

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

Overview

The fiscal resources and procurement policies, and procedures provides the foundation for all stakeholders to conduct the financial and procurement activities in a consistent manner and in compliance with a structured and well-defined governance framework and controls system with an aim to optimize the decision-making process that caters to the UOS strategic objectives, as well as, to enforce adequate controls that help in reducing and preventing errors and unauthorized transactions. This policy outlines the general financial issues and framework for all other policies.

Scope

This policy applies to all stakeholders who have a financial transaction with UoS. This policy covers the general financial issues related to the finance and procurement procedures.

Purpose

The main purpose of this policy is to:

- Outline the main framework of financial transactions and procurement procedures.
- Reflect leading practices pertaining to the P&SC activities by embedding key leading practices.
- Capitalize on achieving value for money, creating synergies between different stakeholders. standardizing the procurement approach, increasing efficiency, defining roles and responsibilities. etc. leverage its resources and expertise and position the P&SC function as a business partner.
- Clarity in defining the roles and responsibilities of personnel involved in the P&SC processes.
- Highlight the flow of different processes that define the P&SC activities.
- Emphasize the key interactions with various stakeholders involved in each process.
- Illustrate required approvals, inputs and outputs to the processes.
- Provide a clear direction to achieving performance targets and optimizing return on investments
- Mandate a competitive procurement process in an objective and transparent manner to achieve best value for money.

Abbreviations and Definitions

The following acronyms, abbreviation and definitions are used in all Fiscal and procurement policies:

DOA: Delegation of Authority.

UOS: University of Sharjah.

FP&A: Financial Planning & Analysis.

AR: Accounts Receivable.

IFRS: International Financial Reporting Standards.

SSF: Student Support Fund.

POS: Point of Sale.

PDC: Post-Dated Cheque.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
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VCFA: Vice Chancellor for Finance and Administration.

PO: Purchase Order.

APR: Annual Planning Report.

GRN: Goods Receipt Note.

GL: General Ledger.

LC: Letter of Credit.

P&L: Profit and Loss.

IAS: International Accounting Standards.

FX: Foreign Exchange.

AED: United Arab Emirates Dirhams.

IT: Information Technology.

HR: Human Resource.

ITC: Information Technology Centre.

PR: Purchase Requisition.

SLA: Service Level Agreement.

AP: Accounts Payable.

BAC: Budget Advisory Committee.

FMPD: Facilities Management and Planning Department.

CCE: Centre for Continuing Education.

CTC: Clinical Training Centre.

KPI: Key Performance Indicator.

FTA: Federal Tax Authority.

TB: Trial Balance.

VAT: Value Added Tax.

SRN: Service Receipt Note.

RFP: Request for Proposal.

RFQ: Request for Quotation.

BOQ: Bill of Quantities.

SOW: Statement of Work.

TOR: Terms of Reference.

CAPEX: Capital Expenditure.

OPEX: Operational Expenditures.

ISO: International Organization for Standardization.

TOC: Tender Opening Committee.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
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	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

UAE: United Arab Emirates.

IT: Information Technology.

TCO: Total Cost of Ownership.

SR: Store Requisition.

DN: Delivery Note.

SIV: Store Issuance Voucher.

MO: Move Order.

PR: Purchase Requisition.

SPO: Standard Purchase Order.

CPO: Complementary Purchase Order.

LOA: Letter of Award.

OEM: Original Equipment Manufacturer(s).

QHSE: Health, Safety and Environment.

R&D : Research and Development.

INCOTERMS: International Commercial Terms.

PC: Procurement Committee.

FOB: Free On Board.

CIF: Cost, Insurance and Freight.

LPP: Last Purchase Price.

VMT: Vendor Management Team.

RFI: Request For Information.

SRV: Store Receiving Voucher.

P&SC: Procurement and Supply Chain

The list below defines the terms utilized in the Finance Function Roles and Responsibilities:

Account: refers to classification code as part of UOS' Chart of Accounts to identify line items (such as assets, liabilities, revenue, expenses, etc.) within the Budget.

Accounts Receivable: Amounts due the University for goods or services that have been provided, but for which payment has not been received. Examples include billable items related to tuition and fees, sponsored projects, library fines, rent, and returned checks.

Approving Authority: refers to the Person/ Committee within UOS who is responsible for approving the activity. The full list of Approving Authorities shall be obtained from the DOA.

Bank Guarantee: signifies that the lending institution ensures that the liabilities of suppliers are going to be met.

Bank Reconciliation: is process of comparing information presented in the Bank Account Statement and respective Bank Account General Ledger, analysing differences and making corrections so that the information is accurate, complete and consistent in both locations.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
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	Policy Number	FRP-01	Next Review date	10/03/2028
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Bounced cheque: A bounced check occurs when the writer of the check has insufficient funds available to fulfil the payment amount on the check to the payee. (Non-availability of funds, Instruction to the bank to withhold payment against the cheque or technical errors like mismatched signatures, no or wrong date, over-written or scribbled text)

Contingency Budget: Additional fund included under the Budget to cover any unplanned expenses.

Contract: is an arrangement / promise between the End User and Vendor concerning the supply of materials / services, over a specified period of time, on the basis of predefined terms and conditions.

Delegation of Authority: is the subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

Exceptional Budget Overruns: refers to budget overruns that are approved by UOS' Finance Department.

General Ledger: is a set of numbered accounts for keeping records for a company's financial data with debit and credit account records validated by a trial balance. The general ledger provides a record of each financial transaction that takes place during the life of an operating company.

Financial Consolidation : is the process of combining financial data from several subsidiaries or business entities within an organization and rolling it up to a parent company for reporting purposes.

Incremental Budgeting: refers to a type of budgeting where Budget preparation is based on additions/ deletions to previous years' budget based on upcoming requirement.

Invoice: is a time-stamped commercial document that itemizes and records a transaction between a buyer and a seller.

Journal Voucher: is a document that contains essential information about an accounting transaction (such as unique identifying number, transaction date, description, amount, accounts impacted, etc.). It is written authorization to make a transaction entry.

Operating Expenditure: is an expense incurred through its normal business operations

Refund: is a repayment of funds from the original payee to the original payer

Revenue: refers to money received by UOS from Students and other customers for services provided by UOS.

Value in Use: refers to the net present value of the cash flows generated by the asset in use

VC Council: refers to a Council of all Vice Chancellors within UOS

Contract: is an arrangement / promise between the End User and vendor concerning the supply of materials / services, over a specified period of time, on the basis of predefined terms and conditions.

Delegation of Authority - DoA: is the subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

Purchase Order: is a legally binding document based on a requisition issued by the respective end users indicating the type, description, quantities and agreed-upon price for a specific material / service / project requested by the end users

Request for Quotation: is a solicitation document used to procure for standardized material / services whereby specification(s) is predefined and determined in advance by end users and when specifications of material / service are commonly available in the market.

Request for Proposal: is a solicitation document used when the specification(s) of material / service is not standardized in nature. Such specification(s) is tailored to fit end users' requirements or based on vendors' capabilities and solution offerings. When using RFP, technical and commercial consideration / aspects shall be outweighed during the evaluation process.

Competitive Bidding: Solicitation of offers from specific vendors in order to obtain competitive offers in relation to the procurement requirements.

Tender: Solicitation of technical and commercial offers from a number of vendors who are invited to participate in a tender.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
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	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

Sole Source Procurement / Direct Contracting: Contracting with OEMs, dealers, distributors, or agents, etc. who exclusively supply specific / unique material within the market

Single Source Procurement: Contracting with one vendor despite the availability of other vendors in the market under specific circumstances and criteria.

Vendor: is a company contracted to provide goods / material / services / project to end users.

Variation Order: is alteration to the scope of work initially agreed with the vendor and documented in the contract, whether it is an addition, substitution or omission from the agreed scope of work.

Terms of Reference: is a formal document used by End Users for service requisition and shall represent the purpose and scope of the service requested, the methods to be used, the standard against which performance is to be assessed, the resources and time allocated, and the reporting requirements needed.

Statement of Work: is a formal document used by end user for project requisition involving civil, mechanical, electrical work or any other construction project resulting in an asset for UOS.

Bill of Quantities: is a formal document used by end user for material / goods requisition and shall detail quantities and specification in terms of design length, volume, weight, etc.

Policy

- The Chancellor shall issue the “budget regulations” upon their approval by the Finance Committee at the beginning of each fiscal year.
- When drafting the budget, the regulations shall indicate the short-term goals and modifications recommended for the administrative procedures at the University that require additional study, in addition to the Strategic Plan.
- The Vice Chancellor should issue instructions on the dates for submitting the budget and data disclosure based upon the recommendation of the Director of the Finance Department.
- The Director of the Finance Department must be responsible for managing the budget cycle.
- 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.
- 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.
- 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.
- 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.
- 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.
- The Board, upon 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.
- 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 of Finance Committee.

	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

- The Procurement Department should be responsible for taking the necessary measures to conclude service contracts in accordance with the general provisions and within the limits specified in this decision. Permission to purchase items shall not be authorized if sufficient funds are unavailable in the budget, if the project is not included in the budget, or if the total cost for works and maintenance contracts is not stated.
- The Procurement Department shall maintain a record of the contractors applying for to work with the University and apply the required conditions. Announcement of registration in the register shall be made annually by means of a public advertisement and shall be made for every group of goods and major and secondary items respectively.
- The Procurement Committee shall obtain the offers of a number of contactors, and shall submit the negotiation offers during the period specified in the application, signed and stamped by the applicant and accompanied by all required documents and papers.
- The Procurement Committee shall convene on the date set for it. After opening the tender documents, the committee shall examine all papers attached with each offer, check for the bidders who meet the requirements, eliminate those who did not meet the above requirements, and read out the name of each applicant and the applicant's total value.
- In administering the procedures of the negotiation, the Procurement committee shall determine the applicant with the best price and quality as a result of negotiating with the applicants.
- The Procurement committee shall submit its recommendations to the concerned department for approval of the result of the negotiation, according to the provisions of this decision.

Procedures

General Provisions

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

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

Finance Committee

The mandate of the Finance Committee is to:

- Study the draft budget submitted by the University Administration for the fiscal year, before submitting it to the Board, in light of University objectives, resources and available and expected funds.
- Study the internal and external auditor reports.
- Study the final financial report and submit it to the Board for approval.
- Perform any other tasks commissioned by the Board or the Executive Committee.

Transfer of expenditures and Shifted Budget

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

Submission Financial Report

- 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.
- 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.

Losses

- Each employee at the University shall be personally responsible for any material or property loss of the University that occurs as a result of his/her error or negligence. The University shall seek to recover the value of such loss by the means it views appropriate.

Payment Settlement

- 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 verifying that it was spent in the interest of

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

the University or for activities related to the University on the condition that the statement be approved by the Vice Chancellor.

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

Financial Records

- 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:
 - o Affiliate record.
 - o Revenue record.
 - o Received/collected funds record.
 - o Payments record.
 - o Notification, debit and credit record.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

- General daily record.
- 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.

General Financial System and Process

- A regular update of the finance system shall be undertaken as appropriate to systematic practices in this area.
- 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 been already paid; the beneficiary shall not undertake to claim these amounts in the future.
- 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.
- 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.
- 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.
- Checkbooks are obtained from the bank at which the University funds are deposited by decision of the Chancellor and Vice Chancellor.
- After issuing checks or the transfer order, all papers and documents and original documents will be stamped with a (PAID) stamp.

Bookkeeping

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

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

Direct Procurement

- Direct procurement shall be made by means of issuing a purchase order to the supplier who is dealing with the required materials in accordance with the following procedures:
- Items and services issued or governed by compulsory prices or international stock markets or specific tariffs.
- Items, jobs, and services that are produced, supplied or conducted by only one party, making it difficult to conduct a tender or a negotiation.
- Items, works, and services that are urgently required, provided direct procurement shall be limited to the least quantity needed for operational requirements at the University until procedures for selecting a contractor by other methods are completed.
- Items, works or services that must be conducted in a confidential manner in line with public interest requirements.
- Items, services or works that are offered to the University by the public departments/services of the government or the Emirate and its public institutions or corporations, of which the government or the Emirate has at least (51%) of its share capital, by virtue of a contract signed by the University with these parties directly.
- Items, works or services of any type and whose value does not exceed (AED 10,000).
- Services and works that require highly specialized competencies and qualifications pursuant to a general invitation that contains a statement on the conditions of such qualifications and competencies, addressed to the competent authorities, where selection is made by a technical committee formed by the Chancellor upon the recommendation of the Vice Chancellor.
- Books, periodicals, literature, tapes, manuscripts, and scientific slides necessary for laboratories.
- Hotel reservations, procurement spare parts, and car rental.
- A contractor shall be selected through direct procurement by any of the following means:
- Through a representative directly appointed by the Director of the Procurement Department, who shall submit a receipt for the value of purchases in cases for which the value of the materials, works or services exceeds no more than AED 2,000 or if they have fixed prices.
- The receiving reports shall be submitted to the Procurement Committee to decide upon, in the following cases:
- If disagreement regarding such occurs among the committee members and the technical member/s, provided each party prepares a report clarifying its point of view.
- If disagreement occurs between the supplier and the Inspection and Receiving Committee.
- If the committee accepts some replacement items, having specifications corresponding to the specifications and conditions set out in the contract and attached documents, and decides that they meet the requirements and that their acceptance does not cause any harm to the interests of the University.
- In this case, the items may be accepted at the same price or less at the discretion of the Procurement Committee.
- If the successful party fails to pay the final insurance within 15 days of notification of the acceptance of its bid, the University may confiscate the initial insurance and implement the subject matter of the

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources and Procurement	Effective Date	1/10/2021
	Policy Subject	General Financial Issue	Last Review date	16/12/2025
	Policy Number	FRP-01	Next Review date	10/03/2028
	Responsible Entity	Finance and Procurement Departments	Approved By	VCFAA

tender, in part or in whole, at the expense of the said party without taking any legal action and without prejudice to its right to claim any other compensations and deduct them from the party's entitlements held by any other party or claim them by law.

- The University may also remove the said party's name from the suppliers and contractors register for a period that shall be determined by the Chancellor upon the recommendation of the Procurement Committee.
- Expenditures are disbursed in accordance with the approved budget allocation, issued by the designated authority in accordance with the Procurement Bylaws at the University of Sharjah.
- 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 procurement are taken within the prescribed specifications and the specified times.