

KINGDOM OF SAUDI ARABIA
Ministry of Higher Education
NAJRAN UNIVERSITY



Regulations for Universities Financial Affairs



Kingdom of Saudi Arabia Higher Education Council General Secretariat Regulations for Universities Financial Affairs Issued by the Higher Education Council, Resolution No. (6/2) in its (Second) session held on 11/6/1416 H. and endorsed by the Royal Directive of the Custodian of the Two Holy Mosques, Prime Minister, and President of the Higher Education Council, in the telegram No. (7/b/9045) dated 27/6/1416 H. First Edition 1417 H – 1996 The Higher Education Council Resolution No. (6/2) dated 11/6/1416 H. The Higher Education Council In accordance with the provisions stated in Paragraph (9) of Article (15) of the Statutes and Regulations of the Higher Education Council stipulating that the Council is authorized to issue rules and regulations pertaining to the universities financial affairs, including rules of students' allowances, subsidies and others, laid down by the Ministry of Higher Education and Ministry of Finance and National Economy; And by virtue of the provisions of Article (51) of the Statute stating that the Higher Education Council shall stipulate pre-disbursement financial auditing provisions after being laid down by the Ministry of Higher Education, Ministry of Finance and National Economy and the General Auditing Bureau. And on the basis of the provisions of Article (54) of the Statutes that stipulates the following:

- A. The University shall conduct academic services and studies for Saudi bodies in return for financial amounts; and the proceeds of such studies and services shall be deposited in a separate account to be used for purposes defined and regulated by the Higher Education Council.
- B. The University Council may accept donations, grants, bequests and endowments; the Council may also accept conditioned donations or those designated for specific purposes, only if the conditions or the purposes comply with the University's mission. The donations shall be deposited in a separate account to be used for the purposes defined and regulated by the Higher Education Council. And whereas the rules and regulations for the financial affairs are common amongst Universities and their approval

is bound to regulate financial procedures at Universities, And having reviewed the memorandum for the General Secretariat of the Higher Education Council on this issue, and the copy of the Regulations for Universities Financial Affairs attached to the herein memorandum, the Council decrees the following "Approval of the Regulations for Universities Financial Affairs according to the form attached to the Resolution" ?

Budget:

Article (1): Every university shall have a separate budget of its own, ratified by a royal decree that defines its revenues and expenditures. Budget implementation shall be subject to the supervision of the General Auditing Bureau, where the University fiscal year is the same as that of the Kingdom.

Article (2): Revenues of each university shall consist of:

- a) Appropriations specified in the Kingdom's Budget.
- b) Donations, grants, bequests and endowments.
- c) Revenues of university property sold or kept. d) Any revenues earned from research projects, studies or academic services presented to others.

Article (3): Each university shall be responsible for preparing its own draft budget in coordination with university colleges, institutes, centers, branches and administrations according to estimations accompanied with a statement of justifications to such estimations.

Article (4): In conformity with the regulations issued by the Kingdom's General Budget, expenses of each university shall consist of the following chapters: Chapter One: Salaries, wages and allowances.

Chapter Two: Operational, consumptive and administrative expenditures. Chapter Three: Expenditures of maintenance and operation programs. Chapter Four: New projects and constructions.

Article (5): Taking into account the time limits specified by the Ministry of Finance and National Economy to submit the draft budget, the University Rector shall submit the draft budget to the University Council and the Minister of Higher Education for approval.

Article (6): Transfers among budget sections or items shall be in accordance with the budget decree.

Article (7): It is not permitted to disburse any amount of money unless there is a previous engagement made within the limits of the budget appropriations, or after issuing an amendment approval by concerned authority. **Article (8):** University funds are deposited under its name in the Saudi Arabian Monetary Agency, or any of its branches in the Kingdom; and it is permitted, upon the approval of the University Council, to deposit the funds in a bank or more if the work interest so requires. ?

Purchases and Work Assignment:

Article (9): University Rector, regarding purchases and work assignment, has the following authorities:

- a) Release of public tenders of purchases and works, and deciding payments in this regard within the limit of 15 million Riyals. Any tender accounts that exceed this amount of money shall be referred to the President of the University Council to consider
- b) Direct assignment of work implementation and direct purchasing within the limit of one million Riyals
- c) Acceptance of the only submitted bid, within the limits of the above mentioned amounts of money and within her/his terms of reference; that is, if work demands instant invitation of the bid rather than waiting for future tenders.

Article (10): The University Rector, in accordance with the statute of government purchases insurance, and project implementation, may pass some of

her/his financial authorities, regarding purchases and work assignment, to University Vice-Rectors, Deans, Heads of Institutes, Heads of Departments, and others in the University institutions, provided that deputations graduate in compliance with the assigned persons' terms of reference.

Article (11): Each item that has no specific text in the herein Statutes and Regulations for purchases and work assignment shall be subject to the provisions of government purchases insurance, issued by the Royal Decree No. (m/14) dated 7/4/1397 H. or any thereto amendments.

Article (12): In agreement with the rules renting, pulling down of government buildings and/or renting others, the University Rector or her/his empowered deputy, on this perspective, shall:

- a) Rent university property, renew lease contracts or terminate the
- b) Pull-down the buildings that are endangered to fall or posing threats to lives
- c) Rent property or estates belonging to others.

Warehouses:

Article (13): All University assets and possessions must be subject to actual inventory at least once every two years to match them with the assets records, prior submitting a report on this concern to the University Rector by a committee formed by her/him. Otherwise, the organization process of University warehouses shall follow the rules and procedures of government warehouses adopted upon the resolution issued by the Minister of Finance and National Economy No. 21/4201, dated 11/8/1403 H., and its amendments. ?

Collection and Disbursement:

Article (14): Upon the approval of the University Rector, or the empowered deputy, the University may disburse a permanent loan for each college, institute, deanship, center or administration in the University, provided that items of disbursement are specified. The loan shall be kept in custody of the Funds'

secretaries, cashiers or the head of the administration; such procedures shall be conducted according to budget rules and regulations.

Article (15): The University Rector, or the empowered deputy, shall assign, on undefined dates, the person who shall make the inventory for the permanent loan. The loan must be liquidated prior to the end of each fiscal year.

Article (16): A temporary loan may, upon the approval of University Rector or the empowered deputy, be disbursed for specified purpose. The loan shall be liquidated as soon as the purpose of disbursement is fulfilled. **Article (17):** In agreement with the rules of Articles (47) and (48) of the herein Statutes and Regulations, any disbursement, collection of money and expenditure, regarding the returns of University property, sold or kept, shall comply with financial instructions of budget and accounts.

Article (18): Unless there is a specific text stating otherwise in the herein Statutes and Regulations, the University shall collect and deposit its revenues in Saudi Arabian Monetary Agency, in the account set for the Ministry of Finance and National Economy on the basis of a written permission regarding collection or deposit. An account of the abovementioned amounts of money shall be registered in account records according to the Agency's notice.

Article (19): Any item that has no specific reference in the text of the disbursement and collection rules and regulations shall be subject to the financial instructions of budget and accounts, and any hereto amendments.

Financial Auditing:

Financial Auditing Before Disbursement

Article (20): Every university, in accordance with its work demands, shall appoint a comptroller, and one or more assistants, chosen by the University Council and recommended by the University Rector. Appointment shall be for three years subject to renewal, and they shall report to the University Council. In cases of the absence of the comptroller, or submission of an excuse that prevents

her/him from performing the assigned duties, the University Rector shall assign an assistant or senior assistant – in case there are many – to perform the comptroller's duties and report them to the University Council.

Article (21): The comptroller, or her/his assistant, should be a Saudi acknowledged for his good reputation and integrity and well qualified both academically and professionally to perform the job.

Article (22): Comptroller should verify that all processes of disbursement and collection follow the Universities and Higher Education Council Statute and the herein Statutes and Regulations.

Article (23): Cash, check or transfer disbursement of any amount of money is not allowed unless by a written permission from the comptroller.

Article (24): Disbursement of any amount of University funds is not allowed unless it is endorsed by original documents; and in case of disbursement on the basis of document copies or replacements of lost documents, procedures must follow operative decisions and instructions.

Article (25): The comptroller should verify that the appropriations allocated in the University budget as well as the statute and release decrees issued by the concerned authority in the University allow for disbursement. The comptroller should abstain from signing any documents that violate the rules of the approved budget, the rules and regulations adopted by the University, or the financial statements of the balance budget and accounts, stating in writing the reasons for abstinence from signing. In cases of disagreement between the comptroller and the head of the financial administration regarding disbursement, the issue shall be referred to the University Rector, with a report of both views. Any decision reached in this respect by the University Rector shall be obligatorily implemented. If the comptroller is not convinced by the decision of the University Rector, s/he shall, after implementation of decision, write a report and submit it to the University Council, and any decision made by the University Council in this respect, shall be conclusive.

Article (26): The comptroller shall revise the accounts records at least once every three months, and verify that all accounting restrictions are followed according to the herein Statutes and Regulations, and to the applied rules of accounting.

Article (27): The comptroller has the following specific responsibilities:

- a) Verify that all movable or unmovable University funds are used for the designated purposes, and that concerned administrations adopt appropriate procedures to insure that funds are safe, well-used and well- exploited.
- b) Follow up the application of statutes, financial rules and regulations, and acknowledged rules of accounting. Reports related to application, adequacy, and appropriateness of the set rules and regulations have to be reported to the University Rector.
- c) Inspect the inventory and consignments every three months to verify that no unjustified deposits remain in the two accounts.
- d) Verify the application of the rules of warehouses, supervising inventory process, and insuring related safety measures.

Article (28): The Comptroller shall be a member of the Tenders Inspection Committee in the University.

Article (29): In collaboration with the University concerned parties, the comptroller and assigned warehouse and financial affairs inspector shall have the right to require and review all data and necessary information relevant to performing their tasks. ?

Financial Auditing After Disbursement:

Article (30): Without violating the task of the General Auditing Bureau, the University Council shall appoint one or more external comptrollers, who perform similar duties and enjoy equivalent legal authorities regarding accounts auditing in corporations. Appointment shall be for one fiscal year liable to renewal, and the Council defines the comptroller fees.

Article (31): It is not permitted to combine between the job of an external comptroller and the membership of any of the University Councils or its positions.

Article (32): The comptroller has the right to review all the records and documents, demand any data or clarifications that s/he deems necessary to perform the assigned tasks. The comptroller should also investigate University assets and obligations.

Article (33): In the case of hindering the task of the external comptroller, s/he should state that in a report submitted to the President of the University Council to consider and reach a decision in this respect as soon as possible. A copy of this report shall be submitted to the University Rector.

Article (34): The external comptroller should review University accounts, and submit a report in this respect to the University Rector every three months.

Article (35): If the comptroller discovers any embezzlement or other breaches that endanger the university funds, s/he must immediately state that in a report submitted to the University Rector to carry out necessary procedures. A copy of the report shall be submitted to the President of University Council.

Article (36): The external comptroller should review and verify the University annual closing account of the financial position, and submit a report in that respect to the University Council, within the maximum time limit of two months after the end of the fiscal year. S/he should also provide, along with the closing account, her/his opinion regarding the University's financial position, and her/his conviction of any clarifications or information s/he has asked to be provided by the University Administration, and attach with it a report that includes remarks, suggestions and analyses of the closing account.

Article (37): The University Council shall discuss the university annual closing account to be submitted it to the Cabinet. A copy of the report shall also be submitted to the Ministry of Finance and National Economy, and the General Auditing Bureau.

Accounting:

Article (38): The University shall possess an accounting system that complies with the financial instructions regarding budget and accounts, along with all elements of internal auditing, and shall serve to provide any required reports to the administration and concerned authorities.

Article (39): The Fund Secretary shall not keep any amounts of money except that of the University fund; and any amounts of money found in the fund shall be considered as University possession. The Fund Secretary shall be held responsible for any cash deficiency, if there is any.

Article (40): Besides the supervision of the General Auditing Bureau, the head of the financial administration and the comptroller shall carry out regular abrupt inspections on the Fund to make an inventory of its assets. A report shall be filed and registered, regarding this matter, in the Fund's daily record, and submit a copy of the minutes of the report to the University Rector.

Students' Allowances and Subsidies:

Article (41): Unemployed undergraduate and graduate Saudi regular students in the University shall receive the following allowances and subsidies:

A. Undergraduate Students:

1. One thousand Riyals (SR1000) shall be given as a monthly allowance to students of scientific majors; and eight hundred and fifty Riyals (SR 850) to the students of theoretical majors.
2. A monthly financial subsidy that equals the salary of the first level of the fifth rank shall be given to blind students under the name of Reader's allowance. The blind students shall also be equipped with certain facilities.
3. One thousand Riyals (SR 1000) as an Excellence allowance shall be given to the student who acquires an 'Excellent' grade at the end of the academic year.

B. Post Graduate Students:

1. Nine hundred Riyals (SR 900) shall be given as a monthly allowance.
2. One month allowance shall be given annually as references and books allowance, but shall be paid only within the limits of the official duration assigned, without further extensions, to finish their studies.
3. Three thousand Riyals (SR 3000) shall be given as a separate allowance for printing the dissertation for MA students and four thousand Riyals (SR 4000) for PhD students.
4. A monthly financial subsidy that equals the salary of the first level of the fifth rank shall be given to blind students under the name of Reader's allowance. Blind postgraduate students shall also be equipped with certain facilities.

Article (42): Post Graduate Students on official scholarship outside the Kingdom shall receive the following allowances and subsidies:

- a) A monthly allowance similar to that granted to Saudi students.
- b) One thousand Riyals (SR 1000) Excellence allowance founder graduate student who receives an 'Excellent' grade at the end of the academic year.
- c) One month allowance given annually as references and books allowance, and paid only within the limits of the official duration assigned, without further extensions, to finish their studies.
- d) Three thousand Riyals (SR 3000) shall be given as a separate allowance for printing the dissertation to MA students, and four thousand Riyals (SR 4000) to PhD students.
- e) An Economy travel ticket is provided to the student towards the end of every academic year through the closest place to her/his residence, provided that the student did not receive any tickets from other source.

Article (43): The University shall provide housing for the unemployed regular undergraduate and post graduate students only if housing is available at the university campus.

Article (44): If the academic program of the student requires that s/he travels outside the study city, the University shall, on the basis of a recommendation by the department and college councils and the approval of the University Rector, give her/him a two-way economic travel ticket only once during the study period.

Article (45): The University may provide low-priced meals for students, and the University Council shall set the amount of money every student pays for the meal.

Article (46): On the basis of a resolution issued by the University Rector, regular students at University colleges may be employed in some appropriate jobs, provided that working hours do not clash with class hours. Appointment shall be bound to the following regulations:

- 1- Availability of financial appropriations.
- 2- Contracts with the students shall be based on the hour system, or temporary jobs.
- 3- Allowance shall not exceed one thousand Riyals (SR 1000) per month.

Purposes and Rules of Disbursement of Revenues for University Academic Research, Studies, and Services:

Article (47) The University may conduct academic studies or services for Saudi bodies for financial returns. Revenues of such studies and services shall be deposited in a separate account, and disbursement shall be allocated for the following purposes:

1. Development of academic research, services, and training in the University in accordance with the set regulations.
2. Expenditure on costs of study, research, and academic services stated herein in accordance with the following procedures and rules:
 - a) The University shall conduct studies, research, and academic services for Saudi bodies by virtue of a written

contract or agreement, in which it defines the required work, the parties of the contract, the deadline for executing the work, conditions, costs, method of payment, number of participants, and supervisor of the project, provided that the specializations of the participants go along with the nature of the work.

b) An estimated budget shall be set for each contract or agreement in which is defined all direct and indirect estimated costs, whether these are materials or costs of employment. This budget shall include consultants' fees, expenditures, and costs required to execute work through subcontract.

c) Costs are collected depending on defined payment conditions stated in written contracts and agreements, and they shall be deposited in a separate account to be spent on specified purposes.

d) The Financial amounts stated in annually valid contracts shall be used until the completion of the projects, financially and technically.

e) Residue of contract revenues for technically and financially completed services and studies shall be deposited in a separate account to disburse from according to a resolution issued by the University.

f) The University Council, upon a recommendation by the University Rector, may sign contracts with researchers and personnel, from inside or outside, the University to execute funded projects, provided that employment shall be confined to the term of contract execution, study, or service.

g) The University Council, upon a recommendation by the University Rector, may sign contracts with project consultants, from inside or outside the Kingdom, to provide consultancy services. A contract shall define the duration of consultation, the nature of the work, remunerations: including consultancy fees, housing and accommodation expenses, and traveling as stated in the signed contract.

h) Revenue of these studies and services shall be deposited in a separate account under the name of the University either in the Saudi Arabian Monetary Agency, its branches, or the bank which the University deals with.

i) Upon the approval of the University Rector or an empowered deputy according to the recommendation of the head of the concerned institution and/or the study supervisor, expenses shall be withdrawn from the separate account via official documents. Expenses shall be controlled by the University Comptroller.

j) The University Rector or her/his empowered deputy may, upon a request from the supervisor and a recommendation from the Dean or Head of the institution, grant a permanent loan to be spent on the project in accordance with the rules organizing loan payments in the University, provided that it shall be adjusted periodically after fulfilling its purposes.

k) In agreement with the estimated costs of the project's budget, a remuneration is given to researchers and other participants who work in the project according to the following regulations:

1. University personnel are paid according to the actual working hours of each; and the average of an hour shall be within the limit of contract value, provided that it does not exceed the salary of four months annually for each individual.

2. External consultants, researchers, and personnel are paid in accordance with the costs stated in the contract.

l) In agreement with the gross costs of each training course, remuneration is given to participants in return for delivering academic and training lectures, and that is conducted in accordance with the defined remunerations of extra-curricula lectures listed in the Recruitment Regulations for Saudi Staff Members.

m) After the research and study are being conducted, insured property ownership shall be returned to the University.

n) Separate accounts of research, studies, and services shall be audited annually by the University comptroller and s/he shall submit a report in this respect to the University Council.

Rules of Approving and Disposing of University Donations, Grants, Bequests, and Endowments:

Article (48): The University Council may accept given donations, grants, bequests, and endowments. It may also accept conditioned donations or those designated for specific purposes if the conditions or specified purposes comply with the University's mission. Such donations shall be deposited in a separate account to be used for the assigned purposes in accordance with the following regulations:

1. The donations shall be deposited in a separate account under the name of the University in the Saudi Arabian Monetary Agency, or in a local bank provided that the balance is running annually.
2. Donated assets and premises shall be evaluated when received.
3. All donations, grants, endowments, and bequests shall be recorded in a special register.
4. Disbursements of donations, grants, bequests, and endowments shall subject to the following regulations:
 - a) If the donator specified methods of benefiting from the donation, grant, bequest, or endowment, whether it is in cash or real estate, it shall be spent in purposes specified by the donator.

b) If the donator did not specify methods of benefiting of the donation, grant, bequest, or endowment, whether it is in cash or real estate, the University Council shall define the methods of getting benefit.

c) Expenses are withdrawn from the separate account under official vouchers and shall be subject to the control of the comptroller.

5. Upon the approval of the University Rector, expenses shall be withdrawn from the separate account within the maximum limit of one million Riyals, and extra amounts of money shall be given to the University Council.

6. The comptroller shall periodically audit and review documents of donations, grants, bequests, endowments, along with the separate account, and shall submit a report in this respect to the University Rector.

7. At the end of each fiscal year, the comptroller shall ensure the registration of donated assets and property in the University assets according to the established accounting rules, and shall submit a report in this respect to the University Rector.

General Provisions:

Article (49): Any item that is not stated in a specific text in the herein Statutes and Regulations, is subject to the statutes, executive rules and regulations, systems, instructions, and applied resolutions of the Higher Education Council and Universities

Article (50): The herein Statutes and Regulations shall supersede the existing financial rules of Universities. **Article (51):** In agreement with the provisions of the Statutes and Regulations of the Higher Education Council and Universities, universities shall stipulate the required detailed procedures to implement these statutes and regulations.

Article (52): The herein Statutes and Regulations shall be implemented two months from the date of endorsement.