

Policy: Finance Management

Policy Reference: C-FN-001

Version: 3

Person Responsible: Finance Director

1. Policy Statement

Bahrain Polytechnic Finance Directorate is committed to meet the financial needs of Bahrain Polytechnic by providing; safeguarding financial assets, ensuring regulatory compliance, and providing timely delivery of financial services to all stakeholders'.

Finance Directorate will be following the Standard Financial Manual issued by the Ministry of Finance (MoF) and where possible, recognized International Financial standards in line with the MoF standards.

2. Definitions

Advance from petty cash: An amount of cash in Bahraini Dinar (BD) taken from the Petty Cash to cover for a future purchase

Budget: is an estimation of the revenue and expenses for a future period of time.

Cashier: A staff member from Finance Directorate charged with the safeguarding of Petty Cash and associated records.

Delegated Authority: The granting of power to a staff-member to act on behalf of one or more others, for an agreed purpose.

Direct invoice: invoices without Purchase Orders

Dispose Fixed Assets: Discarding of those assets belonging to Bahrain Polytechnic.

Fixed Assets: Also known as "property, plant & equipment" are tangible property that Bahrain Polytechnic owns and uses and is not expected to be converted into cash any sooner than at least one year's time. Capital Fixed assets have a value equal to or greater than 100 BD including but not limited to: equipment, furniture, vehicles, and buildings. Non capital assets have a value of 25 to 99.99 BD. All capital and Non capital assets are tagged for tracking and control purposes. Assets between 1-24.99 BD are called expenses and tracked only.

Financial Accounting: Gathers and summarizes financial data to produce financial reports (i.e. balance sheet, income statement) for decision making.

Financial System: Includes the methodology and software used to oversee and govern revenue, expenses, and assets with the objectives of maximizing profits and ensuring sustainability.

Invoice: A commercial document that itemizes a transaction between a buyer and a seller.

Payment Terms: are usually stated on the invoice or supporting documents attached to the regular invoice (i.e. maximum number of days in which the Polytechnic must pay, discounts, quantity)

Petty cash: Small amounts of Bahraini Dinar (BD) held for low value purchases

Petty cash voucher: a request form for petty cash.

Regular Invoice: invoices with Purchase Orders

Scrap: non fixed assets items that no longer meet service requirements.

Specialist (Stores Procedure) : is a person assigned from the end user directorate which have purchased the stored items, who mostly know about the nature of the stored item (i.e. ICTS Store Specialist, a person from ICTS directorate with IT background who knows about the stored ICTS hardware or equipment).

Sub-delegation: Is a transfer of authority and responsibility from a financial delegate staff to another

Fixed Asset Write off: removal of the fixed asset from Bahrain Polytechnic asset register and Statement of Financial Position.

Store: a storage place where items are stored

3. Application

People:

- applies to all staff, students, customers and suppliers of Bahrain Polytechnic

Processes:

- This Policy applies to the processes of financial accounting (such as accounts receivable/payable, fixed assets and cash management), management accounting (e.g. Budgeting and general ledger), store management.

4. External Requirements

- Cabinet Affairs
- The laws and regulations in the Kingdom of Bahrain.
- Ministry of Finance

5. What is Expected:

- Relevant financial services in relation to Bahrain Polytechnic core business shall be provided.
- Bahrain Polytechnic stakeholders' needs in relation to financial services that enable them to meet internal and external requirements shall be satisfied.
- Services within clear set of criteria that maintains equity and fairness shall be offered.
- Oversight and management to ensure the integrity of all Polytechnic financial affairs shall be provided.
- Compliance with appropriate recognized International Financial standards and the Ministry of Finance Policies and procedures shall be actively promoted and monitored.
- Prompt and proper settlement of amounts owed by the Polytechnic including expense payments shall be made according to the terms set out in any contractual arrangement (if any) inline with the payment process of the Ministry of Finance.
- The Polytechnic assets including acquisition and capitalization, depreciation, valuation and revaluation, recording and reporting, register maintenance, disposals, impairment, managing

assets under operation lease and physical verification of assets shall be managed and maintained following the MoF manual and standards.

- Cash flow including cash/cheque collection and depositing, petty cash process, identifying cash shortage, investing surplus cash, financing cash shortage shall be managed and maintained following the MoF manual and standards.
- Liaisons with the vendors that service the Polytechnic shall be maintained.
- Bahrain Polytechnic stores and the borrowing of items from stores shall be managed and maintained following the MoF manual and standards.
- Timely preparation, reviewing, submission and reporting of budget.
- Effectively manage and protect Bahrain Polytechnic financials resource from situations where mishandling of funds can arise by requesting, approving, updating and revoking access from financial delegations.
- Accurate and prompt generating of financial reports.
- Resolving financial system functional issues and requests in a timely manner.

6. Key Dates

First Approved:

This Version Approved: SMT 14/2/2016, (Reviewed by Legal 17/2/2016), TECO 21/2/2016, Audit Committee 23/2, BoT 29/2/2016

Next Review Date: 4 years from this version approval date or as required

7. Links and Related Documents

- Tender Board rules and regulations
- Ministry of Finance Standard Financial Manual