

Policy Title:	9.d Financial Policy		
Policy Number:	FR-PO-9D	Date Created:	29-05-2011
Responsible:	Chief Financial Officer	Approved by:	Board of Trustees

Purpose

The purpose of this document is to align our practices to the IFRS standards and to showcase the best practices adopted by the education industry while delivering the Finance responsibilities.

Scope

All finance related policies, procedures and SOP's are available to the Finance personnel to best guide them in their processes and to recommend improvisations from time to time.

Policy Statement

This document outlines the Financial Control Framework within the organization and explains its business processes followed by the Finance associates at Canadian University Dubai. It will also ensure that internal controls are in place and financial powers are exercised appropriately, effectively and efficiently.

Policy Coverage

This policy document outlines the core responsibilities of the Finance department and how instrumental each function is in ensuring the smooth functioning of the organization.

The key finance functions covered within this policy document are captured in the table below;

Treasury & Corporate Finance	MIS Reporting	Budgeting & GL Management	Petty Cash	Accounts Payable	Accounts Receivables	Audits & Tax	Insurance Coverage
<ul style="list-style-type: none"> - Opening of Bank Accounts - Authorization Matrix - Management of Bank Accounts - Bank Reconciliation - Handling of Cancelled/ Lost Cheques issued - Bank facilities and loans - Documents Retention & Destruction Policy 	<ul style="list-style-type: none"> - Reporting timelines - Review process - Entry posting cutoff date - Stakeholders involved - Month end calendar - Management review of financials 	<ul style="list-style-type: none"> - Organization and Alignment_Budgets - Budget Development - Capital Budget - Budget Monitoring and Review - Approval of Budget Variations - Budget Reporting - Budget Segregation - Budget Approval - Budget Implementation 	<ul style="list-style-type: none"> - Petty Cash reimbursements - Nature of transactions - Beneficiary responsibilities - Stakeholders involved - Approvals 	<ul style="list-style-type: none"> - Organization and Alignment_AP - RFE Process - AP Workflow - Roles and Responsibilities_AP - Procedure Overview 	<ul style="list-style-type: none"> - Organization and Alignment_AR - AR Workflow - Roles and Responsibilities_AR - Procedure Overview 	<ul style="list-style-type: none"> - Statutory Audit timelines - IFRS Standards - Roles and Responsibilities_Management - Roles and Responsibilities_Auditors - Value Added Tax (VAT) - Corporate Tax (CT) 	<ul style="list-style-type: none"> - General Insurance Policies - Policy Tenor - Terms and Conditions of the policy - List of policies undertaken

1. Treasury & Corporate Finance

This policy outlines the Treasury function and the responsibilities of the designated personnel at the University.

i) Opening of Bank Accounts

- Opening of Bank accounts should be as per the business requirements and with the approval of VP Finance Department, President and Chancellor
- Accounts Manager should be the primary point of contact and only official contact information to be updated with the banks.
- Any change in contact details to be updated immediately.
- New Bank Accounts should be updated in Microsoft AX without any delay.

ii) Authorization Matrix

- Authorization Matrix is fixed by University By-Laws
- All Finance/Accounts heads should have visibility of the approval matrix and copies of specimen signatures.

- c) Any authorisation tools like approval tokens, username, password etc. to be kept under designated custodians and at own risk. In case of loss of any assigned authorization tool, the same must be immediately informed to the line manager and prompt action to be taken for any subsequent misappropriation, if any.
- d) Finance/Accounts heads should notify the bank and key management stakeholders at CUD in case of any changes in Authorization Matrix

iii) Management of Bank Accounts

- a) The Treasury & Corporate Finance team are fully responsible for the cash management function.
- b) Documents for all the active bank accounts should be kept and updated by the Finance/Accounts personnel on a timely basis.
- c) Finance /Accounts personnel are responsible to keep only minimum number of Bank accounts required for the operations and to ensure that all the accounts are active.
- d) Bank services and commission rates shall be reviewed regularly by Finance/Accounts Heads to ensure the accuracy of charges/rates as agreed with banks. Any variation to be communicated and documented without delay.
- e) Finance/Accounts Heads are responsible for optimum utilization of funds which includes fulfilling the commitments to banks, suppliers (including related party), payroll and agreed dividend to the shareholders.
- f) Trade License/Passport/Emirates ID/Other documents to be updated upon expiry from time to time.
- g) The Accounts personnel must ensure to exercise all due diligence before the release of cheques to avoid cheque return situations.
- h) Technology utilisation to be reviewed and improved from time to time based on its value addition.

iv) Bank Reconciliation

- a) The designated personnel should ensure that all Bank Accounts are reconciled daily before 10 AM every business working day.
- b) Any high value/special transactions like overseas fund receipt to be entered and reconciled immediately
- c) Discrepancies in CyberSource reports will be notified to the Accounts Manager on a timely basis

v) Handling of Cancelled/ Lost Cheques Issued

- a) Stale cheque (elapse of six months from the date of cheque) is to be cancelled and reversed in the system which is to be supported by the original cheque.
- b) Damaged Cheque can be cancelled and re-issued upon written request from the beneficiary and presentation of damaged original cheque.
- c) For Lost Cheques, a stop payment instruction to be issued immediately to Bank upon receipt of Official Letter from the Beneficiary supported by a Police Report. After bank confirmation we can proceed with issuance of new cheque.
- d) Approval of the Finance/Accounts Heads should be obtained before cancelling the cheques.
- e) Any void/cancelled cheques should be stamped/crossed "Cancelled" so that they are no longer useable and should be filed along with the Payment Voucher or maintained in a separate folder.
- f) Cancellation of any approved payment instruction is to be reversed in the system with the approval of authorized person.

vi) Bank facilities and loans

- a) Finance/Accounts Manager will be fully responsible to collaborate with the related party for the arrangement of all banking facilities required for smooth functioning of business operations.
- b) Arrangement of Term Loan facilities and fund allotments from the related party are based on financial feasibility study and with the approval of Chancellor.
- c) Finance/Accounts heads at CUD are notified on the interest rate, repayment terms, tenor, collateral, covenants etc. All facility letters and related documents are maintained by the related party.
- d) Finance/Accounts heads are responsible to consult with the related party personnel to ensure that the rates and charges are as per the agreed terms and conditions with the bank.

vii) Documents Retention & Destruction Policy

- a) Account Opening, Approval Matrix, Authorisations, amendments, Bank Facility Agreements, Loan Agreements, Tax Documents etc. to be retained permanently. Scanned and Hard copies are to be considered as Confidential and to be properly filed and kept under the safe custody of concerned person/s or in-charge.

- b) These documents should not be shared with any outsiders without the instruction or approval of higher management and/or by the authorized personnel.

2. Financial Reporting

The Accounts team personnel are assigned to post financial data into the Accounting system in a timely manner.

On the 15th of every month, the Accounts Manager will seek confirmation in writing from the respective Accounts personnel on their completion of financial entries pertaining to the just concluded / preceding month. If the above specified date is a non-working day, then the immediate next working day would by default be the confirmation date.

All financial statements and reports will be generated by the Accounts Manager on the 15th of every subsequent month. The Accounts team members are thereafter unable to post backdated entries once the monthly financial reports have been generated and submitted to FC/AM for the financial review.

All Accounts team members are bound by the month end calendar. The calendar requirements are subject to amendments depending on the evolving business needs.

The stakeholders listed in the financial calendar activity are expected to strictly comply by the stipulated timelines in order to present the month financials promptly. FC & AM jointly review the financials once the postings for the just concluded month are completed.

3. Budgeting Process & GL Management

This policy covers the approach and outcomes of the planning and budgeting process for the University.

The Articles of Incorporation (point 10.2), states that the Board will determine and implement the general policies of the University including the scope of its activities and operations, investments, financial planning, the dividend and reserve policy. Moreover, the Articles state, that the President is to recommend to the Board of Trustees fiscal and other rules for the conduct of the University's operations.

At the highest level the University needs to allocate resources and manage both the expenditure of those resources and the outcomes achieved (i.e. performance) The Budget is an integral part of the University's management process to allocate resources for the various sections of the organization and forms a major part of the reporting cycle to the University Board. The Budget is a result of the Strategic and Business plans that gives effect to the goals and objectives of the University.

The University's Budget will include an Opex and Capex budget as well as the expected revenues of the University. The Budget is to be approved by the Board of Directors. The Budget will be prepared based on a fiscal year of

1 January to 31 December each year and is developed and administered on an accrual accounting basis in accordance with IFRS.

a) Organization and Alignment_Budgets

The University's activities are also organized by functional alignment, which broadly reflects the two major streams of the:

- Academic function and in particular the schools and programs; and
- The Support areas throughout the University.

The organization and presentation of these documents will be reviewed and adjusted over time in response to the needs of both the University's Senior Management Team and the University Board of Directors.

The University planning cycle combines three interrelated phases:

- i) Strategic Planning:** A Five-Year Plan that defines the vision and mission of the University as well as the objectives, strategies and Key Performance Indicators (KPIs) that will lead to achieving the University's aspirations.
- ii) Operating Plan:** The Budget is part of the business plan submitted by departments and outlines the allocation of resources and the desired outcomes for one fiscal year. The Budget describes how the University will allocate its financial, human and physical resources in support of its goals.
- iii) Budget Monitoring and Review:** Involves the measurement, benchmarking and reporting of department KPIs as submitted in their business plans.

b) Budget Development

The Budget is prepared annually based on the fiscal year of 1 January to 31 December and is developed and administered on an accrual accounting basis in accordance with IFRS. The Budget is developed through a process of review and evaluation led by the University Finance department but contributed to by all areas of the University.

It is within this context that the budget development authority lies:

- Specific levels of management who have delegated authority to develop and administer budgets, and approve the expenditure of funds, accountabilities related to those expenditures and the outcomes achieved from the expenditures concerned.
- The Finance Director who is charged with responsibility for the review, consolidation and administration of the overall University Budget, the systems of internal control and accountability over finances in place and the preparation of audited financial statements.

All budget areas will be consolidated as the University's 'Financial Operations Plan and Budget'. This will include the Capital Budget as part of the one document.

c) Capital Budget

The capital component of the Financial Operations Plan and Budget indicates how resources will be allocated towards the development of new academic programs, improvement and refurbishment of its capital stock and investment in new infrastructure, facilities and capital assets as required in support of its operations. The purpose of the Capital Budget is to promote efficiency in planning and budgeting to develop an optimal allocation of capital assets and physical resources in support of CUD's mission and strategic vision.

CUD shall adopt a strict accounting definition of capitalized expenditures under either International Financial Reporting Standards (IFRS) or the University's capitalization policy (e.g. equipment must be valued in excess of AED 2,000 to be included as a Capital Budget Item).

d) Budget Monitoring and Review

Upon approval of the Budget, the Finance department will ensure that the approved budgets are recorded on the University financial and budget management systems in a timely manner, and that they cascade down through the organization appropriately in support of efficient and effective governance and administration of the funds concerned.

Once incorporated and reconciled into the University financial and budget management system the approved budgets will not be changed and will be used as a basis for both reforecast reporting and associated variance analyses.

The President and Vice-Chancellor can approve adjustments within and across budget areas in exceptional circumstances and in cases where such adjustments assist in the analysis and reporting of university expenditures (e.g. where there is a major realignment of organizational structures). (Refer to e. Budget Variations threshold).

Deans and Managers across the University are responsible for ensuring that all expenditures incurred are in accordance with approved policies and procedures and that funds are available for any expenditure incurred. In addition, program managers are also responsible for ensuring that funds are spent in a fiscally responsible manner. A major element of the monitoring and accountability processes adopted by the University is through management reporting and variance analysis undertaken by the Finance department throughout the year.

e) Approval of Budget Variations

The Finance Department will perform the role of a facilitator in managing the overall budget cycle of the University.

The President and Vice-Chancellor will have the authority to approve an over-run of up to 10% of the overall institutional budget, provided that;

- i) The supporting rationale requesting such exceptions is facilitated for review by the requesting department.
- ii) The requesting department has no avenue to reclass any unutilized budgetary amount from any other expense line item.
- iii) The appropriate support is provided for both the service needs of the University and the achievement of its academic mission.

This authority will provide the President and Vice-Chancellor with reasonable and appropriate flexibility to address variations within operations that may arise throughout the fiscal year.

Where the total annual budgeted expenditure is expected to vary by more than 10% or it is expected that there will be an over-run of the budget allocation in a particular program by more than 10%, the approval of the budget variation

will be sought from the Board of Trustees Finance Committee. (Refer to the Board of Trustees Finance Committee policy.)

f) Budget Reporting

All functional areas of the University will have online access to a variety of reports concerning expenditures charged against their budgets throughout each fiscal period. Cost Center Managers have responsibility to ensure that all expenditures charged to their accounts are charged to the relevant cost center and are appropriate and in accordance with approved plans.

The Finance department in consultation with all Departments will undertake a monthly analysis of expenditure against plan and any significant variances contained therein to identify any issues which could have the potential to significantly impact the budgetary outcome approved for the fiscal period concerned.

All matters of material significance will be brought to the attention of the Deans/Managers and the President. Where an adjustment is of such material significance that it cannot be resolved by the concerned Deans/Manager within the concerned program budget then the matter will be referred to the President for further consideration within the context of the University's approved budget allocation.

g) Budget Segregation

The University budget is broken down into four parts viz.

- Revenue
- Employee costs
- Operational expenses
- Capital expenses

i) Revenue

The approved strategic targets of the university are used as a guideline together with the current position to arrive at a realistic and achievable target for projected student count.

Step 1: Finance works closely with the IRP, Provost and Deans on the estimated student count and the number of courses expected to be taken. This determines the tuition fee revenue, estimated scholarships and discounts that can be offered and other student related revenue.

Step 2: Other income is calculated based on the existing contracts and estimates, if any.

ii) Employee Costs

Finance department provides a template to Human Resources department which captures the headcount and cost to company by department and program of each existing and prospective employee. This is split as:

- full time academic staff
- full time admin staff
- part time academic
- part time admin and
- part time student employees

HR meets with the heads of departments, Provost and Deans to collect the staffing requirements, keeping in mind the expected student count, courses and class capacity, and populates the template.

iii) Operational and Capital Expenditure

The process of Operational and Capital expenditure budget preparation involves the below steps.

Step 1: Budget formats are distributed via emails to:

- the various administration heads of department
- the Provost for the schools, Provost office and research department
- HR for the Employee costs to company

Step 2: Information technology and Physical resources departments are required to build a centralized budget after collecting departmental requirements.

Step 3: All departments are given a timeline of usually 3 – 4 weeks to provide the first draft to Finance department.

Step 4: Upon receiving the first draft, Finance holds budget meetings with the different budget holders to justify their requests.

Step 5: Finance compiles the second draft after these budget meetings for review meetings with President.

h) Budget Approval

The budget approval involves three (3) steps.

Step 1: The final budget is prepared after careful consideration for internal approval by the President.

Step 2: The President then sources the approval from the Board Shareholders Finance Committee, comprising of 3 members representing the shareholders.

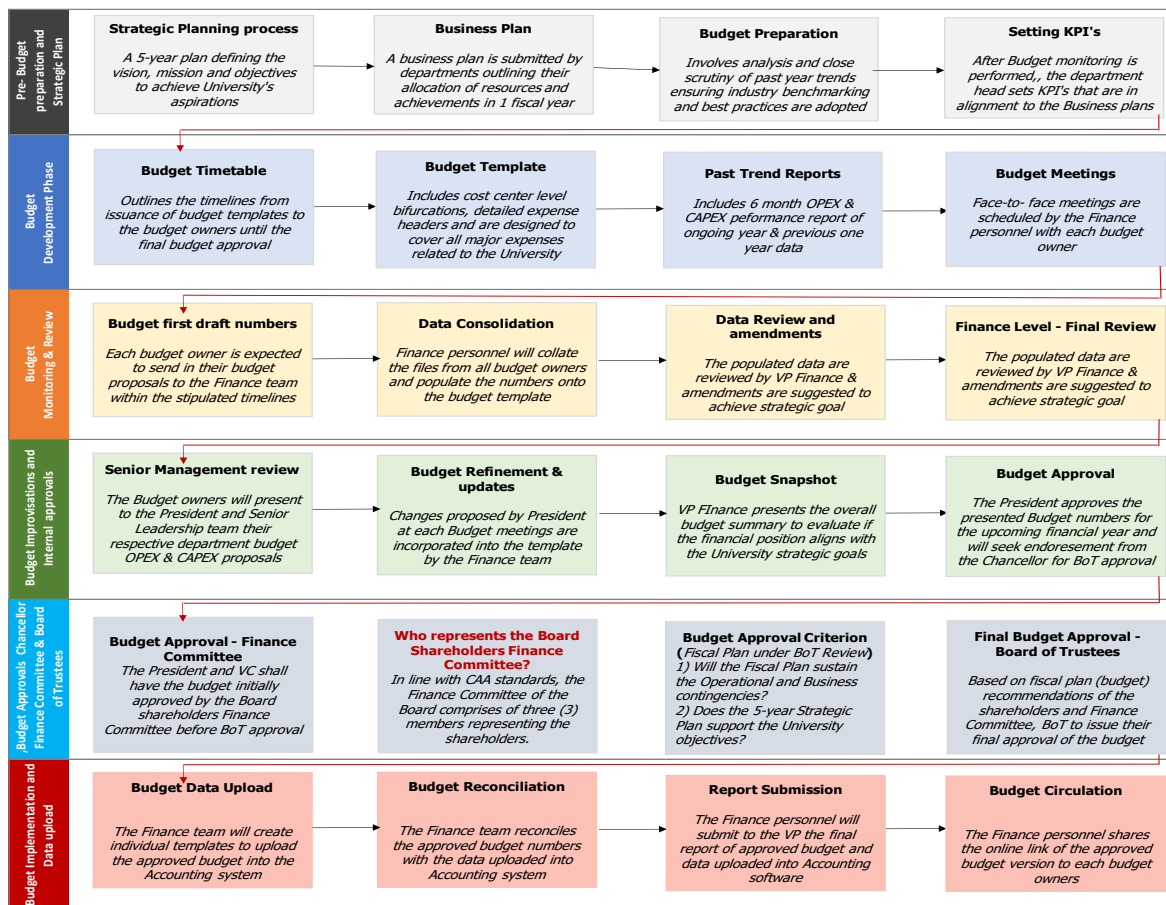
Step 3: The Board of Trustees Finance Committee issues the final budget approval after assessing the recommendations from the shareholder representatives and the capability of tackling operational and business contingencies.

i) Budget Implementation

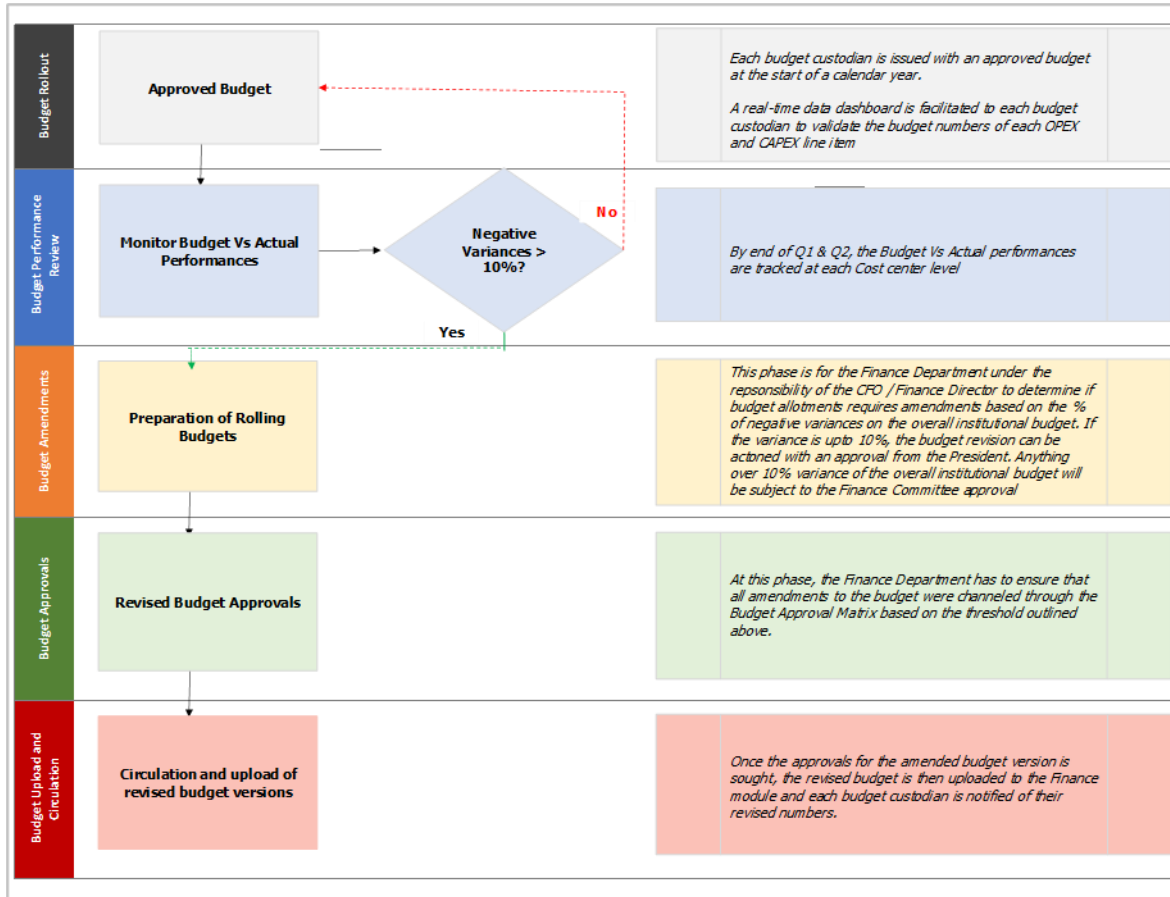
Step 1: The heads of department are provided online access to the approved budget.

Step 2: Monthly reports can be generated by the heads of department and executive management to measure performance against set budgets.

j) Budgeting Process Workflow



k) Budget Revision Workflow



4. Petty Cash Process

The Petty Cash Policy is set forth to provide a process and guidance to those academic and administrative units who wish to maintain a petty cash fund and have sought the appropriate approval for that fund as outlined below.

This policy applies to Petty Cash Fund Custodians, Finance Department representatives and anyone within the University who has a fiduciary responsibility for any part of the petty cash fund.

Finance Department

The Petty Cash custodian shall maintain a petty cash fund to be used for reimbursements to employees for minimal out-of-pocket business-related expenses, and to attend to all business expense contingencies. The transaction limit to be routed through petty cash is up to a maximum of AED 1,000/-.

Every petty cash reimbursement transaction must be executed only after ensuring that the beneficiary had sought necessary approvals prior to them performing the transaction.

The Cashier/ AP Assistant will submit the Petty cash reconciliation document along with the Expense reimbursement form to the AP Accountant for verification of the receipts as required for all requested reimbursements.

The AP Accountant will summarize the spends and present the reconciliation to the Senior Accountant. Once approved, the AP Accountant must initiate a check request for replenishment of funds every week.

The replenishment cheque is then submitted for approval to the Accounts Manager / Financial Controller.

Academic Departments

Academic departments are entrusted with petty cash to meet incidental department expenses when it is not feasible or practical for them to depend on the normal purchasing means. These funds are usually taken from the individual fund allotments of the nominated custodian within the Finance Department

As there is no separate insurance available to cover losses from such delegated petty cash funds, theft and any other losses of such petty cash allotments becomes the sole responsibility of the individual departments and/or their assigned

custodians. Thus, the custodians are responsible to ensure adequate security and control of their allotted petty cash funds and that they be always secured in a locked place.

The Finance Department must be duly notified if there is a change in the petty cash custodian. To ensure accountability to the new custodian, the department concerned will audit and document the fund at the time of the change. In addition, the University reserves the right to perform periodic unannounced audits of the funds to ensure proper control is maintained.

School / Department	HOD / Deans / VP	Nominated custodians	Fund Allotments (in AED)	
			Petty Cash	Change Fund
Student Accounts Office	Namsheed Khalid	AbdelHadi		AED 500
Student Accounts Office	Namsheed Khalid	Myra C.Daguro		AED 500
Student Accounts Office	Namsheed Khalid	Rachael Nyawira Kaigutha		AED 500
Student Accounts Office	Namsheed Khalid	Thashrifa Korattiyil		AED 500
SEAST	Dr. Sherif Moussa	Beverley Van Vuuren	AED 1,000	
SAID	Dr. Gisela Loehlein	Prisca Monteiro	AED 1,000	
SCAS	Dr. Stefane Mostefa Kabene	Dr. Stefane Mostefa Kabene	AED 1,000	
Student Affairs	Dr. Rami Khatib	Virgino Cortez Ragat	AED 2,000	
Administration	Abraham Kurian	Samer Khalaf	AED 3,000	
Finance Department	Anita Oommen	Pinju Gheevarghese	AED 50,000	
Finance Department	Anita Oommen	Akash Sam Raju	AED 50,000	

Approval Thresholds	Approval Matrix			
	Requestor	HOD / Dean	VP	Finance Department
0 - 500	Submit all documents	Sign expense reimbursement claim		
501 - 999	Submit all documents	Sign expense reimbursement claim		
>1000	Submit all documents	Sign expense reimbursement claim with RFE Level approvals		

From the above table, the Finance Department will approve documents related to petty cash fund replenishments.

The President’s approval is sought on all transactions as outlined in the Accounts payable process. (Sec 6)

5. Contingency Fund Plan

The University’s financial contingency plan aims to serve as the foundation for mitigating business risk, speeding up disaster recovery and always ensuring business continuity and resilience. Based on past trends, the University has systematically maintained fund reserves to cater to the evolving business circumstances. The business envisions the consistent need to abide by this practice and to be in line with the University’s financial contingency policies and procedures.

The reserve allotments are focused on the below core areas;

- Teach out reserve is provisioned in the case of a teach-out
- Gratuity reserve provisioned for an employer's gratuity liability towards its faculty/non-faculty employees
- Discretionary reserve provisioned at the Management’s discretion for all other business contingencies.

The University endeavors to maintain 2% of its yearly operating budget as a contingency reserve to cover all business and financial contingencies, of which a minimum of 1% is to be set aside solely to handle teach out and gratuity contingencies.

6. Accounts Payable Function & Workflow

The overall process of procuring goods and services at Canadian University Dubai is shown as follows. This policy covers the activities and actions required in the second box:

Organization and Alignment Accounts Payable

All financial requests at the University are channeled through the “Request for Expenditure” (RFE) process. The key stakeholders in the RFE process are as outlined below;

a) Requestor

i) Identify Business Requirement:

This person is responsible to identify the business needs and work collaboratively with the Procurement team to reach out to prospective vendors to quote based on the recommended scope.

ii) Source 3 Quotes:

As per best business practices, a minimum of 3 quotes are recommended to ensure we have the price advantage permitting approvers to evaluate the proposals and make a sound judgement. However, a reorder for normal supplies is usually routed through the preferred vendor for an effective, efficient and hassle free Operations

iii) Shortlist Quotes Based on Best Value and Commitment to Sustainability:

Quotes are primarily shortlisted on 4 parameters – Quality, Sustainability, Price and Payment terms. Based on these parameters, the recommended vendor is put forward for the next level of approval.

iv) Create RFE & Attach Quote Comparison:

All quotes secured are presented in a comparative analysis statement and all supplier communications are attached as supporting documentation while the RFE is created.

b) Line Manager Approval

i) Purchase Requisition Pending Approval:

The line manager will receive a notification prompting them to the list of RFE's awaiting their approval. Under the AX module, the line manager must select the list of Purchase requisitions to view each document separately.

ii) Review Quotes and Documents Prior to Approval:

The line manager would vet the supporting documents and rationalize his decision promptly understanding the criticality of the business need.

c) Senior Accountant

i) Compliance Checks:

The Senior Accountant is responsible to ensure the transactions have fulfilled all compliance criterion before releasing it to the next level for approval.

The checks include but are not limited to review and validation of RFE, quotes and the comparative analysis statements.

d) Financial Controller & Finance Manager

i) Budget Checks:

This a 2-step verification process where both stakeholders engage in Budgetary checks, GL dimensions and expense header postings after which the final approval is released to the Accountant to generate the Purchase Order

e) Accountant

Once an RFE has achieved all levels of approval, this level will generate / print a Purchase Order (PO) The final PO is sent to the requestor who is only authorized to liaise with the vendor.

f) Vendor

Upon receipt of PO, the vendor will supply all the items / render all services listed in the document. The Delivery note and Tax Invoice is submitted to Accounts office once validated by the Procurement team or other approved stakeholder.

g) Payments

The AP team will request for the Statement of Account (SOA) from the supplier before initiating the payment process.

The payment voucher is generated upon receipt of the below mandatory documents;

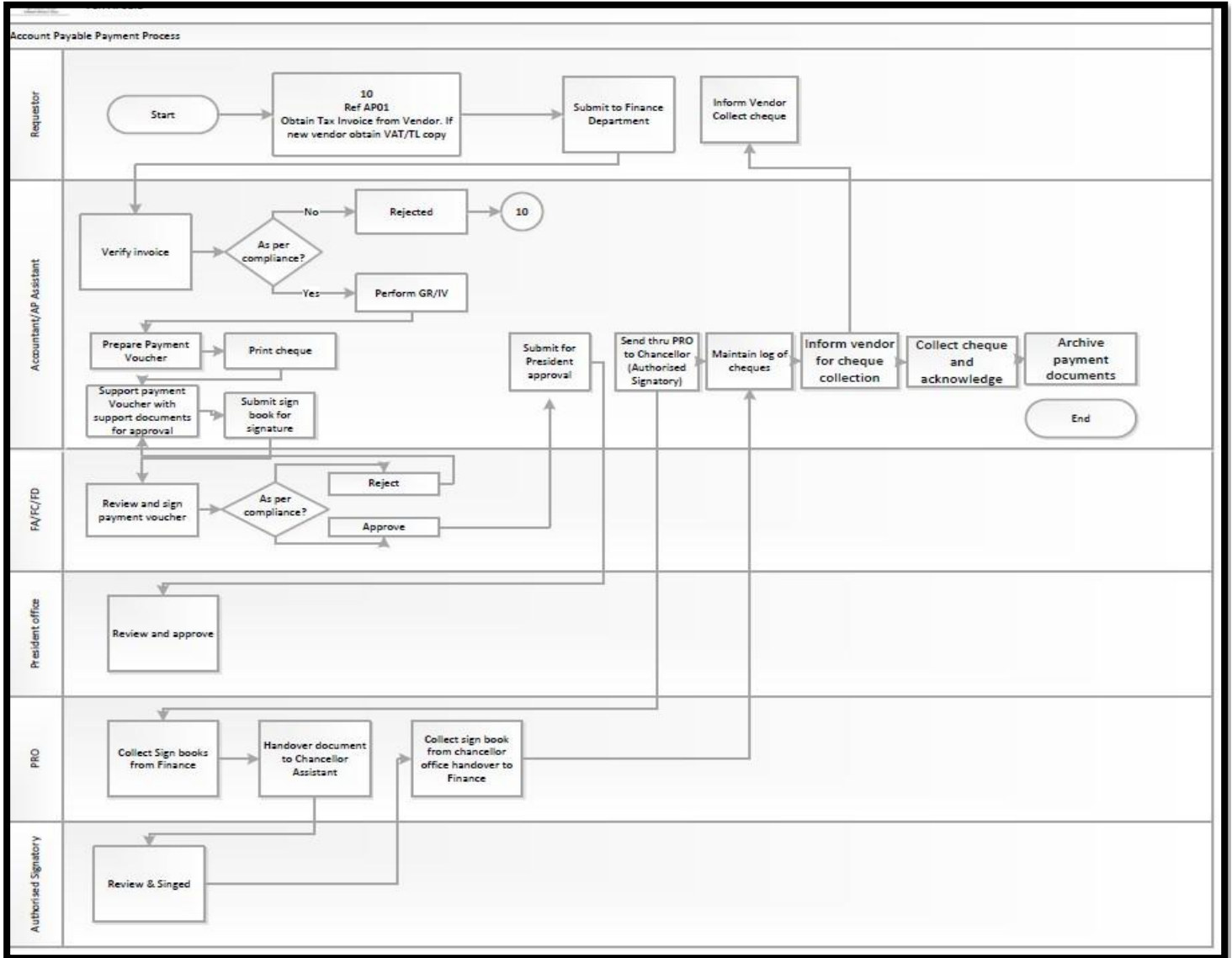
- i) Quotation
- ii) RFE
- iii) PO
- iv) Delivery Note
- v) Tax Invoice
- vi) SOA

For details, please refer to:

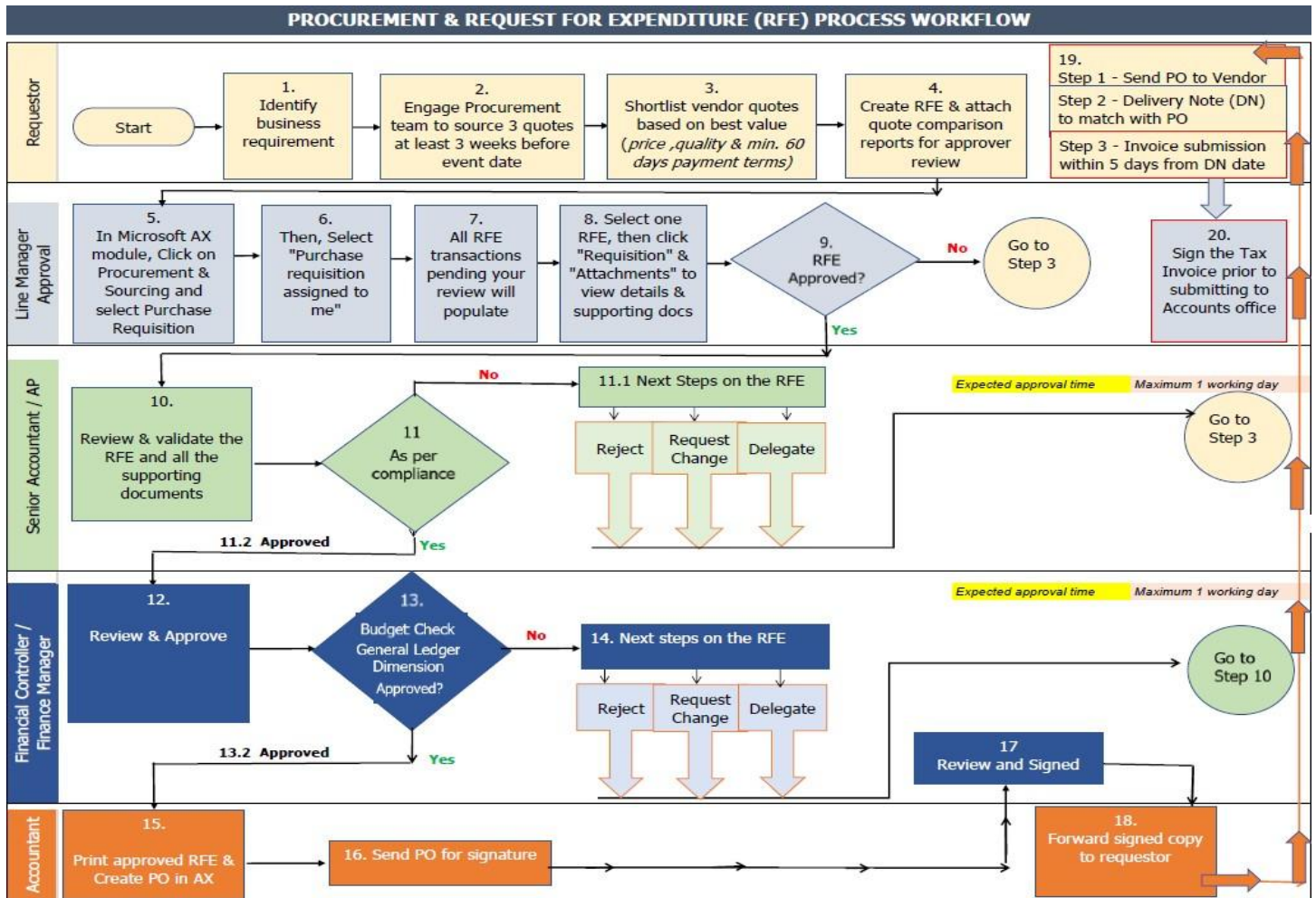
- I) Workflow_Finance Department

- II) Workflow_Department stakeholders
- III) Standard Operating Procedures. How to create an RFE?

Workflow Finance Department



Workflow Department Stakeholders



This chart clarifies the key roles and functions in the accounts payable process as further shown in the flow charts.

Roles and Responsibilities_ Accounts Payable

It is the responsibility of the Finance Director – Canadian University Dubai that the payable function procedure is adhered to within his/her own sector. The following table lists the key roles and responsibilities related to this SOP.

Role	Responsibilities
Requestor (budget Owner)	The requesting department initiates the purchase process to obtain the items or services
Accountant	<ul style="list-style-type: none"> Ensure to collect original tax invoice Verification of tax invoice with PO/RFC, approvals Timely payment Dispatched of Vendor Payments
Approver's	Responsible for review and approval of payment Documents

Procedure Overview

The following procedures describe the steps required to process payment.

Section	Description
6.a	Collect documents
6.b	Create Vendor/review Vendor
6.c	PO creation and dispatch of signed PO to Vendor
6.d	Goods receipt and Invoice
6.e	Payment Voucher and cheque Printing

6.f	Review /approve the payment pack
6.g	Review and sign cheques
6.h	Send remittance advise and cheque
6.i	Maintain log of cheques
6.j	Inform vendor for cheque collection
6.k	Collect cheque and acknowledge
6.l	Archive payment documents

6.a Collect Documents

- Ensure New vendor approved by department manager as part of the purchase process
- Ensure to collect valid Vendor Registration and VAT registration copy from requesting unit or vendor before creating PO in AX Dynamic
- Ensure RFE approved as per workflow supported with approved quotation:
 - Below AED 7k one quotation
 - Upto AED 15k Two Quotation
 - Above AED 15k three quotation
 - AMC contract from new vendor
- Collect VAT Registration copy from Vendor, Ensure to attached/file copy for future reference.

6.b Check and Validate Vendor Account

Stage	Description	Responsible						
1	Check and validate vendor account. Note: Following needs to be checked; <ul style="list-style-type: none"> • Nature of the procurement • DOA Compliance • check on GL Accounts/Cost Centre used in PO • Supplier name • Vendor Account No. • Sustainability (ESG) Commitment of Supplied/Vendor Statement *In case of new Vendor – If New Vendor –Obtain Vendor company Registration License/VATregistration copy Existing Vendor - validate vendor master and ensure license is valid	AP Accountant/ AP Assistant						
2	Check for any discrepancies <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">If...</th> <th>Then...</th> </tr> </thead> <tbody> <tr> <td>Discrepancies</td> <td>Inform requestor / designatedpersonnel in procurement department</td> </tr> <tr> <td>No discrepancies</td> <td>Go to step (c)</td> </tr> </tbody> </table>	If...	Then...	Discrepancies	Inform requestor / designatedpersonnel in procurement department	No discrepancies	Go to step (c)	AP Accountant/ AP Assistant
If...	Then...							
Discrepancies	Inform requestor / designatedpersonnel in procurement department							
No discrepancies	Go to step (c)							

6.c PO Creation and Dispatch of Signed PO to Vendor

Stage	Description	Responsible
1	Ensure RFE is approved and sufficient budget available to procure the items. Validate Vendor trade LicenseReview VAT registration form	AP Accountant/APAssistant
2	Validate RFE Dimensions e.g., General ledger account, cost centernumber etc., **REF created on behalf of has to be validate and change if requiredbefore confirming PO	AP Accountant/APAssistant
3	Create PO and send a signed copy handover to requesting department	AP Accountant/APAssistant
4	Dispatch PO to vendor	Requesting Department

6.d Good Receipts/Invoice Process

Stage	Description	Responsible
1	Collect original tax invoice from vendor <ul style="list-style-type: none"> ✓ Concern department to ensure that all steps in the “purchasing through payment process” are to be followed in a prompt manner with proper authorization for transactions and all supporting documentation for payment prior to any submission to Accounts Payable. ✓ Concern department to provide appropriate document to CUD finance for process any payments with proper approval as per compliance 	Requestor Department

2	<p>Upon receipt of goods and service perform Goods receipt in AXDynamic</p> <ul style="list-style-type: none"> ✓ Ensure business confirms receipt goods and service delivery of goods or service in accordance with terms of agreement. ✓ Ensure Vendor Name, address, VAT registration, Valid tradelicense ✓ Upon confirmation, verify PO and invoice Value, if matches with PO perform good receipt in AX ✓ If the invoice is a little different to the order, it needs to be queried with the requestor who placed the order ✓ Any documentation without the appropriate signature(s)/approvals will be forwarded back to the originating department for compliance. ✓ Once Goods receipt performed, create a Tax invoice ✓ If tax invoice created for previous month expense, ensure reverse the accrual or use Balance sheet account to follow best practice 	CUD Accountant/AP Assistant
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6.e Payment Voucher and Cheque Printing

Stage	Description	Responsible
1	Ensure sufficient fund available for Vendor payment before printing payment voucher and cheque	CUD Accountant/AP Assistant
2	<p>Printed payment voucher and cheque supported with documents, sent for review</p> <ul style="list-style-type: none"> ✓ Proper obligating document (purchase order or contract/lease) or any other relevant supporting documentation. ✓ Any documentation without the appropriate signature(s)/approvals will be forwarded back to the originating department for compliance. 	CUD Accountant/AP Assistant

6.f Approve Payment Pack

Stage	Description	Responsible
1	<p>Review and approve the payment pack</p> <ul style="list-style-type: none"> ✓ Review each voucher supported tax invoice/Signed RFE/Annual Maintenance contract as per compliance ✓ Review accounting entries posted as per best accounting practice 	FA/FC/FD

6.g Review and Sign Cheques

Stage	Description	Responsible
1	Prerequisite – FD to ensure all documents are in-line with the process and if there are any discrepancies return the pack	Finance Director
2	Review and sign cheques	University Authorized Signatory

6.h Send Remittance

Stage	Description	Responsible
1	<p>Send remittance advice to the vendor Note</p> <p>***Confirm the vendor</p> <p>Make sure all documents are in-line with the process and if there are any discrepancies return pack-Ref stage 1 in step 70</p>	AP Accountant/AP Assistant

6.i Maintain Log of Cheques

Stage	Description	Responsible
1	Maintain log of cheques as per policies	AP Accountant/ AP Assistant

6.j Inform Vendor for Cheque Collection

Stage	Description	Responsible
1	<p>Call vendor for cheque collection</p> <p>Note: The vendor must present valid ID card Collect original receipt from the vendor</p>	AP Accountant/ AP Assistant

6.k Collect Cheque and Acknowledge

Stage	Description	Responsible
1	Collect cheque and acknowledge	Vendor

6.1 Archive Documents

Stage	Description	Responsible
1	Archive payment documents as per compliance Note: Filing must be done on date wise/document number	AP Accountant/AP Assistant

7. Accounts Receivable Function & Workflow

This AR function outlines the Collection framework within the organization executed by the Student Accounts department and details the processes adopted by the Canadian University Dubai Student Accounts officers. It will also ensure that internal controls are in place and financial powers are exercised appropriately, effectively and efficiently.

The overall process of student’s receivable collection at Canadian University Dubai is shown as below. This covers the activities and actions performed by the student accounts officers and other stakeholders for collection:

Organization and Alignment_Accounts Receivable

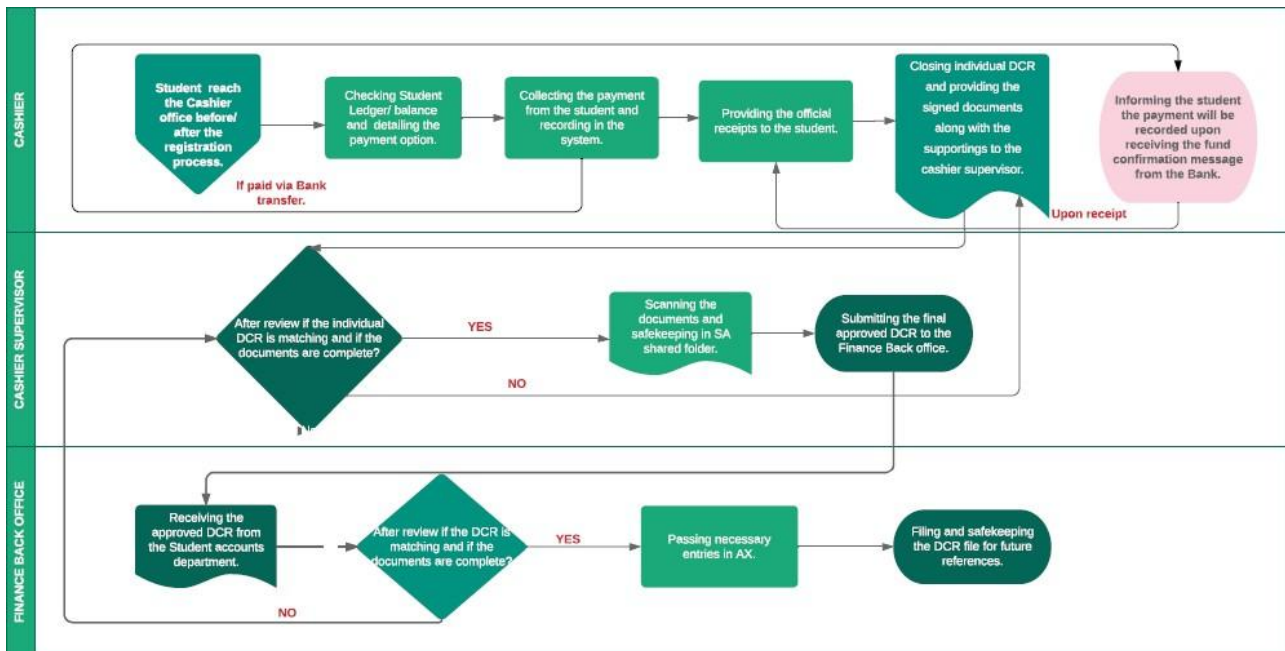
All financial requests at the University are channeled through the “Request for Expenditure” (RFE) process.

The key takeaways through an effective and efficient Receivables Management mechanism are as below;

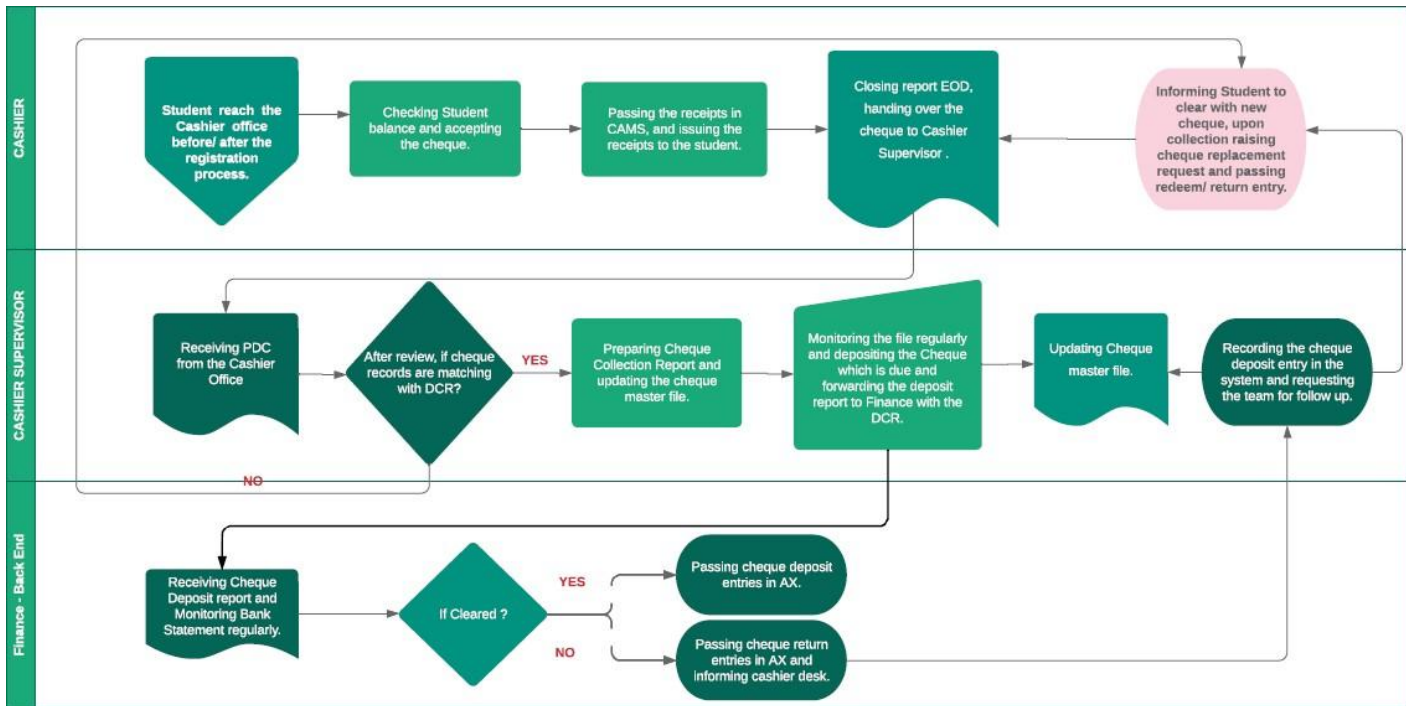
- Manage Cash Inflow through timely follow ups and recovery
- Reduced bad debt losses
- Lower administrative cost in the entire revenue cycle

As per best business practices, a thorough evaluation of the student portfolio and past payment trends enables the Receivables function to be a robust segment that can guarantee steady fund liquidity in the organization. Close scrutiny and regular monitoring of receivables has been a pivotal force to eliminate bad debt scenarios and accelerate fund influx.

Accounts Receivables Workflow



Cheque Management Mechanism Workflow



Roles and Responsibilities Accounts Receivable

It is the responsibility of the Student Accounts Officer – Canadian University Dubai that this procedure is adhered to within his/her own sector. The following table lists the key roles and responsibilities related to this SOP.

Role	Responsibilities
Student Account Officer	<ul style="list-style-type: none"> ✓ Ensure to check the student current balance prior to collection or discussing the payment plan. ✓ Verification of Tuition and Non-tuition charges in the system. ✓ Providing the payment options and collecting the receipts or approved payment plan. ✓ Issuing official receipts to the student. ✓ Closing daily collection report (DCR) EOD and submitting it to the Approver who close the combined DCR.
Approver's	Responsible for review and closing the combined DCR and to submit it to the finance back office.

Procedure Overview

The following procedures describe the steps required to collection process.

Section	Description
7.1	Billing or Invoice generation.
7.2	Student holding overdue balance or with finance hold.
7.3	Mode of Payment.
7.4	Discounts and Scholarships, including Hardship Scholarship.
7.5	Payment plan option.
7.6	Closing the daily collection report and Archive documents.
7.7	A/R Follow ups.
7.8	Refund.

7.1 Billing or Invoice Generation

- Students reach out to the registration department to enroll for courses on a particular semester.
- Based on the registered courses credit hours the charges/ billing will occur automatically on the system/ Student ledger.

- Non-credit courses and incidental charges if any will appear on the student ledger upon registration/ request for a service.
- Student would be able to view the student balance by log in to the student portal and by clicking My Ledger option.

7.2 Student Holding Overdue Balance or with Finance Hold

- Students who hold an overdue balance from the previous semester will not be able to register for courses due to the finance hold being applied to the student ledger.
- Students would require to clear the outstanding balance in full or to hold an approved payment plan from the Student accounts manager in order to lift the finance block/ hold in the system.
- The payment/ receipt will be automatically adjusted to the previous balance and once overdue is settled, the remaining value will be adjusted to the current semester tuition/ non-tuition fees.
- For certain cases, where the student is in a very bad financial situation and if unable to offer a payment/ settlement plan to the student accounts manager, the request will be taken to the Student Finance committee after student accounts manager review.

7.3 Mode of Payment

Students may pay for tuition and other fees through the below mode of payments.

SI	Description
1	Cash.
2	Debit or credit cards**
3	Cheque.
4	Bank Transfer.
5	Online Payment.

** Debit or credit cards mode of payment includes Apple and Samsung pay.

7.4 Discounts and Scholarships

- Students will be eligible to apply for discounts and scholarships in Canadian University Dubai.
- All eligible discounts and scholarships will be applied to the student ledger after the official add and drop period.
- A few of the Discounts and merit scholarship types are shown below for reference;

SI	Description	Type
1	<ul style="list-style-type: none"> ✓ Academic Excellence Scholarship ✓ Sports Scholarship ✓ Hardship Scholarship 	Scholarships
2	<ul style="list-style-type: none"> ✓ Sibling Discount ✓ Spouse Discount ✓ Alumni Discount ✓ Alumni Sibling and Spouse Discount ✓ Government Employee Discount ✓ Student Council Executive Members Discount ✓ MOU Discount ✓ Study Scholarship/ Early Bird discount 	Discounts

7.5 Flexible Payment Plan Options

- Students who are unable to settle the tuition fees in full before the class start date can request to settle the fees in installments by opting for a payment plan.
- Requested payment plan will be prepared by the student accounts officer and will be offered to a student after approvals.
- Students will be charged a nominal fee of AED 315.00/- for opting these services. And will be requested to provide a post-dated cheque in advance based on the approved payment plan value.
- Cheque bounce charges/ late payment penalty of AED 525.00/- will be imposed to the student if there is a delay in settling the installment value.

7.6 Closing the Daily Collection Report and Archive Documents

Stage	Description	Responsible
1	Closing individual DCR and providing the signed documents along with the supporting's to the cashier supervisor.	Student Accounts Officer
2	Verifying Individual DCR and reconciling with system records and documents. Submitting the final approved DCR to the Finance Backoffice.	Cashier supervisor
3	Receiving the approved DCR from Student accounts department. Performing the checks and ensuring there are no errors. Recording, Filing & safekeeping the documents for future reference.	Finance Back office

7.7 Accounts Receivable Follow ups

- Accounts receivable (A/R) officer monitors and maintains records of those students who are holding balance in the current semester.
- Weekly Email follow up are made for those students whose balance are due, and call follow up are made for those students who are not responding back to the email.
- Students will incur a penalty for late payment and will hold a finance block in the system.
- Students who are holding a balance from previous semester a reminder email is forwarded on a monthly/ semester basis.
- Those students who are holding a finance block will not be able to request for any official documents from CUD nor will be able to register for the upcoming semester.

7.8 Refund

- Once registered, students are academically and financially responsible for their course unless they officially withdraw by the given deadlines in the academic calendar.
- In the event student Drops, the tuition fee will be credited back to student ledger which can be utilized for the next semester.
- In the event student graduates/ withdraws permanently from the University/ student visa is cancelled/ dismissed for academic or disciplinary reasons, student has to submit completed refund application form to Student Accounts department to process the refund for credit balance.
- Student will receive refund for the credit balance within 30 days upon refund submission

8. Tax

The University outsources the audit of the taxation function before filing the quarterly VAT returns in January, April, July and October.

For details on the VAT filing requirements, refer to FTA guidelines.

9. Audits

The University engages external Audit firms to examine the financial statements of the business entity for the just concluded financial year.

The Auditors examination of the financial records will be the expression of an opinion on the Financial Statements of the Company.

It is the prerogative of the Auditors to evaluate the fairness of presentation of statements in conformity with the International Financial Reporting Standards (IFRSs) on a consistent basis. However, the responsibility to achieve compliance to the IFRS guidelines is the responsibility of the Finance Department.

Roles & Responsibilities Management

It is the responsibility of the management to prepare financial statements for the financial period which give a true and fair view of the state of affairs of the Company and of its income for that period. In preparing those accounts the management must:

- a) Select suitable accounting policies and then apply them consistently
- b) Make judgements and estimates that are reasonable and prudent; and
- c) Prepare the accounts on the going concern basis unless it is not appropriate to presume that the Company will continue in business.

It is the management's responsibility to keep proper accounting records which disclose with reasonable accuracy at any particular time the financial position of the Company. It is also the management's responsibility to safeguard the assets of the Company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

The management is also responsible for making available to the Auditors, as and when required, all the Company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.

Roles & Responsibilities Auditors

The Auditors will report their opinion on the accounts of the organization which will outline the organization's affairs, and of the income or loss for the period. The Auditors formulate their opinion by considering the following matters, and to report on any, in respect:

- a) Whether proper accounting records have been kept by the Company.
- b) Whether the Company's balance sheet and income statement are in agreement with the accounting records and returns;
- c) Whether they have satisfactorily received all information and explanations from the Management for the successful completion of the audit.

To promptly report to Management if the accounts do not comply in any material respect with International Financial Reporting Standards (IFRSs), unless the non-compliance is justified in the circumstances.

10. Insurance Coverage - General Insurance

The Finance Department ensures to always achieve appropriate insurance coverage. These policy documents include coverage for a period of 12 months, start dates of which are usually during the months of March and April.

The precise terms and conditions are contained within each of the policy documents. The General Insurance policies undertaken by the University include the below;

S.No	Insurance Policies
1	Directors' Liability, Professional Indemnity & Premium On Teaching Organizations
4	Group Life & Personal Accident - Staff
5	Employment Practices Liability (Epl)
6	Group Life & Personal Accident - Student
7	Workmen Compensation + Employer'S Liability
8	Business Continuity
9	Employee Dishonesty
10	Property All Risk
11	Portable Equipments
12	Third Party Liability/ Public Liability
13	Money In Transit

Policy Revision History

Version No.	Update Brief	Approved Date
V1.0	New policy	30-06-2011
V1.1	Revised and updated	16-07-2019
V1.2	Revised and updated	30-08-2021
V1.3	Revised and updated	30-10-2022