

AL AKHAWAYN UNIVERSITY IN IFRANE

جامعة الأخوين
AL AKHAWAYN
UNIVERSITY



OPERATIONAL PROCEDURE MANUAL

OPERATING AND INVESTMENT BUDGET

May 2016

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1 Scope of the procedure

This procedure defines the various stages of elaboration and execution of the operating and investment budget to determine the necessary means for the realization of the objectives of the university.

2 Objective of the procedure

The objective of this procedure is to:

- Highlight the means to be implemented to check the realization of the objectives of the university through the implementation of an appropriate budgetary control.
- Make sure that the emitted orders do not exceed the assigned budgets.

3 Principles and rules

The budgetary procedure is a tool of formalization of the forecasts and translation of the medium-term objectives and the plans in annual programs.

The budget is a commitment of the persons in charge on the objectives to reach; it contributes to the formalization of the criteria of performance.

The budget is developed at the level of the VPFA in association with the various departments and the services of the University.

4 Main participants

- President
- VPFA,
- Business Office,
- All departments and services of the university,
- Purchasing service.

5 AUI Budget Planning Cycle

The various circuits of treatments of the operations of preparation of the budget can be summarized as follows:

Calendar	Circuits	Department or concerned service
<ul style="list-style-type: none"> ▪ Budget Letter Before the end of May N-1 	<ul style="list-style-type: none"> ▪ Distribution of University strategic objectives and planning schedule 	<ul style="list-style-type: none"> ▪ Entities concerned with budget planning.
<ul style="list-style-type: none"> ▪ Before the end of June N-1 	<ul style="list-style-type: none"> ▪ Establishment of the AUI overall budget plan, completion of detailed action plans with associated valuation of needs 	<ul style="list-style-type: none"> ▪ Entities concerned with budget planning / Business Service.
<ul style="list-style-type: none"> ▪ Before the end of July N-1 	<ul style="list-style-type: none"> ▪ Consolidation of the budgets 	<ul style="list-style-type: none"> ▪ VPFA / Business Office
<ul style="list-style-type: none"> ▪ Before the end of July N-1 	<ul style="list-style-type: none"> ▪ Examination of budget drafts 	<ul style="list-style-type: none"> ▪ VPFA/President
<ul style="list-style-type: none"> ▪ Before the end of September N Final budget 	<ul style="list-style-type: none"> ▪ Approval of the budgets 	<ul style="list-style-type: none"> ▪ President

6 Position of budget management in the Business Model of AL AKHAWAYN UNIVERSITY

EXTERNAL FORCES					
LIFE STYLE	PROGRAMS	INTERNET	ECONOMIC ENVIRONMENT	TRAINING	JOB MARKET
TEACHERS	STUDENTS LIFE	STUDENTS EXCHANG	COMPETITORS	MOROCCAN EDUCATIONAL SYSTEM	TECHNOLOGY

COMPETITORS	PROCESS OF ALAKHAWAYN UNIVERSITY	ALLIANCES / SUPPLIERS	PRODUCTS/ SERVICES	CUSTOMERS
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<ul style="list-style-type: none"> - Private Universities - School of Economics and governance. - School of business management 	<p>PROCESS OF STRATEGIC MANAGEMENT</p> <p>ROYAL DAHIR BOARD OF DIRECTORS GOVERNANCE OF UNIVERSITY</p> <hr style="border: 1px solid green;"/> <p>KEY OPERATIONAL PROCESSES</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #cccccc; text-align: center; padding: 5px;">University programs</td> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Conference/ Master class</td> </tr> <tr> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Students Exchange</td> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Extracurricular activities</td> </tr> <tr> <td colspan="2" style="background-color: #cccccc; text-align: center; padding: 5px;">Social life</td> </tr> </table> <p>PROCESS OF RESOURCE MANAGEMENT</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Management of human resources</td> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Management of assets</td> </tr> <tr> <td style="background-color: #ff0000; text-align: center; padding: 5px;">Finance / Treasury</td> <td style="background-color: #cccccc; text-align: center; padding: 5px;">Budget management</td> </tr> </table>	University programs	Conference/ Master class	Students Exchange	Extracurricular activities	Social life		Management of human resources	Management of assets	Finance / Treasury	Budget management	<ul style="list-style-type: none"> ▪ Other Partners <p>International partnership</p> <ul style="list-style-type: none"> - International universities <p>National partners :</p> <ul style="list-style-type: none"> - National university, University Sidi Mohammed ben Abdellah de Fès. - National institution : ONDH, ONEP, etc. 	<ul style="list-style-type: none"> ▪ University programs <ul style="list-style-type: none"> - Business administration, - Social and Human science, - Science and engineering, <ul style="list-style-type: none"> ▪ Arabic programs ; ▪ Language centre ; ▪ Primary and secondary school ▪ Conference and master class. 	<ul style="list-style-type: none"> ▪ Students ▪ Professionals
	University programs	Conference/ Master class												
Students Exchange	Extracurricular activities													
Social life														
Management of human resources	Management of assets													
Finance / Treasury	Budget management													

7 Processing cycle

□ PROCEDURE : OPERATING AND INVESTMENT BUDGET

- **PHASE 1 :** BUDGET PLANNING
- **PHASE 2 :** EXECUTION AND BUDGET FOLLOW-UP
- **PHASE 3** BUDGETARY INCREASE

Procedure	Operating and investment budget	Established in : May2016		
Phase 1	Budget planning	Page : 1/2	Version I	

Actions		NT	Participants			
			President	Entities concerned by the establishment of the budget	VPFA	Budget Service
1.	Objectives of the University determined by the President for the year N+1 during the last quarter of the year N.	D	✓			
2.	Transmission by the President of the objectives to the various entities concerned by the elaboration of the budget.	E		✓		
3.	Completion by the various entities of their operating and investment budgets for the year N+1, according to the directives fixed by the President and the realizations of the year n-1,	E		✓		
4.	Transmission to VPFA and to the budget service of the temporary operating and investment budgets by the various entities .	E		✓	✓	✓
5.	Overall budget plan established by the budget service based on the data received from the various entities involved in budget planning.	E				✓
6.	Submission of the overall budget plan to the VPFA for review	D			✓	
Following						

NT : Nature of the task E : Execution C : Control D : Decision A : Authorization I : Information

Procedure	Operating and investment budget	Established : Mai 2016	
Phase 1	Budget planning	Page : 2/2	Version I

Actions		NT	Participants			
			Board Of Directors	Budget Service	VPFA	Entities concerned by the establishment of the budget
Following						
7.	Submission by the VPFA of the budget plan to the President for validation.	E/D/A	√			
8.	Transmission by the President of the budget plan to the board of directors for approval. If the budget is approved, then the budget plan is passed on to the budget Service; otherwise task 3.	E	√	√		
9.	Elaboration by budget service of the approved final budget of the year N+1	E		√		
10.	Transmission by budget service of the approved final budget to VPFA and President for signature.	E	√	√	√	
11.	Transmission by VPFA of the signed approved budget to budget service.	E		√	√	
12.	Transmission by the budget service of a copy of the signed and approved budget to the various entities.	E		√		√
End						

NT : Nature of the task E : Execution C : Control D : Decision A : Authorization I : Information

Procedure	Operating and investment budget	Established : Mai 2016	
Phase 2	Execution And Budget Follow-Up And Control	Page : 1/2	Version I

Actions		<i>NT</i>	Participants		
			Purchasing department	Budget service	VPFA
Start					
1.	Receipt by the budget service manager of: - of the duly signed order form, - comparative Picture of the prices for purchases by order form, - The minutes of the commission of bids opening for purchases by tenders, Passed on by system by the purchasing department.	E	√	√	
2.	Reconciliation by the budget service manager of the amounts of purchase with budget sheets. If the purchase was budgeted, then Task 4 ; Otherwise the purchase requires an authorization procedure of budget overrun.	E		√	
3.	Validation in case of agreement by the budget service of the order form or the minutes of the commission of bids opening for purchases by tenders.	A		√	
4.	Submission by the budget service of the order form or the minutes of the commission of bids opening to VPFA.	E		√	√
5.	Validation of the file by the VPFA.	E			√
6.	Establishment by the purchasing department of the order form or the contract for signature.	E	√		
Following					

NT : Nature of the task

E : Execution

C : Control

D : Decision

A : Authorization

I : Information

Procedure	Operating and investment budget	Established in: May 2016		
Phase 2	Execution And Budget Follow-Up And Control	Page : 2/2	Version I	

Actions		<i>NT</i>	Participants				
			Budget service	Concerned entities	Director of Business Office	VPFA	President
7.	Monitoring of the commitment on the concerned budget sheet based on order form or duly signed contract by the budget service manager.	E	√				
8.	Receipt by the budget service manager of the order of payment signed by the VPFA.	E	√			√	
9.	Monitoring of the payment by the budget service on the concerned budget sheet.	E	√				
10.	Edition at the end of the month by the budget service of a statement of variances between the budgeted amounts and those committed	E	√				
11.	Transmission at the end of the month by the budget service of the summary statements of variances to VPFA and to Director of the Business Office and to concerned entities.	E/I	√	√	√		
12.	Completion by the budget service manager of a periodic report of budget follow-up and submission of this report to the Director of the Business office.	E/I	√				
13.	Transmission by the Director of the Business Office of the periodic report of budget follow-up to the President.	E			√	√	√
End							

NT : Nature of the task E : Execution

C : Control

D : Decision

A : Authorization

I : Information

Procedure	Operating and investment budget	Established in : Mai 2016	
Phase 3	Budgetary Increase	Page : 1/1	Version I

Actions		<i>NT</i>	Participants			
			Budget service	Director of Business Office	VPFA	President
Start						
1.	Establishment by budget service manager of a request for overrun of the annual budget assigned to the section and of a table of credit transfers in duplicate.	E	√			
2.	Transmission by budget service manager of the request for overrun of the annual budget and the table of credit transfers to the Director of the Business Service for signature and to VPFA and to President for approval. If the request for credits transfer is approved, then Task 3 ; Otherwise , the Director of the Business Service cancels the expenditure or revises the purchase order downwards.	E/A	√	√	√	√
3.	Updating by budget service manager of the concerned budget sheets.	E	√			
End						

NT : Nature of the task E : Execution C : Control D : Decision A : Authorization I : Information

OPERATING BUDGET (INSERT THE YEAR)

Printout 2

CHAPTER N°...: EXPENDITURES OF

Code	Wording of the heading	Load Forecasts (Insert the year)
TOTAL CHAPTER N°.....		
TOTAL OF OPERATING EXPENDITURES		

**Printout 2
 (Following)**

INVESTMENT BUDGET (INSERT THE YEAR)

CHAPTER N°...: EXPENDITURES OF

Code	Wording of the heading	Load Forecasts (Insert the year)
Total CHAPTER N°.....		
Total of investment expenditures		

8 Template for budget follow-up report

**REPORT OF BUDGET FOLLOW-UP
MONTHLY CLOSE ON DD/ MM / YY**

Table of contents

1. Striking facts
2. Analysis of the budgetary situation
3. Table of corrective follow-up actions
4. Table of commitment follow-up
5. Table of forecast of expenditures

ANALYSIS OF THE BUDGETARY SITUATION

BUDGET ACCOUNTING CLOSURE ON DD / MM / YY

1. Striking facts of the period

1.1 Budgetary commitments:

Describe briefly the striking facts relative to the expenditures engaged by the university on the basis of the analysis of the budgetary columns.

1.2 The transfers of credits:

Indicate the transfers of credits over the period based on analysis of the budgetary headings.

1.3 Expenditure estimates:

Describe briefly the most important expenditure estimates on the basis of the analysis of the budgetary headings.

2. Analyzis of budgetary headings

2.1 Investment Budget:

Analyze the headings which recorded the most important variations. Use the budget sheets and the table of commitments follow-up.

2.1.1 Analysis of the commitments and the payments :

Analyze the headings which registered the most important variations. Use the budget sheets and the table of commitments follow-up.

- Enter the title of the budgetary headings:

The analysis explains the main movements of the period by highlighting the nature of the committed expenditures, the amount and the characteristics of tenders, if necessary. Analyze also the evolution of the commitments of the budget heading with regard to the previous period.

- Enter the title of the budgetary heading :

Proceed to the same analysis as the previous paragraph for all the budget heading having registered significant variations... Add as many paragraphs as budget headings.

2.1.2 Forecasts of expenditures:

Analyze the heading under important expenditure. Use the table of provisional expenditures.

- Enter the title of the budgetary heading :

Describe the main equipment expenditures to be committed by the company for future periods by indicating the scope of the expenditure, the estimated amount and the date of completion.

- Enter the title of the budget heading :

Insert as many paragraphs as budget headings under important expenditures.

2.1.3 Transfers of credits:

- List the budget heading under transfers of credits by specifying the lines which increase and by mentioning the origin of funds.
- According to expenditure estimates, indicate the budget headings which will require an increase.

2.3 Operating Budget:

Analyze the heading which registered the most important variations. Use the budget sheets and the table of commitments follow-up.

2.3.1 Analysis of commitments and payments:

Analyze the heading which registered the most important variations. Use the budget sheets and the table of commitments follow-up.

- **Enter the title of the budget heading :**

The analysis consists in explaining the main movements of the period by highlighting the nature of the committed expenditure, the amount and the characteristics of the tenders if necessary. Analyze also the evolution of the commitments of the budget heading with regard to the previous period.

- **Enter the title of the budget heading:**

Proceed to the same analysis as the previous paragraphs for all the budget heading having registered significant variations. Add as many paragraphs as budget headings.

2.3.2 Forecasts of the expenditures :

Analyze the heading under important expenditures. Use the table of the provisional expenditures.

- **Enter the title of the budget heading:**

Describe the main operational expenditures to be committed by the university for future periods to come by indicating the scope of the spending, the estimated amount and the date of competition.

- **Enter the title of the budget heading:**

Insert as many paragraphs as budget headings under important expenditures.

2.3.3 Transfers of credits:

- List the budget heading under transfers of credits by specifying the lines which increased and mentioning the origin of funds.
- According to expenditures estimates, indicate the budget headings which will require an increase.

TABLE OF THE CORRECTIVE AND FOLLOW-UP ACTIONS
BUDGET CLOSURE ON DD/MM/YY

Observations	Consequences	Recommendations	Recommendations Follow-up	Comments
<p>■ Enter the title of the budget heading</p> <p>- Enter the striking facts having a significant impact on the budget heading.</p> <p>Example: possible budget overrun, exaggerated expenditure,</p>	<p>- Describe the impact of these facts on the budget line.</p>	<p>Propose an action plan in cooperation with the VPFA.</p>	<p>State completion of the action plan to this day, using the follow-up sheet of corrective actions.</p>	<p>Draft comments concerning the follow-up of recommendations (example: difficulties met for the implementation of the plan, the delay taken for its completion)</p>

TABLE OF COMMITMENTS FOLLOW-UP (INVESTMENT BUDGET)

BUDGET CLOSURE ON DD/MM/YY

Section	Commitment Month M			Commitment month m-1 (2)	Variation (1) – (2)	Initial budget	Cumulative commitment	Available
	Completions (1)	Estimation	Variations					
Purchase of computer equipment								
Purchase of office furniture								
Etc.								
Total of equipment spending								

TABLE OF COMMITMENTS FOLLOW-UP (INVESTMENT BUDGET)
BUDGET CLOSURE ON DD/MM/YY

Section	Commitment Month M			Commitment M-1 (2)	Variation (1) – (2)	Initial Budget	Cumulative Commitment	Available
	Completion (1)	Estimation	Variation					
Purchase of office furniture								
- Insert budget lines								
Staff expenses								
- Insert budget line								
Etc.								
Total operating budget								

TABLE OF THE PROVISIONAL EXPENDITURES
BUDGET CLOSURE ON DD/MM/YY

Name	Nature of expenditure	Amount	Date of completion
Investment expenditures		Total	
Enter the concerned budget line	Specify the nature of the expenditure		
Operating expenditures		Total	
Enter the concerned budget line	Specify the nature of the expenditure		