenced by deposit slips appropriately acknowledged by the bankers; and
* No part of the cash collections shall be diverted for disbursements of any nature.

Reconciliation of Cash Collected

* Head of General Accounting shall ensure that the daily collections with the amounts are reconciled with the amounts deposited as appearing in the bank statement.

**D.1.e. Petty Cash Funds**

The University shall maintain petty cash funds with departments/ colleges to allow for the reimbursement of appropriate business expenses in an efficient and cost effective manner. Each approved petty cash fund shall have a custodian, who is responsible for reconciling the fund on a regular basis, maintaining required records regarding disbursements that have been made from the fund and replenishing the fund within the approved level for the fund. The custodian of the Petty Cash Fund shall work full time within the department/ college.

The VP for Administration and CFO has responsibility to establish the appropriate level of petty cash funds for colleges/ departments and to establish guidelines regarding the use and replenishment of petty cash funds. He/ she is also responsible for the oversight and any modifications of these funds.

Each custodian of a Petty Cash Fund shall ensure that the fund is:

* Kept separate from any other funds
* Maintained effective documentation and conduct regular cash counts as this will be subject to scheduled and unscheduled audit
* Maintained with adequate security and, when not in use, kept in a locked compartment/ receptacle or safe
* Original receipts shall support all expenditures from the fund.

The Internal Auditor shall conduct periodic audits of the Petty Cash Fund and its administration by the custodian.

**D.1.f. Cash Advances**

The University may provide cash advances for employees, students and other individuals upon appropriate as outlined in the authority matrix.

Clearing of advances

Individuals shall return any advance amounts in excess of substantiated expenses. The Finance Director shall issue guidelines regarding outstanding advances.

**D.1.g. Expense Reimbursement**

* Membership and Accreditation fees: The University holds membership in many professional society, accreditation bodies and consortiums. Annually, the president or his/her delegates, the Vice Presidents, shall authorize such memberships and allow appropriate membership fees and related charges to be paid.
* The University recognizes that there may be occasions when a University staff or faculty member incurs an expense on behalf of the University. Such expenses may be reimbursed by the Finance Department, upon approval by the budget holder.

**D.1.h. Travel and Business Hosting Expenses**

* **Qatar University reimburses faculty, staff and others for reasonable and necessary expenses incurred in connection with approved travel or business hosting on behalf of the University. University reimbursement is allowed only when reimbursement has not been and will not be received from any other source. Reimbursement is also permissible for necessary and reasonable travel and business hosting expenses of prospective faculty, staff, officers and students.**
* **Travel advances are allowed with the approval of the Dean, Department Head or Vice President and should be authorized at least two weeks in advance of the travel date. No employee may approve their own travel advance or that of a person to whom he/she functionally or administratively reports.**
* **Air Travel – Qatar Airways is to be utilized whenever possible. Class of travel is based on employee grade as follows:**

|  |  |
| --- | --- |
| **Grade** | **Class of Air Travel** |
| President, VP, AVP, & Grades U, A, Official Delegations Approved by the President | First Class |
| Grades B – D and employees with the title of Director in grades 1 and grades 118 – 119 | Business Class |
| Grades 2 – 13 and grades 110 – 117 | Economy Class |

* **Per Diems**

Employees required to travel outside Qatar are entitled to the following at a flat rate daily allowance for accommodation, meals and incidental expenses such as laundry, tips and taxis as specified in the table below. No receipts are required for these expenses. Note if the period of stay is one month or greater, then 50% of the per diem is paid.

|  |  |  |
| --- | --- | --- |
| **Grade/Level** | **Europe, North America, South America, Australia, Japan, Korea, Singapore, Malaysia** | **Other Countries** |
| President | 4,500 | 4,000 |
| VP, Deans, and Directors | 3,500 | 3,000 |
| B – G and 112 – 119 | 2,500 | 2,500 |

* **Travel Time Allowance**

Travel time will be granted in connection with business trips outside of the State of Qatar as detailed in the table below:

|  |  |
| --- | --- |
| **Flight Duration** | **Travel Time Benefits** |
| A flight lasting less than seven hours (either outward or return) | Two days in total |
| A flight lasting more than seven hours (either outward or return) | Four days in total |

The travel time days will be paid at the business per diem rate as specified in the Per Diem Allowance Table.

##### If an employee is traveling for up to or more than thirty consecutive days, Qatar University provides an economy/excursion class ticket for the employee’s spouse. No other expenses are paid.

* Processing of Visas for Business Travel

###### The Immigration Unit undertakes the processing of all visas for business travel. Adequate notice (normally 2-8 weeks) must be given by the department to ensure that the visas can be processed and made available. The University shall cover the cost of travel insurance when required by the relevant embassy as well as the visa costs.

* Business Hosting

The University President, Vice Presidents, Deans and Administrative Directors may be reimbursed for necessary and reasonable business hosting expenses. Business hosting includes necessary and reasonable expenses for facilities rental, including flowers, place settings, wait staff and for meals and beverages.

* Alcoholic beverages expenditures are prohibited.
* Hosting activities may include donor events and high level employee recruitment efforts.

**D.1.i. Accounts Receivable**

Policy Statement

Accounts receivable represent balances owed to the University for tuition fees, student loans, employee advances and credit sales of goods or services to external customers. Prompt and timely collections of accounts receivable are essential to reduce the University’s reliance on funding from other sources.

The Finance Director and/or his/her delegate Assistant Director -Budget Officer, shall establish, maintain and continuously improve accounts receivable recording, follow-up and collection processes.

Whenever possible, Qatar University shall obtain advance payment for all services provided. Credit facilities shall be extended by the Finance Director for a maximum period of 30 days from the date of the invoice/bill, if required.

Granting Credit

The Finance Director is authorized to grant credit as indicated below:

1. Credit is granted to sponsored students, as appropriate, for the semester tuition fees that are applicable upon registration. Credit is also granted to students in accordance with existing policies pertaining to student loans and deferred payment of fees;
2. Credit may be granted to others (excluding students and staff) with whom departments/colleges that are authorized to provide services or products as an adjunct to academic or research activities. Although advance payments should be collected whenever possible, credit may be granted when service is rendered to corporate customers or when there are no facilities for the collection of advance payments. In these cases, prudence with respect to the credit risk incurred shall be observed at the time of the transaction.

The VP for Administration and CFO shall approve any formal arrangements authorizing credit for more than thirty days.

Billing

Prompt billing for fees and services provided under various agreements is essential for the effective management of receivables.

Invoices are to be prepared based on the information provided by the initiating department/college and sent to the sponsoring organization or customer immediately.

Overdue Amounts

The Finance Director or his/her Assistant Director Budget officer shall ensure collection of all overdue amounts. Overdue amounts are University invoices not paid by the due date specified. Overdue amounts shall be acted upon as follows:

***For Students*** (by Deans of Colleges) – Mark sheets, certificates, degrees and other testimonials will not be handed over to a student, unless the respective college has confirmed that there the student has cleared off all amounts owed to the University. The VP for Student affairs may authorize a waiver of the transcript hold, if required for employment purposes, provided a guaranteed schedule of payments accompanies the request.

***For Staff*** (by Head of Payroll Sections) – Overdue amounts from staff will be recovered promptly from their payroll or final settlement checks, as necessary; and

***For Others*** (by Head of Revenue Sections) – The University will not render any further service to an external party unless the party has cleared off all amounts owed to the University.

VP for Administration and CFO, with approval from the President, may initiate legal proceedings in accordance with the contract for the recovery of monies owed to the University.

Bad Debts and Write-off Authorization

Bad debts shall be regularly recognized in the University Accounting system to ensure that realized revenue is reflected properly. Bad debts will be identified as soon as specific accounts are determined to be uncollectible or more than 180 days in arrears, whichever is earlier. The authorization for write-off of bad debts will be issued only after all collection efforts are considered to be complete.

The VP for Administration and CFO shall approve all write-offs upon recommendation from the Finance Director. Write-offs shall be initiated by the department responsible for the collection effort and supported by documentation of collection activity and justification for the write-off.

Credit Balances in Accounts Receivables

Credit balances in accounts receivables represent funds the University is holding on behalf of other individuals or entities.

* When accounts with credit balances of Qatari Riyal 1,000 or more exist, for a period longer than six months, then refund checks shall be generated and mailed to the respective account owners;
* Accounts with credit balances less than Qatari Riyal 1,000 shall be written off as unclaimed property account once every two years.

**D.1.i. Tuition Fees Refunds**

As a general rule, all fees / charges received by the university are non-refundable, with the exception of the following:

Student tuition fees paid shall be refunded to the student, according to the following schedule:

Spring and Fall Semesters

* Before semester start – 100%
* Within 2 weeks of semester start – 90%
* After 2 weeks and up to one month of semester start – 50%
* After one month of semester start – Not refundable.

Summer Semester

* Before semester start – 100%
* Within 1 week of semester start – 80%
* After 1 week and up to 2 weeks of semester start – 50%
* After 2 weeks of semester start – Not refundable.

**D.2. Managing Capital Assets**

**Policy Statement**

Qatar University has substantial investments in capital assets, representing long-term commitments to fulfill its mission and objectives.

The Board of Regents has delegated authority and responsibility for safeguarding, maintenance and control of all university’s assets to the President.

The President may delegate these authorities and responsibilities to the VP for Administration and CFO.

All employees are responsible for appropriate use, safekeeping and general upkeep of the University’s capital assets.

**D.2.a. Receipt of Capital Assets: Capitalization Policy**

Capital assets are permanent in nature, tangible and held for purposes other than investment or resale.

The VP for Administration and CFO shall establish an asset classification scheme and related schedules.

Qatar University shall capitalize all property and assets that, in general, have a useful life of more than two years and a unit value equal to or greater than Qatari Riyal 20,000.

**D.2.a.1 Valuation of Capital Assets**

For the purpose of recording capital assets, the value, whether purchased or constructed, is based on cost. Cost includes all expenses incurred in delivering and installing an asset at its current location and includes freight, customs duties and taxes.

For purposes of valuing capital assets, the University distinguishes these into five categories as follows:

* Purchased Assets
* Assets Purchased through Grants and Contracts
* Donated Assets
* Constructed Assets
* Leased Assets

**D.2.a.2 Recording and Reporting Assets**

The Finance Director, and his/ her delegate, shall ensure that all capital assets are recorded, tagged and accounted for in the Fixed Assets Register

**D.2.b. Depreciation**

The Finance Director shall establish a depreciation schedule, which shall be approved by the VP for Administration and CFO. All capitalized assets, with the exception of Land, shall be depreciated annually using the straight line method.

**D.2.c Transfer of Assets**

When a college/department plans to transfer capital equipment to different college/Department, the central store and asset control section and the Finance Department General accounting section shall be notified to ensure that accurate University records are maintained.

*Note: When equipment is purchased through a grant or contract, a determination shall be made if there are restrictions on the equipment’s use.*

**D.2.d Physical Inventory of Assets**

The Finance Director, and his/ her delegate University Controller, shall ensure that a physical inventory count of university assets is conducted every two years. The basis for inventory reports is the list of capital asset records maintained in the Fixed Assets Register.

Any discrepancies between recorded data and physical assets shall be reconciled through appropriate action. The Internal Auditor and VP for Administration and CFO shall approve any updates to the Fixed Asset Register for adjustments arising out of the physical inventory.

**D.2.e Insurance**

The University shall insure all assets that are subject to significant risk. The Finance Director shall be responsible for estimating the amount and nature of insurance required and shall liaise with the Director of Procurement to establish the relevant insurance policies.

**D.2.f Personal use of Capital Assets**

Personal use of University property is generally prohibited.

**D.2.g. Disposals of Assets**

All university property and scrap material must be sold, disposed or donated to a non-profit organization. All scrap that has a value is property of the University and must be disposed or utilized to the University’s best advantage. No scrap may be given away without the auction committee’s approval.

**D.3. Endowments and Gifts**

Board of Regents delegates to the president responsibility to accept all endowment and gifts. The Accepting of gift QAR 500,000 and below is delegated to VP for Administration and CFO.

Proposed gifts may be refused if the gift would subject the University to unacceptable liability exposure, or undue administrative costs and burdens, or is inconsistent with the University’s mission.

Gifts shall be processed immediately upon receipt. Checks and currencies shall be deposited within 24 hours of receipt. Receipts should be issued for every gift received, regardless of amount.

Standard receipts are not to be issued for gifts in kind and for gifts which shall be valued by independent appraisal such as securities and real estate. Donors should receive a letter of acceptance from the President or VP for Administration and CFO.

For accounting and administrative purposes, gifts are classified into two main categories:

Unrestricted Gifts

These are gifts upon which the donor has placed no restrictions as to the method or purpose of expenditure, thereby the University to determine the appropriate use of such funds. These unrestricted gifts should be accounted for by the University as revenue of current University general fund, unrestricted. These funds may be invested, budgeted, appropriated and expended for any appropriate institutional purpose through the University’s normal procedures.

Restricted Gifts

These are gifts where a donor has placed definite restrictions on the purpose for which the funds may be expended or disbursed. Restricted gifts available for current expenditure in accordance with the purpose designated by the donor shall be credited to an appropriate current restricted fund until expended. Other restricted gift amounts, that are not available for current expenditure, shall be credited directly to specially designated funds.

Gifts of Securities

Unless otherwise approved, gifts of securities will be liquidated immediately and, funds will be invested in the appropriate investment pool in accordance with the approved University allocation policy.

**D.4. Investment of University Funds**

Policy Statement

Qatar University shall invest its financial resources to improve the overall utilization of available funds. All investments shall be made in line with the University’s stated objectives and purposes.

The VP for Administration and CFO shall act as an internal investment advisor to the President and the Executive Committee of Board of Regents.

**D.4.a. The Investment Function**

The VP for Administration and CFO shall develop and propose the investment plan to the President and Executive Committee of the Board of Regents for approval. The Finance Director shall have responsibility for implementation of the plan.

All investment transactions involving purchases and/or liquidations of financial assets, require the prior approval of the VP for Administration and CFO.

The Executive Committee of the Board of Regents shall meet semi-annually to review investment plan compliance, asset allocation, portfolio and manager performance, and other policy issues.

Requests for exceptions to approved investment plan shall be addressed to the Executive Committee of Board of Regents for approval.

**D.4.b. Investment Goals and Fund Groups**

Investment Goals

Investment operations are conducted to achieve the following goals:

* Endowment and other funds are invested to provide the income and long-term growth required to support the educational goals and objectives for which the endowments were received;
* The cash balances on unexpended capital funds, loans and current funds that are not required for immediate use are invested on a short-term basis, in order to provide additional funds to the University;

**D.4.c. Investment Pools**

Funds invested by the University shall be invested in the following pools:

* Short Term Investment Pool (STIP); and
* General Endowment Pool (GEP).

Each of these investment pools has different investment objectives, requirements and restrictions.

1. Short Term Investment Pool (STIP)

The STIP is an interest only cash investment pool in which all University fund groups participate. The STIP includes excess cash from all funds that are not invested elsewhere.

1. General Endowment Pool (GEP)

The GEP is the University’s primary investment pool. Unless otherwise specified by a donor or an independent University fund-raising organization, all endowment funds shall be pooled for investment purposes.

The investment policy shall recognize the long-term nature of endowment funds and seek to maintain balance between present and future support. The investment objective therefore, is to preserve the real value of the endowment pool assets and target a growth rate approved by the Executive Committee of the Board.

Endowment pool investments shall be distributed to a number of asset classes to minimize investment risk through diversification and provide enhanced investment performance.

The Executive Committee of the Board shall review and specify the permissible asset classes and target allocation ranges for the GEP. The endowment portfolio shall be rebalanced at periodic intervals to keep all asset classes within the allowable allocation ranges.

1. Separately Invested Funds

There may be endowments where a donor has stated that these funds may not be mingled with other funds. These endowments, that are invested separately, shall emulate the general endowment pool investment program, adopted by the University. Each separately invested endowment fund shall be reviewed periodically to determine if it may be included in the general endowment pool.

**D.4.d. Distribution of Investment Income**

As a general rule, net investment earnings are credited to the funds source used to generate the revenue. Individual University funds, which are combined to form an investment pool, have income distributed back to the funds source based on each fund’s level of participation in the pool. The Finance Director shall ensure that investment income and related expenses are properly recorded and allocated to the appropriate fund groups.

Distribution of Investment Income from the STIP

At the end of each quarter, investment income that has been earned by the STIP shall be distributed to the participating funds by prorating income on the basis of each unit’s average cash balances as recorded at the end of month General Ledger for each month during the quarter.

Distribution of Investment Income from the GEP

The GEP shall be invested with an emphasis on long-term growth and returns and shall use a total return concept for performance evaluation. The growth in the GEP shall be evaluated on the total investment return, comprising both capital appreciation and income generation.

Distribution of Investment Income from Specially Invested Funds

All revenue earned by investments in these funds shall be distributed directly into the fund that held the investments.

**D.4.e. Accounting For Investments**

* Investments shall be valued by applying the principles stated in the relevant International Public Sector Accounting Standards.
* Accounting for pooled investments shall provide for an equitable distribution of investment income and a means for determining a participant fund’s equitable share of gains and losses, both realized and unrealized, on investments.
* Investment income shall be recognized on an accrual basis.
* Net realized gains and losses on maturity/ liquidation of investments shall be recorded at the time of maturity/ liquidation.
* The University Controller shall be responsible for the accounting and reconciliation of all investment transactions and shall reconcile all investment holdings monthly to the accounting records of the University’s custodian banks.

**Article E. Payroll Operations**

**Purpose:**

The purpose of this policy is to ensure that employees are paid on time and are provided payroll information efficiently and accurately. Additionally, these policies shall govern payroll operations, systems and processes and, together with associated Human Resource policies, establish compliance with applicable regulations, ensure sound fiscal management and support a positive workforce.

**E.1. Salaries and Benefits Payments**

Salaries, wages and associated benefits constitute a significant portion of the University's overall expenditures. The University shall established compensation structures, systems and processes to promote compliance with all applicable regulations and its own fiscal management responsibilities and objectives.

The VP for Administration and CFO has delegated the responsibility for designing, implementing and maintaining processes related to the timely processing and disbursement of salaries and benefits to the Finance Director (and his/her delegate, Head of Payroll).

Colleges and departments are required to provide all payroll related information to the Human Resource Department’s Head of Salaries and Benefits as per a payroll cycle established by the Finance Director.

The Human Resources, Head of Salaries and Benefits shall ensure that all the fixed and variable payroll elements are in conformity with salaries and benefits amounts approved by the President.

Employee salary payments shall be based upon an employee's appointment and salaries and benefits information in the employee record. Adjustments to an employee's gross salary are made by exception.

The University shall make salary and benefits payments only by electronic transfer to an employee’s bank account or by check, if requested in writing by the employee. Cash payments shall not be made.

Further, due to the sensitivity of the payroll related information, it is essential that all safeguards be implemented to ensure confidentiality of payroll related information.

**E.2. Payroll Cycles**

1. All University employees (academic, professional and administrative staff), shall be paid on a monthly cycle. The pay date is in the last week of the month, except when there are scheduled University holidays starting in that week. The pay date, in those instances, shall be prior to the holidays. Each year, the University will publish a listing of pay dates.
2. H.R. Director shall be responsible for processing appropriate payroll actions in a timely manner, and in accordance with the schedule of due dates as established by the VP for Administration and CFO.
3. In the event of a disaster, major disruption or any other event which is beyond the control of the Payroll section, the University reserves the right to pay employees on other than the regularly scheduled pay date.
4. The Finance Director and VP for Administration and CFO shall authorize the payroll sheet prior to payment.

**E.3. Off-cycle Issuance of Pay Checks**

Off-cycle payments shall be approved by the Finance Director and be issued following receipt of a properly authorized request from the Dean/Director of Department. Guidelines for off-cycle pay checks will be issued by the Finance Director.

**E.4. Overtime Payments**

1. Overtime payments shall be made through the University’s payroll system.
2. Payment for overtime hours shall be made in accordance with the employment contracts and the requirements of local regulations.
3. Deans/Directors of Departments shall be responsible for approving the payment of job related overtime.

**E.5. Salary, Wage and Vacation Advances**

Payroll advances may be made to employees in accordance to the financial guidelines.

**E.6. Retroactive Pay**

The Director of Human Resources shall authorize any retroactive payment. Retroactive salary adjustments will normally be included in the employee’s next regularly scheduled paycheck.

**E.7. Payroll Deductions**

Deductions from an employee’s payroll shall be made in the following circumstances:

* To recover amounts due to the University on account of monies advanced to an employee and not settled by the employee on the due date;
* To recoup salary advances and any salary overpayments;
* To recover the monthly installment of any financial aid availed by an employee from the University;
* To recover personal costs and other charges (e.g. club charges, mess charges, rentals, etc.) on an employee’s account; and
* Other payroll deductions that the Board of Regents may decide from time to time to cover employee contributions or dues to other external organizations.

Payroll deductions shall not be made unless appropriately substantiated with supporting documents. Payroll deductions shall be processed promptly upon receipt of documentation and in the appropriate payroll period as determined by the supporting documentation. The Head of Salaries and Benefits is responsible for maintenance of deduction.

**Article F. Purchasing Responsibilities**

This policy, together with an associated Procurement Policy, specifies procurement authorization responsibilities of Qatar University constituents. All procurement activities shall be duly authorized by the relevant budget holder.

Based on the value of the requested goods or services, a decision will be taken on the procurement method that will be used to purchase requested items. This could include Petty Cash, Direct Order Procurement, use of P-Card, Purchase Order Procurement, Practice Procurement, and Tenders depending on estimated value. The Finance Director, and his/her delegates University Controller, shall have responsibility for the management of internal service units and petty cash and the University’s P-Card including development and administration of guideline and procedures for the programs. These include:

1. Internal Service Units (such as P-Card, External Grant) are used when one University unit provides goods and/or services to another unit. Related costs are billed to the receiving department using and approved recharge rate.
2. Petty cash may be used to purchase items with value less than QR 5,000; P-Card processes may be used to purchase items/services with a maximum value of QR50,000 per month;
3. University Contracts are those agreements that have been negotiated to provide goods and/or services with favorable terms for pricing, delivery and other factors. These contracts provide department users with efficient access to commonly purchased goods and/or services. Prices, terms and conditions of sale have been pre-approved and agreed to by the University Procurement Department.
4. The University may participate within consortiums and other buyer cooperatives and use other modern procurement methods, including electronic cards, to acquire goods, materials, equipment, travel and other services.

The President, or his/her delegate VP for Administration and CFO, shall order a review of QAR procurement limits and threshold amounts every two years, and make adjustments to reflect efficient business practices and improved delivery of goods, materials, equipment and services.

The president shall file a report with the Board of Regents notifying of any changes to current practices.

**Article G. Disbursements and Accounts Payable**

**Purpose:**

The purpose of this policy is to ensure that:

* Maximize processing efficiencies and support cash management strategies;
* Invoices are paid per agreed terms;
* Payments are made when due and payable;
* Liabilities are recorded fully;
* Stakeholders and Supplier relations remain positive.

**G.1. Policy Statements**

* The financial authorities for the cheques signing are specified in the authority matrix.
* The University shall disburse funds for payment of goods and services only when certain conditions have been met as follows:
  1. Expenses are for a valid business purpose;
  2. Goods or services have been procured in accordance with University financial and purchasing policies;
  3. An individual with decision-making authority and accountability for the funds being disbursed has properly approved transactions;
  4. Goods and/ or services have been received or prepayment properly authorized;
  5. Transactions shall include complete and accurate supporting documentation; and
  6. Transactions shall bear appropriate account codes, in accordance with established accounting policies.

**G.2. Receiving Vendor Invoices**

The Director of Procurement shall instruct vendors/ suppliers to send invoices directly to the payables section in the Finance Department; referencing the purchase order against which the goods were delivered/ services were rendered.

**G.3. Matching Invoices with Orders**

To ensure that only valid payments are made for goods and services received, the Head of Disbursements shall match various documents associated with a standard or contract purchase order prior to releasing payment to a vendor.

Vendor invoices without a purchase order may also be processed for payment; however the Director/ Dean shall approve the invoice.

**G.4. Receipt of Goods and/ or Services**

Payments to vendors/ suppliers shall not be made without a confirmation of the receipt of goods and/ or services as stated in the purchase order/ contract from the requisitioning unit and/or Stores.

**G.5. Advance Payments**

Advance payments can be made in certain cases.

The Finance Director and Director of Procurement shall jointly approve any advance payments to vendors/ suppliers.

**G.6. Methods of Payment**

Checks

Checks shall be drawn to order and crossed "Not Negotiable". The amount payable on checks shall be expressed in words and figures and shall be signed by the authorized signatories.

Payments in Foreign Currency

The Head of Disbursements shall process foreign currency bank drafts or transfer requests when the contract with the vendor requires payment in foreign currency.

Electronic Funds Transfer

Electronic funds transfers include payments made via wire transfer or other electronic method. Payment by wire transfer is appropriate under specific conditions, such as payment to a foreign vendor, utility payments and corporate credit card payments.

Petty Cash Payments

The departments/ colleges may pay vendors/ suppliers from their petty cash fund where procurements are for supplies as described in the relevant procurement policy.

**G.7. Unclaimed / Un-cashed Checks**

The University should attempt to contact the payees of unclaimed and un-cashed checks.

The time standard for following up on un-cashed and unclaimed checks may be determined as per the guidelines issued by the Finance Director:

The above follow-up action guidelines apply to both unclaimed and un-cashed checks. Such checks should be cancelled after a six-month period.

**G.8. Stop Payments / Cancelled Checks**

In certain cases, checks may be issued incorrectly or lost or stolen which then require a stop payment order and reissue of the check.

Departments/ colleges requiring a stop payment on a check shall contact the Head of Disbursements immediately after realizing that any check is lost or may be stolen. The Head of Disbursements shall issue a stop payment instruction to the Bank and issue a replacement check.

The Head of Disbursements shall also be responsible for cancellation of check due to an inaccurate amount, an incorrect vendor name or address.

**Article H. , Grants, Contracts, and Cooperative Agreements**

**Policy Statement**

This policy establishes principles essential for the sound management and administration of grants, contracts and cooperative agreements for sponsored University programs in instruction, research, and public service. They provide appropriate controls for financial management and prudent and effective administrative and accounting controls for grant, contract and for sponsored programs.

The University engages in a wide variety of programs, projects, and other activities which are supported by funds from external agencies and organizations. Funds received for such programs are held in trust by the University and are separately budgeted and accounted for. The mechanisms used by external organizations to provide support are categorized into three types: Grants, Contracts and Cooperative Agreements.

The University's financial and accounting management procedures for the three general mechanisms are essentially the same. Each is treated by the University as a specification of obligations which may require separate accountability for expenditures and evidence of performance consistent with the intentions of the sponsor.

The policy is applicable to all organizational units of the University.

See QU Research Handbook and the Faculty Handbook.

**Article I. Internal Control, Auditing and Safeguarding of University Assets**

**Purpose:**

The purpose of this policy is to provide guidance on aspects that support effective financial management and cover the following:

* Internal control;
* Internal Audit;
* External Audit; and,
* Employee responsibility for University Assets.

**I.1. Internal Control**

Internal control procedures are an integral part of the University’s financial and business processes and are key to ensuring good administrative governance. The financial and business processes of the University will be developed and operated under a system of internal controls that:

* Safeguard University assets;
* Check on the accuracy and reliability of accounting data;
* Promote operational efficiency and effectiveness; and
* Ensure compliance with applicable policies and regulations.

The President (or his/her delegate, VP for Administration and CFO) shall:

* Develop organizational structures that provide appropriate segregation of functional responsibilities;
* Implement authorization and record-keeping procedures that give reasonable accounting control over assets, liabilities, revenues, expenses, and changes in the balance of funds;
* Deploy sound practices that ensure a high degree of compliance with approved authorization and record-keeping procedures; and
* Hire employees with appropriate capabilities to execute their prescribed responsibilities.

ORGANIZATIONAL STRUCTURE

The University’s organization structure shall be developed to ensure that operating, custodial, accounting and internal auditing functions are independent of each other and responsibility, authority, operating policies, and procedures are defined clearly.

AUTHORIZATION AND RECORD-KEEPING

Appropriate records and reports shall be maintained as evidence of transactions conducted for the University’s operations and of their approval and subsequent review. Records should contain:

* Reconciliations between control accounts and subsidiary ledgers, where appropriate;
* Meaningful classification of transactions; and
* Sign-offs by appropriate supervisory personnel.

SOUND PRACTICES

The University shall adopt practices that enhance the integrity of authorizations, recordings, and custody of financial and related data. These practices include a continuous review or internal check of routine transactions, whereby the work of one person is proved independent of or is complementary to the work of another. These practices seek to enforce a division of duties and responsibilities such that no one person has complete control over all aspects of a financial transaction.

EMPLOYEE RESPONSIBILITY

A properly functioning internal control system depends on the selection of personnel with ability and experience. Operating personnel shall be capable of carrying out prescribed procedures efficiently. Personnel are to be trained in the position they will perform, and the necessity of adhering to outlined procedures and controls should be stressed to them.

EXCEPTIONS TO CONTROL PROCEDURES

The deployment of internal controls should be considered in the light of their economic utility, practicability, and protection of personnel.

In instances where the cost of deployment would far outweigh possible losses, or proposed controls would cause significant inefficiencies, the concerned unit head in consultation with the Internal Auditor shall decide if certain controls are not feasible and alternative may be more appropriate.

REVIEW

The system of internal control shall be under continuous review by administrators and supervisors at all levels to determine that:

* Prescribed policies are being interpreted properly and are being carried out;
* Changes in operating conditions have not made the procedures cumbersome, obsolete, or inadequate; and
* Corrective measures are taken promptly when system breakdowns appear.

**I.2. Employee Responsibility for University Assets**

Employees shall use University’s assets for authorized purposes and in accordance with the University’s policies and procedures.

Each Director/Dean has the responsibility to implement appropriate systems of internal control to prevent mismanagement, fraud, theft or personal use of University assets.

The following general guidelines for safeguarding assets through systems of internal control shall be observed:

* Responsibility and accountability for acquired University assets will be assigned to two or more employees (for example, responsibility for ordering, receiving, and inventorying assets should be separated so that the same employee does not have all these responsibilities);
* Where applicable, detailed operating procedures that are consistent with University policies shall be developed and distributed to employees;
* Employees shall become knowledgeable about controls, boundaries, procedures and practices;
* The continued maintenance of established controls will be verified through audits and other methods to ensure that violations are addressed promptly and effectively.

Employees should indentify and report activities that they believe represent possible violations with their immediate supervisor, who shall act promptly and take the following steps in investigating alleged violations:

* Preserve the confidentiality of the parties involved; and
* Prepare or assist in the preparation of a written report containing findings and recommendations for submission to the next supervisory level and to the Finance Director.

**I.3. Internal Auditing**

The Board of Regents has delegated the authority and responsibility to the President to establish an Internal Auditor to independently examine and evaluate the University’s various activities. The objectives are to assist University constituents in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and information concerning the activities audited and to promote effective systems of internal control.The objectives of internal audit include:

* To determine whether the University's overall internal control system and unit administrative controls are adequate, effective, and efficient;
* To determine the reliability and adequacy of the accounting, financial, and reporting systems and procedures;
* To determine that University activities conform to University policies and procedures, applicable laws and regulations, contractual obligations, and good business practices;
* To determine the extent to which University assets are accounted for and safeguarded from losses of all kinds, and verify the existence of those assets; and
* To evaluate operational procedures to determine whether results are consistent with established objectives and goals, and whether the procedures are carried out as planned.
* To partner with administrative units on new processes and procedures to determine the most effective and efficient methods of doing business for Qatar University commensurate with cost/benefit to the university and adequate internal controls.

Internal Audit has the responsibility to conduct audits of all organizations and external units (such as suppliers) responsible to the University, if specified in the relevant contract/ agreement. In addition, internal auditors may also be called upon to conduct or support investigations as required or as directed.

The general scope of audit coverage is University-wide and no function, activity, or unit of the University is exempt from audit and review. No officer, administrator, or staff member may prohibit internal auditors from examining any University record or interviewing any employee or student that the auditors think relevant to their audits and reviews.

The Internal Auditor reports directly to the President, however the Internal Auditor has the authority to report directly to the chairman of the Executive committee of the Board of Regents for any critical issue he/she feels is appropriate.

**I.3. External Auditor**

The Board of Regents requires the financial records of the University to be audited annually by a certified public accounting firm and to provide an audit opinion on the University’s financial statements.

An opinion provided by an independent auditor is a required attachment to the Financial Statements. An unqualified opinion from the auditor indicates that the financial statements accurately present, in all material respects, the financial position and operations of the institution.

The external auditors shall be appointed by the Board of Regents at remuneration to be specified by the Board for a period of one year. The appointment of external auditors shall either be reconfirmed or new external auditors shall be appointed. In all cases, external auditors shall be changed after a consecutive term of five years.

The Finance Director shall serve as the liaison with the external auditors.

**I.4. Reporting and Investigation of Fraud**

Fraud generally involves intentional misuse or conversion of University property or resources for personal non-University uses. Employees are prohibited from obtaining an unauthorized benefit for themselves or others by deception, misrepresentation or other unethical means. Examples of fraud covered under this policy include any unlawful act by an employee including accepting or offering bribes, kickbacks or rebates; embezzlement; forgery; misappropriation of funds or equipment or property; theft of cash, funds, or services; and actions to conceal or perpetuate any unlawful act. the

MANAGEMENT RESPONSIBILITY

The President, Vice Presidents, Deans and Directors of Departments are responsible for detecting fraudulent activities in their areas of responsibility and should be familiar with the types of improprieties that might occur in his/ her area and be alert for any indication of improper or dishonest activity. When dishonest or improper activity is detected or suspected, appropriate and timely action shall be taken to determine whether an error or misunderstanding has occurred or whether fraud may exist.

The University’s Internal Auditor may investigate situations involving possible fraud.

EMPLOYEE RESPONSIBILITY

University employees have responsibility to safeguard University resources and ensure that these are used for authorized purposes, in accordance with University rules, policies, and applicable law. It is a violation of University policy for any employee to receive or use University resources for non-university purposes or personal gain.

Any employee who has reason to believe fraud has occurred is obligated to report the incident(s) and all relevant information to an appropriate University authority. When fraud is suspected, observed or otherwise made known to an employee, the employee shall report the activity to his supervisor. If the employee has reason to believe his supervisor may be involved in the fraud, the employee shall report the activity to the next higher level of management or to other University officials or the University’s Internal Auditor.

PENAL ACTION

The University will take appropriate disciplinary and legal action against employees who commit fraud. The University’s actions may include termination of employment, mandating restitution, and informing the appropriate authorities in accordance with applicable policies.

Definitions:

**Account Code Categories**

An account code category is a grouping of similar general ledger accounts that describe an account class (for e.g. administrative expenses, general expenses, etc.).

**Accounts Receivable**

Monetary amounts existing as valid claims from the University against debtors for services provided or sale of goods.

**Accrual Basis of Accounting**

A basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate.

**Capital Assets**

Capital assets are defined as tangible items that are held for use in the supply or production of services or goods, for rental to others, or for administrative purposes and are expected to be used for more than 2 years, and an acquisition cost of Qatari Riyal 20,000. . The value of capital assets includes the purchase price, costs of acquiring (shipping and handling), installation charges, and all other expenses incurred to prepare the item for its intended use. It also includes improvements that increase the value or extend the useful life of capital assets.

**Capitalization**

Capitalization is the recording of the cost as a capital asset subject to depreciation over its estimated useful life, rather than as an expense for one accounting period.

**Capital Budget**

The capital budget is part of the capital improvements program approved by the Board of Regents that includes all capital projects for which funding is appropriated in a fiscal year.

**Capital Improvements Program**

The capital improvements program includes all capital projects, regardless of size, financed with State and University funds. The capital improvements program is an ongoing process of assessing capital needs, opportunities and resources, evaluating the conformity of potential projects with academic priorities and facility investment strategies, and establishing priorities for project implementation.

**Capital Project**

A capital project is defined as any nonrecurring capital expenditure for the acquisition, construction, or improvement of a permanent facility. Capital projects are classified into four types:

1. Construction of a new facility for new, expanded, or enhanced programs/uses, replacement of an existing facility, or the acquisition of land or a facility.
2. Adaptation of an existing facility for new, expanded, or enhanced programs/uses.
3. Renewal of an existing facility with no expansion of programs/uses.
4. Non-building projects.

**Cash Collection Point**

A permanent or temporary location established by the Director of Finance for facilitating the receipt and disbursement of cash and cheques.

**Depreciation**

The systematic allocation of the depreciable amount of an asset over its useful life.

**Depreciable amount**

The cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

**Endowments and Gifts**

Endowments and gifts are donations received by the University in the form of cash, securities and other assets for unrestricted and restricted purposes.

**Fiscal Year**

A period of twelve months agreed by the University for the preparation of financial statements. Currently, this is from 1 April to 31 March.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

**Petty Cash Custodian**

A designated person who is responsible for the safekeeping of a petty cash fund as well as adherence to University policy for all reimbursements and payments made from the fund.

**Record Retention and Disposition Schedule**

A schedule that specifies the period for which specific University information will be stored. The schedule also specifies the record/ document and their format for storage.

**Residual Value**

The net amount, which the entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

**Sponsored Students**

These are students that are sponsored by various government departments or corporate entities. The University will maintain a list of approved entities that can sponsor students.

**Sponsoring Organization**

An organization that sponsors students to the University for the purpose of education and/or any other programs/ events.

**Straight Line Method**

This is a depreciation method based on the passage of time, recognizing equal periodic charges over the estimated useful life of an asset. The calculation is as follows:

Depreciation Expense = (Asset Cost – Residual Value) / (Years of estimated useful life)

**Useful life of capital assets**

The period of time over which an asset is expected to be used by the university.

**Un-cashed Cheque**

A cheque mailed or delivered to the payee that has not been cashed.

**Unclaimed Cheque**

A cheque held by any University office for issuance or delivery to the payee including cheques mailed to a payee that were returned to the University.