وزارة المالية والاقتصاد الوطني
Ministry of Finance
and National Economy

Standard Financial Manual

Version 1.11 - July 2026

#فريق_البحرين
#TeamBahrain

2030
البحرين
BAHRAIN

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Glossary of Terms

Terms	Definition
Accounts and Financial Systems Directorate	A directorate within MOFNE responsible for supervising the Centralized Financial Systems, government accounts reconciliation, developing the Standard Financial Manual systems, and setting the controls for government assets and inventory.
Central Procurement Directorate	A directorate within MOFNE responsible for government central procurement.
Budget Directorate	A Directorate within MOFNE responsible for supervising the state's public budget.
Central Efficiency Directorate	A directorate within MOFNE responsible for supervising the public recurrent expenditures.
Project Directorate	A directorate within MOFNE responsible for supervising the public projects budget.
Public Revenue Policy Directorate	A directorate within MOFNE responsible for setting the state's public revenue policy.
Payments and Collection Directorate	A directorate within MOFNE responsible for payment and revenue collection.
Financing Operations Directorate	A directorate within MOFNE responsible for financing operations and government bank accounts.
Government Property Affairs Directorate	A directorate within MOFNE responsible for supervising government properties.
International Relations Directorate	A directorate within MOFNE responsible for international relations.
Acquisition and Compensation Directorate	A directorate within the Ministry of Municipalities Affairs and Agriculture responsible for processing land acquisitions.
Audit and Communication Directorate	A directorate within MOFNE responsible for auditing and communicating.
Acquisition	Expropriation of real estate and any rights in kind or personal to implement a project for public

	benefit, in accordance with the provisions and procedures specified in the Acquisition Law.
External Revenue	Revenue due to the government for transactions with suppliers from outside the Kingdom of Bahrain, whether collected inside or outside the kingdom.
Building rehabilitation	Maintenance work that includes all the work involved in the comprehensive maintenance, and the works that result from major change in the design of the building.
Temporary seizure	Placing a possession temporarily by direct execution on the real estate in accordance with the Expropriation Law.
Asset's improvement	Any change that improves assets, such as extending its useful life or improve its use or effectiveness.
Budget carry forward	Transferring the remaining budget from one period to another.
Authorization of financial transaction	Approval to conduct a financial transaction by either signing the financial documents electronically or on paper or approving it in the Central Financial System.
Price	A sum of amount that government entity collects from clients in exchange for government services of a competitive nature.
Requesting entity	The government entity which receives the service.
Government entity	Ministries, and government entities that are subject to the provisions of the Budget Law.
State Cases Authority	The State Cases Authority at the Ministry of Justice, Islamic affairs and Waqf.
The government	Government of the Kingdom of Bahrain
The public Account	Group of bank accounts supervised by MOFNE and used to deposit revenue and finance government expenditures.
Upper limit	Part of an inventory control system that determines the upper level of storage for a particular good.
Lower limit	Part of an inventory control system that defines the minimum level for stocking a particular commodity

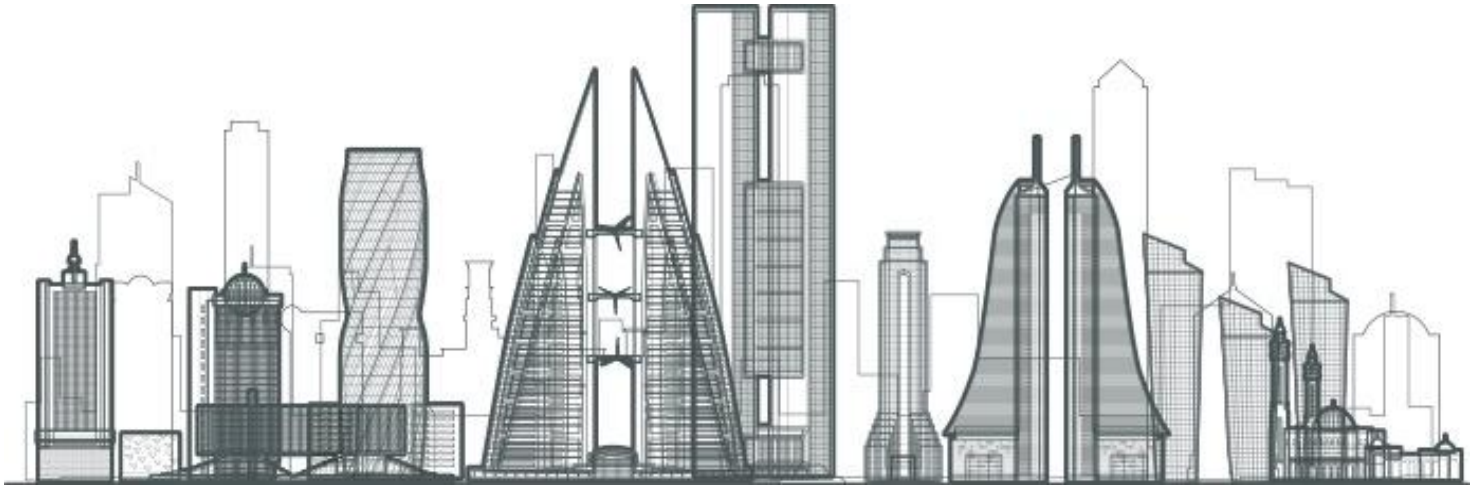
	and is usually used for the purpose of identifying safe stocks.
Suspended account	An account in which the accounting transactions are temporarily recorded before posting to the correct or final account.
Spending plan	A plan that includes expected recurrent expenditures during a future period.
Ten-year plan	A comprehensive, long-term document that includes all development projects and programs and their estimated costs, over a period of ten-years or more according to priorities set to achieve the approved policies and objectives and aspirations of the Kingdom of Bahrain's economic vision and government programs, to focus on the implementation of projects and initiatives of important and the optimal utilization of available sources of funding.
Fast track service	An optional treatment to provide government service in a shorter time. It shall not be considered as a general service. The service is determined in accordance with the provisions of the government services pricing system mentioned in this manual.
The manual	The Standard Financial Manual
Doubtful debts	a kind of collectible amounts that are past due by one day up to 10 years.
Uncollectible debts	Classification of past due amounts, with the following conditions: 1. Due for more than 10 years. 2. All possible measures have been exhausted to collect them.
Bad debts	Classification of past due amounts, with the following conditions: 1.Due for more than 15 years. 2. All possible measures have been exhausted to collect them. 3. The amount classified as uncollectible.

The fee	A sum of amount that government entities collect from their clients in exchange for government services that they provide uniquely.
Fiscal year	The fiscal year for the state's public budget is twelve months, starting from the first of January and ending on the thirty-first of December of each year.
Fixed asset register	A record for assets within the Central Financial System.
Maintenance	Any work that preserves the same condition of an asset.
Comprehensive maintenance	Civil and structural maintenance works (such as interior and exterior painting, crack repair, ceiling and floor repair, and other works), mechanical work (such as networks and water tanks), and electrical work (such as electrical distribution panels, lamps, etc.). In addition, IT maintenance is considered form of maintenance that government entity may undertake, and it may include IT devices and equipment.
Preventive maintenance	Electrical, mechanical, and civil maintenance works that are directly related to operation and aims to preserve the condition of building and extend its useful life by fixing operational defects before they occur.
Taxes	Amount of money that people or authorities are obligated to pay to government, based on a legislative law. It is a contribution from these parties in financing government costs, without having any direct benefit from the payment of these amounts.
Central Contract	An agreement between one or more government entities and one or more suppliers to provide goods and/or services. It usually contains general terms and conditions and associated with other supplementary contracts that include more detailed

	scope of work and used to integrate joint procurement needs from multiple entities.
Supplementary contracts	Contracts linked to the central contracts include a more detailed scope of work.
Useful life	The estimated life of an asset that it is likely to remain in service.
Budget period	One or two fiscal years or as determined by the Cabinet.
Shared financial services division	Directorates following to the Assistant Undersecretary for Shared financial Services at MOFNE.
Market value or fair value	The price that can be obtained in exchange for selling a specific asset through a transaction between several participants in an active market, on the reporting date.
Beneficiary	A natural or legal person entitled to obtain economic benefits from a government entity.
Financial resources director	The director responsible for financial resources (or equivalent) in the concerned government entity.
Office of Legal Affairs	The Office of Legal Affairs at MOFNE.
Claim	A party who is entitled to receive money or compensation from another party due to a complaint according to specific terms in the contract.
The supplier	The provider of service or goods to the government, including merchants, contractors, and the like.
The kingdom	Kingdom of Bahrain
Project expenditures	Expenditures financed from Chapter Eight of the state budget.
Recurrent expenditures	Expenditures financed from Chapters 1 to 7 of the state budget.
Central Financial System	The financial system supervised by MOFNE and used in controlling the implementation of the state's budget and for the preparation of government accounts. This term refers to the financial system used in controlling the budget of ministries and non-independent government entities (CFS), in

	addition to the financial system used in controlling the budget of independent government entities (GFO) unless either of them is explicitly specified in the context.
The Accounting system	The electronic system used for entering and recording the financial transactions and conducting the accounting operations.
Central Planning and Budgeting System (CPBS)	The financial system supervised by MOFNE and used for the preparation and implementation of the state's public budget.

1. Introduction



General description of the system		
The coverage	Definition of the objectives of Standard Finance Manual, and determine the scope of applicability, mechanism and validity of issuance, and procedures of update.	
Directorates supervising the main operations of this system	**Directorate**	**Responsibilities**
	Accounts and Financial Systems Directorate	Supervises the process of developing and updating the Standard Finance Manual.
	Other concerned directorates within MOFNE	Propose SFM updates, explain and clarify the provisions and procedures for users.

1.1. Definition of the Manual

The objective

1.1.1. This manual aims to protect and preserve the public fund and government resources by developing unified financial and control policies and procedures for managing and implementing financial operations related to government revenues, expenditures, assets, and liabilities, in an efficient, effective, economic and transparent manner.

1.1.2. This manual is used as a reference by the government entities for implementing the public budget, controlling the government assets and funds, and recording financial transactions and preparing the accounts.

General Provisions

1.1.3. The procedures specified in this manual represent the minimum level of control over government resources, and government entities may apply regulatory procedures that achieve a higher control level, after coordination with MOFNE.

1.1.4. Governmental entities are bound - in addition to the provisions of this manual - with the applicable financial and supervisory legislations, decisions, and circulars issued by MOFNE and the other competent authorities.

1.1.5. Failure to comply with the provisions and procedures contained in this manual shall be considered financial irregularities, and the provisions and procedures outlined in the "Financial Irregularities and Crimes" System No. (12.2) shall apply thereto.

Scope of applicability

1.1.6. The provisions of this manual shall apply to all government entities subject to Decree-Law No. (39) of 2002 regarding the state's budget, in accordance with

the budget implementation control applied, and without prejudice to the special financial systems that are established for any of them.

Issuing and Updating the Manual

1.1.7. The Minister of Finance and National Economy has the authority to adopt any issuing or amendments to this manual, or any exceptions that do not conflict with the laws issued and decisions of Cabinet and the Ministerial Committees emanating from it, This within the authorities granted to him by law, and in particular on Article No. (59) of Decree No. (39) of 2002, which stipulates that “The minister shall issue the necessary regulations, decisions, and instructions to implement the provisions of this law, ''.

1.1.8. The Accounts and Financial Systems Directorate is responsible for preserving the original copies of the manual and supervising the process of updating its systems and study proposals for its development to reflect changes and developments in government policies, legislations and financial and control procedures in coordination with the concerned directorates in MOFNE and other authorities, to ensure the consistency and harmony of all systems of the manual and the appropriateness of its contents in terms of the styling, drafting, and presentation,.

1.1.9. The directorates concerned at MOFNE are responsible for reviewing the provisions and procedures of the financial systems included in this manual and providing the Accounts and Financial Systems Directorate with their proposals for the development of these systems In line with emerging legislation or financial policies, according to their respective competencies. They are also responsible for clarifying the provisions and procedures of these systems to users so that they can apply the provisions and procedures correctly and as intended, according to the specialization of each.

1.1.10. The directorates concerned in MOFNE and other government agencies and entities shall provide the Accounts and Financial Systems Directorate with copies of all financial decisions or circulars they issue and affecting the provisions and procedures of this manual and any other data or documents that enable the directorate to study proposals to develop Manual’s systems and procedures.

1.1.11. The Ministry of Finance and National Economy is responsible for issuing and amending the financial forms stipulated in the systems of this manual, and the government entity may design and use financial forms for the purpose of using them internally, according to the requirements and nature of work.

1.1.12. This manual should be subject to periodic updates after reviewing its provisions and procedures in light of updates and developments in legislation and government policies.

1.1.13. Each version of the manual must have a reference number according to the following:

Main version No.	Sub Version No.
X	X

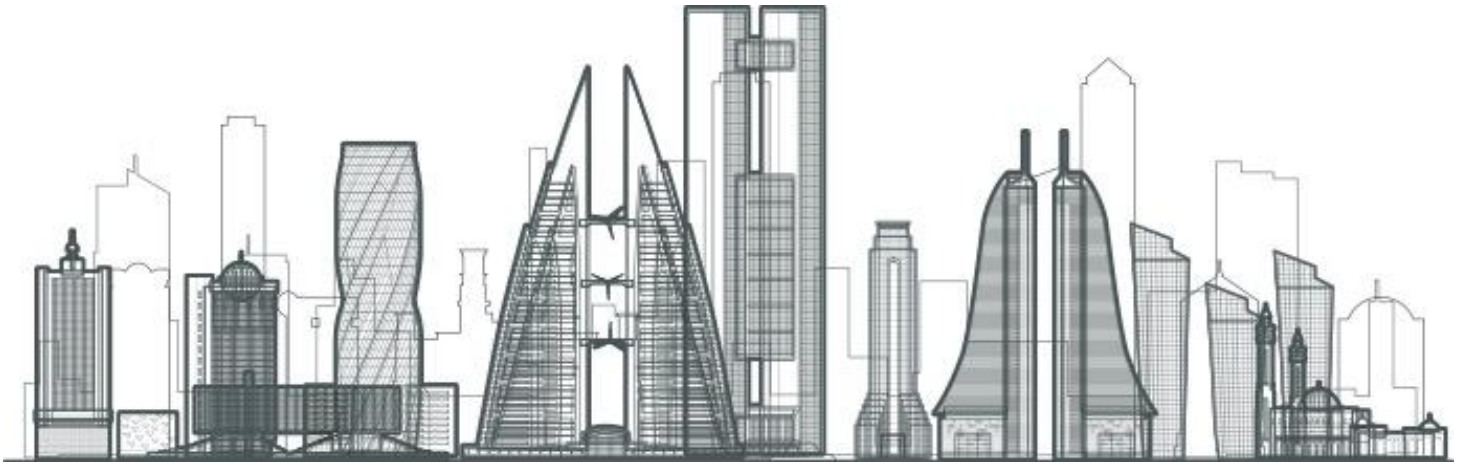
1.1.14. Users shall mention the manual version number when referring to clauses' numbers, to ensure referring to the last updated version of the manual.

Contents of the manual

1.1.15. This manual includes the main systems and subsystems. The system may contain one or more appendices for clarifications or templates of financial forms that are related to the procedures contained therein.

1.1.16. Each main system begins with a summary that generally describes its contents, and the directorates of MOFNE supervising the operations and procedures, for reference by government entities.

2. Financial & Accounting System



General description of the system		
The coverage	Defining the financial and accounting system used in recording and adjusting government financial transactions, closing financial periods, and determining the policies and supervisory provisions and authorities regulating the process of recording and authorizing these transactions.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Accounts and Financial Systems Directorate	Supervising the Central Financial System and determining the accounting treatments in light of the approved policies and supervising the process of posting inputs and journal entries in that system.
	Project Directorate	Authorizing the financial transactions and budget adjustments related to projects.

	Central Efficiency Directorate	Authorizing financial transactions related to recurrent expenditures.
	Budget Directorate	Authorizing adjustments to the budget of recurrent expenditures.
	Payment and collection Directorate	Authorizing payments and government revenue inputs.
	International Relations Directorate	Authorizing subscription payments to regional and international bodies or organizations.
	Public Revenue Policy Directorate	Authorizing financial transactions related to revenue.

2.1. Recording financial transactions

2.1.1. The Bahraini dinar is used in recording financial transactions, and accordingly the value of foreign currency transactions must be converted into the Bahraini dinar using the immediate exchange rate on the date of the transaction or the average price during a specific date in case there are no significant fluctuations.

2.1.2. All cash balances held in foreign currencies are converted to the local currency exchange rate at closing.

2.1.3. Financial transactions must be recorded in the financial and accounting records, according to the standard classification of expenditures, revenues, assets and liabilities, approved by MOFNE.

Main accounting policies

2.1.4. The modified cash accounting basis is applied in proofing and recording financial operations and preparing financial statements, as specified in this system.

Recording Revenue

Revenues

2.1.5. The received public funds are recorded as government revenues in the fiscal year in which public funds are collected and received. The funds that are excluded under the laws from transfer to the public account are not recorded in government revenues, as well as funds received as a trust, guarantee or surety.

Debts owed to the government

2.1.6. debts owed to the government are reclassified when they are late to be settled, according to what is specified in the revenue system of this manual.

Statement of funds excluded from transferring to the public account or from expending from it

2.1.7. A disclosure within the final accounts of the ministry or the government entity should be stated of funds that excluded under the laws from transferring to the public account or from disbursement from it, the statement provided should

include the amounts of these funds, the nature and aspects of disbursement out of the approved appropriations of budget of the public budget, and the revenues that have been transferred to other accounts rather than the public account.

Revenue correction

2.1.8. The wrong recorded revenue is corrected according to the following:

a. The error is adjusted in the same account in which the revenue is recorded, if the error is discovered before the final closing of the fiscal year accounts to which it relates.

b. If the correction is for recording amounts received during the year whose accounts are to be corrected or to return amounts received as error related to revenue recorded in that year, and the error was discovered after the final closing of the accounts for that year, then the adjustment must be made in the following net assets account:

Adjustments to Prior Years Revenues (XX.000000.000.31014.00.00000000)

Recording expenditures

2.1.9. Expenditures are recorded according to the following:

a. **Manpower expenditures:** The manpower expenditures are recorded in the year in which they are due.

b. **Goods and services expenditures:** Excluding the value of stored goods, the value of services and goods that were received and accepted during the fiscal year is considered an expenditure.

c. **Stored goods expenditures:** The materials and spare parts disbursed from the stock system in the Central Financial System to the cost centres in ministries and government entities are considered as expenditures.

d. **Capital goods expenditures:** The value of capital goods purchases is recorded as expenditures in the fiscal year in which they are received and accepted.

e. **Transfer expenditures, aids and subsidies:** Transfer expenditures, subsidies, grants and aids are recorded as expenditures for the fiscal year in which they are due, and these expenditures are considered due if conditions for the disbursement

to the beneficiary are fulfilled in accordance with the laws or regulations governing them.

f. **Loans interest:** Interest on loans owed by the government is recorded as an expenditure in the fiscal year in which it is due.

g. **Capital project expenditures:** It is considered an expenditure that is owed to suppliers for the stages or parts of the project that have been completed during the fiscal year.

Expenditure's correction

2.1.10. The expenditure that is recorded wrongly is corrected by returning it to the same account in which it was recorded if the error was discovered before the final closing of the accounts for the fiscal year to which it relates, and if the error was discovered after the final closing of the accounts for the fiscal year to which it relates, it is accounting treatment as follow:

a. If the correction process includes the receipt or payment of certain amounts by the government entity, the error in the calculation of net assets is settled (adjustment of prior's years' expenditures No. XX.000000.000.31015.000.00000).

b. If the correction process does not include the receipt or payment of any amounts, in this case no accounting entries shall be made to correct the error.

Recording of expenditure after the final closure of the accounts

2.1.11. The expenditure that was not recorded in the accounts of the government entity before the final closing of the accounts for the fiscal year that pertains to it is processed by sending a settlement request from the government entity to MOFNE, to undertake the study and decision on the request, either by calculating it within the expenditure of the current fiscal year in the absence of acceptable justifications for not recording it during the period preceding the closing of the accounts for the period that pertains to it, or settling it within the net assets account set forth in Paragraph No. (.2.1.10) in the case of acceptance the justifications of the government entity, and include a statement of the justifications for non-registration, and attach all supporting documents with the request.

Expenditure recording from carry forward budget

2.1.12. Expenditures that are made from appropriations of the budget that are approved to be carry forward by the Minister of Finance and National Economy from one fiscal year to the next fiscal year are recorded as expenditures in the fiscal year in which the disbursement takes place.

Preparation of financial documents:

2.1.13. The competent accountant shall be responsible for preparing the financial documents and entering the financial records in accordance with the provisions and procedures specified for this, provided that they are approved and authorized by the authorized job level in accordance with the authority levels system specified in this manual, taking into account the following:

A. Preparing the financial documents at the specified times, attaching all the related documents, and referring them for review and approval.

B. Keeping financial records in accordance with the prescribed accounting system and using them for what they are allotted.

C. Entering records regularly, and ensuring the accuracy, validity and integrity of the financial data.

D. Verifying the correctness of directing accounting entries to the appropriate accounts according to the classification of the state public budget.

E. Making the necessary matches between the sum of the total column and the sums of the analytical columns.

F. Verifying the application correctness of financial laws and regulations and instructions related to financial affairs.

G. Maintaining documents and records in accordance with the laws and instructions in good condition that allows for review and auditing at any time.

2.1.14. The errors contained in financial documents may be amended by placing the error in parentheses and adding the amended statement above it or next to it and signing the amendment by the same job level that approved the document, and the error may not be crossed out or removed.

2.1.15. The financial documents containing scraping or amendments that are not approved shall not be accepted.

Recording and entering the financial data

2.1.16. The amounts entered into the Central Financial System must be supported by sufficient evidence for the transactions they relate to, and in order for this evidence to be acceptable, it must fulfil the following conditions:

A. Be related to the subject of the transaction.

B. It has not been subject to unauthorized modification.

C. Clear and easily readable contents.

D. Authorized by the concerned party if required.

2.1.17. All financial records must be kept trackable and linked to the financial transactions to which they relate.

2.1.18. In case of an error in the accounting records, the entry is reversed by making adjustment entries and the original entry is not cancelled.

Central Financial System

2.1.19. The Central Financial Systems supervised by MOFNE, must be used to implement the budget and record government financial transactions, also control of fixed asset and inventory management.

2.1.20. The Central Financial System is divided into two types, as follows:

A. The Central Financial System (CFS), which is used by all ministries, in addition to non-independent government entities.

B. The Financial System of Independent Government entities (GFO), used by government entities that with independent and attached budgets to the state's public budget, or of a special nature.

2.2. Closing Accounts

General Provisions

2.2.1. MOFNE regularly closes the financial periods of government accounts as follows:

A. Monthly 20 days after the end of the period.

B. Semi-annual 20 days after the end of the month of June.

C. Annually, and its date is set by MOFNE at the end of every fiscal year.

2.2.2 The Accounts and Financial Systems Directorate sends financial reports for expenditures and revenues to government entities, which in turn review and match these reports with their accounts and internal reports and provide the mentioned directorate with any required adjustments or amendments within ten days of receiving these reports.

2.2.3 Government entities submit any requests to amend the financial data for the period in which their accounts have been closed to the Assistant Undersecretary of Financial Operations at MOFNE, provided that they are supported by acceptable justifications and submitted to the Minister of Finance and National Economy if the amendment pertains to a closed fiscal year.

2.2.4 The concerned directorates at MOFNE shall review government entities requests for action regarding the adjustment's entries related to the closing of the fiscal year, according to each specialty.

Closing instructions

2.2.5 It must adhere to the implementation of the necessary procedures in accordance with the instructions set forth below regarding the entry, registration and adjustment of any financial transactions before the dates closing of accounts.

A. Revenue and accounts receivable

1. Recording all the revenues received during the financial period in the general ledger accounts and transferring them to the bank accounts designated for this purpose.

2. Take the necessary administrative procedures to follow up on the collection of amounts owed to the government that are not received and supply them to the public account, this is to avoid the transfer of revenues from this year to other years and their accumulation in government records and make the necessary matching and adjustments to the bank accounts designated for depositing those revenues and sending them to the Payment and Collection Directorate in this Ministry before closing the financial systems.

3. List the revenues due to the government, and the amounts that have been reclassified, and notifying the Office of the Assistant Undersecretary for Financial Affairs, and the Payments and Collection Directorate of this Ministry is sent via e-mail to PCD_Collection@mofne.gov.bh with details of these amounts, their chronological age, and what has been taken in collection procedure in each case, in accordance with the provisions and procedures of the unified financial manual regulating this.

4. List any exemptions from paying fees or taxes due to the government, with a statement of the legal basis that supports granting these exemptions.

5. Verify the correctness of directing the revenue to the appropriate tab and prepare the necessary accounting entries to correct and adjust any errors in the recording.

6. Return the amounts that were recorded by mistake as revenues within the financial period accounts to their owners, and prepare the necessary adjustment entries to correct them, and notify the Office of the Assistant Undersecretary for Financial Policies and Budget and Public Revenue Policy Directorate at this Ministry of these changes and indicate their reasons and the details related to them.

7. List the uncollected returned cheques and deduct them from revenues if they were recorded at the time of receiving those cheques.

8. Obtaining the approval of the Public Revenue Policy Directorate of this Ministry to pass any accounting restrictions that result in a reduction in government revenues, with clarification of the details and reasons for that.

B. Expenditures and Obligations

1. Adherence to what is stated in the approved disbursement plan for the operating expenses budget within the recurring expenses budget for ministries and government entities, and not requesting financial transfers except in cases of extreme necessity and as required by the public interest, with the necessity of attaching the justifications and documents necessary to pass any transfer. It is also necessary to take care not to submit the request before the last quarter of the fiscal year, as it will be difficult to approve the requests if they are delayed.

2. Obtaining the prior approval for disbursement, and not initiating any financial obligations without completing the purchase procedures and issuing an approved purchase order. in accordance with the circulars issued by this Ministry.

3. Recording the receipt of goods and services actually received during the period in the procurement system and reviewing the accuracy of recorded expenses.

4. Cancellation of purchase orders for recurring expenses that are no longer needed, and settlement of any pending purchase.

5. Preparing the necessary adjustment entries to correct the expenses that were paid and recorded incorrectly within the period accounts and follow up on the recovery procedures.

6. Preparing the necessary adjustments to cancel any negative balances.

7. Entering and adjusting expense invoices recorded manually in the previous year within the liability accounts No. (20012) and account No. (20015) for recurring expenses.

8. Require the suppliers to deliver their invoices for any services or goods received during the period and to complete the necessary procedures to pay the financial

obligations within a period not exceeding 40 days from the receipt of the invoices or according to the terms of contracts or purchase orders agreed upon with suppliers, and this includes transactions with ministries and government entities.

9. Notify this Ministry of the recurring expenditure appropriations and project appropriations that have been recycled and not disbursed or committed to until the end of the fiscal year, stating the reasons for the non-disbursement or non-commitment.

10. Obtaining the approval of the Budget and Project Directorate for the appropriations that each government entity intends to roll over to the next fiscal year, and that the approval requests be accompanied by justifications, and that they be sent to the aforementioned directorates at the end of the fiscal year.

11. Complete the payment of subsidies and transfers that meet the eligibility conditions under the laws regulating them.

12. Instructing government entities operating outside the Kingdom to send their accounts to the competent ministry immediately after the end of the financial period, and to update the financial records accordingly.

13. Restricting salaries and the cost of due vacations and recording them in the due vacations register attached to the final account.

14. Addressing the Civil Service Bureau to obtain the reports necessary to prepare the tables attached to the final account related to the expenses due to the workforce.

15. Complete the procedures and documents for the payment of employee dues and salaries and send them to the civil service bureau before the end of the period.

C. Cash and bank balances

1. Settlement of all permanent and temporary cash covenants before the end of the fiscal year in order to record the used amounts from the replenishment within the expenditures of the year.

2. An actual stocktaking of the fund by a competent accountant and in the presence of the treasurer at the end of the last day of the fiscal year, with an explanation of the reasons for any differences between the actual stocktaking balance and the final book balance.

3. Requesting banks and financial institutions to provide certificates of the government entities balances with them at the end of the last day of the fiscal year, and preparing Settlement memoranda, to clarify the differences between the balances shown in the certificate and accounts balances in the Central Financial System.

4. Valuation of foreign currency balances according to the common rates on the last day of the fiscal year.

5. Return the amounts of trusts kept with the government entity whose purpose has ended to their beneficiaries.

6. Government entities whose appropriations are transferred every month, or to which amounts are transferred for specific purposes and needs, are obligated to record all obligations due from them during the fiscal year in accordance with the financial regulations and accounting standards approved by them or agreed upon with the Ministry of Finance and National Economy, and to transfer their financial surpluses for the previous fiscal year, and the amounts of the balances of bank accounts previously opened by them or in coordination with the aforementioned ministry, to the state's public account, the details of which are shown below, and to notify the Payments and Collection Directorate of the balance of the transferred amount:

Account Name: THE MINISTRY OF FINANCE CONSOLIDATED FUND

Account Number: 0088100103

IBAN: BH06NBOB00000088100103

Bank: National Bank of Bahrain

D.Fixed Assets

1. Recording all fixed assets that were acquired during the current fiscal year or in previous periods in the fixed assets system and excluding all assets that were disposed of or sold from that system register.

2. The Accounts and Financial Systems Directorate prepares the fixed assets matching for all ministries and government entities every month and sends it to those concerned in government entities, to clarify all the differences between the fixed assets system and the general ledger in the Central Financial System. Government entities must do what is necessary to settle all the differences and related adjustments shown in the matching of fixed assets by recording the outstanding invoices for purchases of fixed assets in the fixed asset register system, in addition to settling all the differences between the fixed asset register system and the general ledger in the Central Financial System, depending on the last matching made.

3. The differences arising between the fixed assets and general ledger systems are dealt with for each asset separately as follows:

- If the fixed asset amount is recorded with an incorrect value, the asset value is adjusted in the fixed asset system to match the invoice amount in the general ledger.
- If the value of the fixed asset recorded is correct, it is possible to review the expending tab in the general ledger and make a manual adjustment to amend the expending directive with the value of the difference until the amount of expending matches with the value of the asset.

E. Inventory

1. Government entities must record the receipt and disbursement of all materials acquired during the period or in previous periods in the inventory register and they are posted in the same fiscal year.

2. The Accounts and Financial Systems Directorate prepares a monthly inventory report for all ministries and government entities that implement the inventory system and handle discrepancies, by performing the following procedures:

• Compare the (closing balance) of the inventory account in the general ledger with the total final balance of the inventory in the inventory system.

• Identify all differences between the two systems for recorded transactions until the end of the financial period.

• Settle the discrepancies shown in the inventory application by communicating with the relevant government entities to carry out the necessary procedures, or passing the pending materials in the inventory system and posting them in the general ledger through the central financial system, according to each case.

2.3. Accounts Structure

General Provisions

2.3.1. MOFNE maintains a centralized and unified structure for government accounts within the Central Financial System and is supervised by the Accounts and Financial Systems Directorate.

2.3.2 Each account must have a specific identification and may not be used to record any transaction that does not fit with this identification.

2.3.3 Any amendment to the account structure shall be made by submitting a request to MOFNE.

2.3.4 In the case that any decisions affecting the organizational structure of a government entity are issued, the budget and account structure of that authority must be amended to reflect the appropriate distribution in accordance with those decisions.

Modifying accounts (create a new account or amend an existing account)

2.3.5 Government entity may submit requests to amend the accounts structure in the following cases:

A. The items currently in place are not sufficient to meet the recording and reporting requirements.

B. Improving data presentation and reporting.

C. Making structural adjustments in the government entity.

2.3.6 The request for approval to MOFNE depends on adjusting the accounts and items of the budget by the director of the financial resources of the government entity.

2.3.7 In the case that the accounts are amended due to structural changes in the government entity, the amendment must be based on the structure approved by the Civil Service Bureau.

2.3.8 The cancelled accounts based on structural changes in the government entity or accounts which remain unused (no entries were passed on) must be suspended for a year, in order to prevent any unauthorized transactions from being passed through them.

2.3.9 The Accounts and Financial Systems Directorate is authorized to reactivate the suspended accounts, and any requests in this regard must be directed to this directorate.

Account amendment procedures

2.3.10 Adjustments are made in the accounts related to recurring expenses, revenues, budget centre, expenses tabs, and revenues tabs according to the following procedures:

A. The government entity submits a request to create a new item, a new budget centre, or a new classification by directly entering the data into the Central Financial System, and it is approved by the Budget Directorate for recurrent expenditures and by the Public Revenue Policy Directorate for revenues, and it is authorized and activated by the Accounts and Financial Systems Directorate.

B. The responsible employee enters the amendment in the financial system, and it is approved by the department head in the government entity.

C. c. MOFNE reviews the amendment request through the system, and it is approved by the following directorates:

1. The name of the account to be modified.
2. Details of the account to be modified.
3. Justifications for the amendment request.

4. Other related details.

5. Attachments that support the existence/occurrence of the specified transaction.

6. In case of structural changes, the following must be clarified and attached:

- The legal basis for the amendment.
- The revised organizational structure after approval by the Civil Service Bureau.

7. If the account is related to revenue, the following must be clarified and attached:

- The number of services and a brief summary thereof.
- The legal basis for the amendment.

The expected revenue to be obtained from the specified services during the two years.

8. If all requirements are completed, the budgets for each item in the Central Financial System are set by MOFNE.

9. In cases where this is required, the government entity reflects the changes within the disbursement plans.

10. Affected government entities are notified of the changes, with descriptions of the account and instructions on permitted usage.

11. The government entity verifies the accuracy and validity of the account creation.

2.3.11 The adjustment is made in the accounts related to the project and the project expenditures tabs according to the following:

A. The government entity prepares Forms GL Account Combination Maintenance (FMISGL007).

B. The request is sent to the Projects Directorate at the Ministry of Finance and National Economy. After the request is approved, coordination is made with the

Accounts and Financial Systems Directorate to amend the accounts according to the request of the government entity.

2.4. Financial Authorities

General Provisions

2.4.1. It is not allowed to authorize any documents or financial transactions except by authorized employees in accordance with this system, and the employee who authorizes documents or financial transactions other than what he is authorized for, shall carry the legal responsibility arising therefrom.

2.4.2. It is not allowed for any employee to log in to the Central Financial System unless he is authorized to do so.

2.4.3. The job levels responsible for authorizing the financial transactions are divided into the following administrative levels or equivalent:

A. Level one - Minister

B. Level two - Undersecretary

C. Level three - Assistant undersecretary

D. Level four - Director

E. Level five - Chief

F. Level six - Head of group, which includes any supervisory function related to financial affairs directly below the level of Chief.

G. Level seven - Accountant, which includes any other financial affairs position below the level of head of group.

2.4.4. For government entities whose financial job levels differ from what is referred to in paragraph (2.4.3), the competent authority[1] shall equate their job levels with the levels specified in the aforementioned paragraph, based on the issued regulatory legislation and laws.

[1] The Minister or Head of the competent government authority in accordance with the Civil Service Law issued by Decree Law No. (48) of 2010.

2.4.5. The authority to authorize financial transactions is limited to financial resources employees only and based on their responsibilities and job descriptions.

2.4.6. The authority to enter financial transactions into the central financial system may be granted to non-financial affairs employees according to work requirements, as well as for training purposes temporarily. They may not be granted the authority to authorize financial transactions in the system.

2.4.7. To grant, modify, and transfer financial authorities to employees in government entities not under the supervision of the Shared Financial Services Division, the government entity shall prepare the "Notification of Authority Levels" Form No. (1501) and shall be approved by the higher functional level of financial resources supervisor at the relevant government entity to grant financial authority to the lower functional level, provided that the functional level approving the form is not less than the level of the directorate Director.

2.4.8. To grant, modify, and transfer financial authorities to employees in government entities under the supervision of the Shared Financial Services Division, the government entity shall prepare the "Notification of Authority Levels" Form No. (1501) than the aforementioned sector approves it.

2.4.9. The government entity shall send the approved "Notification of Authority Levels" Form No. (1501) to the Accounts and Financial Systems Directorate through the Technical Support System of the Central Financial System (Service Manager) to activate the authorities in the system. Do not send the form to the aforementioned Directorate if it pertains only to paper authorization authorities; the government entity shall retain it for supervisory purposes.

2.4.10. The directors of financial resources in government entities are allowed to transfer the financial authorities in the Central Financial System through the system itself to those authorized to approve according to the provisions and procedures specified in this system.

2.4.11. A request to add a new user in the central financial system shall be submitted by filling out and sending the "Central Financial System User Request" form, and in the central budget planning system shall be submitted by filling out and sending the "central budget planning system User Request (CPBS)" form to the Accounts and Financial Systems Directorate, through the technical support system of the central financial system (Service Manager), provided that it is approved by the director supervising financial resources in the government entity and the following documents are attached:

A. A copy of the new user's ID card.

B. A signed "Central Financial System User Account Approval Policy" form from the new user.

For requests to modify, disable, or delete existing user accounts, send the form Without the attachments shown above.

2.4.12. The financial transactions authorization is divided into two types:

1. **Document authorization**: Approval to pass the financial transaction of documents related to it, whether by hand-written signature or electronic signature for government entities that apply the electronic signature in their transaction, and financial documents are not allowed to be signed using other methods such as signing with a seal or using a pre-printed signature on papers or copies.
2. **The approval in the system**: approving or refusing the financial transaction in the Central Financial System and Central Planning Budget System (CPBS).

2.4.13. The government entity must ensure the validity and completeness of the data and the signature of the employee authorized to authorize the financial document, with any appropriate means of verification.

2.4.14. The following of financial transactions authorities must be separated in the Central Financial System:

A. receive of goods and services (Receipt) and deliver them (Deliver).

B. Entry and authorization of financial transactions, particularly those relating to the following financial transactions:

1. Enter journal entries (GL Accountant) and approve them (GL Financial Controller).

2. Enter invoices (PAY Voucher Processing) and approve them (PAY Voucher Approval).

2.4.15. In cases supported by acceptable justifications, the employee may be granted the authority to enter and authorize the receive goods and services (Receipt) and deliver them (Deliver) for journal entries, provided that they are not used for the same financial transaction of the journal entries, after obtaining the approval of the Assistant Undersecretary of Financial Operations or the Shared Financial Services Sector at the Ministry of Finance and National Economy, as the case may be.

2.4.16. In all cases, the person authorizing the financial transaction should not be at a lower job level than the person preparing or entering the data for the same transaction into the central financial system.

2.4.17. The cost of taxes on purchases is calculated within the total cost which is determined on the basis of the authorization level of relevant financial transactions described in this system.

2.4.18. Government entities may submit a request to the Minister of Finance and National Economy to approve a proposal to regulate any powers to authorize financial transactions not regulated by this manual.

2.4.19. Documents and financial transactions of government entities are subject to authorization by those authorized in those government entities and MOFNE, in accordance with what is specified in this system.

2.4.20. If the amendment of the financial document results in exceeding the total value of the document after the amendment of the employee authority level who originally authorized the document, the amended document must be authorized by the higher job level in accordance with the authority levels within this system.

Responsibilities of the employee authorized for the financial transaction's authorization

2.4.21. The employee authorized for financial transactions authorization must comply with the following:

A. Not to authorize the financial transactions that relate to the expending of financial dues related to him.

B. Verifying the correctness and completeness of the transactions before authorizing them.

C. Maintaining the confidentiality of the log-in data of the Central Financial System and the password assigned to it, and not allowing others to use it in authorizing financial transactions who are originally authorized for and bearing responsibility for all transactions that are authorized under his log-in data.

D. Not to authorize financial transactions whose value exceeds the financial levels specified for him in this manual, except in cases where he is appointed as deputy or acting to a higher job level for a period specified by a decision issued by the competent authority.

Levels of Authority

Authorization of recurrent expenditures

2.4.22. The Financial Resources Directorate (or equivalent) only in the government entity may submit purchase requests and orders to MOFNE for approval.

2.4.23. The approval of the purchase requisition must be obtained in advance before getting the approval of the Central Efficiency Directorate on purchase orders.

2.4.24. Petty cash expenditures are approved according to the policy specified in the recurrent expenditures system of the manual.

2.4.25. Any transfer of the budget from one government entity to another must be approved by the Minister of Finance and National Economy.

2.4.26. Authority levels apply to authorize financial transactions related to recurrent expenditures, as shown in the following tables:

Financial Transaction	Purchase Request			
Job level	Authority level (BD)			
	Government entity		MOFNE	
	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS
Director	All the amounts	All the amounts	All the amounts	All the amounts
Head of section	Up to 25,000	Up to 25,000	Up to 100,000	Up to 100,000
Head of group	Up to 3,000	Up to 3,000	Not applicable	Up to 25,000

* In the case of emergency purchase requests, the following levels of authority are applied in MOFNE to authorize these requests:

A. Up to BD 25,000: Can be authorized by the Undersecretary of Financial Affairs.

B. All amounts: Minister of Finance and National Economy.

Financial Transaction	Purchase order and contract
	Authority level (BD)

Job level	Government entity		MOFNE	
	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS
Minister	All amounts	Not applicable	Not applicable	Not applicable
Undersecretary	Up to 1,000,000	Not applicable	Not applicable	Not applicable
Assistant undersecretary	Up to 500,000	Not applicable	Not applicable	Not applicable
Director	Up to 100,000	All amounts	All amounts	All amounts
Head of section	Up to 1,000	Up to 50,000	Up to 50,000	All amounts
Head of group	Not applicable	Up to 3,000	Up to 25,000	Up to 50,000
Accountant	Not applicable	Not applicable	Not applicable	Up to 3,000

Financial Transaction	Amendment in the budget of recurrent expenditures			
Job level	Authority level (BD)			
	Government entity		MOFNE	
	Document Authorization	Approval in CPBS	Document Authorization	Approval in CPBS
Undersecretary	All amounts	Not applicable	Not applicable	Not applicable
Assistant undersecretary	Up to 1,000,000	Not applicable	All amounts	Not applicable
Director	Up to 500,000	All amounts	Up to 500,000	All amounts
Head of section	Not applicable	Not applicable	Up to 100,000	All amounts

Authorization of Project expenditures

2.4.27. Government entities must send all requests for project expenditures through the central planning budget system (CPBS), with the form or letter related to the request attached, signed according to the levels of authority stipulated in the consolidated financial guide If it is of validity level of assistant undersecretary and higher.

2.4.28. Levels of authority apply to authorize financial transactions related to project expenditures, as shown in the following tables:

Financial Transaction	Initial approval of a new project (Form No. PIR-MF1801)	
Job level	Authority level (BD)	
	Government entity	MOFNE
	Document Authorization/ Approval in CPBS	Document Authorization/ Approval in CPBS
Minister	All amounts	Not applicable
Undersecretary	Up to 2,000,000	Not applicable
Assistant undersecretary	Up to 1,000,000	All amounts
Director	Not applicable	Up to 1,000,000

Financial Transaction	Approval of availability of required budgets for the project (TER) - Request for Sufficient Budget Acknowledgment (COR-MF 401)	
Job level	Authority level (BD)	
	Government entity	MOFNE
	Document Authorization/ Approval in CPBS	Document Authorization/ Approval in CPBS
Minister	All amounts	All amounts
Undersecretary	Up to 2,000,000	All amounts

Assistant undersecretary	Up to 1,000,000	Up to 1,000,000
Director	Up to 500,000	Up to 700,000
Head of section	Not applicable	Up to 200,000

Financial Transaction	Approval for award or amend a project and budget contract (Form No. AVR-MF 1803) - Request For Approval of Project Variation (Form No. PV-MF 1802)	
Job level	Authority level (BD)	
	Government entity	MOFNE
	Document Authorization/ Approval in CPBS	Document Authorization/ Approval in CPBS
Assistant undersecretary	All amounts	All amounts
Director	Up to 500,000	Up to 700,000
Head of section	Not applicable	Up to 200,000
Head of group	Not applicable	Up to 100,000

Financial Transaction	Authorization of the Purchase implementation of projects
	Authority level (BD)

Job level	Government entity		MOFNE
	Authorization of the Purchase Order and Contracts for implementation of projects	Approval in CFS	Approval in CFS
Minister	All amounts	Not applicable	Not applicable
Undersecretary	Up to 1,000,000	Not applicable	Not applicable
Assistant undersecretary	Up to 500,000	Not applicable	Not applicable
Director	Up to 100,000	Up to 49,999	More than 49,999
Head of section	Up to 1,000	Up to 9,999	More than 49,999
Head of group	Not applicable	Up to 3,000	More than 49,999
Accountant	Not applicable	Not applicable	More than 49,999

Authorization of revenue

2.4.29. The authority levels for the authorization of revenue entry documents are applied as shown in the following table:

Financial Transaction	Authorization of documents and input entries and amendment of revenue	
Job level	Authority level (BD)	
	Government entity	MOFNE
	Document Authorization/ Approval in CPBS/ Approval in CFS	Document Authorization/ Approval in CPBS/ Approval in CFS
Director	All amounts	All amounts
Head of section	Up to 100,000	Up to 1,000,000
Head of group	Up to 10,000	Up to 500,000
Accountant	Not applicable	Up to 100,000

Authorization of payments

2.4.30. Payment of bills is authorized in the Central Financial System according to the value of each invoice, and the bill payment request document (payment forms or billing record and the like) that includes more than one invoice according to the total value of the bills or payment certificates within the request is approved.

2.4.31. Payment requests must be accompanied by a purchase order for both recurrent and project expenditures.

2.4.32. In addition to the authority levels specified in this system for payments, any payment request related to the payment of subscriptions in regional and international bodies or organizations must be approved in advance by the Director of the International Relations Directorate.

2.4.33. Authority levels for payment authorization apply as shown in the following table:

Financial Transaction	Authorization of local payments			
Job level	Authority level (BD)			
	Government entity		MOFNE	
	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS
Director	Not applicable	All amounts	According to authority levels of payment authorization from public bank accounts	All amounts
Head of section	Not applicable	Up to 100,000		Up to 100,000
Head of group	Not applicable	Up to 50,000		Up to 50,000
Accountant	Not applicable	Up to 25,000		Up to 25,000

Financial Transaction	Signing cheques and bank payment orders from public bank accounts
Job level	Authority level (BD) for Document Authorization at MOFNE
Minister	All amounts
Undersecretary	All amounts

Assistant Undersecretary with another of the same level	All amounts
Assistant Undersecretary with director	All amounts
Assistant Undersecretary with the head of the section in the Payment & Collection Directorate	Up to 1,000,000
Director with another of the same level	Up to 1,000,000
Director with head of section in the Payment & Collection Directorate	Up to 500,000
Head of the section in the Payment & Collection Directorate with another from the same directorate and the same level	Up to 25,000

Financial Transaction	Authorization of foreign payments			
Job level	Authority level (BD)			
	Government entity		MOFNE	
	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS
Undersecretary	All amounts	Not applicable	According to the authority	Not applicable

Assistant undersecretary	Up to 500,000	Not applicable	levels specified for authorization of payment from public bank accounts	Not applicable
Director	Up to 100,000	All amounts		All amounts
Head of section	Up to 25,000	Up to 100,000		Up to 100,000
Head of group	Up to 1,000	Up to 50,000		Up to 50,000
Accountant	Not applicable	Up to 25,000		Up to 25,000

Financial Transaction	Approval request of commitment to pay advance payments	
Job level	Authority level (BD)	
	Government entity	MOFNE
	Document Authorization	Document Authorization
Undersecretary	All amounts	All amounts
Assistant undersecretary	Up to 1,000,000	Up to 1,000,000
Director	Up to 500,000	Up to 500,000

Authorization levels related to private bank accounts

2.4.34. Authorization levels apply to authorize payments from private bank accounts, as shown in the following table:

Financial Transaction	Signing cheques and bank payment orders from private bank accounts
Job level	Authority level (BD) For Document Authorization at a Government Entity
Minister	All amounts
Undersecretary	All amounts
Assistant undersecretary	Up to 10,000 *
Director	Up to 10,000 *
Head of section	Up to 10,000 *

(*) Cheques must be signed jointly by two authorized persons as per the authority levels specified above.

Financial Transaction	Authorization of payment documents
Job level	Authority level (BD) For Document Authorization at a Government Entity
Assistant undersecretary	All amounts

Director	Up to 10,000
Head of section	Up to 5,000

Financial Transaction	Request to open a documentary credit
Job level	Authority level (BD) For Document Authorization at a Government Entity
Assistant undersecretary	All amounts
Director	Up to 10,000

Financial Transaction	Authorization of revenue documents
Job level	Authority level (BD) For Document Authorization at a Government Entity
Director	All amounts
Head of section	Up to 10,000

2.4.35. In special cases where the nature of the work necessitates it, and where the levels of authority for signing checks and bank payment orders outlined in paragraph (2.4.34) cannot be applied, alternative levels of authority may be considered in accordance with the following procedures:

A. The government entity shall submit a letter to the Minister of Finance and National Economy, explaining the objective justifications for the request for amendment and the alternative internal control measures.

B. The Ministry of Finance and National Economy shall review the request and assess the associated financial risks, and then decide on it at a level no lower than Assistant Undersecretary.

Other journal entries

2.4.36. Journal entries are authorized for financial adjustments not specified in this system, according to authority levels shown in the table below:

Financial Transaction	Authorization of journal entries					
Job level	Authority level (BD)					
	Government entity		MOFNE			
			Payment and Collection Directorate		Financial System Development Directorate	
	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS	Document Authorization	Approval in CFS
Head of section	All amounts	All amounts	All amounts	All amounts	All amounts	All amounts
Head of group	Up to 100,000	Up to 100,000	All amounts	All amounts	All amounts	All amounts
Accountant	Up to 50,000	Up to 50,000	100,000	100,000	500,000	Not applicable

2.5. Preservation of documents and records

Control over financial documents and records

2.5.1. The Financial Resources Directorates in government entities are responsible for setting appropriate controls for internal control over financial documents and records, whether new or used, to prevent any irregularities or misuse.

Classification of records

2.5.2. Governmental entities must issue the decisions that specify the financial subjects that fall into each of the following levels of classifications, according to the nature of the information and documents related to it:

A. (Strictly Confidential) it is the information and documents which the disclosure of contents will threaten the safety of the State or cause serious damage to its security or interests.

B. (Confidential) It is the information and documents which the disclosure of contents will cause to harm the security of the state or its interests.

C. (Prohibited / Limited) It is the information and documents which the disclosure of contents will cause to limited harm to the security of the state or its interests.

2.5.3. With consideration of the provisions of laws issued, information and state documents that do not fall within any of the classifications referred to in paragraph no. (2.5.2) are classified as “ordinary” information and documents, the employee must preserve them from tampering, loss or damage, and their content is not allowed to be disclosed to those not concerned.

2.5.4. The documents referred to in paragraph no. (2.5.2) are considered protected, and government entities must issue decisions that determine their classification and indexing, and how to preserve them to ensure their protection, integrity and confidentiality, the expiry period of their confidentiality status, and the procedures for preserving them after the expiry of this status, in coordination with the Information and e-government Authority.

2.5.5. The information and documents referred to in this title are oral, written, printed, abridged, photographed, electronically stored or in any method or photos, films, drawings, maps or other from written recording methods, audio and visual

that circulated by the state's authorities, institutions, bodies, various agencies and the public individuals.

2.5.6. It is prohibited for any employee without a legitimate reason to:

A. Disclosing any information or protected documents if he had access to it or got it, acquired it, or came to his knowledge under his responsibility or position.

B. Taking out any information or protected documents from the government entities that he works in, and is also prohibited from printing, copying, photocopying, storing or keeping them outside that authority.

C. It is prohibited for any employee whose service has been terminated for any reason to disclose any information or documents obtained by him or that came to his knowledge and the disclosure of them was prohibited in accordance with the provisions of this subsystem.

Loss, mutilation or destruction of financial documents and records

2.5.7. All financial documents or records that are lost or distorted whether during work or their preservation, must be submitted to the Director of Human and Financial Resources or his equivalent in the concerned government entity to decide on conducting the necessary investigation to find out the causes of that, and to take the necessary precautions to prevent the use of lost documents or financial records.

Save documents

Preservation period

2.5.8. Government entity must keep all financial documents and records with their full attachments for the purposes of control and auditing (for example, payment documents, invoices, purchase orders, delivery notes and any other documents related to the financial transaction must be attached to it), including the data stored electronically according to the following:

A. The preservation period shall not be less than two years starting from the beginning of the fiscal year which is the next of the year in which the work ended, and for a period of ten years for financial documents and records that entail financial obligations with others, and includes the following:

1. Revenue document

2. Revenue return request

3. Request for foreign payment form No. (711)

4. Request for non-deductible documentary credit

5. Billing record report

6. Request to amend/cancel a foreign payment

7. Purchase order

8. Letter of award

9. Contract execution order form No. (2503)

10. Certificate of payment

11. Financial contracts of all types

12. Records of post transactions (receivables and debts)

13. The appendix of the contract renewal or amendment

B. Financial documents and records related to any rights in dispute between the government and others shall be kept until the date of final settlement of these rights or the date of their ending by obsolescence in accordance with the provisions of the laws issued.

C. The period for preserving financial documents and records starts from the beginning of the fiscal year which is the next of the year in which the work of the financial documents or records ended. Regarding contractual documents, including financial contracts of all types, the period of their preservation starts from the date of completion of the contractual obligations contained in the contract or

contractual document, including the Expiration of warranty and maintenance periods.

D. The necessary records for counting and following up on the collection of the amounts due for post-collection transactions must be kept until these rights are finally settled.

Precautions for Preservation

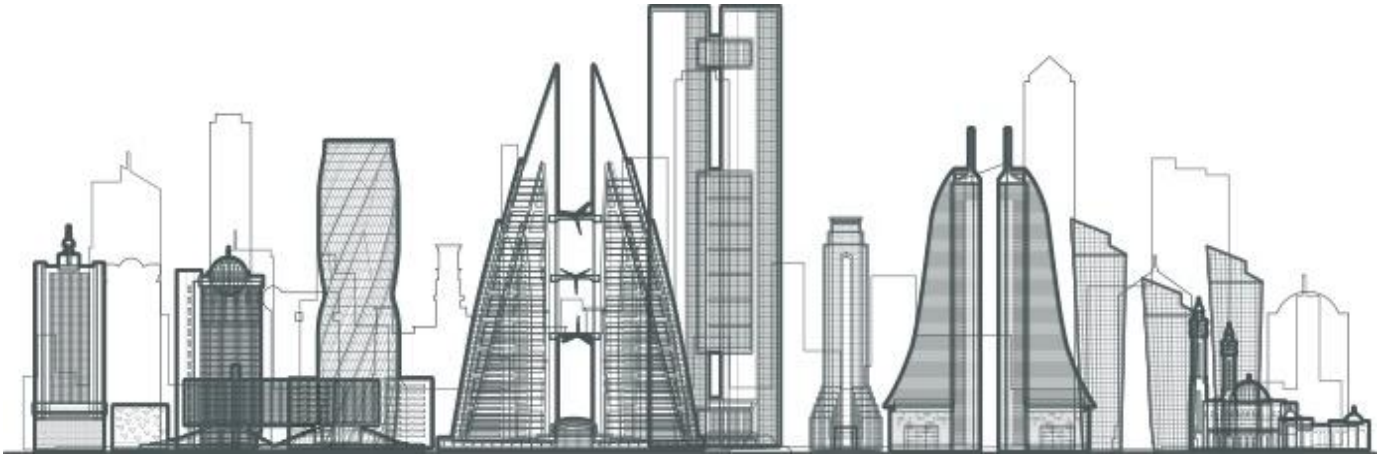
2.5.9. Financial documents and records must be kept securely and in an organized manner to ensure their protection and ease of reference when needed.

2.5.10. Government entities may photocopy financial documents and records with a microfilm device or a scanner after the expiry of the specified storage periods, according to their importance.

Destruction of financial documents and records

2.5.11. The financial documents and records shall be destroyed after the expiry of the retention periods indicated in this section.

3. Budget



General description of the system		
The coverage	Provisions and procedures related to preparation, approval, implementation and control of the public budget.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Projects Directorate	Supervising the estimation and implementation process of project budgets.
	Public Revenue Policy Directorate	Supervising the estimation and implementation process of the revenue budget.
	Budget Directorate	Supervising the budget preparation process in general.

3.1. Introduction and general provisions

3.1.1. MOFNE is responsible for preparing the state's public budget, and it is the primary instrument for financial planning and control over financial performance and government disbursement.

3.1.2. The process of estimating and approving the budget passes through several stages, as follows:

Budget Process	Quarter One	Quarter Two	Quarter Three	Quarter Four
Fiscal policies and expenditure levels are set				
Preliminary budget ceilings are set for each Ministry and Government entity				
Ministries and Government entities prepare budget details as per ceilings set				
Draft Budget issued at state level, discussed and approved at the Ministerial level				
Submit draft Budget Law to Cabinet for final approval				
Transfer draft Budget Law to Parliament for revision and approval				
Approval of Budget law				
Budget Implementation and Management				

3.1.3. Budget estimates may be prepared for two fiscal years at most, provided that their duration is determined by the Cabinet based on the proposal of the Minister of Finance and National Economy, and each fiscal year for the state's public budget consists of twelve months starting on the first day of January and ending on the thirty-first of December of the year.

3.1.4. The minister submits to the Cabinet - along with the draft budget - a report on the financial projections for the two years following the budget period, including aggregate financial data on revenue, expenditures, and expected deficit or surplus for each year, and estimates of the upper limit for borrowing and a statement of macroeconomic indicators.

Specifying budget goals and disbursement ceiling

3.1.5. The Cabinet determines, upon the proposal of the Minister of Finance and National Economy, at least three months before the start of the financial period, the following matters:

A. The objectives of the fiscal policy, the general macroeconomic framework, the basis for preparing the public budget estimates, and the prospective financial risks.

B. The total public disbursement of the state for the next fiscal period through expected public revenue.

C. The criteria and principles by which public funds will be allocated to sectors, ministries and government entities, in light of the priorities of the development strategy.

3.1.6. Based on the Cabinet approval of the proposal of the Minister of Finance and National Economy regarding the public disbursement ceiling and budget expectations, the financial ceilings are determined for each government entity, and accordingly the Minister of Finance and National Economy issues a “budget preparation” circular containing detailed instructions on preparing the budget

based on the ceiling set for each of them and the deadlines for submitting proposals for the budget distribution.

3.2. Preparing of budget estimates

Revenue's estimation

3.2.1. The government entities prepare the initial estimates of revenues in accordance with the instructions issued by the Minister of Finance and National Economy, and inform MOFNE of the estimates on the date specified, and if any party delays submitting its project for revenue estimates beyond the specified date, the Ministry itself - after notifying that authority - undertakes the estimation of that Revenues are based on the current year budget of that entity, taking into consideration all factors and circumstances that may have affected or may affect those estimates.

3.2.2. MOFNE studies the initial estimates of revenues prepared by government entities and prepares final estimates of revenues.

3.2.3. The government entities shown in the following table are responsible for studying and preparing final estimates of government revenues, according to the type of revenue:

Type of Revenue	Budget items	Responsible authority/authorities
Oil revenue	410	The Ministry of Oil and Environment in coordination with the Public Revenue Policy Directorate
Non-oil revenue	422, 423, 424, 430, 440, 450, 460, 470	The Public Revenue Policy Directorate is responsible for compiling the revenue estimates that will be included in the budget, based on the inputs received from government entities, and those authorities must coordinate with this directorate to implement these requirements during the period of preparing the budget estimates.

Value-added tax and excise tax revenue	426, 425	The National Bureau for Revenue in coordination with the Public Revenue Policy Directorate

3.2.4. The law approving the budget may not include any text that would create a new tax, increase an existing tax, amend an existing law, or avoid issuing a law in the matter of the constitution stipulating that it be regulated by law.
3.2.5. Fees are imposed within the limits of the law, and the determination of their categories and percentages of increase or decrease thereof shall be by a decision of the competent minister after the approval of the Cabinet, unless the law stipulates otherwise, and the Cabinet may authorize the minister to determine the categories of fees and the rates of their increase or decrease.

Revenue allocation

3.2.6. State revenues are allocated in their entirety to cover public expenditures in their entirety, and it is not allowed to allocate any revenue from public revenues to cover a specific expenditure from public expenditures except by law, and it is not allowed to deduct a specific expenditure from a specific revenue, and no specific revenue from a specific expenditure except by law.

Distribution of expenditure estimates

3.2.7. Governmental entities prepare estimates of their expenditures and submit them to MOFNE, together with the data and information necessary to justify each of the required appropriations of the budget, on the date set by the ministry, and the estimates indicate the distribution of expenditures in accordance with the instructions issued by the Minister of Finance and National Economy.

3.2.8. Disbursement estimates must be supported by documents, statistics, and explanatory notes justifying the required budget allocations, and the estimates must be consistent with the government's work program and strategic objectives.
3.2.9. Government entities must specify all expected contracts and obligations during the budget period, so that the necessary amounts are reserved for them.
3.2.10. The calculation of the applicable value-added tax rate must be taken into consideration when preparing estimates for the budget for non-essential goods and services, in accordance with the law.

Disbursement plan

3.2.11. Each government entity prepares a disbursement plan that includes its needs of goods and services for the next budget period, and is distributed according to the appropriate budget items, and after approval by the concerned authorities and the issuance of the state budget law, the disbursement must be committed according to what has been approved.
3.2.12. The disbursement plan should include the following details as a minimum:

A. Type of disbursement (includes all financial obligations that have been committed and which have not been complied with)

B. Description of expenditures

C. Nature of expenditures (in the case of contracts, indicating the nature of the contract).

D. The term of the contract or financial obligations.

E. Names of potential suppliers, and in case of a valid or ongoing contract, the name of the current supplier must be specified.

F. Estimates of actual expenditures by item for the next budget period.

G. Any additional data determined by MOFNE.

3.2.13. When estimating the budget for building maintenance expenditures, government entities must do the following:

A. Prepare a short-term plan that includes an estimate of the maintenance expenditures of the planned buildings for a period of two years, and provide basic details about each building, its type and purpose (civil, administrative or other services) and the type of maintenance (building rehabilitation, preventive or comprehensive), according to the form specified in the annexes of this system.

B. Prepare a long-term plan that includes an estimate of the building maintenance expenditures planned for a period of five years, according to the form specified in the annexes of this system.

C. Allocate 85% of the maintenance budget for planned maintenance and 15% for emergency maintenance.

3.2.14. The building maintenance budget must be submitted to the Ministry of Works to express its observations on it 6 months before the next budget cycle, and in the case that it is approved by the mentioned ministry, MOFNE will include it in the state budget.

Obligations for more than one period

3.2.15. In the case that a specific commitment or expenditure exceeds more than one financial period, government entities must provide details, supported by justification of the required budget estimates over the commitment period.

3.2.16. Contracts for any expenditures may be approved for a period exceeding one fiscal year, provided that the duration of these contracts and agreements does not exceed four years, and if the contract period exceeds the mentioned period, prior approval must be obtained from the Minister of Finance and National Economy.

Expenditures related to other government entities

3.2.17. If it becomes evident to a government entity, upon estimating its expenditures, that there are services within the competence of other government entities, it must notify these authorities within a sufficient period so that those authorities can allocate the necessary funds in the upcoming budget estimates.

Ten-year plan (Projects Long-Term Plan)

3.2.18. Government entities must update the ten-year plan in the Central Budget Planning System (CBPS) or send the updated plan via email to the Project Directorate (Projects@mofne.gov.bh) for entities that do not have the necessary authorization in the system.

3.2.19. The ministry or government entity must include the following in the ten-year plan (Long-Term Projects Plan):

A. All committed, approved, or planned contracts that fall within a project identified in the CFS or GFO Central Financial System under the Long-Term – Ongoing & Recurrent Projects, each according to the contract type.
B. All planned contracts that are not included in a project defined in the CFS or GFO central financial system in the Long-Term – New Projects field.
C. All projects and contracts not funded by the general budget and not included within a project identified in the Central Financial System CFS or GFO under the category "Projects Funded by Other Sources."

3.2.20. Government entities shall take the following into account when preparing the ten-year plan:

A. Commitment to updating the fields shown below, ensuring their accuracy and ensuring precision when entering the required data, as the user will not be able to submit any contract application if these fields are not completed:
    1. Source of funding.
    2. Name of work.
    3. Description of work.
    4. Project supervisor.
    5. Purchase order (PO) number for existing contracts.
    6. Supplier name for existing contracts.
    7. Contract start and end dates.
B. Do not combine project-related contracts into a single application to avoid difficulties during the award application submission stage in the system.
C. Commitment to specifying the type of request (Tender Type – New Tender or Variation to an existing contract) in the event of including a new (planned tender contract).

Special provisions for estimating project budgets

3.2.21. When preparing the general budget for the two fiscal years, government entities must include all committed, approved, or planned contracts within the ten-year plan, regardless of the source of funding for those contracts (general budget, borrowing, partnership with the private sector, or other), provided that the ceiling specified for the budget cycle for the two fiscal years is adhered to, as the general budget schedules will be prepared based on that ten-year plan.

Special provisions for estimating the project budget

3.2.22. The provisions of the recurrent expenditure budget preparation apply to the preparation of the project expenditure budget, subject to the specific provisions of the project expenditure system specified in this system.

3.2.23. Government entities must ensure that all project expenditures included in the budget do not exceed the spending ceiling set by MOFNE.

3.2.24. All current and planned contracts and commitments for existing and ongoing projects must be within the approved project budget ceiling.

3.2.25. Government entities must submit all necessary and relevant information supported by sufficient and appropriate studies for project approval to MOFNE.

3.2.26. It is not allowed to use the recurrent expenditures budget to be spent on projects, unless it is part of the project and its continuation depends on those expenditures and is subject to obtaining prior approval from the Projects Directorate.

3.2.27. The submitted project budget should cover all project costs expected over the life of the project.

Delivery of budget estimates

3.2.28. Each government entity prepares budget estimates for revenues, recurrent expenditures, and project expenditures according to the instructions contained in the circular of budget preparation and the approved disbursement plan for the government entity and submits them to MOFNE within the specified dates.

3.2.29. In the case that any government entity fails to submit its revenue estimates on the specified date, the Public Revenue Policy Directorate estimates these revenues based on the current year's budget estimates, taking into consideration all factors and circumstances that have affected or may affect those estimates.

3.2.30. If a government entity delays in submitting its estimates of expenditures on the specified date, MOFNE, after notifying that government entity, estimates these expenditures on the basis of the current year budget of that government entity, taking into consideration the amendments that have been introduced during the year and other considerations of a government entity, this is in accordance with the laws and circulars issued in this regard.

3.2.31. The concerned directorates of MOFNE review government entities' proposals for distribution budget ceilings allocated to them and government entities are obligated to provide these directorates with the documents and data they need to carry out this task.

3.2.32. MOFNE prepares a draft budget law that includes the budget estimates specified for each government entity, and the draft budget law is submitted to the Cabinet for approval. The approval of the draft budget law must be completed at a time allowed to be submitted to the Shura Council and Parliament, at least two months before the end of the current fiscal year for discussion and consideration in accordance with the provisions of the constitution.

Discussing and approving the budget

3.2.33. In the case that there are any changes to the proposed budget ceilings during the discussion with the Councils of Shura and Parliament, MOFNE reviews these changes and submits the amendments to the Cabinet which will submit them again to the Councils of Shura and Parliament.

3.2.34. The state's public budget and the amendments made to its original appropriations of budget shall be issued by law.

3.2.35. After the budget approval law is issued, MOFNE informs government entities of their final approved budgets, and instructions for their implementation.

3.2.36. If the budget approval law is not issued before the start of the fiscal year, the previous budget shall be applied until its issuance. Revenues are collected and

expenditures are spent at a rate of one over twelfth of the previous budget for each month, in accordance with applicable laws at the end of the mentioned year, and in accordance with the instructions of MOFNE that were issued in this regard.

3.3. Budget Implementation

General Provisions

3.3.1. Government entities should adhere to the instructions issued by the Minister of Finance and National Economy in regard to controls and procedures for implementing the budget after it is approved and issued in accordance with the law.

3.3.2. Government entities must implement their budget efficiently and effectively, and the concerned directorates of MOFNE arrange periodic meetings with government entities to monitor the performance of budget implementation and assess the levels of revenue collection, the extent of commitment to the specified spending levels, identify the risks associated with spending or exceeding the budget, and solve them early.

3.3.3. Concerned government entities must provide all necessary data and documents when discussing budget execution performance with the concerned directorates in MOFNE, specifically regarding the following:

A. Appropriations of the budget for actual spending on initiatives.

B. Revenue collection, level of performance, and any new proposed initiatives.

C. Performance of project expenditure budget execution.

D. Performance of recurrent expenditure budget execution, contracts and disbursement expectations.

E. Any other requirements requested by MOFNE.

Execution of expenditure budget

3.3.4. Government entities must plan in advance for the purchase and obtain the required prior approvals from MOFNE, the Tender Board, the Information and E-Government entity, the Civil Service Bureau and other relevant government entities.

3.3.5. Governmental entities are responsible for managing their budgets in a way that preserves the level of spending within the budget boundaries allocated to them, and government entities' purchases are subject to control by MOFNE.

3.3.6. Government entities should review the budget allocations for expenditures and manage the relationship with suppliers so that disbursement is not implemented unless needed.

3.3.7. The government entity must, before entering into any disbursement commitment, ensure that a sufficient budget is available at the item level to cover that obligation according to the approved disbursement plan.

3.3.8. Government entities must include any change in the recurrent expenditure budget during the year in the disbursement plan after approval by MOFNE.

3.3.9. Ministries and government entities must obtain prior approval from MOFNE for the availability of funds before expanding existing programs or creating new programs or administrative units that entail additional financial burdens.

3.3.10. It is not allowed for government entities to conclude any contract or agreement or subscription in organizations, conferences and official participations, or to undertake any matter that entails loading the approved budget with additional financial burdens without referring to the Cabinet.

3.3.11. It is considered as a violation of any excess of spending or committing of obligations during the execution of the approved budget, whatever its forms, such as memoranda of understanding, contracts, purchase requests, or negotiation, which lead to additional financial implications for the approved budget, and the payments are only settled based on a decision issued by the Cabinet after the concerned government entity explains and clarifies the justifications for that.

3.3.12. Government entities must initiate and register their financial obligations in the Central Financial System in a timely manner, before the monthly closing dates for the financial periods to which these expenditures relate.

3.3.13. Government entities must inform MOFNE of any surpluses in the recurrent expenditures budget on the dates specified by MOFNE, and they may not use those surpluses to cover expenditures not previously approved in the budget.

3.3.14. Purchase orders are not posted to the next fiscal year except for expenditures that were actually received before the end of the fiscal year.

Building Maintenance

3.3.15. All government entities must provide the Ministry of Works with a quarterly report on:

A. Actual maintenance expenditures against appropriations of the budget.

B. Accomplished maintenance expenditures according to the disbursement plan.

C. The percentage of actual maintenance expenditures included and not included in the disbursement plan from the total budget allocated for maintenance.

D. Justifications for not starting in / or completing the maintenance works listed in the disbursement plan.

3.3.16. The Ministry of Works submits its recommendations on the performance of government entities with regard to maintenance expenditures, to MOFNE for review as part of its continuous performance monitoring.

Execution of revenue budget

3.3.17. Government entities must prepare quarterly reports on their level of performance on revenue collection, and it is sent to the Public Revenue Policy Directorate or to the Office of Assistant Undersecretary for Fiscal and Budget policies, provided that they include, as a minimum the following:

A. A comparison between the estimated revenues in the public budget and the revenues collected according to each of the items, explaining the reasons for the increase or deficit, in addition to the procedures that will be taken by the government entity in the case of a deficit in the actual revenues compared with the estimated revenue.

B. Appropriate justification for any increase or decrease in the revenues mentioned in comparison to the budget and actual revenues for the same quarter of the previous year.

C. A breakdown of the overdue revenues, including the value of the accumulated overdue amounts, an indication of the debtor's name, and the chronological age of these amounts.

This information is submitted to the Office of the Assistant Undersecretary of Financial Operations:

A. Justifications for not collecting the due revenues.

B. Procedures and measures taken by the government entity in order to collect the overdue debts and reduce the number of days due and reduce its balances.

C. Any other information or clarifications specified by the Public Revenue Policy Directorate.

These reports are submitted according to the following schedule:

A. The data for the first quarter by April of each fiscal year.

B. The data for the second quarter by July of each fiscal year.

C. The data for the third quarter by October of each fiscal year.

D. The data for the last quarter by January of each fiscal year.

Transfer budget adjustment

3.3.18. The Directorates concerned in MOFNE are responsible for deciding on transfer requests in the budget, according to the competence of each Directorate, as shown below:

A. The Public Revenue Policy Directorate reviews transfer requests in the revenue budget.

B. The Projects Directorate reviews the transfer requests in the project's budget.

C. The Budget Directorate reviews the transfer requests in the recurrent expenditure budget.

3.3.19. The government entities concerned must update the disbursement plan with the transfers made in the budget.

3.3.20. When submitting a request to approve a transfer in the budget, government entities must observe the following:

A. All requests for approval of budget transfers are supported by adequate justification.

B. Obtain all prior approvals from the concerned government entities before submitting the request to approve the transfer in the budget.

C. Evaluate the impact of the transfer on the budget before submitting the request.

Additional budget request

3.3.21. Authorities may apply for an additional budget in the case that there are necessary considerations that require this, and that these considerations are new and were not possible to predict during the stages of preparing the budget estimates, and that they have an urgent case with which the request cannot be postponed to a subsequent budget cycle, and after exhaustion All other possible options to provide the required budget such as:

A. Rescheduling disbursement priorities and postponing uncommitted expenditures to another period.

B. Transfer and redistribution of budget allocations among recurrent expenditures sections (Sections 2 to 7).

C. Redistribute the budget between projects in line with the public budget law and the control provisions on project expenditures stipulated in this manual and as decided by the Projects Directorate.

D. Negotiate with contracted suppliers to reduce the prices of goods and services within the committed contracts and provide sufficient evidence to prove this to MOFNE.

E. Review the current scope of existing contracts to reduce expenditures.

3.3.22. The requests to open additional budget must be submitted six months after the beginning of the fiscal year and at least three months before its end.

3.3.23. The request to open an additional budget is submitted by a minister or chairman of the government entity to the ministry within sufficient time to allow the completion of the necessary legal procedures to approve the budget and benefit from it before the end of the budget period, provided that the request includes the following:

A. An explanation of the emerging justifications and considerations that require the opening of the additional budget.

B. A statement of the impact of the required additional budget on the implementation of the government entity's programs or its strategic plans.

C. The required amount of additional budget, and disbursement plan, including cash flow data.

D. Justifications for not including the request within the original budget estimates, justifications for the inability to absorb the required additional appropriation from the approved budget, or for postponing the request to the next budget period.

E. The item (s) to which the additional budgets will be added.

F. A copy of the law or cabinet decision, if the purpose of requesting additional budget is to implement the requirements of any laws or decisions of the cabinet.

G. An explanation of the impacts in case it is not approved to open the additional appropriation within the current budget period.

H. Prior approvals are required from other government entities.

I. The effect of opening an additional budget for projects on the financial costs of recurrent expenditures, such as manpower expenditures and the rest of the other budget sections.

J. The implications of manpower costs on other budget sections, or vice versa, are identified costs in both cases.

K. The impact on government revenues, with a determination of impact type and the amount and period of impact.

3.3.24. Based on the results of the evaluation and study related to the request for approval to open the additional budget, MOFNE decides the final amount of the additional budget that will be submitted to the relevant government entity, and therefore the final amount that is approved may differ from the amount required by the concerned government entity.

3.3.25. In the case that the request for opening the additional budget is approved, MOFNE prepares the draft law for opening the additional budget and submits it to the Cabinet for approval and to complete the legal and legislative procedures to issue the necessary legal tools.

3.3.26. The additional budget may not be disbursed except for the aspects for which it was allocated.

3.3.27. In the case that the additional budget is approved, the concerned government entity shall:

A. Distribute the budget to the relevant chapters, sections and items, and update the disbursement plan accordingly.

B. Update the budget data in the Central Planning Budget System (CPBS), and if this appropriation concerns recurrent expenditures, the updated disbursement plan must be approved by the budget directorate before entering the additional budget data in the Central Planning Budget System (CPBS).

Carry forward budget

3.3.28. The work shall be void with any budget that has not been disbursed or is not committed during the fiscal year in which it was linked to disbursement, provided

that the Minister of Finance and National Economy may approve the carry forward of the remaining funds or part of them for the next fiscal year if the public interest so requires.

3.3.29. The appropriations of the budget may be carried forward to the next fiscal year to finance and pay the following:

A. The future financial obligations resulting from financial transactions, the government entity initiated contracting procedures and was unable to complete them until the end of the fiscal year.

B. The projects, programs, transactions, or activities whose implementation is postponed to the next fiscal year, or which have not been completed until the end of the fiscal year.

C. Any other expenditures or obligations required by the public interest.

3.3.30. The minister is allowed, upon a request from the government entity to approve the carry forward of the remaining appropriations of the budget or part of it to the next fiscal year, provided that the following matters are fulfilled:

A. The government entity has achieved savings in its appropriations of budget for the current year that are not less than the entire appropriations of budget required to be carried forward.

B. The lack of sufficient appropriations in the budget of the government entity for the next fiscal year to implement the disbursement plan for which the appropriations of the budget were requested to be carried forward.

C. The amount of appropriations of the budget required to be carried forward should not be less than BD 3,000.

3.3.31. Is not allowed to carry forward the recurrent expenditures appropriations of the budget for more than one fiscal year, and this is allowed for project expenditures appropriations of the budget, as required by the financial obligations to implement these projects.

3.3.32. It is not allowed for the government entity to exploit the appropriations of the budget that have been approved to be carried forward in other than the aspects

of spending in which the carry forward was approved, nor the commitment or disbursement of those appropriations of the budget except after the approval of MOFNE or adds them to the budget for the next fiscal year within the Central Financial System.

3.3.33. MOFNE may cancel or reduce the appropriations of the budget that have been approved to carry forward if it appears necessary to do so during the next fiscal year.

3.3.34. The disbursement of carried forward appropriations of the budget is recorded as an expenditure in the fiscal year in which the disbursement is made.

3.3.35. In the case that a project budget carry forward is requested, the government entity must specify the amount to be carried, and the purpose of the carrying, and clarify the justifications that require carrying, in accordance with the laws and circulars issued in this regard.

3.3.36. In case the budget carry forward is approved, the concerned government entity will update the disbursement plan according to the adjustments made in the budget.

3.4. Annexures

Annexure 1: Components of the state's public budget

.3.4.1 The budget consists of three main categories, which are as follows:

A. **Revenues**, are classified within seven chapters as follows:

1. Chapter One: Oil and Gas
2. Chapter Two: Revenues and Fees
3. Chapter Three: Goods and Services
4. Chapter Four: Government Investments and Properties
5. Chapter Five: Subsidies
6. Chapter Six: Sales of Capital Assets
7. Chapter Seven: Fines and Miscellaneous Revenue (Other)

B. **Recurrent expenditures**, are classified within seven chapters as follows:

1. Chapter One: Manpower
2. Chapter Two: Services
3. Chapter Three: Consumer Goods
4. Chapter Four: Capital Goods
5. Chapter Five: Maintenance
6. Chapter Six: Transfer Expenditures
7. Chapter Seven: Grants, subsidies and loan interest

C. **Projects expenditures.**

Annexure 2: Building Maintenance Plan [2 years]

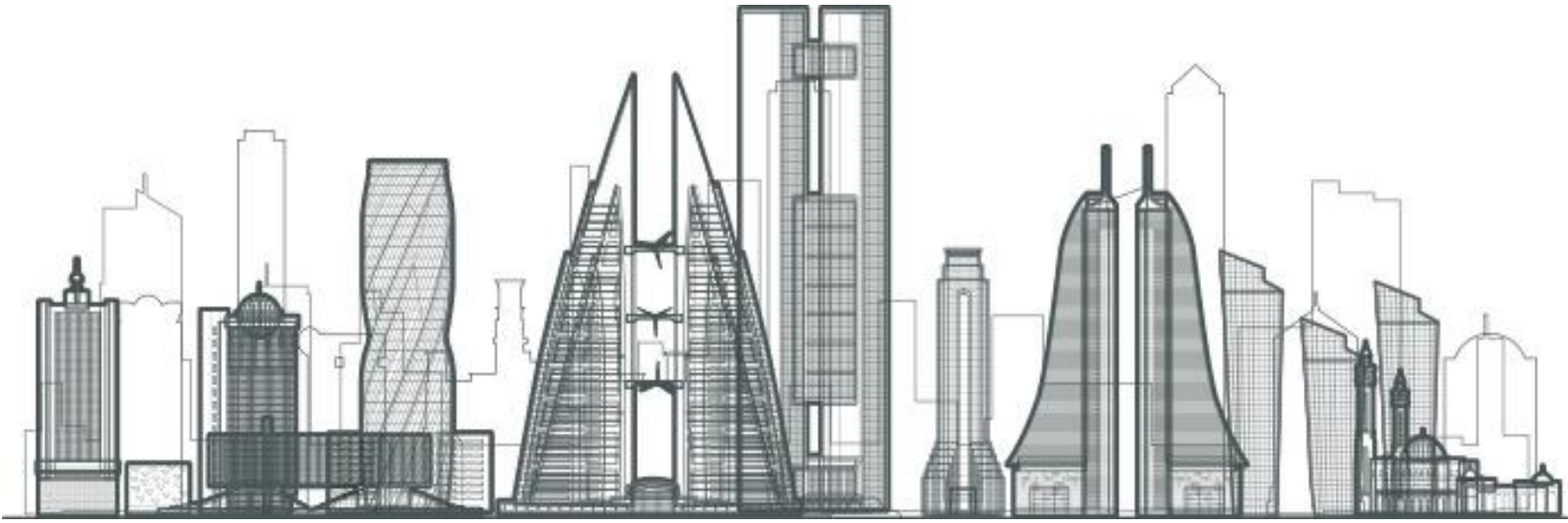
No.	Project Description	Total Planned Project Amount	Planned Cash flow		Priority
			1st Year Amount	2nd Year Amount	
Planned Project					
1					
2					
3					
4					
Total planned Amount (85% of Total Budget Amount)			0	0	
Un Planned Project					
1					
2					
3					

4				
Total Un planned Amount (15% of Total Budget Amount)			0	0
Total Budget Amount			0	0

Annexure 3: Building Maintenance Plan [5 years]

No.	Building Name	Location	Year 1				Year 2				Year 3				Year 4				Year 5				Remarks
			General Maintenance Works	Preventive Maintenance	Waterproofing system	Landscaping Maintenance	General Maintenance Works	Preventive Maintenance	Waterproofing system	Landscaping Maintenance	General Maintenance Works	Preventive Maintenance	Waterproofing system	Landscaping Maintenance	General Maintenance Works	Preventive Maintenance	Waterproofing system	Landscaping Maintenance	General Maintenance Works	Preventive Maintenance	Waterproofing system	Landscaping Maintenance	
1																							
2																							
3																							
4																							
5																							
A	Total Planned Amount (85% of Total Budget Amount)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-				-				-				-				-	
B	Total Un Planned Amount (15% of Total Budget Amount)																						
A+B	Total Budget Amount					-				-				-				-				-	

4. Revenue



General description of the system		
The coverage	The controls that regulate proposing new services and/or reviewing the existing list of services by government entities, define methodologies for determining prices for government services fees, and set policies related to the management and mechanism for collecting amounts due to government entities.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Public Revenue Policy Directorate	Setting the policies related to developing and collecting public revenues and following up on their implementation and compliance by government entities.
	Payment and Collection Directorate	Monitor, supervise, and follow up on procedures for collecting amounts due to ministries and government entities, identify and

		manage revenue collection channels, and coordinate with the concerned authorities to link services to the bank revenue accounts of ministries and government entities.
	Financing Operations Directorate	Supervising the bank accounts designated for revenue.

4.1. Revenue development initiatives

4.1.1. Government entities should coordinate with the Public Revenue Policy Directorate to implement more effective and efficient initiatives in terms of pricing services and generating revenues, or to launch new services or review existing services provided.

4.1.2. In the case that there is a proposal with the government entity to implement a revenue development initiative, the authority shall do the following:

1. Submit a request for approval to implement the initiative through the Central Planning Budget System (CPBS)to the Public Revenue Policy Directorate.

2. Determine an official point of contact for communication with the parties concerned with studying revenue development initiatives.

3. Submit an internal preliminary study on the proposed initiative, as requested by the Public Revenue Policy Directorate.

4. Prepare to discuss any aspects related to the proposed initiatives, including the impact and implementation process, with relevant parties if necessary.

5. After completing the study of the request by MOFNE, the government entity submits the proposal to the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, to obtain its directives related to the implementation of the initiative.

6. Based on the approval of the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, government entities implement the initiative, taking into consideration the appropriate legal instrument.

7. Take the necessary measures to update the accounts and make the necessary adjustments in the budget when needed.

4.2. Pricing of government services

4.2.1. Government entities must coordinate with the Public Revenue Policy Directorate to price, re-price or cancel the services fees they provide.

4.2.2. Government entities are obligated to follow the cost recovery methodology specified in this subsystem when pricing government service fees whenever possible, and other more effective and efficient methodologies may be followed whenever the nature and circumstances of imposing the fee so require.

4.2.3. Government entities are responsible for regularly reviewing the cost of the services provided, and government entities can coordinate with MOFNE in conducting a cost analysis when they do not have the expertise or sufficient tools to do so.

4.2.4. When submitting a request to study the pricing or re-pricing of services, government entities must provide MOFNE with the following information (as a minimum) to estimate service costs:

A. Name of the service.

B. The number of times the actual service was provided during a period of one to three financial years.

C. Service price (in Bahraini Dinars).

D. Revenue received from providing the service during a period of one to three fiscal years.

E. Name of the directorate responsible for providing the service and its budget center number.

F. The number of employees directly involved in providing the service (for example: technical personnel).

4.2.5. Upon approval by the concerned authorities of the government service pricing proposal, the concerned government entity must establish a team that includes representatives from the Human and Financial Resources Directorate and the relevant directorates which provide the service to act as the main point of contact concerned with providing the required information related to the service.

Methodologies of government services pricing

Pricing "based on cost"

4.2.6. Pricing is done "based on cost" by determining the value of the fees after taking into consideration the costs of the service provided, which include all direct and indirect operational costs, to evaluate all the resources used in providing services and imposing the appropriate value.

4.2.7. When determining the value of the fee “based on cost” the following main aspects should be taken into consideration:

A. Determine the costs of producing the service provided.

B. Determine the appropriate methodology for imposing a fee, according to the nature of the service provided and the group benefiting from it, and these methodologies are summarized as follows:

1. **Additional cost (+):** The imposed price is higher than the service cost, and this methodology is used to limit or prevent some behaviours, for example: imposing a high fee for issuing a driver's license card instead of a lost one, while the issuance fee is lower than that in order to encourage the preservation of the original card.

2. **Cost recovery (=):** The price charged equals the cost of the service, and this methodology aims to fully or partially recover the actual cost of providing the service.

3. **Cost subsidy (-):** The price charged is less than the service cost. This methodology is used to help or encourage the consumption of a specific service or to support the needs of society and groups in need.

4.2.8. Determine the individuals, sectors and entities that will be subject to the fees, in order to avoid placing financial burdens on some individuals and agencies and to ensure the issuance of appropriate laws and regulations, which in turn will maximize the efficiency of fee collection.

4.2.9. Determine the value of the service fee based on a certain percentage of the actual cost.

4.2.10. To implement the cost recovery policy effectively and efficiently, the government entity must observe the necessary measures, which are summarized as follows:

A. **Appropriateness:** The methodology applied must be consistent with the objectives of other policies, so that it is compatible and supplementary to the final results that the concerned government entity seeks to achieve. Example: A certain methodology should not lead to additional costs for essential services such as electricity and water in a way that limits the benefit of the largest segment of society.

B. **Efficiency:** The cost recovery policy requires setting fees to recover the lowest amount of the cost of providing a particular service at the required quality level, so that the quality is not affected by the refunded amount.

C. **Follow-up and review:** This process contributes to ensure that the methodology chosen remains most appropriate for the costs related to the service. This is done as follows:

1. Review and follow-up on a regular basis in order to keep pace with price inflation and increase in expenditures, etc.

2. Review the cost recovery methodology, to ensure that there are no additional hidden subsidies that may affect the objective of applying the cost recovery methodology that has been applied.

3. Establishing a robust mechanism for collecting fees, in order to ensure the success of the applied policy.

Pricing “based on international comparisons”

4.2.11. Pricing is made "based on international comparisons” by determining the value of fees based on a comparison of service prices with what is applied in other countries."

4.2.12. When using the government services pricing methodology “based on international comparisons”:

A. Take into consideration the following main factors:

1. Laws and regulations in force in the Kingdom of Bahrain.
2. The economic composition and size.
3. Social aspects.
4. Geographical size and environment.
5. Regional competitiveness.

B. Determine the following:

1. The most appropriate and relevant countries in the selected criteria for preparing international comparisons with them.
2. Determine and analyze how the service will be provided.
3. The price of the service provided and the beneficiary groups, in addition to the exemptions provided by the selected countries for comparison.

Pricing "based on competition in the market"

4.2.13. Pricing is "based on competition in the market" by setting the amount according to what competitors in the private sector charge for the same service provided.

4.2.14. The "market competition pricing" mechanism is used to price the government services that face direct competition in local open markets, (e.g., mail services pricing, radio and television advertising services, medical services).

4.2.15. When applying the “market competition” pricing mechanism, the following key aspects must be taken into consideration:

A. Determine the beneficiaries in the market with which service providers compete.

B. Identify companies in the market that provide these services.

C. Determine the current rate of the service provided.

D. Determine a value that corresponds to the current rate.

Pricing "according to specific time periods"

4.2.16. Pricing is done "according to specific time periods" by setting fees for government services according to the time or time in which the service is provided. It aims to organize the service request at a specific time and provide it in a better way.

4.2.17. The pricing methodology is used "according to specific time periods" to regulate the use of the service and provide the opportunity for the largest number of beneficiaries of the service, especially at peak times, for example: setting special fees for parking meters during peak times in some areas, and it is also used to give preference in providing the service to those who are ready to pay a higher price for the service in exchange for providing it at a faster than usual time (express service).

4.2.18. When applying the "time-bound" pricing methodology, consideration must be given to identifying the following main issues:

A. The peak times at which the service is consumed.

B. Sites providing the service and identifying the beneficiaries of it.

C. Appropriate value.

Procedures for approving government services pricing

4.2.19. The following procedures are followed to approve the pricing of government services:

A. The government entity submits a formal request regarding approval of government service pricing (it is preferred to use the form "Determining the Cost of Government Services" no. (RPD-COST-01) to the Public Revenue Policy Directorate, and clarify the following:

1. The services required to be priced and validated for the appropriate cost.

2. Draw a process flow chart for services and identify the relevant cost components.

B. After determining the costs of providing the service, the government entity submits a request to approve the implementation of the proposal to the competent authorities, based on the directives of MOFNE.

C. After approval of the proposal, the government entity completes the implementation procedures using the appropriate legal tool.

D. Appropriate adjustments are made in the government entity's budget based on the costs and revenues involved in implementing the proposal.

4.3. Revenue collection

General Provisions

4.3.1. Government entities must establish an internal system to control the collection of government funds, taking into consideration the following:

A. It includes all matters related to organizing government revenue collection procedures, and appropriate control over the financial, accounting and administrative aspects.

B. Corresponds to the nature and volume of government revenues that it collects.

C. Compatible with laws and regulations issued related to the collection of government revenues.

D. Establish an effective mechanism to ensure the collection of all due amounts.

4.3.2. Government entities must ensure that the funds collected are legally due and that the financial operations related to the collection and supply of due revenues comply with the laws and regulations issued.

4.3.3. The revenue transaction may not be completed except after the beneficiary has paid the full determined amount to complete the required transaction, with the exception of transactions that deal on credit according to the terms and conditions specified by this system.

4.3.4. Government entities may collect revenues for authorized purposes only (either by law, cabinet decision, or any other legal instrument such as memoranda of understanding in case of inter-ministerial collection).

4.3.5. Clients are charged the approved and issued unit price based on legal channels only (based on Cabinet decision or any other legal channels).

4.3.6. Discounts can be granted to clients on competitive products, but after the coordination with Public Revenue Policy Directorate, and approval of the minister (or equivalent) in the government entity, and these discounts are provided for the purpose of promoting the goods and/or services of the

government entity, and when the discount is approved, the Public Revenue Policy Directorate must be notified of that.

4.3.7. Before providing the service, government entities must make sure that the full amount is due according to the invoice or quotation before delivering goods and/or services to the client, with the exception of transactions in which the service is paid later and/or the client is accepted to be a creditor client.

4.3.8. Revenue amounts are collected from clients in Bahraini dinars, unless otherwise specified and approved by MOFNE.

Methods of revenue collection

4.3.9. Government entities must obtain the approval of MOFNE before adopting any methods of revenue collection.

4.3.10. The Payments and Collection Directorate is responsible for coordinating with banking institutions to provide methods of electronic collection or through financial cards or through any other appropriate methods, and government entities are not allowed to request these services directly from banking institutions, accordingly, government entities must fill out the form "Request Machine for Electronic Collection" and send it to the Payments and Collection Directorate to complete the necessary procedures.

4.3.11. The Payments and Collections Directorate pays the percentage of commission calculated by banks to collect revenues from government entities whose revenues are transferred to the state's public account according to the agreed rates, provided that it is calculated as an expense separately within a clause allocated for this purpose in the general budget for recurrent expenditures.

Collection by cheque

4.3.12. All cheques due to the government entity must be issued in its name and underlined with the word "for the beneficiary's account only".

4.3.13. The receipt must include the data of the cheque received, and the receipt is issued under the name of the transaction owner, regardless of whether the

cheque was drawn from his account or from the account of a person or another party, provided that the name of the account on which the cheque was drawn is also recorded on the receipt in case it is different than the name of the transaction owner.

4.3.14. Concerned government entities may not accept cheques whose face value exceeds the amount due to them.

4.3.15. Government entities must ensure that the following details related to cheques are correct before issuing a receipt:

A. Match the cheque value in words and numbers with the due amount.

B. The cheque does not expire (the cheque date does not exceed 6 months).

C. The presence of the drawer's signature on the cheque and any amendment, addition or cancellation in it.

D. The name of the beneficiary government entity.

4.3.16. Under no circumstances may the government entity circulate a cheque drawn for its order to endorse.

4.3.17. It is not permissible for the government entity to accept post-dated cheques except in exceptional cases that are needed for the work, and subject to obtaining prior approval from the Payments and Collection Directorate for that.

Returned cheques

4.3.18. The government entity must not accept the cheques of the client whose cheques have been returned more than once due to a lack of balance, unless they are approved by the drawee bank (such as an administrative cheque).

4.3.19. The government entity must record the details of the returned cheques in the form Returned cheques Register no. (802).

4.3.20. The government entity must notify the owner of the returned cheque for lack of balance by paying its value by direct transfer into the account or by a certified cheque within one week from the date of returning the cheque.

4.3.21. Government entities must inform the Payments and Collection Directorate of details of the returned cheques, in order to adjust the recorded revenues.

Electronic collection

4.3.22. Government entities must use electronic methods of payment to collect public revenues, and it is not permissible to use cash payment methods.

4.3.23. Government entities must adhere to the directives of the Information and eGovernment authority regarding collecting money through electronic channels and this is in coordination with the Payments and Collections Directorate.

4.3.24. The Payments and Collections Directorate is responsible for coordinating with banking institutions and e-government to include services through electronic channels and to link the revenue account of the requesting entity.

Collection through financial cards (point of sale devices) and self-payment machines

4.3.25. Government entities must keep a record that includes the data of the electronic devices, their locations, and their authorized use.

4.3.26. Government entities must prepare a monthly statement of the funds collected from each type of card separately and the funds collected through self-payment machines, and keep it for the purposes of reconciliation and review.

Internet collection

4.3.27. The government entity may collect government funds via the Internet whenever it has systems, devices, and qualified personnel to manage transactions that take place through its website.

4.3.28. Government entities that collect funds through Internet channels must do the following:

A. Establishing appropriate procedures to ensure the security and integrity of transactions that take place over the Internet.

B. Use appropriate protection systems for the client's credit card data, government records and databases from hacking by unauthorized parties.

C. The website should be embedded with terms of dealing which will be obligated by the other party in case it agrees to deal with it.

D. Providing channels to help clients solve any problems they may encounter while using the site, or to inquire about any information.

E. Track and monitor website performance and user satisfaction through specified metrics to ensure proper use, client protection, and that transactions are not affected.

F. Issuing periodic reports to ensure the validity and reliability of transactions completed via Internet channels.

G. Adhere to applicable regulations regarding e-commerce and related transactions (such as data protection law etc.).

H. Setting appropriate rules and procedures to ensure the confidentiality and security of the transactions of the parties dealing with the government entity through the website.

Collection through direct deduction

4.3.29. Government entities may collect their revenues from clients through direct deduction from their bank accounts, based on their approval.

4.3.30. In all cases, the deducted amount must be equal to the invoice issued to the client for the good / service provided to him.

4.3.31. Invoices should be sent and available to clients in a timely manner, along with all necessary details.

4.3.32. The government entity shall send invoices or notices of the amounts due on regular periodic dates or any other specified periods, such as monthly bills or periodic renewal notices of licenses.

4.3.33. Government entities must ensure that the bank has delivered all the details related to direct deduction instructions, such as the deduction order number, the client's bank account number, the required deduction amount, the client's account number with the government entity and the invoice number.

4.3.34. The amount of the direct deduction order issued by the government entity should be limited to the amount agreed upon with the client, and it must not include any other amounts, even if these amounts are owed to the government entity by the client.

4.3.35. Government entities must obtain from the banks a report that includes details of all the amounts deducted and transferred to their accounts, and details of the deducted orders that were rejected for any reason, such as: insufficient balance or cancellation of the deducted order by the client, and these reports are used to update clients' records and match their data with bank account statements to ensure the correctness of the amounts transferred to the accounts.

Collecting revenues on behalf of other government entities

4.3.36. Government entities may coordinate with government or non-government entities to collect revenues on their behalf to manage and collect revenues on their behalf, after prior coordination with the Public Revenue Policy Directorate and the Payments and Collection Directorate.

4.3.37. In the case that a government entity collects revenues on behalf of another government entity, a memorandum of understanding must be concluded between the two parties to regulate the conditions, procedures, management, and collection of such revenues. The draft memorandum must be reviewed, and its terms approved in advance by MOFNE and then approved by the Minister or someone equivalent to it in the concerned government entities.

4.3.38. If a government entity undertakes the responsibility of managing and collecting revenues on behalf of another government entity, the collecting government entity must comply with the following:

A. A memorandum of understanding should be done with the beneficiary government entity and include all the terms and details of the agreement and the obligations of the two parties, provided that the draft of the memorandum is presented to MOFNE for approval of its terms before being signed by the concerned parties.

B. Receiving and depositing the collected revenues on behalf of the beneficiary government entity in the bank account that is agreed upon with the Payments and Collection Directorate.

C. Notifying the beneficiary government entity of the revenue data received on its behalf on a monthly basis at least.

D. Follow up on the deferred revenues that are owed to the beneficiary government entity.

4.3.39. The beneficiary government entity is responsible for recording the revenues collected for it by another government entity, making adjustments and passing the relevant journal entries.

Revenue collected in foreign currencies

4.3.40. The government entity that deals with external entities and collects its revenues from those transactions locally must do the following:

A. Deposit all funds collected in foreign currency into the bank account determined by the Payments and Collection Directorate.

B. Issuing invoices in Bahraini dinars and their equivalent in US dollars or any foreign currency to be agreed upon with the Payments and Collection Directorate.

C. Record revenues in Bahraini dinars according to the exchange rate determined by the Payments and Collection Directorate.

D. Collecting the revenues due to it in one of the following ways:

1. The client opens an irrevocable documentary credit in favour of the relevant government entity through a local bank.

2. The approved bank guarantee must be issued by a local bank in favour of the relevant government entity.

3. Any other method to ensure that the government entity meets its due revenues.

Receipts

4.3.41. Government entities must issue an official receipt for the amounts received for each transaction, regardless of the value, the method of receipt, and the channel through which the funds were received.

4.3.42. All government revenues receipts must be issued in Bahraini dinars, unless otherwise approved by MOFNE.

4.3.43. The following data must be documented as a minimum upon receipt of the revenues due to the government entity:

A. A non-duplicate reference number for the transaction or balance.

B. The date the payment was received.

C. The offered service.

D. Details of the person who is given the amount.

e. Data of the employee who received the amount.

F. Details related to value-added tax.

G. The name of the government entity that holds the entitlement.

4.3.44. In the cases where the revenues are of low values and their transactions are multiple, the government entity must coordinate with the Payments and Collection Directorate to determine the appropriate system for controlling this type of revenues.

4.3.45. In the case of a manual receipt system, the following apply:

A. Appointing an accountant (or equivalent) to be responsible for filing receipts.

B. Receipts are numbered sequentially and stored in a secure location.

C. Provide new receipts to meet daily requirements as needed.

D. Keep all copies of issued receipts including cancelled ones, in sequential order, in a safe place.

E. When an official receipt is cancelled, all its copies will be marked (cancelled).

Revenue recording

4.3.46. The government entity shall coordinate with the Payments and Collection Directorate to determine the appropriate mechanism for entering and recording revenues in the Central Financial System, either by entering and recording revenue directly in the system, or by preparing form "Revenue Voucher" no. (601) and sending it to the Payments and Collection Directorate to enter it on its behalf.

4.3.47. The government entity must ensure that the bank statements are in conformity with the receipt and deposit receipts in the bank that were made directly by customers, and then enter the revenue into the Central Financial System directly or by coordinating with the Payments and Collection Directorate according to the arrangement agreed upon with the aforementioned concerned directorate.

4.3.48. Revenue recording must be taken according to the approved classification of the public budget.

4.3.49. The amounts of trusts, guarantees and conditional donations received are not recorded as revenue, but are recorded under a separate commitment account in the general ledger system in coordination with the Payments and Collection Directorate.

Matching and adjusting

4.3.50. Taking into consideration the separation of duties, the government entity reviews sales operations and matches sales lists, balances and reports regularly to ensure the correctness of sales amounts, operations and records, and in particular the following must be done:

A. Matching received amounts or discount balances issued through various electronic collection methods with reports received from banking institutions on an up-to-date basis.

B. Matching the bank statement with receipts balances, or deposit receipts in the bank for monthly cash amounts.

C. Matching the revenues balance in the general ledger account in the Central Financial System with the actual monthly revenues.

D. Correcting and settling any discrepancies (if any), preparing a conformity statement, and notifying the Accounts and Financial Systems Directorate of the adjustments required to correct the revenues.

E. Providing the Payments and Collection Directorate with statements of reconciliation between the bank statement and the report issued by the Central Financial System and the revenues records on a monthly basis.

Revenue return

4.3.51. The amounts collected in excess are refunded to clients by entering the invoice details in the Central Financial System by the government entity without entering the accounting tab. Then the Payments and Collection Directorate completes the tabulation entry procedures and passes the payment to the beneficiary.

4.3.52. The government entity may not return the fees of issued licenses even if the license is not used or utilized by the client.

4.3.53. In the case of an error in collecting or recording revenues, they must be returned after verifying the transaction, the completeness and integrity of the

documents, and the availability of justifications for the return. The revenue recorded in error must be corrected in accordance with the procedures referred to in paragraph (2.1.8).

4.3.54. The following procedures are applied in case of returning funds to clients:

A. Receive the receipt from the client and mark the revenue transaction documents, and all copies of the receipt with the word "cancelled".

B. Return the collected revenue to the client, save the revenue transaction documents in a file designated for this purpose, and save all copies of the cancelled receipt in the receipt book.

C. Approval of Revenue Return Request Form No. (602), taking into account its approval by the Director of the Directorate or by the chief with an amount not exceeding BD 25,000 after coordination with the Payments and Collections Directorate

Credit dealing

4.3.55. Government entities must obtain the approval of the Public Revenue Policy Directorate before approving the credit dealing in the collection of revenues resulting from the implementation of a proposal or initiative to develop public revenues, and the provisions and procedures outlined in this system regarding scheduling the collection of the amounts due shall apply to dealing with deferred payments in the collection of other revenues.

4.3.56. Authorities dealing with credit in collecting their service fees must do the following:

A. Determine conditions for evaluating and granting credit to clients to ensure accuracy in selecting clients.

B. Maintaining and updating a record of all credit clients, including a special account for each client dealt with.

C. The client agrees to a contract that specifies the credit arrangements and terms.

D. Issuing a credit invoice for each transaction.

E. Sending a monthly account statement to credit clients that includes all the monthly transactions data, whether their balance is debit or credit at the end of each month, whenever this is required.

F. Obtaining the necessary guarantees to receive the amounts due to them on due dates, such as obtaining a bank guarantee or checks dated with payment dates, with a notarized debt instrument signed by the financial clients whenever possible.

G. Maintain a record of clients, including an account for each client that is dealt with, and take appropriate procedures to follow up on the collection.

H. Take all necessary procedures to improve the procedures for collecting its revenues, and to reduce the accumulated amounts of uncollected.

4.3.57. Government entities must follow the procedures specified in the table below as a minimum to deal with the amounts due to them, according to the class and period of debt:

Category	Debt Period	Minimum Actions to be Taken
Current Account	Until 6 months	1. Issue invoices to the client for amounts due. 2. Communicate with the client within a period not exceeding two weeks from the due date, and continuously thereafter to claim the overdue amounts.
Uncollected Revenue (Category A)	6 – 12 months	Consider the possibility of scheduling/ rescheduling amounts due or the debtor submitting a notarized debt instrument, or including them within the direct deduction mechanism or deduction from the debtor's dues with the government entity or with other

Category	Debt Period	Minimum Actions to be Taken
		government entities (if any) in coordination with MOFNE.
Uncollected Revenue (Category B)	1 -5 years	1. Initiate legal proceedings against the debtor. 2. Stop providing government services to the debtor by the creditor government entity (with compliance to legal matters).
Doubtful debt	5 – 10 years	1. Considering the possibility to stop providing of government services by other government entities (with compliance to legal matters). 2. Contract with debt collecting entities, whenever possible.
Uncollectible debt	10 – 15 years	1. Take all steps specified for the items above. 2. Submit a request to reclassify the debt into uncollectible debt and record it in the uncollectible debt register with MOFNE, attached to it all documents proving that all administrative and legal procedures necessary for debt collection have been exhausted.
	More than 15 years	1. Take all steps specified for the tems above. 2. The authority may submit a request to cancel the debt, with attached all documents proving that all administrative and legal procedures necessary to collect debts have been exhausted,

Category	Debt Period	Minimum Actions to be Taken
Write off debt		provided that the request is submitted to: 1. Minister of Finance and National Economy for amounts not exceeding BD 10,000. 2. Ministerial Committee for Financial and Economic Affairs and Financial Balance for Amounts Exceeding BD 10,000; Based on the Ministry of Finance and National Economy opinion.
	Special cases	1. The death of the debtor and five years have passed without evidence of an inheritance from which the debt can be repaid. 2. The bankruptcy of the debtor or insolvency, and more than ten years have passed since the debt became due. 3. The debtor has terminated his commercial activity or left the Kingdom of Bahrain without having money or real estate from which the debt can be collected, and more than twenty years have passed since the debt became due. The debtor is located in areas facing security instability, and it has been

Category	Debt Period	Minimum Actions to be Taken
		more than twenty years since the debt became due. 4. A judgment issued as a final and finished stating that the debt is not due.

4.3.58. About those who have failed to pay the rent of government land and real estate, the beneficiary or tenant who fails to pay the rent due in accordance with the contract done with him, must be required to deposit a letter of guarantee issued by a local bank equivalent to the rent of the leased property for the second period or the value of the rent due for a period of five years before Renewal of the contract for the second period, provided that the beneficiary or the tenant is notified of this by written notification.

4.3.59. Government entities must send a detailed report of uncollected debts and revenues every three months to the Payments and Collections Directorate.

Scheduling the collection of amounts due

4.3.60. Government entities must obtain the approval of the Payments and Collections Directorate before agreeing with the relevant parties to schedule the collection of amounts due to them whenever the value of these amounts exceeds twenty-five thousand dinars, or the installment period exceeds twenty-four months, regardless of the amount, considering the justifications provided by the government entity.

4.3.61. Government entities must follow the following procedures to schedule the collection of amounts due to them that are equal to or less than twenty-five thousand dinars:

A. Ensure that there is sufficient justification for scheduling the amounts due, considering what the interested party provides and the government entity's research.

B. Negotiate to reduce the installment period so that the period is proportional to the amount requested, according to the following table:

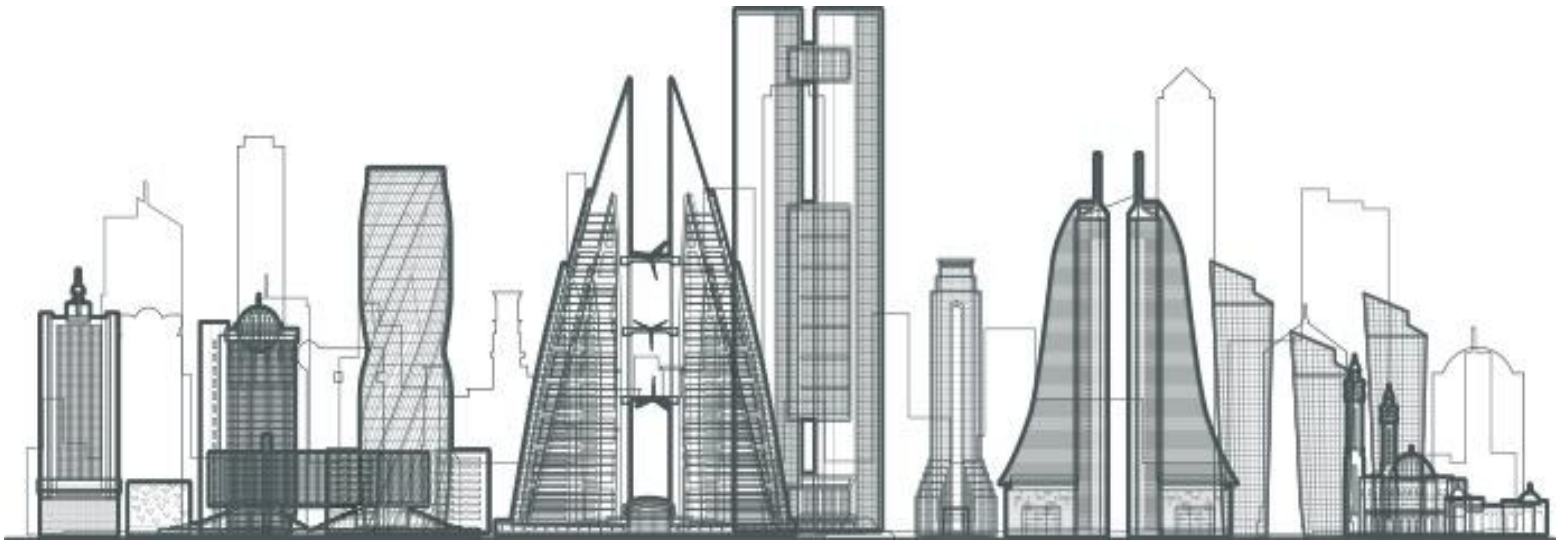
Category	Amount due	Maximum installment period
First	1,000 dinars and less	Six months
Second	More than 1,000 dinars and up to 5,000 dinars	Twelve months
Third	More than 5,000 dinars and up to 10,000 dinars	Eighteen months
Fourth	More than 10,000 dinars and up to 25,000 dinars	Twenty-four months

C. Obtaining the necessary guarantees to receive these amounts on their collection dates, such as obtaining a bank guarantee, or cheques dated with the payment dates, and signing a notarized debt instrument.

D. Approval of the schedule for collecting amounts due to the government entity from the level of Assistant Undersecretary or higher (or someone of equivalent status) in the same entity, unless the installment period exceeds the maximum limit for the category designated for it, suppose the installment period exceeds the maximum limit, in that case, the schedule shall be approved by the level of Undersecretary (or someone of equivalent status) and up to the maximum period designated for the category immediately following it.

4.3.62. Government entities must provide the Payments and Collections Directorate with a detailed quarterly report on the procedures for scheduling the collection of amounts due to them.

5. Recurrent Expenditures



General description of the system		
The coverage	General controls over recurrent expenditures and detailed controls for some specific expenditures.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Central Efficiency Directorate	Supervising and controlling purchases of goods and services financed from the recurrent expenditures budget
	Central Procurement Directorate	Supervising and controlling Central Contracts.
	International Relations Directorate	Approving the subscriptions payments for international organizations.
	Payments and Collection Directorate	Supervising the payments to suppliers and other parties.
	Legal Affairs Office	Reviewing the financial contracts of MOFNE

5.1. Introduction and general provisions

5.1.1. This system includes the regulatory provisions and procedures governing purchases from the recurrent expenditure budget.

5.1.2. The requirements for coordination and obtaining the approvals of the directorates of the Assistant Undersecretary for Shared Financial Services set forth in this system applied only to government entities subject to financial supervision by this administrative level only.

5.1.3. All provisions of the Tender Law and the legislation, decisions, and instructions issued by the Tender Board that regulate government procurement must be adhered.

5.1.4. The process of disbursing from the recurrent expenditure budget passes through several stages, as follows:

A. **Purchase planning stage:** Prepare the annual purchase plan.

B. **Purchase requisition stage:** Before starting the procurement procedures, the government entity must submit a request for initial approval to purchase from the Central Efficiency Directorate, provided that the request specifies the type of service or goods required and the estimated cost, and attaches the required approvals from other government entities.

C. **Stage of offers receiving and determining the appropriate offer:** After the approval of the Central Efficiency Directorate, the government entity may choose the appropriate procurement method in accordance with the provisions of the Tender Board.

D. **Stage of the purchase order:** The government entity shall request approval of the purchase after completing the procurement procedures in accordance with the Tender Board regulations and identifying the selected supplier, in order to obtain the final approval before contracting and dealing with that supplier.

E. **The awarding and contracting stage:** The government entity proceeds to issue the purchase order and then signs the contract to obtain the required service or goods.

5.1.5. In accordance with the legislation of the Tenders Board, a committee consisting of three or more members who have experience and competence, is formed by the competent minister or his equivalent, to supervise the procurement process, including the following:

A. Supervising the internal procurement process and assuming the following responsibilities: receiving bids, laying down evaluation principles and criteria, evaluating offers, making decisions and justifying the choice of method of contracting other than public tender, making negotiation decisions, and awarding decisions on winning bidders.

B. Approval of the extension, renewal, and amendment of internally awarded contracts.

C. Overseeing the procurement processes awarded by the Tender Board.

D. Approving the list of suppliers for direct and limited tenders.

E. Concerning purchases carried out through the central contracts of the Ministry of Finance and National Economy, the committee must be notified of the aforementioned purchases immediately after the completion of the purchase procedures through the aforementioned contracts, in a manner that ensures the committee obtains a clear picture of the entity's purchases, including specifications, prices and other related aspects.

The government entity shall abide by any updates or amendments issued by the Tenders Board in this regard.

5.1.6. Government entities must provide the shared financial services division with a copy of the decision to form internal procurement committees and any amendments made to their formation.

5.1.7. Government entities must adopt policies that ensure the integrity of their procurement activities and processes.

5.1.8. Concerned parties must maintain clear and complete documentation for all procurement decisions.

5.1.9. Government entities should ensure that there is an appropriate separation of procurement responsibilities, for example: the separation between the responsibility of contacting suppliers to submit bids and the task of evaluating bids, and the responsibility of receiving goods and services and carrying out other related transactions.

Prior approvals

5.1.10. Government entities must obtain the approval of the Central Efficiency Directorate on the purchase order before contracting to purchase any kind of expenditures, whatever their value, unless they meet the criteria for petty cash or any other goods and services excluded by MOFNE, and failure to comply with this provision is considered a financial violation.

5.1.11. In addition to the approval of the relevant directorates in the shared financial services division on recurrent expenditures, the following prior approvals of the government entities must be obtained before entering any commitment related to the expenditures shown (this condition applies also in the case of renewal, extension or amendment of the contract):

A. **IT Expenditures (Software, applications or devices):** Approval of the IT Directorate of the concerned government entity and the Information and eGovernment authority.

B. **Construction and building expenditures:** approval of the Ministry of Works.

C. **Manpower Expenditures:** Approval of Civil Service Bureau for the manpower contracts and service contracts that mainly depend on the use of manpower, whether those costs are financed from the recurrent expenditures or from the project budget.

D. **Expenditures related to government properties:** Approval of the Government Property Affairs Directorate.

E. **Project expenditures:** Approval of MOFNE and the Information and e-Government entity for IT projects.

5.1.12. Prior approval of MOFNE must be obtained before entering into any contract that entails financial obligations, unless the regulations issued stipulate otherwise. However, in all cases, the following terms must also be adhered:

A. Ensure that any contract rise financial obligation has been included in the budget, and that a contract whose value exceeds the budget allocated for it has not been committed.

B. Obtaining the approval of the competent directorate in MOFNE before implementing any contractual procedures, which include, for example: concluding a new contract, amending an existing contract, or terminating a contract.

C. Obtaining the approval of MOFNE for any terms of contracts that affect its value, for example: setting a price ceiling.

D. Comply with the provisions of the Tender Law and obtain the approval of the Tender Board upon entering into a contract whose value exceeds BD 50,000, except for purchases that are carried out within the Central Contracts of MOFNE, after obtaining the necessary approvals as specified in this manual.

E. Approval of the Legislation and Legal Opinion Authority for contracts whose value exceeds BD 300,000, regarding copies of supplementary contracts related to the central contracts of the Ministry of Finance and National Economy, the instructions set by the Central Government Procurement Directorate must be followed.

F. Obtaining the approval of the Central Procurement Directorate at MOFNE before concluding any supplementary contract or issuing a purchase order related to Central Contracts concluded by MOFNE, in addition to obtaining the approvals of the concerned authorities according to paragraph (5.1.11) according to the nature of each contract and as indicated by the Central Procurement Directorate, When notifying government entities of the signing of central contracts.

5.2. Purchase stages

Purchase Planning

Prepare the annual purchasing plan

5.2.1. Government entities must prepare an annual procurement plan that covers their expected expenditures during the next fiscal year, the Central Budget Planning System (CPBS) contributes to improving the level of procurement implementation and optimizing resource allocation. This plan must be in line with the expenditure plan prepared when submitting the budget proposal.

5.2.2. The annual purchasing plan should include all recurring expenses and purchases except for Petty cash, Inventory and Manpower Chapter expenditures, however, they must be allocated in the budget separately (within the expenditure plan).

5.2.3. When preparing the annual procurement plan, the following should be taken into consideration:

A. Availability of an adequate budget to carry the planned expenditures so that the budget is not exceeded.

B. Fulfilment of all applicable laws, circulars, decisions, and provisions of this manual.

C. Distribution of the spending plan according to the appropriate budget items.

D. Grouping the requirements of goods and services into unified purchase orders to obtain competitive prices.

5.2.4. The annual procurement plan for the government entity must be prepared by the concerned procurement directorate.

5.2.5. The annual procurement plan should include the following:

A. All expenditures according to the budget item.

B. Estimated quantity for each item.

C. Unit cost and the total cost of each item.

D. Proper purchasing method for every item.

E. The date of the expected request for each item.

F. Scope of services and specifications for each expenditure.

G. Details of existing and planned contracts.

H. Any other information requested by MOFNE.

5.2.6. The government entities shall provide MOFNE with any requests for information or reports related to recurrent expenditures at the specified times.

5.2.7. The annual procurement plan is prepared through the following steps:

A. Before the start of each fiscal year and during a sufficient period, the directorate responsible for procurement requests budget recurrent expenditures details according to paragraph no. (5.2.2) from the financial resource's directorate in the government entity.

B. The directorate concerned with procurement coordinates with other concerned directorates in the government entity to obtain their needs included in the recurrent expenditures budget for the next fiscal year, by distributing the amounts of these needs according to the appropriate budget items, according to the annual procurement plan model within the Central Budget Planning System (CPBS).

C. The procurement department shall:

1. Review the estimates received, ensuring their suitability, analyzing and compiling the estimates, and preparing the annual purchase plan according to the budget items.

2. Study possible strategic options to provide the required procurement needs at the best value and lowest possible cost, whenever possible, and work to direct available resources towards essential and necessary purchases.

D. Each government entity fills out the annual procurement plan form in the CPBS and submits it to MOFNE in detail and accurately.

5.2.8. The annual purchase plan must be submitted in accordance with the deadlines set for the plan preparation cycle.

Central Contract

5.2.9. The Ministry of Finance and National Economy may conclude centralized contracts to cover government purchases to provide them at a lower cost and on better terms. These contracts may be concluded with one or more suppliers and may include one or more government entities.

5.2.10. The Central Government Procurement Directorate is responsible for preparing Central Contracts to meet the needs of government entities in terms of goods and services, and government entities must commit to purchasing through these contracts, if available.

5.2.11. Government entities must provide the Central Government Procurement Directorate with information and reports about their purchases and their plans for disbursement, upon the request of the mentioned directorate, in an accurate and timely manner.

5.2.12. Concerned government entities must provide the Central Government Procurement Directorate with the data they require to plan and prepare for Central Contracts, for example:

A. Planned purchases.

B. Specifications of goods and services.

C. Required quantity.

D. Historical spending.

E. Planned tendering method.

F. Any other relevant details requested by the concerned directorate.

5.2.13. After concluding the Central Contracts, government entities are notified of these contracts to contract with suppliers according to the standard prices agreed

upon in these contracts. The government entity is also provided with the necessary documents related to central contracts.

5.2.14. The purchasing government entity shall be responsible for implementing the supplementary contract, paying the suppliers, and receiving the performance guarantee according to the terms stipulated in the central and supplementary contract.

5.2.15. The government entity shall be responsible for managing its contracts with its designated suppliers under the umbrella of central contracts independently, including the implementation of contract terms and purchase orders, supervising the receipt of goods and services, taking the necessary administrative actions, documenting procedures and correspondence with suppliers and other contractual matters.

5.2.16. The government entity shall abide by the mechanism of contracting with suppliers according to the provisions contained in the Central Contracts and the instructions specified by the Central Procurement Directorate, with regard to the need to conclude supplementary contracts or just issue purchase orders to suppliers.

5.2.17. Government entities must review all documents related to central contracts, including central and supplementary contract clauses, purchase orders, and terms of reference, to ensure that the rights and obligations of the government entity and suppliers are known throughout the contract period, and to take the necessary actions accordingly.

Issuing a purchase request

5.2.18. It is not permissible for government entities to initiate procurement and tendering procedures unless the purchase request is approved by the Central Efficiency Directorate.

5.2.19. Government entities must issue the purchase order directly from the central financial system after fulfilling the required conditions and obtaining the necessary approvals. It does not require manual signing and sealing, and it is only valid if it shows that the purchase order status is “Approved”.

Purchase cost estimation

5.2.20. Concerned directorate must submit purchase requests within a sufficient period that allows the concerned directorate and the MOFNE to complete the review and evaluation procedures.

5.2.21. Since the final cost of the purchase may not be known at the time of submitting the purchase requisition, the following can be relied upon when estimating the cost of purchase requisitions:

A. The prices previously contracted by the relevant government entity or other government entity to purchase similar goods or services.

B. Relevant current or prior contracts.

C. Request to obtain information from suppliers in accordance with the regulatory suppliers that the request is intended for study and initial evaluation and will not entail any contractual obligations at this stage.

D. According to the prices specified in the relevant Central contracts.

E. Government policies issued regarding some types of similar purchases (such as furniture and office rentals).

F. Evaluate the market price by searching on websites or other research methods.

G. Previous experience and current contracts for other government entities.

H. The prices at which the budget estimates are based.

I. Price ceilings specified in this manual for some types of charges.

5.2.22. The following should be taken into consideration when estimating the cost of a purchase requisition:

A. The estimated cost in the purchase requisition be as accurate as possible, and the method and basis of the cost calculation be indicated within the order.

B. To be comprehensive for a breakdown of any other costs associated with the order where this information is available. Such as shipping and delivery costs.

C. Reflect expected changes in prices and trends in the market, if applicable.

D. If the purchase requisition for contracting is for a period of more than one year, the cash flow for each fiscal year must be estimated from the requested contract.

E. If the purchase requisition relates to a recurring service with existing contracts, acceptable justifications must be provided in case there are differences between the two prices.

F. Ensure that the value-added tax applies to each of the types required to be purchased, and include the value of that tax in the estimation of the cost of the purchase order if it applies to the good or service required to be purchased.

Submit a request of purchase

5.2.23. Government entities must initiate the submission of purchase requests early and within a sufficient period of time for consideration by the Central Efficiency Directorate and other relevant government entities, and complete the subsequent stages of the purchase, thus avoiding price rises than expected.

5.2.24. MOFNE may request the requesting government entity to review the estimated costs or request further evidence or justifications on how the estimated cost is calculated.

5.2.25. Government entities must take into consideration the following with regard to issuing purchase orders:

A. Every purchase requisition must have a non-duplicating reference number.

B. Approval and authorization of the purchase requisition internally in the government entity according to the levels of authority specified in this manual.

C. The availability of an adequate budget for each item of the specified budget for the expenditures to be purchased and that these expenditures are included in the approved disbursement plan of the government entity.

D. Reserve its budget under the correct tab for disbursement.

E. The obligations and contracts related to the request are compatible with the provisions and regulations of procurement.

F. Obtaining prior approval from the concerned government entities.

G. Attach all supporting documents and justifications for the need.

H. Merging similar needs into a single purchase order, and not dividing them with the purpose of circumventing laws or control procedures.

5.2.26. Entering into any financial obligations not approved by MOFNE and contracting without approval of a purchase order issued by the Central Financial System is a financial contravention this will result in the signing of the "Financial Violations" Form No. (MF2601) by the violating employee and the directorate concerned with the violation.

5.2.27. The government entity must investigate the accuracy and disclose any information or documents that may affect the evaluation of the application and the decision taken in this regard by the directorate concerned with financial resources in the entity or MOFNE, noting that failure to disclose this is considered a violation of the procedures.

5.2.28. The government entity chooses the appropriate procurement method in accordance with the established tender and auction systems.

Procedures for approval of a purchase request

5.2.29. The procedures for approving purchase requests are done according to the following:

A. Based on the disbursement plan and the government entity's needs, the directorate concerned with Financial Affairs reviews the purchase requests received from the concerned directorates in the government entity based on disbursing priorities and justifications of needs and estimates the purchase cost of those requests.

B. The directorate of Finance ensures that the supporting documents are available, the required recurrent expenditures are in line with the spending plan, the correct budget tab code has been chosen, and the adequate budget is available. In the case that all these terms are not met, this directorate will return the request to the requester directorate and coordinate with it to fulfil the required conditions, such

as: postponing the request, making transfers in the budget, or requesting an additional budget.

C. The Directorate concerned with financial affairs studies the purchase request in terms of the existence of an actual need and realistic justifications for submitting it, and that the return and benefit from the request exceeds the cost that will be carried on the authority's budget, and from the absence of other suitable alternatives.

D. Upon approval of the request, the directorate concerned with financial affairs issues the purchase request, including the following data and documents:

• Goods and/or services requested.

• Justifications for the need to purchase and value for money.

• The budget item to which it relates.

• Negotiation strategy.

• The estimated total cost of the request, including VAT, and the justifications for calculating these costs.

• Any other costs associated with the purchase, such as: delivery and installation fees.

• Any documents required by the Central Efficiency Directorate and the supporting technical committees.

• Previous contract (if available).

• Determine whether the request is related to a new contract or amend, renew or extend an existing contract

• The time period for:

- Implementation of the procurement method (such as tender or other).

- Contracting.

- Receiving the requested commodity or service.

• Suggested purchase method.

E. If the required contract is to last for several years or includes deferred payments, the cash flows must be determined for each period.

F. Any other data related to a purchase request in addition to other data and documents that may be required by the Central Efficiency Directorate.

G. The budget is reserved for the request and the request is approved according to the levels of authority specified in the government entity.

H. The purchase process will be cancelled if the request is rejected by the competent authority within the government entity.

I. In the case that the request is approved by the competent authority in the government entity, the directorate concerned with Financial Affairs sends the request along with the supporting documents to the other concerned government entities for prior approval if the procedures require that.

J. After completing the required prior approvals, the directorate concerned with financial affairs sends the purchase request and its attachments to the Central Efficiency Directorate through the Central Financial System for approval.

K. The Central Efficiency Directorate evaluates the request, and in the case that it does not meet the conditions, it will be rejected and returned to the requester government entity with an explanation of the reasons for the return.

L. In the case that the request is rejected, the process is terminated, and the reservation is cancelled from the budget, and in the case that the request is approved, the government entity begins the next stage of the purchase process.

M. The approval of the Central Efficiency Directorate must be obtained in the event of the need to cancel or amend any purchase order or purchase order approved by the aforementioned directorate in advance through the Central Financial System; The government entity may not proceed with the procurement or commitment procedures after cancelling the purchase request or cancelling the budget reservation.

Determination of appropriate purchase offer

5.2.30. After the purchase request is approved by MOFNE, the government entity begins the procurement process by following one of the procurement methods in accordance with the issued tender regulations.

5.2.31. Government entities must submit to the Tender and Auctions Board a written confirmation of the prior approval of MOFNE on the availability of the necessary funds before commencing the procurement procedures or offering tenders, which is done through the tender according to the laws issued.

5.2.32. If the Ministry of Finance and National Economy has a stock of the same goods that government entities need according to the purchase requests submitted by them, then government entities must make use of that stock in a way that achieves optimal use of resources, and the government entity must coordinate with the relevant directorate in the Ministry of Finance and National Economy to deduct the cost from its budget.

5.2.33. Government entities may carry out procurement procedures internally without referring to the Tender Board for purchases whose value does not exceed BD 50,000 in accordance with the Tenders and Auctions Law and the decisions issued, according to the following:

A. **Direct purchase** by obtaining a minimum of one offer for purchases whose value does not exceed BD 3,000 and government entities must obtain additional quotations in the availability of other competitive prices or if requested to do so by the Central Efficiency Directorate.

B. **Purchasing by obtaining three offers** as a minimum for purchases whose value exceeds BD 3,000 and does not exceed BD 10,000, and government entities must obtain additional quotations in the availability of other competitive prices or if requested by the Central Efficiency Directorate.

C. **Purchasing by public tender** and announcing it to obtain offers by suppliers who wish to participate in accordance with the terms and documents of the tender, or

by following the method of limited tender - according to a reasoned decision from the internal committee for tenders, Auctions, purchases and sales - by inviting all or the largest possible number of suppliers or contractors working in the same type of activity, subject of the tender and who are registered in the government entity's records and the Tender Board, for purchases whose value exceeds BD 10,000 and does not exceed BD 50,000.

5.2.34. The government entity may, after obtaining the approval of the Tender Board or the Internal Procurement Committee as applicable, negotiate with suppliers regarding their bids without prejudice to the terms and specifications stipulated in the tender documents, in the following cases:

A. Negotiating with the sole bidder.
B. Negotiating with the bidder who offers the best terms and the lowest price if the value of their bid exceeds the estimated cost allocated for the purchase.
C. Negotiating with the bidder with the highest rated score and all bidders after him if the difference between their valuations is five percent or less. In all cases, the result of the negotiation must be submitted to the council for a decision, and the result of the negotiation must be documented within the purchase order documentation cycle in the central financial system.

5.2.35. Government entities must ensure that central contracts cover their needs for goods and services before deciding on the purchasing method through which those needs will be provided.

In the case of a central contract for the required purchases, the government entity conducts the purchasing process with the supplier listed in that contract. This includes purchases that are passed through the first chapter budget, the projects budget, the inventory budget, or others.

Pre-approval to issue purchase orders

5.2.36. The government entities must obtain the approval of the Central Efficiency Directorate to issue a purchase order before awarding or signing the contract with the supplier, provided that the legally prescribed dates are observed.

5.2.37. When submitting the request to approve the issuance of the purchase order to the Central Efficiency Directorate, the government entity must make sure to attach evidence that it has completed the following requirements:

A. Obtaining approval from the Internal Procurement Committee or the Tenders Board (according to the contract value).

B. Obtaining the required approvals from other government entities.

C. Final budget allocation for the expenditure.

D. A draft copy of the contract, if applicable.

E. Obtaining the approval of the Payments and Collection Directorate in the case that an advance payment is required.

F. Justifications in the case of a difference between the purchase order and the request.

5.2.38. The approval of the Central Efficiency Directorate must be obtained in the event of the need to cancel or amend any purchase request or purchase order approved by the aforementioned directorate in advance through the Central Financial System.

5.2.39. For purchase orders related to central contracts, the government entity must verify, before submitting purchase orders to the Central Efficiency Directorate, that the data and content of the purchase orders are in line with the approval issued by the Central Procurement Directorate.

The difference between a purchase requisition and a purchase order

5.2.40. The Central Efficiency Directorate must approve any changes between the purchase request and order, the approval of the Central Procurement Directorate must also be obtained in the event of changes related to contracting periods, quantities, or numbers included in supplementary contracts.

5.2.41. The differences that occur between the purchase requisition and the purchase order are not considered a change in the contract, as according to the

provisions stipulated in this manual, the contract must not be signed with the supplier before the purchase order is approved.

5.2.42. In the case that the final cost of the purchase is higher than what was specified in the purchase order, the government entity must attach acceptable justifications when submitting the purchase order approval request.

5.2.43. It is not permissible to change the stage of the purchase order on the scope of work that was approved in the purchase request, and in the event that such a change is needed, the government entity must submit a request to amend the purchase request.

5.2.44. You must ensure that you have sufficient budget to cover any additional costs resulting from a modification to the cost specified in the purchase requisition.

Awarding and contracting with the supplier

5.2.45. In the case that the purchase order is approved by the Central Efficiency Directorate, the government entity shall:

A. Inform the supplier who won the award, subject to the law and legislation regulating government procurement.

B. Sending the letter of intent to contract to the supplier to whom the bid was awarded, so that he submits the implementation guarantee according to the terms of the tender.

C. Obtaining the approval of the Legislation and Legal Opinion Authority on the contract before signing it by the concerned government entity in the case that the purchase value exceeds BD 300,000.

D. Provide the supplier with a copy of the approved purchase order.

E. Signing the contract with the supplier and receiving the required goods and/or services.

F. Examining all goods and services before their final acceptance, and in case they are accepted, the delivery note is entered into the Central Financial System.

G. When purchasing a fixed asset, the fixed asset register is updated.

5.2.46. The person authorized to sign the contract in the government entity (according to the validity levels) must verify the existence of a purchase order approved by MOFNE before signing the contract document or any other documents that lead to the commencement of the implementation of services or the supply of goods by suppliers.

5.2.47. Government entities must conclude a contract for each of the transactions shown below, and a contract must be concluded for other transactions not mentioned if they deem that the terms of the purchase order are insufficient to preserve their rights and ensure the supplier's commitment to fulfilling the agreed terms and for any exceptions, the approval of the Payments and Collections Directorate must be obtained:

a. Transactions of supplying goods or materials, providing services or completing public works if their value is BD 10,000 or more.

b. Transactions of providing services or performing the following works, whatever their value:

1. Transactions whose execution extends for a period of three months or more.

2. Training services provided by private parties, whether local or foreign.

3. All kinds of leasing.

4. Risk insurance.

5. All kinds of cleanings.

6. Subscribe to news agencies.

7. Implementation of television and radio programs.

8. Implementation of advertising programs.

9. Installing, designing and training computer programs.

10. Regular maintenance.

11. Manpower utilization transactions.

12. Technical and financial advice.

5.2.48. When contracting with a supplier, the following should be taken into consideration:

A. Ensure the data of the contracting parties, and that whoever signs the contract represents that party correctly and is authorized to sign that contract.

B. Registration of the full name of the contracting parties according to the official documents.

C. The government entity has signed the contract only by authorized persons according to the specified levels of authority.

5.2.49. The reliability and eligibility of the supplier with whom the contract will be concluded must be verified through the following:

A. Ensuring the availability of a valid commercial register, for the work that requires it under the legislation regulating the practice of business.

B. Examination of the identity card if the supplier is local, and the nature of the goods or services he is required to provide does not require him to obtain a commercial register under the legislation regulating the conduct of business.

C. Obtaining information on the reliability of the supplier from the embassy or consulate representing the country of the supplier, if it is a foreigner.

5.2.50. It is not permissible to start any contracted work before the signing of the contract and/or the purchase order authorization has been signed by all concerned parties.

Concluding supplementary contracts to central contracts

5.2.51. Unless otherwise stipulated in the central contract, the conclusion of that contract does not in itself lead to the emergence of a commitment by the government entities whose names are listed in the contract, and when any of those authorities need to purchase in accordance with the terms and conditions of the central contract, the concerned government entity shall conclude a supplementary contract with the supplier specified in the central contract (or limiting the issuance of a purchase order, as determined by the unified purchase contract and the

instructions of the Central Procurement Directorate). Government agencies must adhere to the central contract format and supplementary contracts received from the Central Administration for Government Procurement. In all cases, the provisions of the supplementary contract must be consistent with the general provisions and requirements of the central contract.

5.2.52. In the event of completing the procedures for obtaining the necessary approvals to conclude supplementary contracts with suppliers (including obtaining a purchase order approved by the Central Efficiency Directorate), the government entity must inform the supplier of the desire to contract and do the following:

a. Notifying the supplier to deliver the performance guarantee, within ten days from the date of receiving the notification, or twenty days for contractors from outside the Kingdom of Bahrain, in accordance with the amounts and controls specified by the Tender and Bidding Board.

b. After receiving the performance guarantee from the supplier, the government entity shall deliver to him a copy of the approved purchase order and sign the supplementary contract (in cases that require it).

5.2.53. The supplementary contract to the central contract must specify the details of the scope of work with the supplier, and always the supplementary contract must be compatible with the central contract.

5.2.54. The relevant government entity is responsible for including amounts, dates and other detailed data within the supplementary contract, and it must ensure that all payments to the supplier providing the goods or service are made in accordance with the terms stipulated in both the central contract and the supplementary contract.

5.2.55. The government entity shall not include supplementary contracts with any requirements, specifications or quantities other than what is agreed upon with the Central Procurement Directorate and what is specified in the central contract.

5.2.56. The government entity contracts directly with the supplier within the standard purchase contract, and independently manages contractual terms including payments, guarantees and receipts.

5.2.57. The government entity must submit a request to conclude a supplementary contract to obtain the approval of the Central Procurement Directorate which must be obtained before concluding the supplementary contract with the supplier, bearing in mind that submitting a request to conclude a supplementary contract in the system must be done before the start of the purchase order stage.

5.2.58. When the government entity submits a request to conclude a supplementary contract:

a. Provide all the data necessary for reviewing the request by the Central Procurement Directorate (according to the central contract, specifications tables, and data received by the Central Procurement Directorate) and other data related to the subject of purchase.
b. Verify that the quantities included in the request do not exceed the actual need of the entity, and in all cases, the quantities and amounts allocated to the entity by the Central Procurement Directorate must not exceed.

5.2.59. The government entity must carry out the pre-planning process list its similar actual requirements for a specific period of time, and then submit them in a request to conclude a supplementary contract and avoid submitting requests that exceed actual needs.

5.2.60. The approval of the Central Procurement Directorate on the request to conclude a supplementary contract is not final, as the government entity must follow the procedures for obtaining prior approval and approving the purchase order by the Central Efficiency Directorate before concluding the contract with the supplier.

5.2.61. The government entity is not required to obtain the approval of the Tender Board for supplementary contracts exceeding BD 50,000 that are concluded within the framework of the central contract, due to the issuance of the Board's approval of the central contract.

5.2.62. In cases where the conclusion of supplementary contracts with suppliers is not required (according to what is determined by the standardized procurement contracts and the instructions of the Central Procurement Directorate), the government entity must comply with applying all procedures and stages related to

supplementary contracts when working on purchase orders that are issued to suppliers, including This includes compliance with the provisions of unified procurement contracts, including purchase orders with the necessary data, submitting requests to review the central administration of government procurement, managing contractual terms independently, including payments, guarantees, receipt, and other aspects related to the implementation of central procurement specified in this manual.

5.2.63. Government entities must submit requests for supplementary contracts early and within a sufficient timeframe to allow for the implementation of all related procedures specified in this manual.

Typical contracts

5.2.64. The typical contracts approved by the Tender Board must be used to conclude purchase contracts with suppliers.

5.2.65. If the government entity wishes to amend the approved standard contracts, it must obtain the approval of the concerned directorate in MOFNE before adopting these amendments from the other concerned authorities, provided that the request for amendment is submitted to the Ministry with a request for prior approval of purchase, in order for the Ministry to study the topic and determine the appropriate decision on it.

5.2.66. It is not permissible to include clauses within the purchase contracts that allow an increase in the total value of the contracts beyond the appropriations allocated to them, except with the approval of MOFNE.

5.2.67. In the absence of a typical contract approved by the Tender Board that matches the nature of the contract to be executed, the government entity prepares the proposed contract draft and submits it to the Tender and Auctions Board within the tender documents for approval.

5.2.68. The purchase contracts must include details and an explanation of the following, depending on the nature of each contract:

A. A specific number for each contract.

B. A detailed description of the scope of work and the purpose of the contract.

C. Define the terms used in the contract.

D. Required contract outputs, service delivery requirements, and key performance indicators.

E. Contract amount.

F. Start and end date.

G. A breakdown of the cost of the service or commodity provided and the basis for calculating the cost.

H. Conditions related to cost escalation.

I. The period and schedule for implementing the contract and clearly indicating the date on which it will start and the expected completion date.

J. Conditions for variation orders.

K. Conditions of claims.

L. Conditions for early termination of contract and conditions for resolving disputes over various cases, which include:

M. Termination by the contracting party.

N. Termination by the supplier.

O. Termination by mutual agreement.

P. Payment terms and conditions are within clear stages, and this includes the required advance payments, and prepayment requirements.

Q. Determine all parties participating in the contract, in particular:

1. The suppliers and any third party related to the contract.

2. Government entities that are part of the contract.

3. Any other parties involved in the contract such as witnesses.

R. A clear definition of the responsibilities of the parties participating in the contract.

S. Fines and penalties applicable to the contract.

T. The time and delivery requirements and procedures related to contract completion and closure.

U. Legal foundations and litigation bodies in the case of a dispute.

V. Any other terms and conditions.

5.2.69. The guiding manual issued by the Information and eGovernment authority regarding the drafting of contracts for information technology must be followed.
5.2.70. The use of the Bahraini dinar must be contracted for in all local government dealings.
5.2.71. The contract must be written in Arabic, and it may be written in English if the contracting party is a foreigner or there are other justifications provided by the government entity.
5.2.72. Contract pages and copies must be printed on official government contract paperwork whenever possible.
5.2.73. The government entity must keep a copy of the contract and its attachments and all subsequent amendments to it, and it must keep the contracts in a safe place and prevent access to them from those who are not authorized to do so.
5.2.74. The contracting government entity must stamp all contract pages and all supplementary documents, if any, with a stamp that shows its name, and it must save the contracts in paper and electronic form.
5.2.75. A printed (paper) contract is not acceptable if:

A. It has not been stamped by the government entity.

B. Written with an easily removable or altered material, such as a pencil.

C. Is not clear.

D. The contract was changed without signing the amendments by the two parties and writing the date of the amendment and notifying the concerned parties of the amendment made to the contract.

E. Signatures do not match with authorized parties.

5.2.76. The concerned government entity must take into consideration the availability of the following conditions in the electronic contract:

A. Ensure that the parties signing the contract are authorized and their electronic signature can be verified.

B. Preserving the contract in a way that allows only authorized persons to have access to it, and to allow the ability to refer to it and make any necessary subsequent changes to it.

C. Encryption of the contract (drafts and final version) to prevent unauthorized viewing or modification of it.

Initial and Performance Bond

5.2.77. The supplier must pay the initial bond and the performance bond according to the percentage specified by the Tender Board, during the period specified in the tender documents, and in line with the terms and conditions of the law of Tenders and Auctions, its executive regulations, decisions and instructions of the Tender Board and Auctions, the relevant government entity shall follow up on the receipt, return and registration of bank guarantees.

5.2.78. The procedures for paying and returning the initial bond and performance bond amounts shall be carried out in accordance with the following:

A. The supplier shall deposit the initial bond and performance bond amount in one of the government bank accounts as shown in the table below, and then notify the government entity of the deposit process by providing it with a copy of the deposit receipt:

CFS	Local	BH23**NBOB**00000088300102
	USD	BH78**NBOB**00000048002402
	Foreign	BH55**NBOB**00000088507300
GFO	Local	BH56**BBK**U00100000338177

	Foreign	BH12**BBK**U00100000338193

B. The government entity shall prepare the "Journal Entry" form No. (FMISGL002) to record the amount as an obligation, then notify the Payments and Collection Directorate of the deposit of the amount, attaching the form mentioned above.

C. The Payments and Collection Directorate passes the accounting entry to record the amount in the system after verifying the correctness of the deposit process.

D. If the guaranteed amounts are returned to the suppliers, the government entity shall prepare and enter the form "Internal Invoice" No. (708) in the financial system on the accounting tab of the obligation account previously specified in the journal entry, in the name of the bank in the central financial system as follows:

CFS	Local	National Bank of Bahrain
	USD	National Bank of Bahrain (Foreign)
	Foreign	National Bank of Bahrain (Foreign)
GFO	Local	Bank of Bahrain and Kuwait
	Foreign	Bank of Bahrain and Kuwait (Foreign)

E. The Payments and Collection Directorate completes the necessary procedures to transfer the amounts to the bank accounts of the eligible suppliers.

F. In the event of a reason for confiscating the initial guarantee or the performance guarantee in accordance with the provisions of the Tenders and Auctions Law and its executive regulations and the decisions and instructions of the Tenders and Auctions Board, the government entity shall liquidate the guarantee amount and coordinate with the Payments and Collection Directorate to deposit it into the bank account designated

for that purpose, and make the necessary settlement to transfer the amount to the revenue account.

5.2.79. With regard to supplementary contracts concluded by government entities, each entity must verify the receipt of the implementation guarantee in accordance with the Tender systems and the requirements specified in the central contract and the supplementary contract, while ensuring the application of the tender systems with regard to calculating the implementation guarantee as a percentage of the total value of the Supplementary contract.

Duration of the contract

5.2.80. The approval of the Central Efficiency Directorate must be obtained to contract for a period exceeding one year and up to four years, and government entities may not conclude a contract that entails a financial commitment of more than four years without the approval of the Minister of Finance and National Economy.

Receipt of goods and services

5.2.81. Goods and materials must be checked upon receipt to confirm the completeness, safety, quality, validity and compliance with the required specifications. Goods and materials that do not comply with the required specifications must be rejected and returned to the supplier.

5.2.82. Receipt of purchases is authorized according to the authority levels granted to the concerned employee, after ensuring that the specifications and number match the terms of the purchase request and the contract.

5.2.83. Delivery of purchases is authorized by the responsible employee, after verifying the correctness of specifications and quantity match the terms of the purchase order and contract.

5.2.84. Initiative must be taken to record the receipt of goods and services in the Central Financial System during the financial period in which the receipt of those goods and services was accepted, and not delay this until after the closing of that period.

Cancellation / Amendment of contracts / Purchase requests or orders

5.2.85. It is permissible to amend the contract signed by agreement between the contracting government entity and the contractor in the case that there are acceptable justifications for the amendment by notifying the contracting party in writing of its desire to amend the contract, or receiving a written request from the contractor informing it of his desire to amend the contract, explaining the justifications for the amendment request.

5.2.86. Government entities may not amend the contract except after obtaining prior approval from the Central Efficiency Directorate, regardless of the value of the amendment, and this includes additional requests related to emergency requests or services upon request.

5.2.87. As for the amendments to supplementary contracts, the government entity must obtain the approval of the Central Procurement Directorate on the amendments to be made before communicating with the Central Efficiency Directorate.

5.2.88. It is not permissible to commit to any additional costs resulting from a change in the purchase contract without the prior approval of the concerned directorate in MOFNE.

5.2.89. Requests submitted to MOFNE to approve the amendment of purchase contracts must be supported by acceptable justifications, and include an assessment of the impact of the amendment on the following:

A. Contract Value.

B. Contract schedule.

C. The scope of the contract.

D. The final objectives and outputs of the contract, in cases where this is required.

E. Any other important aspects.

5.2.90. In addition to the approval of the Central Efficiency Directorate, obtaining the approval of the Tender Board is required to amend the contract that has been

awarded by the Board if the amendment will result in an increase or decrease in the value of the original contract by 15% or more.

5.2.91. Government entities must obtain the approval of the Central Efficiency Directorate on any amendments to the annual cash flows that are included in the total value of the contract, whether for time contracts or others.

5.2.92. Purchase orders or budget reservations for existing obligations and contracts may not be cancelled except after completing the procedures for terminating the contract with the supplier and paying all the financial dues resulting from this.

5.2.93. It is not permissible to cancel or amend any request or purchase order related to existing obligations without obtaining the prior approval of the Central Efficiency Directorate.

5.2.94. Requests for modification of requisitions or purchase orders that are approved before shall be submitted within a maximum of one working day after the process of removing the hold. Here are examples of the reasons for the change:

A. The change in the contract price.

B. Change in scope of contract.

C. Change in contract schedule.

D. Any other change has a potential impact on the cost and cash flow of the expenditures.

5.2.95. If the final cost of the purchase is lower than what was agreed upon with the supplier according to the approved purchase order, the government entity must inform MOFNE as soon as possible in order to remove the reservation for the remaining amount in the budget associated with the purchase order.

5.2.96. All contract modifications are added as an appendix to the original contract.

5.2.97. The government entity must conduct a continuous and monthly review of the status of all its purchase orders related to central contracts (including approved purchase orders, returned purchase orders, or incomplete purchase orders). If it is found that there is a need to amend the aforementioned purchase orders (including reviewing the needs or dispensing with some or all of the requirements), the

necessary action must be taken in the financial system in accordance with the instructions specified by the Ministry of Finance and National Economy.

Renewal and extension of the contracts

5.2.98. The approval of MOFNE must be obtained and it must be confirmed that there is sufficient budget to cover any additional financial obligation arising from the amendment, extension or renewal of contracts, before submitting the request for approval of the amendment, extension or renewal to the Tender Board.

5.2.99. Contracts are not renewed or extended unless there are acceptable justifications.

5.2.100. All requests for contract renewal shall be submitted no later than three months before their expiry for approval by MOFNE and then by the Tender Board.

5.2.101. The government entity may not renew or extend any supplementary contract without obtaining the approval of the Central Procurement Directorate.

5.2.102. The Central Administration for Government Procurement shall notify government entities in the event of extension or renewal of central contracts of the Ministry of Finance and National Economy.

Termination of the contract

5.2.103. The purchase contract may be terminated early, either with the agreement of the two parties, or terminated by the contracting government entity, in accordance with the following provisions:

A. The contract be terminated according to the agreed terms and conditions.

B. The contracting government entity, when it desires to terminate the contract, notifies the contractor in writing.

C. The government entity must notify the concerned directorate in MOFNE when early termination of the contract is required.

5.2.104. Before closing the contract, the contracting government entity must ensure that all deliveries are completed, and all claims are resolved.

5.3. Special provisions for some types of expenditures

General Provisions

5.3.1. The financial limits for expending specified in this subsystem include the value of value-added tax (VAT).

Petty cash

5.3.2. The provisions specified under this heading shall generally apply to any purchase of less than BD 50, as specified in Paragraph No. (5.3.6) below.

5.3.3. Any purchases related to recurrent expenditures costing BD 50 or more must be made, as per the purchase procedures described in this manual.

5.3.4. The disbursement of the petty cash should be limited to expenditures related to daily business, and should not be used for personal purposes, or to pay bills, or to pay variations in the values of purchase requests and orders or to pay additional fees resulting from changing orders, or to pay claims or circumvent in any other policies regulating the purchasing process by issuing purchase requisitions and orders.

5.3.5. It is not permissible to divide procurement and purchasing through petty cash to avoid the conditions, procedures, or other controls stipulated in this manual relating to purchases of recurrent expenditures.

5.3.6. The petty cash may not be used for any purposes other than those for which it was approved, the following is an explanation for expenditures that are allowed, and that are not allowed to be purchased through the petty cash expenditures:

A. The expenditures which are not allowed to be purchased through petty cash:

1. Stationery supplies.

2. Fuel and vehicle maintenance.

3. Expenditures related to information technology.

4. Agricultural and medical tools.

5. Printing services.

6. Events costs.

7. Transportation costs of goods and services.

8. Purchase gifts.

9. Maintenance of devices (of any kind, including small appliances).

B. The expenditures that are allowed to be purchased through petty cash, taking into consideration all other conditions related to petty cash:

1. Paying some service fees (such as causeway crossing fees, parking fees, and visa issuance fees) and that is in the narrowest limits.

2. First aid kit and what is attached to it.

3. Emergency maintenance tools.

4. Providing drinking water.

5. Snacks for guests.

6. Electrical transformers and batteries.

7. Other expenditures related to preparing foods (such as: saffron, cardamom, rose water, luxury water bottles, luxury coffee, sugar, all kinds of juices, charcoal and incense, air fresheners, coffee capsules, single-use utensils).

5.3.7. In cases that require using the petty cash amount to spend on aspects other than what is specified in the above Paragraph No. (5.3.6), the government entity must obtain prior approval from the Payments and Collection Directorate, before starting the purchase process and using the petty cash amount.

5.3.8. The disbursement of petty cash must be authorized by the director of the requesting directorate, according to the specified authority levels.

5.3.9. Petty cash is recorded on the account code designated for it within the standardized classification of recurrent expenditures budget.

Methods of communication, use of the Internet, and provision of computers

5.3.10. Spending on means of communication and the use of the Internet is subject to the Civil Service Law and the decisions and instructions of the competent authorities, in particular Resolution No. (2) of 2021 issuing civil service instructions regarding the rules and procedures for disbursing the communication allowance and the provision of tablets and portable computers.

5.3.11. The provision of tablets and computers is subject to the legislation referred to in Paragraph No. (5.3.10) and to the decisions of the Information and Communication Technology Governance Committee issued in this regard.

5.3.12. Government entities must comply with the laws regulating the use of portable or fixed wireless radios, and must obtain the necessary approvals and usage licenses from the concerned government entities to approve the use of radio frequencies, and appropriate internal controls must be applied for the use and allocation of these devices.

Office phone lines

5.3.13. To apply the provisions of this Section, the following terms shall have the meanings indicated next to each of them, unless the context requires otherwise:

Internal calls: These are calls made between employees of a government entity through the entity's internal exchange.

Local calls: These are calls made between government entity employees and any external party via the telecommunications service provider's network.

International calls: These are calls made between government entity employees and any external party in another country via the telecommunications service provider's network.

Direct Line: It is the communication line that enables a government entity employee to make and receive external telephone calls (local and international) directly through the communication service provider's network, without going through the entity's internal exchange.

Main Line: It is the communication line that connects the internal exchange of the government entity and the communication service provider's network, through which calls are made and received by employees of the government entity according to the number of communication channels available.

Sub-communication lines: These are the internal communication lines linked to the government entity's internal exchange, which enable employees to communicate with each other, in addition to making and receiving external calls via the entity's direct communication line, passing through the internal exchange, according to the number of communication channels available.

Multiple Subscriber Number - MSN: These are the set of serial numbers associated with the main communication line and reserved by the communication service provider to be used by government entity employees.

Channels: The number of communication channels linked to the main communication line, which enable users in the government entity to make and receive a certain number of calls during the same time based on the capacity of these channels.

Free minutes packages: These are the packages that are provided by telecommunications service providers to government entities to enable them to make an unlimited number of calls to external parties, whether through the same service provider's network (On-Net) or via other service providers' networks (Off-Net), this is for a certain monthly cost.

5.3.14. Office telephone lines (communication lines) are allocated according to the work needs and according to the following:

A. The government entity can grant subsidiary communication lines to its employees either through the exchange by assigning subsidiary communication lines, or through the internal transfer system via the exchange.

B. Direct lines of communication are granted only when needed and after the approval of the Ministry of Finance and National Economy.

5.3.15. Government entities must periodically conduct a comprehensive review of the actual needs for communication services, and if it becomes clear that there are contracted services that have not been used during previous

periods, or if there is no need for these services (including the presence of direct communication lines that are not being used regularly) Periodically and continuously), the necessary measures must be taken to dispense with these services.

5.3.16. When government entities need to provide subsidiary communication line numbers (Multiple Subscriber Numbers - MSN), they must not reserve numbers that exceed the actual number of employees who are entitled to provide subsidiary communication lines in the government entity. If there are technical reasons that justify the need to reserve an additional number of line numbers, proof of this must be provided when submitting the purchase request, provided that the percentage of additional numbers does not exceed 10% of the actual need according to the number of employees who are entitled to provide secondary communication lines as mentioned above.

5.3.17. Before contracting with communication service providers to provide free minute packages, government entities must conduct a comprehensive study on the number of actual calling minutes that were made during previous periods and determine the option that helps in saving financially, either through providing free minutes packages or bear the costs of calls according to the number of actual call minutes, provided that the aforementioned study details are submitted with the request for prior financial approval (purchase request).

5.3.18. When submitting purchase requests for the provision of telecommunications services, government entities must provide evidence that government entities have considered all available options from a financial standpoint, including comparing the initial/estimated costs of telecommunications services for more than one service provider (provided that this includes, the cost of calling minutes, calling channels, free minutes packages, the cost of reserving extension line numbers and other related aspects).

5.3.19. Government entities must maintain integrated and updated records that include data on all types of communication lines. These records must include (service provider data, contract data, account numbers with the

service provider, phone numbers, line types, and other data that enables agencies to conduct the necessary periodic reviews).

Local calls

5.3.20. Government entities must use voice or video calls over the Internet to communicate with internal parties, if this service is available.

5.3.21. The Directorates concerned with financial resources in government entities must establish instructions and take necessary measures to rationalize the use of phones for local calls.

International calls

5.3.22. Government entities must use voice or video calls over the Internet to communicate with external parties, if this service is available.

5.3.23. In the case that the Internet calling option is not available, the following applies to making international calls:

A. Obtaining the approval of the Civil Service Bureau to allow employees below the level of manager of government entities to make international calls for official work purposes.

B. Provide the Payments and Collection Directorate with details of international calls.

C. The approval of the official in charge of the employee (at a level not less than a director) before making international calls from the work phone.

D. The approval of the official in charge of the employee (at a level not less than a director) for the employee to make official international calls from his phone, and he is entitled to compensation for the cost of those calls.

E. The form "International Telephone Call" no. (2304) is used to submit requests for approval of international calls.

F. All international calls must be made from the work location, whenever appropriate in terms of the local and international time difference.

Vehicles

5.3.24. The government entity shall provide the necessary methods of transportation to complete work requirements and accomplish the required official tasks, in accordance with the controls set by the civil service legislation, the provisions and procedures of this system and other relevant legislation.

5.3.25. The car allowance shall be paid to the employee who is required to use his car for transportation to perform official work duties, in accordance with the conditions and procedures specified by the civil service regulations issued in this regard.

5.3.26. Taking into consideration the other provisions and controls specified in this system, it is allowed to provide methods of transportation by leasing vehicles from the private sector in any of the following cases:

A. Frequent commuting between work sites with roads that are not suitable for the use of the employee's vehicle.

B. If the nature of the work requires the use of a vehicle or machinery with special specifications.

C. The average distance an employee passes with his private vehicle to perform job duties exceeds the average of 1,000 KM per month.

D. Carrying out official duties that by their nature require providing vehicles belonging to the government entity, such as delivering government correspondence, delivering official visitors, or transporting equipment.

E. Any other cases approved by the Manpower Planning and Budget Directorate.

5.3.27. In cases that justify the leasing of vehicles in accordance with the conditions of this system, the government entity must choose a daily, weekly, or monthly contract or any other type of contract appropriate to the nature and duration of the need for vehicles and in a manner that achieves the lowest rental cost possible, and this includes considering concluding timely contracts in the case of a frequent need to provide vehicles, if this option is more economical.

5.3.28. It is not permissible for government entities to purchase vehicles except in the absence of the required vehicle leasing services in the private sector, such as vehicles with special uses or technical specifications, and subject to the approval of the Budget Directorate.

5.3.29. The government entities must obtain prior approval from the Manpower Planning and Budget Directorate at the Civil Service Bureau to purchase government vehicles or lease vehicles for a period of more than one month, in order to ensure the availability of jobs within the organizational structure of the administrative unit for which the government entity will provide vehicle which appropriate with the nature of the required vehicles uses and from not paying users a car allowance for government vehicle.

5.3.30. It is not allowed to divide the lease contracts in order to avoid the obligation to apply specific controls regarding the leasing of vehicles.

5.3.31. Government vehicles may not be provided to transport employees to whom a car allowance is paid, except in the case that they are transported in the same vehicle to accomplish official duties with others who are not paid that allowance to perform the same official task.

5.3.32. A driver's job is required within the organizational structure of the administrative unit to which the government vehicle will be provided if it is to deliver correspondence, deliver equipment, or deliver official visitors, or if the vehicle is of a special nature.

5.3.33. Government vehicles are designated for shared use, and it is not permissible to allocate a government vehicle for individual use by an employee, unless the vehicles are primarily designated for shared use to transport employees and accomplish official tasks by a driver who is assigned to use a specific vehicle to specify responsibilities and achieve better control over vehicles.

5.3.34. Vehicles may be allocated to specific administrative units according to the following conditions:

A. One car is allocated to the minister's office and the office of the undersecretary or their equivalent.

B. One car is allocated to each of the three offices of the assistant undersecretary or their equivalent if their offices are in one location, and if their offices are in separate locations, it is permissible to allocate a separate car for each office.

C. A maximum of two cars are allocated for correspondence purposes for all administrative units of the government entity.

D. A maximum of two cars are allocated for directorates that perform administrative tasks other than correspondence, and a maximum of ten cars are allocated to directorates that perform technical tasks.

5.3.35. The approval of the Manpower Planning and Budgeting Directorate in the Civil Service Bureau must be obtained regarding the allocation of the use of vehicles, in accordance with the conditions set forth in this manual.

5.3.36. It is not permissible to increase the current number of government vehicles leased by government entities, and they must consider the possibility of allocating or establishing a central car park to share cars by more than one user for more than one purpose, and managing the use of vehicles in a way that reduces the total number of them as much as possible.

5.3.37. A government vehicle may only be used by employees authorized by the competent directorate in the government entity.

5.3.38. The government entity shall carry the fees for extracting and renewing vehicle driver's licenses, excluding private cars, according to the requirements of the employee's position.

Conditions for vehicle leasing

5.3.39. Saloon vehicles are leased when needed to provide government vehicles to accomplish official duties, and four-wheel drive vehicles (cars designated for use on rough or off roads) may be leased, if the nature of the roads in which the vehicle will be used necessitates providing that type of car.

5.3.40. The type of vehicle, its engine power, size and specifications must match the nature of its use by the government entity, taking into consideration providing the vehicle with the minimum specifications appropriate to the nature of work, and at

the lowest possible cost, and taking into consideration that the maximum monthly rental value for each vehicle does not exceed the following limits:

A. BD 140 for administrative vehicles.

B. BD 180 for technical vehicles and this includes saloon vehicles and vehicles of 4-wheel drive.

5.3.41. The average daily cost of leasing vehicles should not exceed BD 18 in the case of contracting to provide a car for a period of less than one month.

5.3.42. The provisions under "Official Hospitality" of this subsystem define the daily rental ceiling for the leasing of vehicles that are used to deliver official guests.

5.3.43. Only saloon cars and four-wheel-drive vehicles that are classified as "good" or better in terms of their fuel consumption can be rented, according to the classification issued by the Ministry of Industry and Commerce.

5.3.44. It is obligatory to fill the rented or owned vehicles with the appropriate type of fuel according to the specification of the vehicle by the authorized agent or according to the terms of the contract with the rental company.

5.3.45. When contracting with car leasing companies, the government entity may not commit to maintaining or repairing the vehicles, and it must contract with leasing companies that provide comprehensive insurance only for their vehicles, so that the government entity does not carry the costs of repairing the vehicle in the case of a traffic accident, with the exception of the excess amount specified in the insurance document (if the government entity is obligated to carry it according to the terms of contract with the supplier).

5.3.46. Separate contracts must be concluded to lease government vehicles, and clauses related to providing vehicles may not be included in other service contracts, such as construction projects or maintenance.

5.3.47. It is not permissible to include the lease request or tender documents, a condition that the leased vehicle is owned after the lease period ends, and if the best bid includes an offer to own the vehicle to the government entity after the lease period ends without additional costs, then that offer may be accepted provided that the vehicle is disposed of once it is owned, and then handle it

according to the procedures and provisions for disposing assets specified in the fixed assets system No. (11) of this manual.

5.3.48. It must not be agreed to include in the vehicle rental contract a condition that restricts its use for a specified distance during the rental period, or to charge an additional cost in case the distance travelled exceeds a certain limit, and it is not permissible in all cases to exceed the maximum value of the monthly rent specified in this manual.

Fuel procurement

5.3.49. Government entities must reserve the budget at the estimated value of fuel consumption for a fiscal year by issuing a request and purchase order that covers this period, it must also assess the consumption and adjust the reserved amount, if necessary at least three months in advance.

5.3.50. Government entities must purchase the type of fuel that is appropriate for the type of leased car, according to the recommendations issued by the Ministry of Industry and Commerce or the car dealer.

5.3.51. The electronic fuel purchase payment cards issued by Bapco (Sadeem) are only used for dispensing fuel to government vehicles, unless a similar service is available that includes the control procedures provided by that card as a minimum, in this case other cards may be used.

5.3.52. Fuel is not allowed to be allocated for other than government vehicles that are owned or leased for official purposes.

5.3.53. The employee supervising the vehicles in the government entity must review the periodic statements issued by the company that provides fuel spending cards and monitor the fuel spending rates that are equal to (fuel quantity ÷ distance crossed).

5.3.54. In cases where a large difference is observed in the fuel spending rates, it must be investigated to find out the causes and take the necessary procedures to address them.

5.3.55. The employee who uses the fuel spending card is responsible for preserving the card from loss and damage and guarantees the value of any unauthorized use of the card, and the penalties stipulated in the civil service regulations and

legislation shall be applied in case it is proved that he has used the card for unauthorized purposes.

Providing government vehicles for external bodies

5.3.56. The authorities or missions of the government entity working outside the Kingdom of Bahrain shall be subject to the provisions and procedures specified in this system to control the government vehicles that are provided by them, whenever possible.

5.3.57. The external authority is responsible for the insurance, examination and periodic registration of its vehicles in accordance with the laws and regulations of the country in which it works, and the chairman of the authority or mission or his representative is responsible for messaging the official authorities abroad in all matters related to the government vehicles of the authority or mission.

Government offices

5.3.58. This system defines the spending controls related to providing, equipping and maintaining of government offices designated for administrative purposes.

5.3.59. The provisions of this system shall apply to new contracts and upon renewal of lease contracts and maintenance contracts for government offices after the end of their validity period, or upon replacement of fixed assets belonging to them, and its application does not entail any obligation to replace furniture and office equipment, change the current office spaces, or terminate or amend existing contracts for the rental of buildings or car parks if their specifications or conditions differ from what are specified in this system.

Providing government offices

5.3.60. The government entity must evaluate the options listed below and select the most appropriate option in terms of the lowest cost, in order to provide the required spaces to occupy them as government offices:

A. Redesigning the existing offices to reduce their spaces to accommodate the additional required uses.

B. Allocating areas of state-owned real estate.

C. Constructing a building on land owned by the state through partnership contracts or financing leases that end up owning the property.

D. Lease a building or floors from the private sector.

E. Acquisition of the property for public benefit purposes.

5.3.61. Government entities may use other methods of providing government offices other than those specified in this system, provided that they are approved by MOFNE.

5.3.62. The government entity shall coordinate with the Government Property Affairs Directorate in the case that the option of providing government offices is approved by allocating areas of state-owned real estate or constructing a building on state-owned land or acquiring the property for public benefit purposes.

5.3.63. The government entity must obtain the approval of the Projects Directorate before adopting any mechanism for providing government offices to be financed from the project's budget.

5.3.64. The average monthly rent for government office lease contracts or the car parks for its employees must not exceed the limits shown in the following table, based on the current number of employees in the government entity, or based on the government entity's future employment plan, as approved by MOFNE, provided that the number on the basis of which the rent is calculated does not exceed in all cases the job ceiling specified for the government entity:

Types	Average Monthly Rentals
Lease Government Offices	BD 107 per employee
Lease Car Parking Lots	BD 50 per employee

5.3.65. Upon the expiry of the current lease contracts, the government entities negotiate with the property owners in order to reduce the rent to the limits set forth in this system and discuss other appropriate options to find an alternative property in case the contractor does not reduce the rental prices within the rates specified in the mentioned table.

Designing of government offices

5.3.66. The government entity must obtain the prior approval of the Ministry of Works before approving a design scheme or redesigning government offices if the estimated cost of the associated works exceeds an amount of BD 25,000, provided that the approval request is submitted within a period not less than 90 days from the date of the tender.

5.3.67. Taking into consideration the needs of top management offices in the government entity, the buildings designated for administrative purposes must be designed so that the spaces that will be used as offices for employees are open and not divided into rooms or apartments separated by fixed walls or divisions, which allows optimal utilization of space and reduces waste of government resources and brings flexibility in re-design.

5.3.68. Taking into consideration work requirements, utilities should not be allocated to specific offices or directorates when they can be used jointly by more than one office or directorate.

5.3.69. There must be a commitment not to contract to construct, purchase or lease government offices with spaces that exceed the ceilings specified in the following table:

Job level of office user	Office Space[2] (m^2)	
Minister	85	
Undersecretary	60	
Assistant Undersecretary	50	
Director	25	
Chief of Section	20	
Head of Group	16	
Less than the Head of the Group	4	Open Office
	10	Close Office

Furniture

5.3.70. Government offices are prepared based on the actual needs required by the nature of the government entity's work. It is not permissible to purchase quantities of furniture and office equipment for the purpose of storing them for future use.

5.3.71. Government entities should consider reusing existing office equipment and furniture to equip new offices before looking for other options.

5.3.72. It is not permissible to dispose of and replace furniture and office supplies for government entities:

A. Before the end of its useful life; and

B. If the asset is still in a condition that allows it to be reused.

5.3.73. When equipping and furnishing government offices, the type and maximum permissible price of furniture according to the job level of the office occupant must be adhered to:

[2] The spacing includes office facilities

Price Limits for Government Office Furniture (BD)										
	Paint or wallpaper (per meter)	Curtains (per meter)	Carpets or Parquet (per meter)	Mini Meeting Table Set	Tea Table	File Cabinet	Guest Chairs	Visitors Chair	Office & Side Table	Office Chair
Minister	20	40	18	1500	200	500	1800	160	2000	400
Undersecretary	15	30	15	1200	150	400	1500	150	1800	350
Assistant Undersecretary	15	25	15	1000	120	350	1000	140	1500	300
Director	12	20	10	800	100	300	700	100	850	250
Chief of Section	10	14	8	-	50	200	300	80	300	180
Head of Group	10	14	6	-	45	160	-	80	220	120
Less than Head of Group	10	14	6	-	30	120	-	70	180	100

5.3.74. Subject to the terms, conditions and maximum limits of prices specified in this system, the competent authority in the government entity shall issue a regulatory decision to determine the following:

A. The number and type of furniture that is allocated to the offices of employees.

B. Colours and shapes of furniture and decor fixtures, taking into consideration uniformity and consistency in colour and design.

Differences in organizational structures

5.3.75. In government entities whose organizational structures differ from what is specified in this system, the government entity equates the job levels mentioned in its structure with the job levels specified in this system, according to the decree of establishing or organizing the government entity or according to the administrative organization approved by the Civil Service Bureau.

5.3.76. According to the need, the competent authority in the government entity shall issue a decision that regulates the maximum spaces and prices for equipping offices of jobs' occupants of other categories not specified in this system, such as the jobs of judges, teachers and diplomats, commensurate with to the financial ceilings specified in this system.

Office Stationery

5.3.77. With the exception of the Ministries of Interior and Defence Affairs and the independent and attached government entities, government entities must adhere to using the unified government identity logo when preparing and printing all types of government publications, and it is not permissible to use any other logos that symbolize the identity of the government entity other than what is in this system.

5.3.78. The ministries must adhere to the specifications and instructions specified in the manual for using the unified identity of each of them, when printing the unified government identity logo on stationery, advertisements, and any other paper or electronic media.

5.3.79. The government entities, in coordination with the Office of the Secretary-General of the Council of Ministers, obtain a manual for using the unified government identity for each of them, as well as electronic files for fonts and designs, so they can contract with printing presses to prepare their publications.

5.3.80. Taking into consideration that there is no disbursement except on the basis of need, government entities must adhere to the limits stipulated in the table below when spending on stationery for employees:

Item	Maximum Quantity Allowed per Employee
Maximum stationery provided per employee, which may only be replaced when no longer usable condition	
Stapler	1
Paper hole puncher	1
Pencil sharpener	1

Item	Maximum Quantity Allowed per Employee
Ruler	1
Scissors	1
Pen holder	1
Desk tray	1
Calculator	1
Maximum stationery allowed per employee during a fiscal year[3]	
Pen (any colour)	4
Pencil	2
Eraser	1
Blanco	1
Highlighter pen	2
Notepad	2
Sticky notes (pack)	3
Paper clip (pack)	1
Stapler pin (pack)	3
Scotch tape	1

5.3.81. Requests to purchase requirements exceeding the limits set forth in this system shall not be approved unless there are acceptable justifications that require this.

5.3.82. Government entities submit the requests for approval to purchase these materials stationery for a period not exceeding 6 months to cover needs for the period.

[3] The amounts highlighted in this part of the table relate to the maximum stationary materials that are provided per employee during 1 fiscal year, provided that the employee is not compensated more than once in a year, except in cases of necessity.

5.3.83. Rationalizing disbursement and controlling expenditures related to government publications must be adhered to, in accordance with the following rules:

A. Ensure that government publications specifications fit the requirements of current and future uses.

B. Taking into consideration the conformity of the specifications of government publications with the standards of optimal use of resources and energy conservation whenever possible.

C. Legalize the quantities purchased within the limits of what is required by the actual need to perform the work and aggregate the annual needs of government publications and set them in a public tender whenever possible, in order to obtain the best prices.

D. Taking into consideration the simplicity in the quality of the selected materials and not exaggerating the formal and technical specifications.

E. The use of multi-usable envelopes that can be opened and re-closed without glue, for internal correspondence in the government entity.

F. Using e-mail for internal correspondence in the government entity instead of paper correspondence whenever possible.

5.3.84. It is not permissible for government entities to print any kind of calendars and annual publications in all their forms.

5.3.85. Greeting cards may not be printed or purchased, and they can be replaced by using standard electronic congratulatory templates designed internally by the competent directorate in the government entity.

5.3.86. The authorization of printing personal work cards is limited for use by job levels that are not less than the level of a chief of section, and the personal work card is allowed to be provided to an employee whose job is less than the level of a chief of section if the nature of his work requires this, after the approval of his direct director.

Subscription to media platforms

5.3.87. Subscription to local newspapers is restricted to the job levels of a director or a higher administrative level, as shown below:

Job level	The number allowed to be provided
Undersecretary or higher (Or equivalent)	All local newspapers
Assistant undersecretary, Director (Or equivalent)	3 local newspapers

5.3.88. It is not allowed to subscribe or renew subscriptions to non-local newspapers, magazines, exhibitions, news and photo agencies, except after obtaining prior approval supported by acceptable justifications from the Ministry of Information Affairs.

5.3.89. It is allowed to subscribe to editions if they are related to the nature of the work of the government entity and contribute positively to providing information on professional and scientific developments in specialized fields.

5.3.90. Subscription to specialized magazines is done on electronic copies if the subscription cost is less than the printed copies, and it allows the participation of more than one user in it without any additional cost.

Travel expenditures

5.3.91. The provisions and procedures stipulated by the Civil Service Bureau's decisions and instructions regarding travel allowances and tickets which the costs are carried by the government, and other relevant laws and legislations must be adhered to.

5.3.92. Government entities must adhere to the procedures related to purchase requests for travel, official missions, and receiving delegations, by submitting advance requests and scheduling them in the agenda of external and internal

participations and events of government entities as soon as the entity learns of the subject of travel, or receives the invitation, or is assigned to an official mission, or event.

5.3.93. Requests for approval to purchase travel tickets related to regular travel missions must be submitted within a period of no less than 10 days as a minimum from the date of travel, providing all data and costs related to the subject of the request and attaching the required documents and forms.

5.3.94. Requests for Approval to purchase travel tickets related to urgent travel tasks, which the entity was not aware of, must be submitted with evidence of urgency and necessity, in addition to the rest of the data and documents required to be provided with the regular purchase requests, within a period of not less than 3 days from the date of travel as a minimum, so that the concerned directorate can decide on the request.

5.3.95. Government entities may not carry any travel costs other than what is specified in the purchase order/request that has been approved by the concerned government entities.

Conditions for approval of official participation abroad

5.3.96. Coordination must be made with the Kingdom's embassies through the Ministry of Foreign Affairs in the case of participation in activities and external events, wherever possible, and coordination between government entities to avoid duplication of participation abroad.

5.3.97. Employees are allowed to attend training courses abroad if the required courses are not available in the Kingdom of Bahrain and are not available in a virtual way over the Internet.

5.3.98. Prior approval must be obtained from the Civil Service Bureau for sending employees to attend training workshops outside the Kingdom of Bahrain.

Purchase of travel tickets and freight

5.3.99. Government entities may contact airlines and travel agencies to arrange the ticketing process initially, provided that tickets are not issued before obtaining the final approval of the purchase order by MOFNE .

5.3.100. Taking into consideration the obligation to implement the provisions of Law Decree-Law No. (36) of 2002 regarding the organization of government tenders, auctions, purchases and sales, its regulations, and the circulars and decisions of the Tender Board that regulate the provisions of government procurement when purchasing tickets and bills of lading abroad, the Gulf Air company shall have priority when contracting to purchase travel tickets and bills of lading abroad, except in the cases indicated below:

A. The inappropriateness of the flights available (for tickets) with the company for any of the following reasons:

1. Stopping at a waiting station for a period of three hours or more.

2. Stopping at more than one stop during the trip.

B. The value of the flight ticket or air cargo document on Gulf Air Airlines exceeds the value of the same ticket on other airlines or other travel agencies by more than 20% or BD 300.

C. Unavailability of seats on Gulf Air Airlines within the travel classes assigned to the employee according to the civil service legislation and regulations issued.

5.3.101. The government entity must take into consideration the selection of the travel ticket and shipping document which is the lowest price with the appropriate conditions, and make sure to obtain at least 3 offers/quotes from different airline companies for each travel ticket; taking into consideration the terms and conditions specified in this system and in accordance with other legislation issued.

5.3.102. Government entities must request supporting documents for prices provided by travel agents.

5.3.103. Government entities must notify the Central Efficiency Directorate of the availability of any benefits obtained by the government entity that can be used

to pay travel expenditures, as they should - if available - and with economic feasibility, be used to pay travel expenditures instead of cash payments.

5.3.104. The Directorate concerned with procurement affairs in the government entity is responsible for issuing orders to purchase travel tickets and air freight documents to airlines or freight companies, and the employee who benefits from the ticket or shipping document may not interfere in the procurement procedures, such as determining the category or type of ticket, itinerary, airline, etc. Like.

5.3.105. It is not allowed to lease a private plane to transport a group of passengers (Charter flight), unless the cost of travel is less than the total costs of booking tickets for individuals on regular airlines, and subject to obtaining prior approval from the Central Efficiency Directorate regarding this.

5.3.106. Subject to the availability of an adequate budget, a government employee is entitled to:

A. The occupant of an undersecretary, assistant undersecretary, director or higher (or their equivalent), traveling in business class.

B. The occupant of any other job below a director level or his equivalent, traveling in economy class. However, this category can be approved for business class travel on long flights with a one-way period of not less than (9) continuous hours.

5.3.107. The government entity must adhere to the class of travel ticket if the external inviting or hosting party organizing the program or scholarship agency provides the ticket to the employee, except for those holding the position of Undersecretary of the Ministry or the like, in which case the government entity may cover the price difference to issue the appropriate class of travel ticket.

5.3.108. An employee sent on an official mission, study or training course is entitled to 50% of the value of the travel ticket due to him by air if it is decided that he will travel based on his request by land. This compensation is not paid to the employee if transportation is provided for him by the employer to move to the country to which he is sent during his travel by road.

5.3.109. When providing transportation in the scholarship country for government delegations headed by a minister, the compensation of the members of the

delegation who hold senior positions is reduced by a rate of 50% of the reduced travel compensation while they are with the minister in the scholarship country, and the amount of this reduction is approved whether for full or reduced travel compensation.

5.3.110. With the approval of the competent authority in the government entity, it is allowed to issue an additional travel ticket for one companion only of the same class to the ministers or equivalent.

Other travel costs

5.3.111. The government entity may pay the costs of issuing an employee's entry visa to the country to which he will travel to cover the period necessary to perform the official task assigned to him, and the costs of issuing a multiple-entry visa may be paid in the case that the employee is assigned to attend a task or other future official tasks, or if he is a frequent traveller during the year for more than once according to the nature of his work that requires it, so that the period covered by the visa does not exceed the period necessary for performing the official tasks assigned to him if this entails additional costs.

5.3.112. Government entities may not carry the costs of passport renewal fees for employees, unless the employment contract provides otherwise for non-Bahraini employees.

5.3.113. The travel expenditures of non-Bahraini employees carried by the government entity are subject to the conditions stipulated in the terms of the employment contract concluded with the employee, and the provisions of this system shall be applied to any matters not regulated by that contract.

5.3.114. An amount of cash is allowed to be disbursed to cover incidental travel expenditures for those at the level of a minister (or his equivalent) when traveling on an official mission.

5.3.115. It is not permissible to incur any additional travel expenses or expenses without obtaining prior approval of the purchase requisition and purchase order from the Central Efficiency Directorate, including expenses for extending the duration of the mission, changing reservations, or other cases.

5.3.116. The form "Request for Declaration of Travel Entitlements" no. (2101) is attached and approved by the director concerned with human resources at the government entity, in addition to any other required attachments that support this request and any requests related to other expenses such as extending travel days, visa issuance costs, health insurance, and the like when submitting a request to pay travel dues to the Payments and Collections Directorate.

5.3.117. Government entities and directorates that oversee the disbursement of travel entitlements have the right to request the employee to submit proof of his travel to the intended destination, residence or undertaking the official duties for which he was sent.

5.3.118. In the case of a claim for compensation for the value of additional travel entitlements as a result of any change in the official mission period, The directorate concerned with human resources at the government entity will prepare to fill out the form "Request for Declaration of Travel Entitlements" no. (2101), to acknowledge the actual travel expenditures and clarifying the differences between the received and actual amount, attached with a proof of his travel and actual expenditures, and the form shall be approved by the concerned director of the human resources in the government entity and sent to the Payments and Collection Directorate by the Central Financial System to complete the compensation payment.

5.3.119. The employee must return the travel allowances for the days he did not stay during the travel in case he returns before the period during which these allowances were paid to him.

5.3.120. With regard to recovering excess travel allowances, the employee deposits the excess amount in the salaries account with MOFNE, and the government entity provides the Payroll Department of the Payments and Collections Directorate with a notice of transferring the amount with the settlement document.

5.3.121. Government entities may not cover the costs of any additional services that are not stipulated by civil service regulations or employee contracts (such as using VIP lounges, fast track services, and the like).

5.3.122. Any claims are submitted by the employee to amend or increase travel expenditures as a change in the purchase order, require approval of the Central Efficiency Directorate on it, provided that the approval request is attached to the

form "Request for Declaration of Travel Entitlements" no. (2101), and all supporting evidence and justifications. The form must be approved by the director responsible for human resources of the directorate to which the employee belongs.

5.3.123. Travel entitlements for members of diplomatic missions are disbursed in accordance with the decision of the First Deputy Prime Minister no. 31 of the year 2019.

5.3.124. The employee shall carry any additional costs resulting from any of the following cases, and he shall not be compensated for them:

A. The employee makes modifications in the travel reservations that do not comply with the approved purchase order and the issued regulations (such as changing the flight class, hotel room, etc.).

B. Shipping additional baggage, subject to the civil service regulations issued in this regard.

C. Changing or cancellation or replacement of a travel ticket for which the reason is the employee, for example: late arrival at the airport.

Travel entitlements for non-government employees

5.3.125. Travel tickets and other entitlements that are carried by the government entity for the travel of non-government employees are disbursed in accordance with the legislation issued that regulates this, and in the absence of this regulation, the government entity shall coordinate with MOFNE to determine the rules for disbursing travel entitlements and tickets.

5.3.126. Travel tickets for non-government employees (such as students or youth delegations representing the Kingdom of Bahrain in international forums) are provided in economy class in accordance with the legislation issued under which government entities are responsible for providing travel tickets for these groups.

5.3.127. It is allowed to provide travel tickets for patients whose dispatch approval is issued for treatment abroad with a higher class of travel than the tourist class if their health conditions require that upon the approval of the treatment committee

in abroad. Travel tickets may also be issued to visit doctors in a class higher than economy class, subject to the approval of the same committee.

5.3.128. Business class tickets are allowed to be granted for the guests of the government entity, heads and members of official delegations of regional and international organizations hosted by government entities, based on the approval of the Cabinet.

Official hospitality

5.3.129. Official visitors mean official delegations that visit the Kingdom of Bahrain and represent other governments or internationally recognized bodies, such as:

A. Cultural or sports exchange teams that are invited to Bahrain by officials in the government of the Kingdom of Bahrain.

B. Delegations who are invited to conferences, meetings or official government forums hosted by government entities at their expenditures.

This also includes consultants, experts and employees who are contracted to complete works assigned to them by government entities.

5.3.130. For the purposes of this system of manual, official visitors are classified as follows:

Category	Level of visitor
A	All levels above Director (or equivalent) in the G.C.C. member States.
B	Directors (or equivalent) in Governments and international organizations.
C	Foreign experts and consultants who are appointed to carry out assignments for the government entity.
D	Non-Bahraini employees, where special arrangements must be made for accommodation at the start of their contract of employment.

5.3.131. Government entities must obtain Cabinet approval before hosting international conferences and forums.

5.3.132. When hosting official visitors, the hosted government entity must do the following:

A. Preparing a detailed program for the visit and informing the Protocols and Conferences Directorate at the Ministry of Foreign Affairs of the visit details (if needed).

B. Make the necessary reservations for residence and official transportation.

C. Coordinate with the Ministry of Interior to provide security and traffic police services (if required).

5.3.133. The government entity must provide a welcome letter to the guest, including an explanation of the duration of hosting and the maximum costs of the services allowed, also include in it an explanation that the government entity will not carry the costs of unauthorized services or expenditures that exceed the maximum allowable service costs, and the hotel must be informed of that when the purchase order is delivered to it.

5.3.134. The official hosting period for visitors should not exceed the period specified by the concerned government entity.

5.3.135. Paragraph No. (5.3.92) through (5.3.94) must be adhered to regarding the submission of approval requests for purchase orders related to hosting official visitors.

5.3.136. The government entity must adhere to the levels of hotels and services permitted to be provided for each category of official visitors, as specified in the following table:

Category	Hotel Category	Accommodation Category	International Calls	Maximum limit of staying daily cost (BD)	Maximum limit of transport daily cost (BD)	Maximum limit of services daily cost (BD)
A	5 Star	Suite or double room	Allowed	Suite: 160 Double room: 95	No limited ceiling	No limited ceiling
B	5 Star	Double room	Allowed	80	50	40
C	4 Star	Single room	Not Allowed	40	20	40
D	3 Star	Single room	Not Allowed	25	18	30

Costs of hospitality of accompanying guests

5.3.137. If the delegation is headed by a category (A) or (B), then the government entity allows to host the companions them in the same hotel designated for those groups, regardless of the categories of the companions.

5.3.138. Official visitors shall carry any additional cost for their accompanying family members, except for Category (A) after the approval of the concerned minister (or his equivalent).

5.3.139. The government entity allows to host any government employee who is assigned to accompany the visiting guest all the time whenever necessary, such as accompanying the guest public relations employee or security guards who are requested by the Ministry of Interior, and the employee accompanying the guest is

provided accommodation in the same hotel, in addition to that providing meals and other services up to a maximum of BD 40 BD per day.

5.3.140. The government entity is allowed to carry the food expenditures of an employee of any government entity assigned to serve or accompany the guest after official working hours (such as drivers working in the government) with a maximum of 10 BD per day, or carry the meals expenditures at the guest's residence, when the employee's mealtime coincides with the times of his accompanying for the guest.

5.3.141. The cost of meals can be paid from petty cash if they are less than BD 50 or can be paid according to the provisions and procedures of the payment system specified in this manual.

Hospitality for long periods

5.3.142. Official visitors may not be hosted for a period that exceeds the agreed-upon visit period, and in the case that the period needs to be extended due to the occurrence of changes that need this, the period may be extended in this case according to the following conditions:

A. The approval of the concerned minister (or his equivalent) to extend the period of hosting visitors of categories (A) and (B) in the same place of residence.

B. The approval of the undersecretary to extend the period of hosting visitors from categories (A) and (B) in the same place of residence for a period not exceeding two weeks, and if there is a need to host these categories for a period of more than two weeks, then government entities must coordinate with MOFNE:

1. To host them in a guest house, apartments, or furnished homes for weekly or monthly rent.

2. A cash allowance will be paid to the visiting guest, up to a maximum of BD 30 for each day, in case meals and other services are not provided at the place of residence.

Presenting gifts for guests

5.3.143. A gift in kind may be presented to the guest or visiting delegation at the level of agent, assistant agent or manager and the gifts should reflect the Arab, Islamic and cultural identity of Bahrain and express as much as possible its history, heritage, or the activity of the government entity as much as possible, the total value of the gifts provided must not exceed BD 50.

5.3.144. The hosting government entity offers only one gift to the guest or visiting delegation for each official visit, regardless of the number of visits to government entities during the year.

5.3.145. The provisions and procedures mentioned in this system are followed in giving gifts to official bodies outside Bahrain when Bahraini delegations and missions are on official visits abroad.

5.3.146. It is not allowed for government entities to keep an inventory of gifts, and gifts are not allowed to be purchased except in times of need to present them to official guests or visitors.

5.3.147. The government entity shall attach the documents that prove the following, upon submitting the request for approval of a purchase requisition related to providing gifts:

A. A copy of the official invitation of the visiting guest.

B. The name and position of the person or the visiting delegation.

C. The country that the guest is representing.

D. The date of the visit.

Spending of rewards

Rewards for trainees' students in government entities

5.3.148. The government entity may spend a monthly reward of BD 100 for a period not exceeding four months for university and institute students when they are trained in the government entity, provided that the student submits a letter from the university stating the need to implement the training program.

5.3.149. Reward payment is discontinued or reduced if the student does not meet the minimum training requirements.
5.3.150. To pay the rewards for trainees in government entities, the government entity submits a request for purchase approval to the Central Efficiency Directorate with the following data attached:

A. Student information.

B. Details of the training program.

C. A letter from the educational institution regarding the need for training.

D. Any payments made prior to submitting the application.

5.3.151. Temporary employment of students is subject to the terms and conditions regulated by civil service legislation.

Rewards to individuals and local establishments

5.3.152. Rewards or gifts in kind or cash are allowed to be granted to individuals and local establishments officially registered as an appreciation or encouragement to them for the accomplishments or activities they have provided in the service of society, provided that the value of the reward or gift does not exceed BD 250 per person, and BD 500 to local establishments, provided that they are not repeatedly disbursed for the same person or establishment more than once every three years.

Reward of Annuity Purchase for government employees

5.3.153. The government entity must initiate the procedures related to granting the reward of purchasing of virtual service years at an early date to enable the completion of the required procedures.
5.3.154. The Social Insurance Organization is responsible for issuing a detailed circular for the method of calculating the actual costs involved in purchasing the virtual service years.

5.3.155. Government entities are obligated to cover all costs involved in paying the reward of purchasing the virtual service years from the item specified in their approved budget for manpower expenditures.
5.3.156. Government entities must obtain approval from the Budget Directorate at MOFNE that adequate funds are available in their budgets to cover the cost of purchasing the virtual service years.
5.3.157. The costs of the reward for the annuity purchase are charged to the item "Annuity Purchase" of Chapter One of the Public budget.
5.3.158. The employee who is entitled to the reward and purchased the virtual service years from his own budget shall be compensated within the limits of the period due to him based on the reward of purchasing the virtual service years that the government entity decides to grant him, and with the same value that he paid to the Social Insurance Organization, and he is not compensated for the period exceeding that if the years he purchased exceed the years that the government entity decided to purchase for him.
5.3.159. All employees honoring events must take place inside government buildings.

The reward spending procedures

5.3.160. The reward for purchasing the virtual service years is disbursed to the eligible employee according to the following procedures:

A. The government entity prepares the form "Request for Annuity Purchase" no. (1401) and it is approved by the director concerned with human resources and then sent to the Social Insurance Organization.

B. After receiving the request approval from the Social Insurance Organization, the government entity issues a purchase order to reserve the amount.

C. The government entity sends the form attached to the purchase order received from the Budget Directorate, and a list of disciplinary sanctions for the employee, if any, to the Civil Service Bureau for a decision.

D. In the case that the request is approved, the government entity prepares an invoice in the Central Financial System to pass the payments related to the disbursement of the employee's virtual service years reward.

Manpower wages

5.3.161. The contract for obtaining services primarily used by the workforce must be subject to the prior approval of the civil service bureau, whether they will be provided by individuals or institutions, and their costs will be deducted from the budget for recurring expenses or from the budget for projects expenses.

5.3.162. Government entities must set controls and conditions for entitlement and disbursement of wages to collaborators, volunteers and other service providers whose provision of manpower is primarily used, and as a minimum, the following:

A. Concluding contracts with them in accordance with the contract models established by the civil service bureau, and submitting them to the civil service bureau for approval before they enter into force, provided that these contracts include the following:

1. Criteria for evaluating the services received and the basis for payment of dues.

2. Appropriate wage amounts for the cooperators.

B. Ensure that they complete the tasks assigned to them according to the contracts signed with them.

C. Maintain records that prove payment of wages.

Advertisements

5.3.163. Government entities use their official websites to publish their advertisements whenever possible.

5.3.164. Publication of government advertisements is limited to the purposes specified below only, and government entities are not allowed to carry the costs of

publishing any other advertisements such as condolences, thanks and congratulations, and any other advertisements that are not related to the nature of the work or activity of the government entity, whether for public or private events:

A. Public official advertisements related to the nature of the government entity's work, such as advertising for tenders, auctions and public services advertisements.

B. Awareness media campaigns.

C. Condolence of the government employee working at the government entity upon his death.

5.3.165. The following conditions must be adhered to when publishing the government advertisement in local newspapers:

A. To be limited to two newspapers as a maximum.

B. It is published on the internal pages of the newspaper only.

C. Not to exceed a quarter of a page and without colors.

5.3.166. Government entities are allowed to use billboards that are installed on the roads for advertising national events and awareness campaigns, provided that they do not exceed two billboards for each national event. For awareness campaigns, the number of billboards is allowed to be increased to achieve the goals of those campaigns.

Programs and devices of Information technology

5.3.167. Government entities must obtain prior approval from the Information and eGovernment authority for purchases related to IT programs or devices, in accordance with the controls and procedures issued by this authority, regarding the regulation of types and limits of amounts that require prior approval for purchase.

Subscriptions in external bodies

General Provisions

5.3.168. This subsystem regulates the provisions and procedures for controlling the payment of membership subscriptions and contributions to external bodies.

5.3.169. The term “external bodies” in this subsystem means the international and regional bodies and organizations to which the Kingdom of Bahrain is organized in order to support and develop political, economic and cultural relations with its member states to achieve common interests.

5.3.170. Ministries and government entities should make the most of their membership in foreign bodies by working on:

A. Employing Bahraini competencies to external bodies.

B. Benefit from the technical and training programs and practical experiences provided by these bodies.

C. Benefit from external contributions paid by external bodies.

5.3.171. Government entities should not agree to pass any decision to increase financial contributions or form new organizations or subsidiary centers in external bodies of which they are a member, without referring to the Ministry of Foreign Affairs to study the decision and present it to the distinguished Council of Ministers.

5.3.172. All government entities must obtain prior approval from the Ministry of Foreign Affairs for all applications related to the Kingdom of Bahrain's membership in external bodies, which are applications for joining for the first time, or renewal of membership, or increasing the subscription quota, or withdrawal, stopping, freezing membership or non-payments of contributions.

5.3.173. Requests for the payment of membership subscriptions or contributions for the implementation of programs or projects by external bodies shall be submitted to the International Relations Directorate in accordance with the procedures specified in this subsystem to ensure that they meet the conditions specified under the laws and decisions issued, provided that the request is accompanied by the required approvals, which are as follows, according to the type of request:

Request type	Approval required
Payment of a new subscription to the membership of an external body.	Cabinet approval to participate
Payment of contributions to finance projects implemented by external bodies.	Cabinet approval to enter into these obligations
Renew a subscription without including an increase in the subscription amount by 20% or more.	Approval of the Ministerial Committee for Financial and Economic Affairs and Financial Balance to renew the subscription
Subscription renewal includes an increase in subscription amount of up to 20% and more.	Cabinet approval to renew subscription

5.3.174. Government entities must attach a membership data and evaluation form (according to Appendix No. 1(data and evaluation form for membership in the body or organization) for each membership, when submitting applications for joining for the first time, renewing membership, increasing the subscription quota, withdrawing, stopping or freezing. Membership or non-payments of contributions to the Ministerial Committee for Financial and Economic Affairs and Financial Balance, where the government entity explains all the data shown in the form, in addition to its recommendations regarding membership or participation in the regional or international body or organization.

5.3.175. The Ministry of Foreign Affairs, in coordination with the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, periodically reviews tables, data forms, and membership evaluations received from government entities, in the implementation of the mechanism referred to in Paragraph (5.3.174).

5.3.176. The government entities must inform the International Relations Directorate in the case that the concerned government entity obtains any support from the organization or the body in which it subscribes, whether in the form of financial or in-kind subsidy.

5.3.177. The Ministry of Foreign Affairs submits a consolidated annual report to the Council of Ministers summarizing the results and recommendations of the reports received from governmental entities, regarding the assessment of the benefit from its membership in external bodies, and the importance of continuing to be a member of these bodies.

Payment of contributions to the League of Arab States and its affiliated bodies and organizations

5.3.178. The share of the Kingdom of Bahrain in the budget of the Arab League and its affiliated organizations and bodies should not exceed 2%, based on the memorandum of understanding signed between the Ministry of Foreign Affairs and the General Secretariat of the League of Arab States.

5.3.179. The subscriptions shall be paid for Arab organizations to the unified account of the Arab Monetary Fund in accordance with the decision of the Economic and Social Council No. 1086 at its session No. (47) held in Tunisia during the year 23 - 26 October 1989.

Subscription payment procedures

5.3.180. The request for payment of contributions or contributions to external bodies is processed according to the following procedures:

A. After making sure that the necessary financial credits are available, the government entity issues a purchase requisition through the Central Financial System and all supporting documents are attached to it.

B. The International Relations Directorate reviews the validity of the application and its compliance with the conditions agreed upon with the external body, and that the concerned government entity obtains the necessary approvals.

C. Upon approval of the application, an approval number is assigned to the application by the Central Financial System, and its details are recorded in the register of contributions in external bodies at the International Relations Directorate

D. In the event that the application does not meet the specified conditions, the application will be rejected, or the concerned government entity will be required to fulfill all the requirements.

E. If the request is approved, the government entity issues the purchase order, and after it is reviewed and approved by the Central Efficiency Directorate, it is transferred to the Payments and Collection Directorate for payment.

Social Assistance

5.3.181. The provisions contained under this heading cover what regulates the payment of cash social assistance that is decided to be disbursed by the Ministry of Social Development to eligible families and individuals in accordance with the provisions of laws and decisions issued in this regard, with the exception of social security assistance stipulated in Law No. (18) of 2006 regarding social security.

5.3.182. The Ministry of Social Development undertakes the following tasks and procedures to monitor the process of disbursing social assistance:

A. Forming a permanent committee or more as needed from at least three members to be chosen from among the employees of the relevant departments, by a decision issued by the Undersecretary of the Ministry of Social Development, and it is responsible for reviewing requests for assistance and approving the amount of assistance.

B. Issuing the necessary decisions from the Minister of Social Development to determine the types of social assistance and the conditions and criteria for its disbursement, and the amounts determined for each category of beneficiaries, in accordance with the legal legislation issued in this regard.

C. Study the cases of aid beneficiaries and make the necessary adjustments to the granted aid.

D. Assigning a number to each case eligible for assistance, and this number is used as a reference in all forms and documents related to social assistance, and the beneficiary’s case number may not be reused for another case.

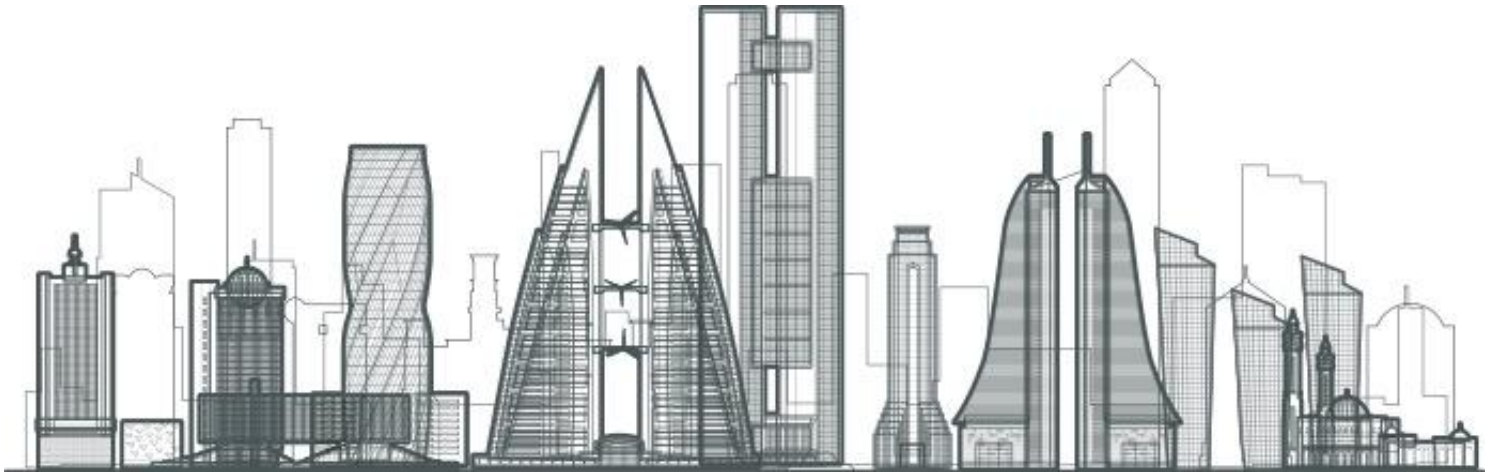
H. Allocating a permanent file to each aid beneficiary in which his data are kept, copies of the documents and documents supporting the granting of aid, and copies of the reports prepared for the applicant.

I. Maintaining a separate record for each type of aid, including the personal number data, the names of the aid beneficiaries, the amounts determined for each beneficiary, and the bank accounts data of the beneficiaries or their agents, taking into account the up-to-date records and documents related to aid.

G. Periodically updating the data of cases benefiting from social assistance by sending declarations to the beneficiaries of such assistance to request updating the data or conducting field visits, according to the circumstances of each case.

H. Commitment to disbursing aid within the limits of the annual appropriations allocated within the budget.

6. Projects Expenditures



General Description of the System		
Coverage	This system covers the general policies related to the control of government entities projects expenditures.	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Projects Directorate	Overseeing the projects budget government estimation and implementation process.

6.1. Introduction and general provisions

6.1.1. The provisions and procedures mentioned in the budget system and the recurring expenditures system shall be applied to the financial transactions related to project expenditures in a manner that does not contradict the provisions and procedures mentioned in this system.

Operations related to project expenditures in general

6.1.2. An expenditure is classified as a project expense if it meets the following criteria, all other expenditures not meeting the above definition must be treated as recurrent expenditures:

1. Has a defined beginning and end date for the delivery of the final output that is specified by a defined scope

2. The final output is unique and is not readily available in the final shape and form in the market

3. The final output is delivered in a unique and non-routine method that follows a specific set of operations designed to accomplish a singular outcome.

4. Has a dedicated Project Coordinator and is supported by a team, when required.

5. In cases where there is an asset, the related work leads to an enhancement of the asset's life. As such, maintenance related work is not considered as a project unless the related work will lead to the enhancement of the asset. Enhancement refers to the:

a. Extension in the life of the asset; and

b. Improved performance of the asset; and

c. Greater economic benefit generated from the asset.

d. The change in the depreciation value as a result of reviewing the useful life of the asset.

6.1.3. No elements of recurrent expenditure can be booked against a project code unless it is an integral part of the project, and the continuation of the project depends on the expense (e.g., contracted labour).

6.1.4. Each project must have a unique code defined for it. No project may commence unless a code is created and assigned to it. All expenditure and other activities related to a project must be booked against the code and contain the following information at a minimum:

1. The Government Entity to which the project belongs.

2. Number of sub-activities in the project.

3. Cumulative expenditure till date (by period by activity).

4. Project cash requirements (by period by activity); and

5. Commitments – cumulative expenditure remaining to be incurred (by period by activity).

6.1.5. Each project must have an assigned Directorate within the Client/Requesting Government Entity to coordinate on the matters of the project throughout the project life. The assigned Directorate shall be referred to as the Project Coordinator.

6.1.6. Their responsibility is to manage the overall project, which includes the management of scope, cost, cash flows, time, resources, procurement, quality, risk, communications and stakeholders. The Project Coordinator must always ensure that projects are delivered:

1. As per a specified quality

2. Within the scheduled time frame

3. Within the agreed upon cost of delivery

4. As per the scheduled cash flow

6.1.7. The Project Coordinator must ensure that any deviation to the cost, time or quality of a project is well communicated, always documented and authorized by the relevant authority.

6.1.8. Depending on the circumstances and the requirements of the project, the following prior approvals must be obtained for projects:

1. The ICTB before undertaking any type of work on electronic and IT-related software and hardware.

2. The CSB before including any contracted Laboure's on the project.

3. The Government Properties Affairs Directorate for the usage of land for temporary or permanent usage.

4. Other entities and Government entities.

6.1.9. During budget implementation and when preparing requests, contracts are selected from the ten-year project plan, and no prior approval for projects is granted without the contracts for those projects being included in the government entity's updated ten-year plan.

6.1.10. The government entity must obtain prior approval (TER) from the Project Directorate for recruitment or contract renewals for employment within the project budget, clarifying the justification for the case, time period, and proposed salary.

6.1.11. The government entity shall pass the salary of the appointed employee within the project budget, after completing all necessary procedures in this regard, including obtaining the approval of the Civil Service Bureau, and signing the contract, in coordination with the Payments and Collections Directorate according to its approved, regulations and laws in this regard.

6.1.12. Where projects are related to assets, all Government Entities are required to update the fixed asset register (FAR) with the work in progress (WIP) and completed asset information.

6.1.13. Projects can comprise different types of work performed, which can be any one or a combination of the following types:

a. Construction – any building, civil engineering or other engineering work conducted on buildings, infrastructure or other areas, which includes an extensive list of elements that are structured in a defined space. (e.g., housing projects, furniture, etc.).

b. Development –are long-term development projects that, by their nature, require initial funding to lay the foundations for work necessary to start the project, such as: information technology projects.

c. Planning Proposals – Expenditure on surveys and research, including feasibility studies, which cannot be funded from the recurrent budget but is necessary to identify and define term plans and programs into specific projects.

d. Other Projects – all other project types did not meet the above descriptions.

6.1.14. The provisions of Decree-Law No. (36) of 2002 regarding the regulation of government tenders, auctions, purchases and sales, and its executive regulations, circulars, decisions and instructions of the Tender and Auctions Board that regulate the provisions of government procurement must be adhered to in all stages of procurement and contracting for the implementation of projects.

6.1.15. In the event that there is a standard purchase contract for the required purchases within the project, the government entity can carry out the purchase process with the supplier listed in that contract.

6.1.16. The system automatically adds the order numbers (TER Reference) and (AVR Reference) as references in their respective boxes in the ten-year plan when issuing prior approval requests (TER), award requests and change and amendment orders in contracts No. (1803) AVR.

6.2. Initial approval for a new project

General Provisions

6.2.1. The initial inception of a project may arise in any of the following ways:

1. From planned implementation of Government or Ministerial policy to achieve long term goals, general or sectoral economic plans or interim objectives,

2. From the identification of a specific need falling within the scope of the concerned Government Entity.

3. From the recognition of a particular investment opportunity; or

4. As a result of a project or program proposed or in progress within another Government Entities, private company, or international agreement.

Preliminary study for the proposed project

6.2.2. The Client/Requesting Government Entity, upon identifying the need for a new project, prepares an initial high-level study capturing the essential details and feasibility of the project, which includes the following information, as applicable:

a. Project Details:

1. Client Government Entity

2. Supervising Government Entity

3. Project Description

4. Project Objectives

5. Justification for the Project

6. Government programs and initiatives which the project follows

7. Project location (governorate)

b. Studies carried out for the project:

1. Type of studies carried out

2. The agency that made the study

3. Date of latest study

c. List of studies enclosed:

1. Technical Feasibility Studies

2. Financial/Economic Feasibility [quantitative metrics]

3. Environmental Studies

4. Condition assessment report, where required

d. Specific Project Data:

1. Scope of work.

2. Nature of Project (New/Extension/Renovation)

e. If extension or Renovation:

1. Completion date of original project

2. Final cost of the original project

3. Related on-going project (if any)

4. Proposed Project Commencement

5. Proposed Project period

6. Expected stages of project implementation and the milestones to be achieved

7. Proposed Location (both temporary and permanent land usage requirements must be highlighted in the study)

f. Is the land available (yes/no), If the land is required (specify):

1. Government owned

2. Privately owned

3. Leased/rented/reclaimed

4. Land area

5. Built-up area

g. Estimated Capital Costs:

1. Basis of estimate

2. Total cost (with details)

3. Unit Cost

4. VAT inclusive (yes/no) or any other VAT or compensation

h. Estimated Recurrent Costs [both during and post the lifetime of the project]:

1. Operating cost (per annum)

2. Maintenance cost (per annum)

3. VAT inclusive (yes/no)

i. Benefits of the Project:

1. Potential Revenue

2. Basis for an estimate of revenue

j. Nature/No. of jobs generated:

1. Local

2. Foreign

k. Quantified Economic Benefits / Social costs and benefits / Technical benefits:

l. Impact on the environment (if applicable)

m. Risks and risk assessment

n. Legal requirements

o. Source(s) of Project Funding:

1. Government funds

2. Soft loans from regional institutions

3. Export Credit Agencies

4. Commercial Loan

5. Partnership with the private sector

6. other sources

6.2.3. The above study is prepared by the Client/Requesting Government Entity in coordination with the responsible directorates. In cases where the Implementing /Supporting Government Entity is separate from the Client /Requesting Government Entity, the above study may be performed jointly, or by a specialist.
6.2.4. Upon preparation, the Client/Requesting Government Entity forwards the project request to MOFNE, the procedures for approving the request shall be completed according to the following:

a. The Projects Directorate receives the request for a new project and checks the project request against the following:

1. Funding availability – if the project request does not meet fund availability criteria, the request is deferred.

2. Approved project list - in addition to the budget availability cheque the Projects Directorate ensures that the request type meets the approved list of projects planned for by the Client/Requesting Government Entity. If the project request does not meet the approved project list criteria, the request is deferred. The Client/Requesting Government Entity may raise a request for amending the annual plan to add the project to the approved list.

b. The Public Revenue Policy Directorate shall review and provide insights on any potential revenues generated.

c. If the above two parameters are met, and are consistent with current priorities, the Projects Directorate will contact the Client/Requesting Government Entity through official means notifying them of the initial approval.

d. The initial approval may be granted only for projects that have justifications and an actual need for implementations.

6.2.5. Approval in principle and inclusion in the ten-year plan does not in itself authorize or guarantee to incur of liabilities in the same year of inclusion. The reason for this is that a proposed project may be entered in the Plan at estimated prices several years before the commencement of the project.

6.2.6. The Projects Directorate must therefore reserve the right to review all projects prior to the commencement of different phases considering:

1. Improved cost estimates following detailed design work and general price inflation.

2. Changes in the economic climate since approval in principle.

3. Changes in priorities resulting from urgent new requirements and slippage in the rate of expenditure on projects in progress.

6.2.7. Each project must be defined by a unique code and have a budget allocated to it. The budget reserved should consider and include the following when deemed necessary:

1. Up to 5% contingency for each contract under the project.

2. Up to 5% contingency for the overall project; and

3. A budget allocated to cover all costs related to employment (tickets, cargo, the government's share of unemployment for insurance, and any other costs).

6.2.8. Projects may be initiated (and project-related expenditure and commitments may be incurred) only post obtaining prior approval from the Projects Financing Directorate. All Project expenditures should necessarily be mapped to a commitment for which prior approval has been obtained.

6.2.9. Budget amendment procedures to be adopted in case insufficient budget is available for a project or its related expenditure.

6.2.10. All proposals for initiating a project must be approved in accordance with the approved approval limits.

6.2.11. The Projects Directorate updates the list of projects based on the initial approval for project implementation and ensures that approved budgets for projects are properly reflected in the Central Financial System.
6.2.12. The Project Coordinator from the Client/Requesting Government Entity is responsible for clearly defining the scope of the project and the requirements. This is to prevent any issues from arising during the delivery phase.
6.2.13. In such cases where a project involves several Government Entities, coordination is required for the smooth and timely execution of the project at all stages of the project.

Detailed study of the Project

6.2.14. Based on the requirement of the Projects Financing Directorate, the Client/Requesting Government Entity carries out a detailed project evaluation. The information is required for an update of assumptions and information presented in the initial studies and for further insights. As applicable, the following shall be submitted as part of the detailed review, in addition to the requirements listed above:

1. A statement of the financing options, which include the possibility of involving the private sector in the financing.

2. A statement of the main options available against desired objectives including advantages and disadvantages of each and reasoning for the choice of the proposed project.

3. A general description of the project including the products, size or quantity or capacity and unit size, inputs and outputs, quality of product, process descriptions, any outline drawings and all basic assumptions and design parameters.

4. Data and results of previous similar projects including the year of completion.

5. A description of any related project or associated work by all other Government Entities (e.g., Public Works Affairs).

6. A cost estimate for associated works by any other Government Entity as a result of this project.

7. A cost estimate of probable recurrent costs for operation, maintenance and employees per MOFNE account code breakdown as far as possible.

8. Possible implications of the project on the future recurrent expenditures of the Client/Requesting Government Entity, and any other Government entity.

9. Statement of anticipated changes to Government manpower requirements analyzed by provisional grading and local or foreign employment, both for project implementation and for the management, operation and maintenance of the facilities to be introduced as a result of this project.

10. A market analysis including analysis of demand or need and supply, and pricing and sales strategy as appropriate or relevant.

11. Estimated revenue with associated unit prices, if any.

12. A financial analysis where appropriate including the financial rate of return.

13. An Economic and Social Cost Benefit Analysis.

14. The planned implementation timescale for the project in the form of a network plan of key project elements.

15. The in principle/initial approval/agreement of any relevant Government Entity and applicable permits where required by the laws and regulations of the Government such as compliance with building regulations, availability of land, licensing and registration, application for utility supplies, etc.

16. A description and quantification of all resources utilization by the Sector and Projects Directorate sectoral breakdown, and corresponding planning considerations, e.g., for employment, costs and benefits and number of employees by foreign and local both during construction and after completion, effect on income levels, etc., public health, utilities use, traffic, housing, land and environment, etc.

6.2.15. The above study is prepared in the Client/Requesting Government Entity in coordination with the responsible department/directorate. In cases where the Implementing/ Supporting Government Entity is separate from the Client/Requesting Government Entity, the above study may be performed jointly, or by a specialist.

6.2.16. The above listed information is a compulsory submission that will be submitted by the Client/Requesting Government Entity. The above may be submitted in the form of a comprehensive feasibility study, project report or as individual statements.

6.2.17. The Projects Directorate may waive any of the above requirements according to specific economic sector or project assessment needs.

6.2.18. The Projects Directorate may call for the submission of additional supporting data where required. This will include, but is not limited to, the following:

1. General economic grounds and relevance to specific sectoral objectives and development policies.

2. Possible implications of the project on all economic sectors.

3. Assess the accuracy of the assumptions and estimates used by the Client/Requesting Government Entity.

4. Cash flow implications and total expenditure of the period during the delivery phase.

5. Recurrent expenditure implications both during and post completion and delivery of the project.

Initial approval for a new project

6.2.19. The detailed study is reviewed by the Projects Directorate and in cases where additional information is required the Client / Requesting Government Entity is requested to revisit the study. Only if the project is deemed feasible shall the Projects Directorate provide recommendations for approval. The

recommendations are then forwarded for approval as per applicable approval limits, and require the following:

1. Once the project is accepted by the approval authority is an "In Principle Approval" granted.

2. The Client/Requesting Government Entity initiates the process of filling in the Form Approval in Principle of a Project Proposal no. MF-1801 and obtains the necessary signatures on the form. All documentation pertaining to the request is attached to the form sent to the Projects Directorate.

3. After the Projects Directorate receives the Form Approval in Principle of a Project Proposal no. MF-1801 and allocates a project account code, with coordination with the concerned directorate.

4. The Projects Directorate updates the project list in the Central Financial System and fixes the project budget based on the estimated cost of the project.

External funds request:

6.2.20. The Projects Directorate is responsible for identifying the source of financing for the project. The source of funding for a project may be one or a combination of any of the following:

1. Government own funds.

2. Export credit agencies.

3. Regional funding agencies.

4. Commercial banks.

5. Blended combination of the various sources; or

6. Any other source.

6.2.21. In cases where the project is to be funded, fully or partially by an external agency, the following processes are performed by MOFNE prior to commencing the procurement and tendering processes:

1. The Projects Directorate in coordination with determines specific agencies that need to be approached for funding.

2. The Funding Agency is approached through official means of communication and the project report and respective documentation are provided to the agency.

3. Upon obtaining the Agency's feedback, the terms of the financing are discussed and negotiated.

4. In coordination with the Legal Advisers, Client/Requesting Government Entity, Implementing/Supervising Government Entity, Funding Agencies, and state officials, finalize and execute the financing agreement.

5. The Payments and Collection Directorate is coordinated with for the necessary procedures to be followed in relation to the project payment and for receiving disbursements from the various trances of the financing facility.

6.3. Purchase and pre-approval

General Provisions

6.3.1. Businesses may not be divided with the intent of circumvention to avoid the procedures and controls contained in Decree-Law No. (36) of 2002 regarding the regulation of tenders, auctions, purchases and government sales, its executive regulations, decisions and instructions of the Tender and Auctions Board and the provisions of this manual, the managing entities must aggregate the homogeneous needs that have a specific link or one goal to be implemented in one go.

6.3.2. Government entities must provide the Project Directorate with all contracts related to the project in the (TER) prior approval requests as soon as possible, so that the relevant parties in the Directorate can comprehensively study the project.

6.3.3. Government entities must obtain the following approvals before initiating the government projects tender:

1.Where the estimated cost of the contract is more than BD 25,000, the tender may be submitted internally, provided that the tender is in line with the approved project scope of work, and that the tender request is approved in accordance with the approved authority levels of the government entity.

2.Where the estimated cost of the contract is BD 25,000 or less than, the contract may be approved without obtaining prior approval from the Ministry of Finance and National Economy, provided that the proposed works are in line with the scope of work of the approved project and that the tender request is approved in accordance with the levels of authority approved for the government entity.

3.In all cases where financing (either fully or partially) is through an external funding agency, the agency's approval and involvement is required throughout the procurement procedure. This is to be in accordance with the financing agreement terms and conditions.

6.3.4. the government entity must provide the data and documents supporting the pre-purchase approval request, which are as follows:

a. jobs description
b. Business rationale
c. scope of works
d. Table/Details of Quantities
e. Costing basis
f. Layout designs (if any)
g. Any prior approvals from the concerned government entities that are required in accordance with the laws and regulations (such as: the approval of the Information and Communication Technology Governance Committee on ICT works).
h. If the government entity wishes to implement the project through a partnership with the private sector, it must submit a study assessing the suitability of implementing the project under the public-private partnership system, in accordance with the Public-Private Partnership Regulations and its technical and financial guidelines issued by the Ministry of Finance and National Economy, clarifying the results of the assessment and the reasons for recommending or not continuing with this option.
i. Any other details or fulfillment required by the Project Directorate.

6.3.5. The government entity is obligated to tender the works in accordance with the scope and documents approved in the preliminary financial approval. This scope serves as the reference for preparing tender documents and tendering the works. No modifications, whether additions or deletions, to the specifications or quantities are permitted without obtaining updated approval from the Projects Directorate.

6.3.6. In the event of any change in the scope of work during the tendering process for reasons beyond the entity's control, the Project Directorate must be notified immediately upon the change and before proceeding with any action or financial commitment.

6.3.7. Consider the approved cash flows for projects within the current budget cycle, so that project cash flows from budgets and commitments are adjusted within the overall approved budget of the Government Entity.

6.3.8. The Projects Directorate reserves the right to follow up on projects that are yet to be contracted to ensure the efficient utilization of funds.

6.3.9. Government entities must refer to the prior approval number (TER) and the approval of the "Notice of Award or Contract Amendment" form No. (1803) (AVR) in correspondence with the concerned parties in the Ministry of Finance and National Economy, for easy reference to the details of the application.

6.4. Contracting and awarding

General Provision:

6.4.1. The Client/Requesting Government may not enter into any contractual obligation or sign the contract with the supplier except after passing the raises Form Contract Awarding variation notification no. MF-1803 and obtaining prior approval from the Projects Directorate to confirm the availability of the necessary budget for the project. The contract will only be valid if it contains the Purchase order no. for the particular contract or the approval number.

6.4.2. Government Entities must list all projects in the central planning budget system on the page of "Long-term Plan Projects" for contracts with a value BD 10,000 or more.

6.4.3. Before entering into any contractual commitment with any Contractor, Government Entities must obtain the feedback and consent of the Projects Directorate at the Ministry of Finance and National Economy to ensure the availability of budget and funding. According to the following:

A. If the total contract value is BD 50,000 or more for all Government Entities Projects, or the total contract value is BD 100,000 or more for Ministry of Works projects and the projects it supervises their implementation, it is required to submit the Form Contract Awarding variation notification no. MF-1803 and the PO to the Projects Directorate. The following should be included as part of the Form submission:

1. PO number

2. Type of contract applicable

3. A copy of the initial approval from MOFNE.

4. Contractor's name and details.

5. Priced B.O.Q for the winning bid, showing the VAT, if any.

6. The decision of the Tender and Auction Board approving the award.

7. Any other documents or fulfillments required by the Projects Department.

B. If the total contract value from BD 10,000 and less than BD 50,000 for all government entities projects or the total contract value from BD 10,000 and less than BD 100,000 for Ministry of Works projects and the projects it supervises by their implementation, it is sufficient that the following data must be attached as a minimum to the for all tenders that have been awarded; In the central budget planning system on the "Projects Long-term Plan" page:

1. Project name.

2. Project description.

3. Project cost.

4. Purchase order number.

5. A copy of the Internal Tender Committee Report.

6. Priced list of quantities for the winning bid with VAT statement if any.

C. The Projects Directorate receives and reviews the PO issued and the Form Contract Awarding variation notification no. MF-1803 to ensure the availability of funding, correct budget line items are allocated, approval of the funding agency (if externally funded), etc.

D. In case of any issues, the request is sent back to the Client/Requesting Government Entity to make necessary adjustments.

E. In case of satisfactory review and approval, then the PO is approved. The budget amount is frozen for the project.

F. Once approved, the decision of the Client/Requesting Government Entity is to award the contract to the successful bidder, in accordance with the provisions and procedures regulating government procurement.

G. The Project Coordinator prepares a contract draft, and the Client/Requesting Government Entity ensures the following:

1. The contract type matches the Projects Financing Directorate's recommendation.

2. The approval of the Projects Directorate is obtained; and

3. The approval number, as well as the PO number, are referenced in the contract.

H. Apply all the terms and conditions in the recurrent expenditure system, Including provisions for typical contracts.

6.5. Project Monitoring

General Provision

6.5.1. The procedures under this subsystem relate to the ongoing process of monitoring and keeping track of all project-related metrics. This is to ensure that issues regarding projects are identified at an early stage and the necessary corrective and preventive actions are taken and to ensure that the project is within contractual scope, on budget and meets the deadlines as specified within the contract(s).

6.5.2. When needed, the Project Coordinator in the Client/Requesting Government Entity (or the Supervising Government Entity where applicable), should prepare physical progress reports and submit them to the Projects Directorate, Information in the report should give an adequate indication of physical progress and anticipated completion of the project. The report should contain the following:

1. Progress of the project against the initial milestones set
2. Assessment of project timeline and estimated time for completion
3. Review and assessment of the total cost incurred to date versus the total project cost
4. Number of work order changes performed (if any)
5. Anticipated challenges
6. Anticipated variations
7. Pictures showing the current status of the project works, where applicable.

6.5.3. The Project Coordinator in the Client/Requesting Government Entity must submit a copy of the actual completion reports to the beneficiary government entity in cases that require it.

6.5.4. Channels must be established to enable the Projects Directorate to maintain a day-to-day liaison with other Government Entities to monitor the progress of all current projects and prepare detailed financial reports on specific projects as required.

6.5.5. The Project Directorate must follow up with Government Entities on the initiation of projects in accordance with the ten-year plan.

6.5.6. The Projects Directorate requests any customized report for a project when deemed necessary from the Client/Requesting Government Entity coordinator or beneficiary.

6.5.7. Beneficiary or supervising government entities must update all projects listed in the central budget planning system on the “Projects Long-term Plan” page upon receiving a notification of the system update or a circular from the Ministry of Finance and National Economy regarding this matter.

6.6. Project Variations and Modification

General Provisions

6.6.1. The definition of:

a. Modifications at work: Any minor differences in the contract or the project, which may include:

1. Scope.
2. Service level or type.
3. Cost and value.
4. Time; or
5. Contractor.
6. Other variations

6.6.2. Contractors (or suppliers) must provide an estimate of the costs associated with the variation within an acceptable time frame as stipulated in the contract, before implementing the change.

6.6.3. No claim is to be accepted from contractors related to the variation post mutual acceptance and measurement of all incremental costs, unless additional costs are related to an unforeseen circumstance and are in line with the claim policy and procedures in this Manual.

6.6.4. No variation shall be accepted unless it has a valid justification. All variations must be in line with contractual terms, else an annex on the contract must be amended to accommodate the variation.

6.6.5. All amendments to the project implementation contract must be made in accordance with the legislation regulating government tenders and auctions.

6.6.6. The approval of the Projects Directorate must be obtained by filling out and submitting Form Contract Awarding variation notification no. MF1803 for any change in the contract value, together with the following documents:

a. List of engineer/site orders.
b. Detailed justifications for each change request.
c. A breakdown of prices and a statement of cost basis.
d. Justifications for extending the contract (if any).
e. Workflow report.

f. Claims details (if any).

g. Any other details.

6.6.7. The government entity must obtain prior approval (TER) from the Ministry of Finance and National Economy for change orders in the following cases:

A. If the total value of the change orders exceeds 15%, more or less, of the original contract value.

B. If the contract amount after issuing change orders exceeds the value of BD 50,000.

C. Change in scope of work.

Budget Requests

6.6.8. Any additional budget required for a contract shall be provided for in accordance with the following hierarchy, in case funding is not available in accordance with the hierarchy stated above, it is not permissible to exceed the total approved cost of any project unless there are substantive justifications thereof and after obtaining the approval from the Minister of Finance and National Economy:

1. Contract contingency.
2. Surplus of one contract to another from the same project.
3. Overall project contingency.
4. Other projects within the same Government Entity this is done by submitting the "Project Budget Approval" form No. (1802) (PV) through the central budget planning system.
5. Other sources as deemed fit by the Projects Directorate and are in line with the Budget Law.

Significant variation in the contract

6.6.9. The Client/Requesting Government Entity initiates the request for contract variation. The impact of the variation is quantified in coordination with the

Contractor and justifications are provided in a report format to the Project Directorate, which may include:

1. All costs must include Value Added Tax (if any) with an indication of the cost basis.

2. Notice of specific issue causing the variation

3. List of engineer/site orders

4. List of deliverables as per the contract that are affected by the variation

5. The exact amount of time the contract is being requested to be extended for, specifying working days or calendar days

6. Sketches, photographs or other images illustrating

7. Work progress report

8. Claims details (if any)

9. If the variation is to extend the life of the project without additional financial obligations, the government entity must include this extension in the project progress reports and specify:

a- Project extension duration and revised project end date.

b- Justifications for the extension may include:

- The suspension of the contracted work by the contracting Government Entity for reasons outside the contractor's responsibility and supported by the documents.

- Circumstances out of the control of the Contractor or caused by the contracting Government Entity. The extension must be requested by the Contractor and supported by the documents listed above.

- Others

10. List of other entities responsible for the delay.

11. Description of the actions that the contractor will take to avoid or reduce further delays.

12. The supplier's confirmation that the extension will not affect the total cost of the contract.

13. Any other documents required by the project management.

6.6.10. All communications from the Contractor regarding cost implications are received in a formal letter signed and authorized by the Contractor's approving authority.

6.6.11. Where a budget amendment is required, sources of funds are identified and highlighted by the Project Directorate. The source of additional budget for the project is identified in accordance with the following hierarchy:

1. Contract contingency.
2. Transfer surplus from one contract to another contract for the same project.
3. Overall project contingency.
4. From other projects within the same Government Entity, this is done by submitting the "Project Budget Approval" form No. (1802) (PV) through the central budget planning system.
5. Other sources (Determined by Project Directorate according to the budget law regulations).

6.6.12. The amount allocated as a reserve within the contract is used to cover necessary and unforeseen work to ensure the completion of the approved project deliverables without a material change in scope and may not be used to cover work resulting from a change in planning, optional changes in specifications, or any work that does not directly contribute to the completion of the approved project deliverables.

6.6.13. Upon acceptance, the Form Contract Awarding variation notification no. MF-1803 procedures are initiated, and formal documentation is made in accordance with the contract variation clauses. The following should also be submitted:

1.Evaluation and justification report; and

2.Tender Board Approvals, if required

6.6.14. Where changes need to be reflected in the contract, the necessary changes/amendments are attached to the original contract and the PO amount is changed in line with Form Contract Awarding variation notification no. MF-1803.

6.6.15. Government entities must update the contract expiry date via the Revised End Date Request service in the Central Planning and Budget System (CPBS).

6.7. Project Closure

General Provision

6.7.1. Upon successful delivery of a project, the procedures required to transfer goods/services to the custody of the Client/Requesting Government Entity are critical. These procedures include obtaining the necessary sign off, closing the project account and filing/documenting the work carried out.

6.7.2. The term "Contract Closure" refers to the process of completing all tasks that are mentioned as deliverables and outstanding in the originating contract detailing the scope of work.

6.7.3. No accounting entries should be entered or passed in the project account after closing.

6.7.4. The defects liability period timeline should be in accordance with the contractual terms and conditions.

6.7.5. Before closing a project, the following must be ensured:

1. Confirmation of the delivery and formal acceptance of deliverables.
2. All claims have been logged within the time frame stipulated in the contract from closure.
3. And no further claims are pending.

6.7.6. After project closure, Government Entities must provide the Project Directorate with a report identifying the lessons learned (note: lessons learned should be recorded from the point of the project or phase commencement).

6.7.7. Any amount allocated for a project but remaining unspent after the completion of the project shall be deemed as surplus to that project and shall not be used for any other project or the expansion of the same project, except with the approval of the Minister of MOFNE.

6.7.8. In general, any item that constitutes an asset must be recorded in the Fixed Asset Register as and when required by the policies of the Fixed Asset system.

Project progress

6.7.9. Upon completion of a phase/milestone in a project, a cheque must be issued by the Government entity:

1. on the deliverable [either a service or asset] by the Project Coordinator in the Client/Requesting Government Entity in order to assess if all works completed are as per contractual terms.

2. Upon satisfaction of the works completed during the end of the phase/milestone, where required, there is an exchange of handover documents between the Contractor and the Client/Requesting Government Entity.

3. In the event that the achievement is not accepted due to non-compliance with the terms of the contract, The Supplier is required to make the necessary corrections and repairs and no payments are processed to the Supplier until all the required repairs orders have been resolved.

4. In case the completion of a phase/milestone is related to an asset, the Finance Resource Directorate (or equivalent) within the Client/Requesting Government Entity updates the Fixed Asset Register.

5. In addition, all claims must be received and processed from the Contractor in accordance with the claim procedures pertaining to the phase/milestone.

6. Upon the handover of documents being exchanged, the payment procedure can commence as per contractual terms, in coordination with the Payments and Collection Directorate.

End of Contract

6.7.10. For a contract to be ultimately and conclusively closed, the Contractor must have completed all components of their deliverables. All contracts related to the project must be effectively closed; with contract closure occurring within a reasonable time frame after the exchange of the final contract between the concerned parties.

6.7.11. In the event of the completion of the implementation of the project contract, the government entity shall do the following:

1. on the deliverable [either a service or asset] by the Project Coordinator in the Client/Requesting Government Entity in order to assess if all works completed are as per contractual terms.

2. Upon satisfaction of the works completed during the end of the contract, where required, there is an exchange of handover documents between the Contractor and the Client/Requesting Government Entity.

3. In the event that the completion is not approved for non-compliance with the terms of the contract, the supplier is required to make the necessary corrections and repairs and no payments are made until all the required repairs have been resolved.

4. The Client/Requesting Government Entity must review and assess if there are any post-contract obligations on behalf of the Contractor, and if so, act accordingly.

7. If no defects appear during the warranty period, the closing form must be signed by the requesting government entity and the supplier and sent to the Projects Directorate.

8. A Closure Form is signed by the Client/Requesting Government Entity and the Contractor, and the same is forwarded to the Projects Directorate.

9. Upon the signing of the completion certificate, Project Closure can occur after the following have been completed:

10. All contracts pertaining to the works of the project have officially been closed.

11. A review of the project budget is carried out.

12. All claims received from the Contractor have been processed; and

13. A Post Evaluation Report is completed by the Projects Directorate.

14. The Finance Directorate (or equivalent) of the Client/Requesting Government Entity updates the records in the Fixed Asset Register, where required.

15. In case of a difference between the actual spend on the contract and the PO value, the Client/Requesting Government Entity raises the Form Contract Awarding variation notification no. MF-1803 to Project Directorate indicating the difference and amending the PO with the actual value, with the attached the following documents:

1. The final account statement for the project.

2. List and copies of all engineer/site orders.

3. The approval of the Tender Board on changes that exceed 15% of the original contract amount.

4. Detailed justifications for extending the contract with all approval letters.

5. Copies of the relevant previous financial forms.

6. Any documents required by the Project Directorate.

16. The Projects Directorate will proceed to review the request close, and the PO related to the contract preventing further entries.

17. Upon satisfaction of the works completed as per contractual terms, the final payment procedure can commence in coordination with the Payments and Collection Directorate.

Warranty for defects Period

6.7.12. After the completion and delivery of the project and the start of the defects warranty period according to the terms of the contract, the government entity cheques for any defects in the implementation of the project resulting from works that do not comply with the contract and issues instructions to the contractor to correct them within an agreed time frame in accordance with the terms of the contract.

6.7.13. The government entity must examine the works carried out by the contractor to correct any defects that were reported to them and ensure that they were completed in the required manner, and accordingly, a certificate of final completion of the project is issued.

Premature Contract Termination by Mutual Agreement

6.7.14. Upon an event arising in which the contracting Government entity wishes to terminate a contract with the Contractor, the contracting Government entity shall:

1. Send a formal letter to the Contractor detailing the reasoning for the desire to terminate the contract.

2. The Contractor will formally respond to the contracting Government entity with the decision to either accept or reject the termination of the contract within one month from receipt of the contracting Government entity's letter.

3. Once accepted by the Contractor, the contract shall be terminated by a written agreement signed by the two parties, including the following supporting information [non-exhaustive list]:

a. Conditions for contract termination

b. Date of contract termination

c. Results of contract termination

Premature Contract Termination by the Contracting Government Entity

6.7.15. Upon discovery of sufficient reasoning that the Contractor has delayed the execution of the contract or failed to comply with the contract conditions, the contracting Government entity after coordinating with its legal affairs, must do the following:

1. Inform the contractor to correct the situation within a specified period and send a copy of it to the Projects Directorate.

2. If the Contractor fail to respond to the notice letter, the contracting Government entity shall send a warning letter to the Contractor, stating that the

contract will be revoked unless the situation is rectified within one month from the date of the warning letter to the Projects Directorate.

3.Once the one-month warning period has passed in which the Contractor has failed to rectify the situation, the contracting Government entity shall advise the Contractor in writing of its decision to end the contract.

4. The Contracting Government entity shall then coordinate with the Projects Directorate over the appropriate way to complete the execution of the contract.

6.8. Annexes

Annex 1 - Project Closing Form

Project closing form

Budget center _____ Start date _____

Supplier name_____ Expiry date _____

Number of Purchase order/contract _____

Description

Cost breakdown (attach supporting documents)

Material price _____

manpower costs _____

Other costs _____

Total cost _____

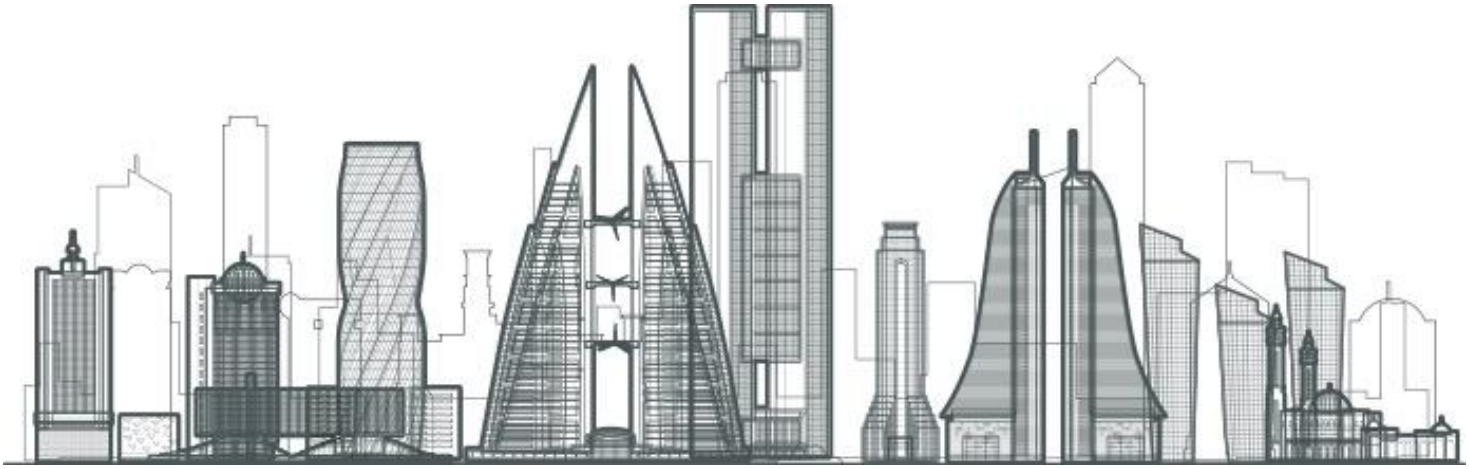
Endorsement

☐ I acknowledge receipt of the service and that it conforms to the agreed terms

Signature of the project coordinator and supplier

_____

7. Bank Accounts



General Description of the System		
Coverage	This system covers the general policies relating to the opening and management of government bank accounts.	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Financing Operations Directorate	Oversee government bank accounts.
	Payment and Collection Directorate	Matching bank statements with central financial system records. Controlling the receipt and payment of donations.

7.1. General Provisions

7.1.1. For the purposes of this system of this manual, general government accounts mean the group of bank accounts that represent the general government account in which all government revenues are received, and all government expenditures are disbursed, and it also includes any other bank accounts supervised by MOFNE such as deposit accounts and others.

7.1.2. MOFNE is responsible for opening and closing general government accounts, supervising and managing them in order to achieve adequate control over them, and no other government entity may communicate directly with banks regarding general government accounts or financial transfers, except in cases authorized to do so by MOFNE.

7.1.3. The authority of money withdrawal from general government accounts at the banks shall be vested only in the Minister of Finance and National Economy or the officials who act on his behalf. Such authority may be delegated in accordance with the provisions of these regulations of authority levels in this manual.

7.1.4. To verify the accuracy and completeness of transaction recording, the Payments and Collections Directorate prepares a bi-weekly reconciliation between the central financial system records and bank statements. Then it follows up with banks and government entities to record transactions and process and settle any discrepancies, if any, before the monthly closing of accounts. The Accounts and Financial Systems Directorate also reconciles the records after the monthly closing of accounts to ensure the integrity and accuracy of the general ledger data and provides the Payments and Collections Directorate with the results for follow-up, coordination, and taking the necessary action to correct the records before the next closing of accounts.

7.1.5. The government entities shall deposit the collected funds in the revenue's general government account, and non-government entities may not do so except only after obtaining the permission of MOFNE for so doing.

7.1.6. Governmental entities authorized by MOFNE shall collect their revenues in whole or in part through local or foreign banks, with all the conditions specified under this permit, and the obligation to follow up and verify the completion of all financial, accounting and control requirements related to receiving, depositing and recording their revenues deposited in their bank accounts.
7.1.7. The validity of disbursement from public bank accounts is subject to the authority levels specified in this manual.

Government Deposits

7.1.8. Government deposits are deposited in banks in light of the interest rate, nature and volume of transactions and banking facilities provided by those banks to government entities, in addition to the share of these banks in contributions to local government loans and bonds and considerations related to supporting the national economy.
7.1.9. MOFNE is responsible for opening accounts related to depositing and investing government deposits and makes decisions related to determining the type of account into which to deposit and the term of the deposit, in accordance with expectations of the inflows received and estimates of cash needs to finance the payments necessary to pay government obligations.
7.1.10. Government entities must return the surplus in their budget to MOFNE, if this does not conflict with the law of its establishment or organization.
7.1.11. The approval of MOFNE must be obtained to invest the funds deposited in private bank accounts, and it should also be ensured that such investments do not affect the government entity’s ability to pay its obligations related to these funds, these investments must be made by the Financing Operations Directorate.
7.1.12. Any interest earned from investing funds deposited in private bank accounts must be transferred to the general government account.
7.1.13. Any interest earned or received from private bank accounts (or highlighted separately as part of periodic reports) must be notified to the Financing Operations Directorate and deposited in the government's general revenue account.

Online banking

7.1.14. Government Entities may make use of electronic banking ("eBanking") services offered by their respective banks to review the account balances, this is done by sending a letter from the Director of Financial Resources in the government entity to the Director of the Financing Operations Directorate, including the bank account number, names of employees, mobile phone numbers and email addresses.

7.1.15. Online banking operations are subject to the authority levels specified in this manual.

7.1.16. Before utilizing an eBanking service and on an ongoing basis, the Financing Operations Directorate is responsible for ensuring that:

1. Government entities apply adequate internal controls to manage eBanking accounts.

2. The eBanking portal takes into consideration the authority limit layers of the Government Entity and that workflow segregation of initiating and approving online payments services.

3. Cyber security measures (such as encryption, user authentication measures, etc.) are implemented by the Government Entity and financial institution for making the utilization of the services safe.

7.1.17. In case of any concerns, the Financing Operations Directorate may terminate (or place on hold) the eBanking service until such issues are resolved.

7.1.18. Financing Operations Directorate and Finance Director (or equivalent) of the Government Entity is responsible for allocating the access to the eBanking service to an authorized individual from the Finance Directorate (or equivalent) and authorized signatories only.

7.1.19. All authorized individuals for the operating the eBanking portal on behalf of the Government Entity must abide by the following:

1. The password is always protected and is not shared with others (including the one-time password).

2. Keep their contact details always up to date.

3. Keep their device's anti-virus software up to date and ensure measures are taken for the removal of all spywares.

4.Cheque bank statements regularly to identify any erroneous or criminal transactions that might have been occurred without the user's knowledge.

5.Ensure the correctness of information before conducting online transfers or any other transactions.

7.1.20. Individuals provided access (including approval authorities) to the eBanking services shall be held responsible for any errors, omissions or misuse of the eBanking services including its setup.

7.1.21. The access rights and permission of respective individuals should be terminated when their employment with the Government Entity ends, this is done by sending a letter from the Director of Financial Resources in the government entity to the Director of the Financing Operations Directorate.

7.1.22. Ministries with Independent Accounts are to comply with the rules and limits of authorization when applying for online banking services.

7.2. Private Bank Account

General Provisions

7.2.1. For the purposes of this system of the manual, a private bank account is a bank account that is opened for use by a specific government entity for private purposes such as:

a. Managing funds exempted from supplying in the general government account that the government entity collects, such as donations and trusts.

b. Depositing revenues and paying expenses related to government entities with independent budgets.

7.2.2. Amounts of trusts deposited in private bank accounts are considered an obligation of the government entity supervising them, and they may not be disbursed for purposes contrary to the purposes assigned to them.

7.2.3. MOFNE shall undertake the opening of the private bank account in cases that require this, and government entities may not directly agree with banks to open their own bank accounts directly, nor do they coordinate with them regarding withdrawal authorities and other things except in coordination with MOFNE.

7.2.4. Accounts may only be opened with national and local banks approved by the Central Bank of Bahrain, and the name of the bank account must be appropriate for the purpose for which the account was opened, and no official bank account may be given a personal name.

7.2.5. It is not permitted to open a private bank account that includes an overdraft validity.

7.2.6. The concerned minister (or his equivalent) issues a decision delegating the authority to sign cheques, payment documents, transfer letters, and external payment requests from private bank accounts, within the limits of the levels of authority specified in this manual.

7.2.7. All special nature accounts shall be subject to regular Government auditing and must be included within the Government's annual auditing plan. Government entities that manage such accounts must provide auditors with all the required information, including accounting records, financial documents and bank

statements. Auditors may contact banks to get any details related to such accounts.

7.2.8. Governmental entities must immediately notify the Financing Operations Directorate of any open bank accounts with them that were not subject to prior approval in accordance with the provisions of this manual and provide them with a list of the names of those authorized to sign.

7.2.9. The Financing Operations Directorate must maintain a record of all private bank government accounts, provided that this record contains the necessary information such as the account type, purpose and validity levels.

7.2.10. All financial and accounting forms and documents (paper and electronic) are subject to verification by the concerned officials to ensure their correctness before being referred for approval.

7.2.11. As part of the settlement process, responsibilities and target settlement dates for any open balances must be determined, and the responsible government entity accountant must follow up on the pending items and settle them within the next month.

7.2.12. The accountant concerned at the government entity must prepare a follow-up statement and send it to the concerned director of financial resources along with providing an update on the status of the outstanding amounts and balances and deciding on them if required.

7.2.13. To ensure proper management of bank accounts and their balances, government entities must keep and maintain a record of deficits or surpluses in government funds, as based on data related to the movement of cash in and out, appropriate measures can be taken when needed. All erroneous payments and overpayments must be recorded on that register.

Account Opening Procedures

7.2.14. A private bank account is opened in the bank by following the following procedures:

A. As and when required, an eligible Government Entity sends a formal letter, signed by the Minister (or equivalent), to MOFNE requesting to open an account.

The letter should include the following:

1. Name proposed for the account, (In Arabic and English).

2. Purpose for opening the account.

3. KYC/FATCA forms.

4. Identity Document.

5. Name of authorized individuals; and to manage the account according to the provisions and procedures stipulated in this manual.

B. The request is reviewed by the Financing Operations Directorate and where further information is required; the Government Entity provides the same.

C. Where the request is approved, the Financing Operations Directorate applies for the new account with the selected and approved bank and coordinate between the bank and the Government Entity.

D. Upon opening, all documentation related to the bank account is maintained with the Government Entity and a copy is provided to the Financing Operations Directorate.

E. The Payments and Collections Directorates, after coordinating with the Financing Operations Directorate sends a request to the FSDD for creating a new account code for the bank account in the chart of accounts. The request should be accompanied by all necessary details on the bank account (such as bank, account name, currency, etc.) and approvals for the same.

Subsequent changes to the account

7.2.15. The amendment or cancellation must be made in the persons authorized to sign for withdrawal from accounts and the limits of their powers through MOFNE, by sending an official letter from the Minister (or equivalent).

Donation accounts

Definitions

7.2.16. To apply this subsystem, the term “donations” means all grants, donations, and endowments, whether in cash or in kind, unless the context requires otherwise.

General Policy

7.2.17. Government entities may accept donations - from inside or outside the Kingdom and after obtaining prior approvals from the relevant government entities according to the value and destination of the donation, , in a manner that does not conflict with the relevant laws, regulations and decisions issued. .

Provisions and Procedures

Get pre-approved

7.2.18. All ministries and government entities are prohibited from accepting donations - from inside or outside the Kingdom, for any purpose - except after obtaining the approvals shown as follows:

a. The approval of the minister or head of the government entity that receives the donation if the donation value is less than twenty thousand Bahraini dinars.

b. The approval of the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, when the value of the donation amounted from twenty thousand dinars to five hundred thousand dinars.

c. The approval of the cabinet regarding the donation whose value exceeds five hundred thousand Bahraini dinars, this is after coordination with the parties referred to in the above paragraph.

7.2.19. The approval of the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, or the Cabinet, shall be obtained through a letter from the Minister or the head of the relevant government entity to the Chairman of the Ministerial Committee for Financial and Economic Affairs and Fiscal Balance, which coordinates with the relevant government entities and decides on or

submits the request - after Study it - to the Cabinet, according to the value of the donation as described in Paragraph No. (7.2.18).

7.2.20. . The Ministerial Committee for Financial and Economic Affairs and Fiscal Balance coordinates with the government entities indicated below before deciding on requests for approval to receive the donation or before submitting them to the cabinet according to the value of the donation:

a. Coordination with the Ministry of Interior regarding donations from inside the Kingdom, for the value of twenty thousand Bahraini dinars or more.

b. Coordination with the Ministry of Foreign Affairs regarding donations from outside the Kingdom, for the value of twenty thousand Bahraini dinars or more.

c. Coordination with MOFNE, through a letter from the Minister or someone in his position, to determine the financial impact of the donation on the government entity, and to determine whether accepting the donation will entail charging the state budget with future expenses.

7.2.21. For donation agreements of indefinite value, the government entity must disclose an estimate of the value of the donation expected to be received. The donation is treated on the basis of the government entity's estimate, and it may not receive amounts that exceed the estimates upon which approval was issued. If it is not possible to estimate the value of the donations expected to be received, the donations will be treated as donations whose value exceeds five hundred thousand Bahraini dinars, and approval procedures will be taken according to the terms of the donation agreement.

7.2.22. The prior approvals referred to in this system must be obtained again, in the event of a desire to renew the donation, unless the original approval is issued, including any renewal of the donation.

7.2.23. The procedures referred to above do not prejudice the laws, decrees, and decisions that specify the authorities to accept donations. If these legislations refer to another body to accept donations (Board of Directors, Board of Trustees,

etc.), they must follow the same procedures referred to above, before accepting donations.

7.2.24. The terms of donations must be stated in writing in the donation agreement, if any conditions are stated on making donations.

7.2.25. The value of the in-kind donations shall be determined by the provisions set forth in "Fixed Assets Control" System No. (11.1).

Receiving and recording donations in kind

7.2.26. The receipt, registration, and control of in-kind donations are subject to the provisions and procedures set forth in the "Inventory" System No. (10) and the "Fixed Assets Control" System No. (11.1).

7.2.27. If the government entity decides, for reasons required by the public interest, to dispose of the in-kind donation upon receipt, it must notify the Payments and Collections Directorate of the justifications for that decision and transfer the received amount to the account specified by this directorate.

Receiving and recording donations in cash

7.2.28. The conditional cash donations received shall be deposited in the bank account determined by the Payments and Collection Directorate, and government entities must notify this directorate in writing upon deposit, provided that the notification is attached to the deposit notice in the bank, The general ledger shall allocate a commitment account code on the government entity for these donations, and its amount shall be recorded in that account.

7.2.29. Government entities deposit unconditional cash donations received (for which the person or the donor did not stipulate certain exchanges or specific conditions for their use) in the Government's general account and recorded within the public revenues.

Donation disbursement in-cash

7.2.30. All payments related to the conditional donations received shall be deducted from the account designated for it, and the government entity should

keep all records necessary to monitor the exchange of donations and match the record balances with the monthly statements of accounts issued by MOFNE.

7.2.31. The government entity shall spend the in-cash conditional donation on the purposes or activities of the person or the donor, Surplus from restricted cash donation may not be spent for other purposes unless it is coordinated with the Payments and Collection Directorate and approval of the person, or the donor is obtained.

Closing a Bank Account

7.2.32. As and when required the account closed as the following:

A. The government Entity sends a formal letter, signed by the Minister (or equivalent), to MOFNE requesting to close an account along with reasons for the same.

B. The request is reviewed by the Financing Operations Directorate, and where further information is required, the Government Entity provides the same.

C. Where the request is approved, the Financing Operations Directorate specifies a designated account belonging to the Government Entity or the Government's general account.

D. Government Entity and the Financing Operations Directorate will coordinate to complete the reconciliation of the account.

E. Term deposits and profits (or interests) earned on the account. In such cases, assess the opportunity cost of closing the account.

F. Any cheque payments yet to be cashed. In such circumstances, the amount equivalent to cheques issued should be maintained until the earlier of encashment or expiry of the cheque.

G. Any upcoming payments expected to be received by the Government Entity into the bank account. In such situations, the Government Entity should either prolong the closure until the final receipt of the funds or notify the third party of another bank account details to make the transfer.

H. Any other special circumstance that warrants consideration.

I. When all the above conditions have been met and no further obligations are scheduled for the account, the Financing Operations Directorate in coordination with the Government Entity transfers the funds to the designated bank account.

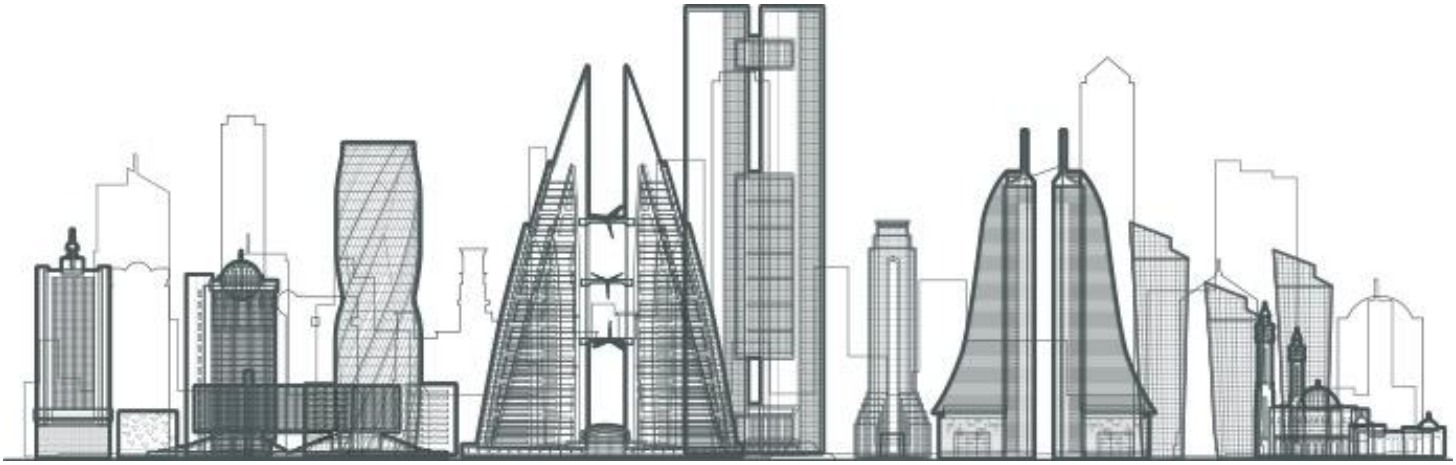
J. Post transfer and ensuring that the account is completely liquidated, the necessary accounting entries are passed by the Government Entity to record the transaction.

K. The Financing Operations Directorate then proceeds with the closing procedures with the bank as per the bank's internal processes.

L. All documentation pertaining to the closure is maintained by both the Government Entity and the Financing Operations Directorate.

M. The Government Entity forwards a request to the Accounts and Financial Systems Directorate to stop the account code in the chart of accounts to prevent any further entries. The request should be accompanied by all necessary details on the bank account (such as bank, account name, currency, etc.) and approvals for the same.

8. Payments



General Description of the System		
Coverage	This system covers general policies and procedures related to payments to suppliers, service providers, and others, whether to parties inside or outside the Kingdom of Bahrain.	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Payments and Collection Directorate	Overseeing the process of making government payments to suppliers and other eligible parties.
	Central Procurement Directorate	Oversight of supplier evaluation records with central contracts.
	Financing Operations Directorate	Supervising the issuance of payment cards.

8.1. General Provisions

8.1.1. Government payments paid to Suppliers should not exceed the value of the supplied commodities or materials or the works or services provided.

8.1.2. Government payments made to local suppliers should be in Bahraini Dinars, in all government transactions.

8.1.3. Government entities may not in any case make government payments from the revenues collected or from the amounts in their custody even on a temporary basis. They should not make government payments from the advance amounts or the other amounts they have, except after making prior arrangements with the Payments and Collection Directorate. The Directorate will specify the rules, purposes, and procedures that should be observed by the concerned government entity upon payment from such amounts. This policy also applies to standing orders issued by the government entities, which must be approved based on the total amount during the expected period.

8.1.4. The government entity may conduct a set-off between the amounts payable to the supplier and revenues payable by him in the cases where the nature of the transaction so requires after the Payments and Collection Directorate approves the set-off procedure; this does not affect the accounting record for each transaction (revenue and expense).

8.1.5. The Payments and Collection Directorate prepare and send a payment notice to suppliers whose dues are disbursed with one of the approved governments payment instruments.

8.1.6. Payments due to the supplier may not be transferred, paid or given to any

other party except in the following cases:

1. Where a court order is issued by the competent court at the Ministry of Justice and Islamic Affairs to the effect that all or part of the amounts payable to the supplier may be transferred to another party.
2. When payments are paid directly to the sub-contractor, provided that the main contract made with the main contractor should contain a provision authorizing the government entity to pay directly to the sub-contractor.
3. In any other cases approved by MOFNE after ensuring that the government payments to a party other than the supplier will discharge the government entity from the amounts payable by it to the supplier.

8.1.7. The Payments and Collection Directorate will be entitled to withhold any government amounts payable to the supplier if he refrains from, defaults on or delays the settlement of any government amounts or revenues payable by him to any government entity.

8.1.8. Delay fines, penalties and any other deductions payable to a government entity by virtue of the provisions of the contract made between the two parties should be deducted from the government payments. Penalties and fines should be credited to the revenue account of the general government revenues account.

8.1.9. Government entities seek advice from the legal advisor of the Ministry of Finance and National Economy in the following cases:

1. The disputed claims that require referring them to arbitration or raising them to the judiciary, after the government entity has exhausted all appropriate efforts to resolve the dispute by amicable means within the framework of the provisions of the contract concluded with the disputed party.

2. Disputed claims with the suppliers, if the settlement of the same may result in the relinquishment of the government dues, or the payment of amounts exceeding the agreed amounts for supplying the materials or performing the services or works.

3. Claims submitted by suppliers for obtaining compensations or claiming the settlement of penalties because the government entity is in default in respect

of its contractual obligations.

8.1.10. Government payments due may not be split to avoid any provisions or procedures related to the payment procedures contained in the Standard Finance Manual, such as splitting payments to avoid payment approval according to the limitations provided for in the Authority Levels System.

8.1.11. The government entities must initiate the entry and declaration of the bills of their financial obligations in the Central Financial System upon receiving them from the suppliers, Payments and Collection Directorate must permit and pay the bills declared by the government entity so that the payment period does not exceed what was agreed upon in the purchase contracts or 40 days after receiving them, this includes transactions with other government entities, such as electricity and water consumption bills.

8.1.12. In the event that the recipient's receipt of the payment due to him is not completed after its issuance, because the delivery address or the specified transfer data are not correct, or for any other, the Payments and Collection Directorate must investigate and try to pay the payment in all possible ways, and in the event that it is unable to do so it must follow the following:

A- Local payments: The notification of the government and the beneficiary and the registration of the amount in the suspended account, provided that the government entity prepares an invoice in the Central Financial System in the correct international bank account according to the procedures followed in this regard.

B. External Payments: Notifying the government entity sending to request the payment of the reasons for not paying the amounts due and dealing with them in coordination with the relevant authority.

Approving Government Payments

8.1.13. Documents and transactions of the government payments should be approved by the government entities and Payments and Collection Directorate in accordance with the Authority Levels specified in the Standard Finance Manual.

8.1.14. No employee may combine the authority of approving purchases and payments of the same transaction even if this is within his authority levels determined by the Authority Levels System of the Standard Finance Manual. However, government entities that cannot implement such separation in approval competency may be excluded.

8.1.15. An employee may not approve government payments if he is the beneficiary from the government payments, or if he has a special or personal interest (financial or otherwise) in the making of government payments. In such cases, government payments should be approved at a higher competent functional level.

8.1.16. Documents and certificates of government payments should be approved by the approving employee, whether by handwritten signature or electronic signature for government entities that adopt electronic signature in their transactions. Other means of signing financial documents, such as stamping, using a pre-dated signature, or using a signature printed on paper, a photocopied signature, are not allowed.

Advance Payments settlements

8.1.17. Advance payments are only allowed if approval is taken from MOFNE.

8.1.18. The request to obtain the approval of MOFNE is authorized by the legal advisor and the authorized administrative level in the government entity according to the levels of authority specified in this manual.

8.1.19. It is permissible to accept advance payments to suppliers, provided that the government entity obtains guarantees from the supplier in exchange for advance payment (a bank guarantee, for example), except in exceptional cases approved by the Payments and Collection Directorates.

8.1.20. Advances to the supplier are recorded by deducting them from the payment value of the subsequent invoices.

Responsibilities

Responsibilities of Government Entities

8.1.21. The Directorates Financial Resources at government entities shall undertake the following responsibilities and functions to control government payments:

1.Specifying the financial internal control system suitable to the Standard Finance Manual and provisions related to it.

2.Separating between the functions and responsibilities of the directorates, Sections or functions which undertake the responsibilities of authorizing and supervising purchasing procedures, receiving procedures, procedures of paying government payments in a way suitable to the functional organization of the government entity.

3.Taking the necessary procedures for paying the suppliers dues without delay after receipt and acceptance of the required materials and services and the completion of payment supporting documents.

4.Reviewing, approving and registering of all government payments, preparing payment vouchers and sending them to MOFNE for approval and payment.

5.Obtaining (on a monthly basis) account statements of the amounts owed by them from suppliers (whenever possible) for matching and reviewing them with the records and keeping these statements with the attachments supporting the government payment exchange vouchers.

6.Reviewing and verifying payments reports provided by the Accounts Payable System to cheque the accuracy of the government payments and following-

up the unpaid or delayed invoices and seeking to remove the causes of delay.

7.Notifying MOFNE on a regular basis of the amendments required for correcting the registers or reports of the Accounts Payable System. This can achieve by prepare and sending a Form Journal Entry No. FMIS GL002.

8.Replying to the suppliers' inquiries in respect of the procedures and progress for the payment of dues in coordinate with the Payments and Collection Directorate.

Responsibilities and Functions of the Payments and Collection Directorate

8.1.22. The Payments and Collection Directorate shall undertake the following functions and responsibilities to control government payments:

1.Approving the licensing of all government payments after revising them, checking that the concerned government has implemented the effective laws, rules and regulations, and checking the supporting documents and the financial and procedural soundness of the transaction before paying the transaction to its beneficiaries.

2.Approving the designating of permanent and temporary financial advance

amounts for the government entities.

3.Authorizing the government payment in the CFS.

4.Fixing the dates on which government payments are made and programming the payment of financial payments to the suppliers in such a way as appropriate to the cash flow policy for paying government payments. It should also be observed that the payment to the supplier's dues should not be later than the credit periods or the allowed payment periods provided for in the contract made with the supplier.

5.Preparing the cheques, financial transfers and the other local and overseas payment instruments paid from the general government accounts, issuing and authorizing them on behalf of the governments in accordance with the

authority levels specified in the authority levels systems of the Standard Finance Manual.

6.Maintaining and updating the Vendor Master List of the Accounts Payable System.

7.Reviewing the relevant reports in the Accounts Payable System and making the verifications and settlements required for updating the details of the system records.

Responsibility of the Financing Operations Directorate

8.1.23. The Financing Operations Directorate manages the government accounts at banks and suggests suitable means for the availability of the cash required for covering government payments.

Payment Error Correction

8.1.24. The concerned government entity should, upon the occurrence of a payment made more than the due amount or made to the wrong person, immediately contact the concerned person or authority by telephone and confirm the same at once by sending a written notice by fax or by any other suitable means to the concerned person or authority to return the overpayment or the wrong payment on the same day if possible or on the following working day at most. It should also inform the Payments and Collection Directorate at the same time of the details of the case.

8.1.25. If the party or person to whom the payments were made more than the due amount or wrongly stalls or refuses to return the payments, the government entity should coordinate with Payments and Collection Directorate to deduct the claim amount from the payments due to him at present or in the future by any government entity, from the insurance amount or from the guarantees available

at any other government entity (if any), and coordinate with the legal advisor at MOFNE to take any other suitable alternative procedures.

8.1.26. Accounting treatment of payment errors is made according to the policies specified in the "Financial and Accounting System" system No. (2) of this standard.

8.1.27. Payments are processed to settle previous years' accounts in the Central Financial System through the government entity entering the invoice details in the Central Financial System without entering the accounting tab and then the Payments and Collection Directorate completes the procedures for entering the tabulation and passing the payment.

Old Claims

General Provisions

8.1.28. The term old claims mentioned in this system means the invoices submitted by suppliers after the lapse of six months and more than the delivery of the goods or services to the government entity.

8.1.29. Disputed claims which are six months old or more from the date of receipt of the goods or services are not subject to the provisions and procedures of this Subsystem if the dispute is settled after the lapse of more than six months. They will be subject to the normal procedures provided for in the Standard Finance Manual.

8.1.30. Old claims may not be paid if their right to claim lapses for reason of prescription in accordance with the applicable laws of the Kingdom of Bahrain.

8.1.31. Non-original documents may be accepted for the claim if the government entity is convinced of the validity of the claim.

8.1.32. If the original copies of the claim documents are lost or damaged, copies of them can be accepted provided that they are stamped with the word (copy), and the supplier's documents shall be signed and stamped with his signature and official stamp.

8.1.33. Government entities should ensure that all the documents supporting the old claim are attached, including the prior approval from the competent government entities (if required) when the claim is sent to the Payments and Collection Directorate for processing and payment.

8.1.34. If the supplier is causing the claim delay, he must:

A. Signing the approved pledge form, In addition to the stamping of the supplier and the total amount to demand until the date of the pledge.

B. Submit confirmation of the claim from his auditors if the claims are of

BD10,000 or more.

C. Submit an account statement showing the balance and the amounts owed to it by the government entity whenever possible.

Settlement Procedures of Old Claims

8.1.35. The government entity will perform the following procedures for

processing and payment of old claims:

1. Checking the correctness of the details of the claim and the supporting

documents, and the consistency and correctness of the claim compared to the

same supplier's previous transactions and claims.

2. Reviewing and comparing the claim details with the details of the obligations register and due invoices.

3. Reviewing and comparing the claim details with the details of payments

equaling the claim value in the periodic reports of the General Ledger, Accounts Payable and any other registers kept by the government entity such as the stock registers and the control registers of agreements performance.

4. Send a letter supported by supporting documents to the Director of Payments and Collections Directorate explaining the justifications for delay

and the authority responsible for delaying the claim, together with the procedures taken by the government entity for checking the correctness of the claim, provided that the letter and the invoice register report shall be declared in accordance with the Authority levels specified in this manual.

procedures of settlement of old claims to the value of BD 100,000 or more

8.1.36. In addition to the procedures specified in Paragraph No. (8.1.35), the government entity, in the case of old claims that are one year old or more and amounting to BD 100,000 or more will coordinate with the Payments and Collection Directorate, to consider the feasibility of appointing an independent auditor to examine the registers and books of the supplier who is submitting the claim, and submit a confirmation certificate stating the validity of the claim, provided that the supplier submitting the claim should bear the expenses of the independent auditor.

Procedures of settlement of old claims supported by copies or photocopies of the original documents

8.1.37. In addition to the procedures specified in Paragraph No. (8.1.35), the government entity will take the following procedures to cheque the validity of the claim if the claim is supported by copies or photocopies of the original documents, whether the government entity or the supplier is responsible for the loss of any of the original claim documents:

1. Determining the acceptable justifications for losing the supporting original documents.

2. Ensuring that the required procedures specified on the purchase date are

followed by the issue of the purchase order or the signing of the agreement.

3. Ensuring that there is proof of the goods receipt or the performance of services and works subject to claim.

4. Ensuring there is no direct relation between the payments to the supplier submitting the claim and any other supplier dealing with the government entity. (An example of this is that the supplier submitting the claim may be a sub-contractor to a main contractor to whom the dues subject to the claim have been paid).

5. Ensuring that the documents supporting the claim are complete and that the claim is in harmony and valid compared to the same supplier's previous transactions and claims.

6. Checking the accuracy of the details of the claim and the supporting documents.

7. Reviewing and comparing the claim details against the details of the commitments register and the payable invoices, including the details of the payments supported by copies or photocopies of the original documents.

8. Reviewing and comparing the claim details against the payment details from the date of the delivery notes or the date of goods supplied or the date of performing the services and the required works equaling the value of the claim in the periodic reports of the General Ledger and Accounts Payable Systems and any other additional registers kept by the government entity, such as the stock registers and the agreement implementation control registers.

Petty Cash

8.1.38. Custody of petty cash float shall be the responsibility of a designated employee and shall be kept in a secure and safe place.

8.1.39. Impress system should be followed for the replenishment of the petty cash float. No request for replenishment shall be raised unless the petty cash float is depleted by 75% or more. Petty cash float shall not be replenished more than once a month unless approved by the Payments and Collection Directorate.

Procedures for payment out of the petty cash:

8.1.40. The director or equivalent of the concerned government entity shall sign the invoice or supporting voucher to evidence his authorization and approval for payment.

8.1.41. After the petty cash invoice or supporting voucher is signed by the authority level system, the cashier shall allocate a serial number to every invoice or voucher and record details of the voucher in Form– Request for petty replenishment - No. M0801.

8.1.42. The petty cash custodian must keep the disbursement receipts from the petty cash advance, and he must make an inventory and daily settlement of the petty cash advance.

Procedures for petty cash replenishment:

8.1.43. The Payments and Collections can disburse the petty cash advance in advance to government entities or upon building on the actual disbursement documents after approval of those expenditures.

8.1.44. When the total payments out of petty cash reaches 75% or more of the approved petty cash float, the cashier shall prepare Form - Request for Petty Cash Replenishment - No. MF0801 after it has been authorized by the Director concerned and sent with all relevant supporting documents to the Financial Resources Directorate in the government entity concerned, and retained the second copy of Form No. MF0801 in a file for follow-up.

8.1.45. The Financial Resources Directorate in the government entity after the receipt of Form Request for Petty Cash Replenishment No. MF0801 and the relevant attachments, review, sign and send the Request for Petty Cash Replenishment -without relevant attachments- to the Payments and Collection Directorate for authorization and replenishment.

Payment of Phone Bills

8.1.46. Government entities can coordinate with the telephone company for obtaining any number of monthly standard statements according to the budget codes and its approved programs. Each statement bears a special reference

number and includes a group of telephone numbers according to the order that suits each Government entity.

8.1.47. The Government entities should arrange their telephone numbers including the mobiles according to the suitable budget codes from which the costs of telephone bills will be deducted. They should coordinate with the telephone company to designate a reference number for each group of telephone numbers so that a standard monthly statement is issued for them.

8.1.48. If the Government entities has an objection regarding the contents of any invoice of the detailed telephone bills which constitute the subscriber's standard statement, it should firstly settle the difference directly with the telephone company which will amend the detailed bill and standard statement according to the agreed settlement. Then, the government entity will process such a bill and send it to MOFNE for review and approval of payment.

Processing of Paying Telephone Bills

8.1.49. The telephone bills are processed according to the following:

1. The government entity should review the subscriber's standard monthly statement and cheque it against the detailed set of bills for each telephone, ensuring that the Form– International Telephone Call Approval No. MF 2304 is presented, and it contains the detailed bills of all the international calls.
2. The government entity enters the monthly invoices into the system, where the amount is calculated based on the value of calls and fees during the current month only, without calculating any phone amounts due from previous months. In the event that there are amounts owed to the government entity, they are deducted from the total bill.
3. The government entity shall send the detailed bills of each telephone and the standard monthly statement, the International Telephone Call Approval Forms (where required). The Payments and Collection Directorate may exempt the government entities connected to the E-billing service from sending detailed bills.

Sending the standard statements or any other agreed statements with the Invoice Register Report will be quite enough.

4. The Payments and Collection Directorate shall complete the procedures of reviewing and approving the bills.

Processing Local Payments

8.1.50. Local payments are processed according to the following procedures:

1. Supplier shall send the invoice to the Government Entity as and when due.

2. The concerned Directorate(s) in the Government Entity review the received invoice and ensures that all goods and/or services have been delivered in accordance with the agreed-upon terms and conditions and that the invoice amount is as per the approved PO (or contract).

3. Government Entity enters and passes the payment request into the central financial system with the following attached:

a. Invoice

b. PO

c. Delivery Note or equivalent

d. Contract if applicable

e. Bank guarantee if applicable

f. Any other supporting documents

4. The payment request is then approved by the Government Entity in accordance to the approval limits.

5. The request is then received by the Payments and Collection Directorate and reviews the supporting documentation. Also, the following is reviewed:

a. Matching of CR in the invoice with the supplier information recorded

b. Matching the accuracy of the invoice with the contract

c. Review the Delivery note or equivalent

d. Review the invoice

e. Availability of prior approvals from government entities.

f. Completing all procurement procedures according to the requirements stipulated in the legislation issued to regulate government procurement.

g. Ensure proper allocation of the chapter in the Central Financial System.

6. If the order is correct and complete, the Payments and Collection Directorate authorizes the payment according to the specified authority levels.

Overseas payments

8.1.51. All overseas payments from general government accounts should be made through the bank specified by the Payments and Collection Directorate.

8.1.52. The Payments and Collection Directorate is the only party authorized to directly deal with banks in all matters related to the transfer of money from general government accounts overseas.

8.1.53. Overseas payment procedures apply to any transactions exceeding BD 50.

Overseas Payments Procedure

8.1.54. The following procedures show the general steps to be followed for issuing overseas payment instruments:

1. Supplier shall send the invoice to the Government Entity as and when due.
2. The concerned Directorate(s) in the Government Entity reviews the received invoice and ensures that all goods and/or services have been delivered in accordance with the agreed-upon terms and conditions.
3. The government entity enters and passes the payment request into the CFS with the following attached:
4. Invoice
5. PO

6. Delivery Note or equivalent
7. Contract if applicable
8. Invoice Register
9. Payment Certificate no. – MF2504 if applicable
10. From Request for Irrevocable Document Credit MF 0712/3-98 if applicable
11. Attach proof of the beneficiary's bank details, whether through a recent bank statement or a recent official notification issued by the bank.
12. Any other relevant documents
13. The Payments and Collection Directorate reviews the payment request and the supporting documents to ensure the completeness and correctness of the procedures, data and documents supporting the payment. It declares payment in the system and sends the request to the bank to complete the necessary procedures for issuing the means of payment.
14. The Payments and Collection Directorate will receive from the bank the required payment instrument or the shipping documents and the payment notice. Then it will:
15. Check the bank's notice against the overseas payment application.
16. Match the deduction amount with details the Accounts Payable System.

Procedures for Amending and Canceling Overseas Payment Requests

8.1.55. If modification or cancellation is required for the payment instrument previously applied for by the government entity, the following steps should be followed:

1. Ensuring that there is an actual need for amending or canceling the overseas payment instrument, and that the amendment or cancellation does not conflict with the contract terms or the effective rules and regulations, then send the request along with the supporting documents to the Payments and Collections Directorate.
2. The government entity shall prepare the Form for an Amendment/ Cancellation of an Overseas Payment No. MF 0713 – and approve it in accordance with the Authority Levels. Then it will send the application with the supporting documents for amendment to the Payments and Collection Directorate.

3. The Payments and Collection Directorate shall check that the documents supporting the amendment or cancellation are complete and correct.

Then it will complete the following procedures:

A. Registering the details of cancellation or amendment in the register of overseas payments.

B. Approving the cancellation/amendment application according to the Authority Levels Manual and sending it to the bank to complete the required procedures.

C. Receiving the amendment or cancellation notice from the bank.

4. The government entity shall keep the documents after reviewing them and ensuring that the procedures are complete and correct.

8.2. Suppliers

Supplier Registration

8.2.1. All the details of the suppliers who deal with government entities should be registered in the Vendor Master List in the Accounts Payable System.
8.2.2. The Payments and Collections Directorate must ensure the accuracy of supplier details before registering/amending supplier records.
8.2.3. All requests to add/modify a supplier must be submitted to the Payments and Collection Directorate.
8.2.4. The government entities are responsible for entering suppliers' data into the central financial system.
8.2.5. If a court order is issued to seize the supplier's payments, the Payments and Collections Directorate will update the supplier's details in the "Reason for Seizure" field in the system to stop any payments to the supplier until the payment is allowed by the court.

Add local supplier (institutions)

8.2.6. The data of the local supplier (institutions) shall be recorded in the central financial system in accordance with the following:

A. A The supplier shall prepare the "Bank Transfer" form No. (710) or the International Bank Account Certificate (IBAN) including the name and number of the commercial register and stamped by the relevant bank to confirm the validity of the account details, and shall send it to the government entity, attaching a copy of the valid commercial register and a model of the invoice or official correspondence paper of the institution.
B. Attaching the supporting documents indicated in paragraph (A) above.

Add local supplier (individuals)

8.2.7. The data of the local supplier (individuals) shall be recorded in the central financial system according to the following:

A. The supplier shall prepare the "Bank Transfer" form No. (710) or the International Bank Account Number (IBAN) certificate including the name and ID number, stamped by the relevant bank to confirm the validity of the account details, and send it to the government entity, attaching a copy of the smart card.
B. Attaching a copy of the concluded contract or evidence of the contract between the government entity and the supplier, and the supporting documents indicated in paragraph (A) above.

Add external provider (institutions)

8.2.8. The data of the external supplier (institutions) shall be registered in the central financial system by the government entity and entering the supplier's data into the central financial system and attaching a copy of the invoice including the supplier's name, address and currency of dealing.

Add external equipment (individuals)

8.2.9. The data of the external supplier (individuals) shall be registered and updated in the central financial system by the government entity, and entering the supplier's data into the central financial system and attaching a copy of the contract concluded between the government entity or evidence of the contract with the supplier, including the name of the supplier, address and currency in which he is dealing, and a copy of the supplier's passport.

Update bank data for local suppliers

8.2.10. The bank data of local suppliers shall be updated by the supplier preparing a letter specifying the details of the request and the "Bank Transfer" form No. (710) or the International Bank Account Number (IBAN) certificate, including the updated bank data and stamped by the relevant bank to confirm the validity of the account details, and sending it to the Payments and Collections Directorate via the email address: vendors@mofne.gov.bh, attaching a copy of the commercial register or ID card according to the type of supplier.

8.2.11. To update the name, address and contact details of the local supplier, the supplier must prepare a letter detailing the request and send it to the Payments

and Collections Department via the email address: vendors@mofne.gov.bh, and attach a copy of the commercial register number.

Supplier review and evaluation

8.2.12. Government entities must conduct a careful review and evaluation of suppliers and keep a record of suppliers they deal with, including data on the types and prices of goods and services provided, to be used in the planning and evaluation process of procurement.

8.2.13. Government entities must provide the Central Procurement Directorate with any data they request about the suppliers they are dealing with and the technical specifications of the goods and services that they provide, whether through contracts for the entity itself or through supplementary contracts concluded by the entity in accordance with central contracts.

8.2.14. Government entities evaluate the performance of their designated suppliers under the umbrella of applicable central contracts to monitor the performance of suppliers and the quality of services and goods provided. The results of the evaluation must be sent to the Central Government Procurement Directorate according to the dates specified by the said directorate, along with providing the necessary documents.

8.3. Local Payment

Direct Transfers to Suppliers' Bank Accounts

8.3.1. Government payments should be made to local suppliers by direct transfer to their bank accounts. However, the Payments and Collection Directorate may, in very limited cases, make payments by other payment instruments where necessity so requires.

8.3.2. The Payments and Collection Directorate should transfer the dues of each supplier to the bank account specified by him on the Bank Transfer from No. MF0701. The dues may not be transferred to any other account unless the supplier notifies the Payments and Collection Directorate of amending the account details by completing the form with the new or amended details of the bank account.

8.3.3. The bank account specified by the supplier for (EFTR) should be an Account opened in his name. Nevertheless, the government entities responsibility regarding the supplier's dues will be discharged as soon as the value of such dues has been transferred to the account specified by him by virtue of Bank Transfer from No. MF 0701.

8.3.4. The Payments and Collection Directorate should follow the instructions and procedures specified in the User Manual of the Accounts Payable System to prepare, register and issue reports and make the appropriate verifications to check the correctness of the government payments of direct transfer.

8.3.5. The supplier's application for transferring his dues to a bank other than the beneficiary bank may only be accepted after:

a. The supplier submits to the Payments and Collection Directorate a written statement issued and approved by the beneficiary bank to the effect that the bank has no objection to the transfer of the supplier's dues to another bank.

b. The expiry of the transfer date if it is limited to a fixed period of time; or

c. The competent Court at the Ministry of Justice and Islamic Affairs issues a court order to transfer the amounts payable to the supplier to another party.

Payment by Cheques

8.3.6. A cheque should be issued in such a way as to minimize the possibility of making any subsequent changes in it in figures or words. The following provisions should be observed when government cheques are issued:

1. Upon writing the amount in figures, the first three digits on the right after the decimal point should be left for the amount in files.
2. The amount of the cheque should be written in words and figures.

3. The official cheques agreed upon with the Bank having the account.

4. Cheques written by hand, should be written in Arabic where possible.

8.3.7. No cheque may be drawn for less than one dinar.
8.3.8. All cheques should be crossed and stamped with "Payee's Account Only"

Such stamp may be cancelled by crossing it out and signing the cheque by the person authorized to sign. However, this may be done in exceptional cases only.

8.3.9. The cheques must be certified on the back, taking into account the matching of names and any conditions, if any, to avoid any errors.
8.3.10. All signed cheques should be sent or delivered to their beneficiaries as soon as possible.
8.3.11. Once the cheque has been issued to the beneficiary, government entities must follow up with the beneficiary on an ongoing basis to cash it as soon as possible.

Stopping Cheque Payment

8.3.12. The right to stop payment of a cheque will be limited to the director of payments and Collection Directorate.

8.3.13. Where a cheque is cancelled for any reason before being issued, the word "Cancelled" should be written clearly on the cheque and its counterfoil. The cancellation details should be registered in the Accounts Payable System.

8.3.14. A cheque will be considered cancelled immediately after obtaining a confirmation from the bank that the cheque will not be paid, and after the bank has taken all the necessary procedures to cancel it.
8.3.15. The validity period of cheques issued by the Ministry of Finance and National Economy expires according to the period specified by the laws of the Kingdom of Bahrain.
8.3.16. A replacement cheque may be issued by the Payments and Collection Directorate if it is proved that the beneficiary has not collected the cheque amount during its validity period.
8.3.17. The registers of the Accounts Payable System should be amended with the details of the cancelled cheques immediately after obtaining a confirmation from the bank that the cancellation procedures have been completed.
8.3.18. The data of canceled cheques and the justifications for their cancellation must be recorded in a register designated for this purpose. The canceled cheques shall be kept in a safe place for the period of preservation stipulated in this manual.

Lost, Stolen and Damaged Cheques

8.3.19. A cheque should be stopped immediately upon receiving a notification from the beneficiary that the cheque has been lost, stolen or damaged after he has received it. The beneficiary should submit the cheque to the Payments and Collection Directorate if the bank refuses to pay because of damage or any other reason related to the safety and correctness of the cheque details.
8.3.20. If the lost or stolen cheque is paid by the bank before the “stop payment notification” is submitted, the beneficiary should be notified that he has no legal right to claim a replacement cheque. However, he should be provided with any possible help to restore the amount of the stolen or lost cheque. If a case is filed, the matter should be referred to the legal advisor of MOFNE to provide his legal opinion.

Payments Cards

8.3.21. This sub-system regulates the terms and conditions of prepaid cards and Credit cards to pay for government purchases.

8.3.22. The Financing Operations Directorate is authorized to negotiate and contract with banks & financial establishments to issue Payment Cards to government entities employees to settle government payments through the internet network based on work requirements, and it is authorized to:

1. Approval of issuing Cards for use by government entities.
2. Agree with the card Issuing Entity (Bank) on the credit limit for each card issued to Government entities.
3. Cancellation of cards in case the Government entity or the card user does not comply with the provisions and procedures of this system, or for any other reason may require that.
4. Require any details from the card Issuing Entity (Bank) or the Government entity.

8.3.23. Any benefits, points or rewards gained through owning or using these cards are due to the relevant government entity and may only be used for official purposes.

8.3.24. The payment card is issued in the name of one of the employees as specified by the Director of Financial Resources, and he is entrusted with the responsibility of keeping and using the card to pay government payments on behalf of the government entity, and the card may not be used by anyone other than the employee whose name written on the card.

8.3.25. An employee may be issued more than one payment card with the approval of the Director of Payment and Collection, as required by the nature of the government entity's work, and the cards should not be issued to non-government employees.

8.3.26. The use of postpaid cards is limited to payments for purchases made outside the country only, unless the required goods or services are not available in the local market with appropriate specifications or prices.
8.3.27. Prepaid cards should be used for petty cash expenses only.

8.3.28. The cards should not be used for the following payments:

1. Cash withdrawal.

2. Transfer amounts from card accounts to personal accounts.

3. Settlement of non-government entity purchases payments.

4. Settlement of personal purchase payments.

5. Settlement of unauthorized purchase payments according to the provisions of this system.

8.3.29. The government entity should fulfill all procedures specified in this system to pay any amount due to the payment card account before the last date specified to avoid any fees or interests.
8.3.30. The financing Operation Directorate at MOFNE and Financial Resource Directorate at the Government entity shall keep a register for the payment Cards issued to government entities containing: Cardholder, Card type, issuing entity.

Payment Card User (HOLDER) Responsibilities:

8.3.31. The employee holding the payment card should comply with the following responsibilities:

1. Use the Card to settle government purchase payments that the card has been issued for.

2. Comply with procedures and provisions specified in this system in concern of the process of government purchase payments, and conditions specified by the issuing entity (bank).

3. Not to use his (her) personal address to receive goods.

4. Maintain secrecy of the card information, and take the necessary precautions to protect the Card, and not to be used by third parties.

5. Immediately inform the issuing entity and the Directorate of Financial R6. Bear any financial damage resulting by not immediately informing of any loss, theft and forge, cheat or steal from the Card account.

6. Bear any financial losses resulting from his failure to immediately report the loss or theft of the card, or tampering, fraud, or forgery of the card account.

7. Bear all unauthorized purchases and expenses.

8. Review Card monthly statement of account with the Directorate of Financial Resources to correct any incorrect amount in the statement.

9. Deliver the Card monthly statement of account to the Directorate of Financial Resources within three working days after the receiving date.

10. Not to exceed the approved post-paid card credit limit.

11. Ensure the reliability and security of the online stores you deal with, and take into account the following:

1. Deal with well-known, reputable sites and companies

2.. Ensure the availability of protection programs at sites used, such as the lock icon “Locked padlock” at the bottom of Internet Explorer as evidence.

3. Investigate the correctness of the electronic site address, and its contents, as the protected site proceeded by “https” instead of “http”.

4. Verify not to mix between original electronic sites and forged ones that quote the contents of the original sites and display it in a similar page “Spoofing” or “Page jacking”.

5. Write the required page site address in the Internet Explorer specified field, instead of selecting it from the search engine.

6. Investigate site data from independent sources, such as review company

address, telephone No., and postal address.

8.3.32. The provisions and procedures governing the regular procurement of the process described in the recurrent expenditure system no. (5) of this manual shall be applied to purchases using the payment cards, including the provisions and procedures related to issuing purchase orders.

8.3.33. The Payments and Collections Directorate reviews government payment documents made using postpaid cards to verify the validity of transactions and amounts paid.

8.3.34. The value of purchases made through payment Cards must not exceed the credit limits allocated to each card, and the value of a single purchase transaction using the credit card must not exceed an amount of BD 200 (not including the fees and interest that are calculated on the card account) unless approved by the Payments and Collection Directorate an amount higher than this limit if the need arises.

8.3.35. A payment card that does not have the ability to pay or withdraw from electronic payment devices should be used whenever possible.

8.3.36. The government entity shall bear all fees incurred for failure to pay postpaid card dues on the due dates specified in the terms and conditions form of the card issuing entity.

Payment card Issue Procedures:

8.3.37. The application for issuing a payment card is processed according to the following procedures:

1. The Director of Financial Resources at the government entity will send a request to Financing Operations Directorate, to issue a financial payment card.

2. After the application is approved the Financing Operations Directorate will complete the card issuance procedures.

3. Financing Operations Directorate will receive the credit card and send it to the concerned government entity, to be delivered to the employee

concerned.

4. The government entity and Financing Operations Directorate will record the payment card data in a special register.

Payment card Cancellation:

8.3.38. In the following cases Financial Resources Directorate at the Government Entity will send a request for cancellation of the payment card to the Financing Operation Directorate:

1. Absence of the need of the Card.

2. Withdraw the Card from the employee.

3. If the employee in a long leave (for more than three months).

4. In employee resignation or move to another section.

5. Issue replacement Card.

8.3.39. When the government entity decides to cancel the payment card, it addresses the Financing Operations Directorate to take the necessary measures to cancel the card and notify the government entity when done.

8.3.40. . In the event of the loss, theft, or misappropriation of the card or In case of loss, theft and forge, cheat or steal from the Card account by third party, Card should be cancelled according to the following procedures:

1. The cardholder (employee) should inform the issuing Card entity to cancel the Card immediately after discovering the lost or theft of the Card and forge, cheat or steal from the Card account.

2. He should inform the Financial Resources Directorate at the concerned Government entity of the Card cancellation decision within the next working day, with the reasons and date of cancellation.

3. The Financial Resources Director at the concerned Government entity will send letter to the Financing Operations Directorate of the Card cancellation

decision, on the same day of receiving the announcement from the Cardholder.

4. The Financing Operations Directorate will take the necessary measures to cancel the card and notify the concerned Government entity upon completion.

5. Government entity and the Financing Operations Directorate will show the details of cancelled cards in the special register.

8.3.41. A replacement card may not be issued to the payment card holder except after completing the procedures for canceling the original card.

8.3.42. The Financial Resources Directorate must maintain all supporting documents related to purchases using payment Cards, including order documents, invoices, payments and receipts.

Review of Card statement of account:

8.3.43. The payment card account statement is reviewed according to the following procedures:

A. The card holder will verify its correctness, and send it to the Financial Resources Directorate at the government entity within three working days from the date of receiver of the statement or the issue date,

B. Financial Resources Directorate will review the payment card statement of account according to the following:

1. Review the transaction data in the statement with receipts and cash memos, or the electronic purchase request form and cargo lists and delivery notes.

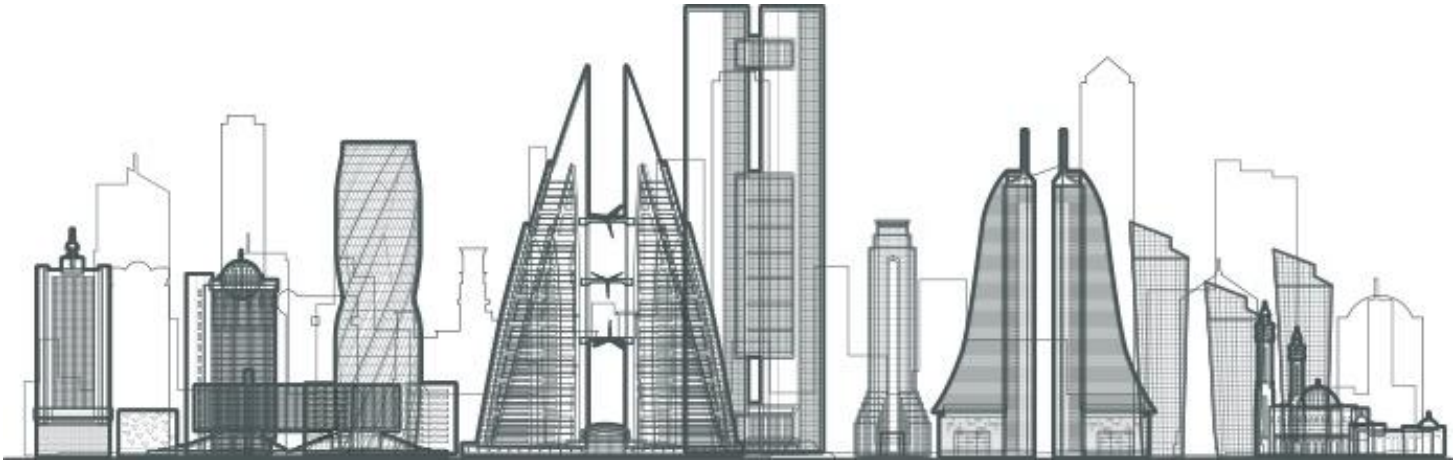
2. Ask the Cardholder to present any uncompleted supporting documents.

3. Verify that the Card statement of account does not include any personal or unauthorized purchases.

4. Inform the issuing Card entity (bank) of any incorrect or unauthorized financial transactions, or for any disputed transactions with the suppliers mentioned in the Card statement of account.

8.3.44. To pay postpaid card dues, the invoice is entered into the central financial system as follows: Card number / Month / Year, for the due amount in the Card statement of account, and record the due payments in the payment system taking into account payment classifications. After that, the Payments and Collection Directorate will review and process the payments and pay the due amount to the issuing Card entity.

9. Claims and Compensation



General Description of the System		
Coverage	This system covers the general policies and procedures related to processing claims from or against suppliers for payment of dues for business or losses related to contracts to carry out works for the government and covers claims for compensation for expropriations made by the government.	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Payments and Collection Directorate	Overseeing the process of making government payments to suppliers and other eligible parties.
	Projects Directorate	Overseeing the reserve budget and payment of compensation for expropriations by the government to establish projects.
	Government Property Affairs Directorate	Maintaining the original ownership documents of the expropriated real estate

9.1. Claims on suppliers

9.1.1. Claims mean a request to obtain a benefit that the plaintiff believes has the right to obtain, and these claims may be made by government entities against suppliers or vice versa.

9.1.2. The Government entity then proceeds with preparing a Claim Qualification Report, structured in the following format:

A. **Introduction** Provides the background details to the project, which includes the following at a minimum:

1. Names of the parties of the contract

2. Details of the conditions governing the contract.

3. The tender date.

4. The original contract sum.

5. Dates for possession and completion.

6. Details of extensions of time claimed.

7. Details and amounts of money claimed.

8. Details of amounts certified

B. **Contractual and/or legal basis of the** claim State precisely about the event(s) pertaining to the claim and the contractual basis of the claim and specify whether it is:

1. A claim for loss and expense or extra costs or expense flowing from a remedy contained within the conditions themselves; and/or
2. A claim for damages resultant upon a breach of the express or implied terms of the contract or the law.

C. **Details of the claim;** include the following:

1. Provide the complete details, as much as possible, of the event that triggered the claim ("the event") including all relevant documents relating thereto.
2. The details must also include explanation of all delays with reasons, responsibility and effect on the overall progress, period/date to which the claim relates. There must be a detailing of the cause and effect using any method.

D. **Provide the estimate of the claim**; this should be in accordance with the methodology of arriving at the estimated cost prescribed in the contract. The calculations should also be provided as a support to the final estimate.

E. **Appendices**, must include the following:

1. Copy of the contract or agreement and all relevant contract documents.
2. Any work order to the claim.

Government claims against suppliers

9.1.3. Claims against suppliers are processed according to the following procedures:

A. The government entity submits the claims to the Legal Affairs Office at MOFNE for review and consideration before submitting the claim against the supplier.

B. After the Legal Affairs Office reviews and approves the claim, the government entity sends the "claim qualification" to the supplier within the agreed time according to the contract, and notifies the Shared financial services division or Projects Directorate, depending on the nature of the disbursement to which the claim relates.

C. If the supplier does not settle the claim within the agreed time frame, the government entity shall inform the Shared financial services division or the Projects Directorate, depending on the nature of the disbursement to which the claim relates, and the Payments and collection Directorate to take the necessary action.

Supplier claims against government entities

9.1.4. To accept any claim, the following is required:

A. To be within the time frame specified by the agreed purchase contract.

B. Be supported by evidence, supporting evidence and a detailed case description.

C. Not be related to a case previously considered and decided upon.

9.1.5. The claims received are processed according to the following procedures:
C. The supplier submits a "notice of claim specification" regarding a specific work to the project coordinator or the director of financial resources in the relevant government entity, within 45 working days (unless the contract stipulates otherwise) from the completion of an independent phase or a series of stages related to each other, and attach what Explains the following:

1. Statement of claim.

2. Scope and terms of the contract.

3. Description of the additional work done and the relevant phase.

4. Impact and estimated cost.

B. The government entity submits the claim to the Legal Affairs Office at MOFNE for review and consideration.

C. The government entity evaluates the claim and reviews it internally to find out the legal and financial implications of accepting it and expressing its observations, then informing the Shared Financial Services Division or Projects Directorate, according to the nature of the disbursement to which the claim relates, and the Payments and Collection Directorate of the existence of a potential claim.

D. The supplier is then required to submit a "claim qualification", and the government entity must not, under any circumstances, provide the applicant with acceptance of the claim at this stage.

E. Upon receipt, the claimant supplier is provided with the confirmation of receipt of the claim qualification report, then the claim report is reviewed with the

concerned parties, and an action plan is agreed upon, recommendations are identified, and the supplier negotiated to reach a final agreement.

F. Once a decision and agreement are reached, the supplier and the concerned government entity sign a document that is legally binding on the terms and conditions agreed upon for settlement, and this document should exempt the government from any other claims arising from the same situation.

G. When it is decided to disburse any amounts to the plaintiff supplier, the government entity shall notify the Payment and Collection Directorate to disburse the compensation, along with the claim agreement.

9.2. Compensation to a Third Party

Compensation for uninsured material damages

9.2.1. It is not permissible to compensate for material damages caused by the government, except upon a request/grievance from the aggrieved person for compensation for the material damages that he suffered, provided that this request/grievance indicates:

1. Damage suffered.
2. Cause of the damage.
3. The person/entity responsible for the occurrence of the damages.
4. Its relation to the money or the person's subject of the damage.
5. The chosen place.

9.2.2. Unless the law governing the type of compensation stipulates otherwise, The Government Entity authority forms a committee with the responsibility to examine the case and estimate the extent of the damage, provided that it includes technical and legal elements, and the committee may seek the assistance of external technical expertise to estimate the amount of compensation.

9.2.3. The designated committee commences in the above paragraph no (.9.2.2) must reason its decisions issued in the requests submitted to it, and these decisions shall be approved by the competent authority in accordance with the provisions and procedures mentioned in the law regulating the type of compensation subject to the decision, provided that the compensation decision includes the following elements:

a. Reference to the applicable law regarding the claim and reimbursement.

b. Details of the incident, its causes and extent of the damage.

c. Value of the damage caused,

d. Details of the claimant third party and relation to the compensation.

e. Findings from the cause-and-effect analysis conducted.

f. Confirmation of the absence of special insurance coverage for the damage subject to compensation.

g. Criteria that were followed to estimate the amount of compensation.

h. The amount of compensation in numbers and letters.

9.2.4. The government entity must obtain an acknowledgment from MOFNE that sufficient funds are available to cover the compensation value for amounts up to BD 10,000 and more, by sending the form "Request for Sufficient Budget Acknowledgment" No. (MF401) to the Budget Directorate or Projects Directorate according to the type of budget from which the compensation amount is deducted, Before notifying the beneficiary of his entitlement to the compensation amount, provided that all supporting documents are attached to the form, and in particular the following:

a. Compensation request submitted by the beneficiary.

b. The reasoned compensation decision issued by the competent committee.

c. Documents proving the material error against the government entity.

d. Documents indicating the status of the beneficiary (ownership documents, rent, etc.).

e. The documents supporting the estimation of the compensation amount.

h. The measures taken by the government entity to prevent the recurrence of the damage.

9.2.5. The Budget Directorate or Projects Directorate, as the case may be, after coordination with the Payment and Collection Directorate, makes sure that the necessary funds are available to meet the compensation amount, and that the procedures and supporting documents are correct and complete. And if approved, the budget is reserved for the compensation value and a form "Request for sufficient budget acknowledgement" No. (MF-401) is approved and returning it to the government entity. The approved form is considered an

acknowledgment of the availability of the necessary funds to cover the amount of compensation.

9.2.6. As for compensation requests whose value is less than BD 10,000, the government entity must ensure the availability of funds and reserve the amount in the financial system by issuing a purchase order.

9.2.7. The budget seizure expires if the fiscal year in which it was approved has expired and the compensation has not been disbursed, and the government entity must submit a new application to obtain an acknowledgment of the availability of the necessary budget for compensation when the previous request ends.

9.2.8. If MOFNE makes observations or reservations about the compensation decision or its documents, the concerned government entity must respond to them within ten working days at most from the date of its notification of these reservations or observations.

9.2.9. Once the government entity receives the approval of MOFNE of the availability of funds, the government entity shall notify the beneficiary of the decision and the amount of the compensation determined, according to a registered letter with acknowledgment of receipt at his chosen place, provided that the notification includes the place and time at which the beneficiary must submit to sign the declaration by agreeing to the amount of compensation decided.

9.2.10. After the beneficiary acknowledges the approval of the compensation amount, the government entity sends that acknowledgment to the Payments and Collection Directorate to complete the payment of the compensation value to the beneficiary.

9.2.11. If the beneficiary submits a grievance or appeal against the decision or the amount of compensation decided, in accordance with the provisions and procedures set forth in the law governing compensation, the procedures for paying the compensation amount will be suspended until the final decision on the grievance or the final judgment in the appeal is issued, as the case may be.

9.2.12. If the payment of the compensation value is based on a cheque, the cheque shall be sent to the relevant government entity to deliver it to the beneficiary, and in this case, the government entity shall notify him of the place

and time of receipt of the cheque, according to a registered letter with acknowledgment of receipt on its chosen place and specified in the compensation request.

9.2.13. In all cases, the procedures for disbursing the determined compensation to the beneficiary must be completed within a period not exceeding forty days from the date of the beneficiary's approval of the compensation amount, the issuance of the final decision on the grievance, or the final ruling on the appeal, according to the circumstances.

Compensation for insured material damages

9.2.14. The government entity shall notify the Accounts and Financial Systems Directorate of the claims for compensation for the insured damages, which are covered by any of the applicable central insurance policies, provided that the following shall be attached to this notification:

A. The request submitted by the beneficiary for compensation for the damages caused to him, indicating his chosen location.

B. A report from the government entity about the facts related to the compensation request that prove the error, the damage inflicted on the beneficiary, and the causal relationship between the error and the damage.

C. Any documents or information related to the facts in question.

9.2.15. The insured claim for damages is subject to the provisions and procedures specified in the fixed assets system No. (11) of this manual.

9.2.16. If the damages claimed for compensation arise as a result of actions the government entity has contracted to implement with a person, and these acts or damages are included in the guarantee in accordance with the terms of the contract, the government entity must take measures to deduct the amount of compensation decided from the execution guarantee or the contractor's dues, or a claim the insured entity or the contracting party - friendly or judicially - for the compensation, as the case may be.

9.2.17. The deduction or claim procedure referred to in paragraph no. (9.2.16) does not prevent the relevant government entity from taking measures to disburse compensation according to the provisions and procedures mentioned in this system.

9.2.18. The same provisions and procedures related to compensation for uninsured material damages shall be applied to compensation for insured material damages, as long as they do not contradict the provisions of the first.

9.3 Compensation for acquisition for public welfare purposes

Introduction

9.3.1. This system deals with the financial provisions and procedures regulating the disbursement of government compensation for the acquisition or appropriation of real estate for the public welfare.

9.3.2. For the purposes of implementing the provisions of this regulation, the following terms shall have the meanings indicated next to each of them, unless the context of the text requires otherwise:

- **Acquisition Law:** Law No. (39) of 2009 regarding appropriation of real estate for the welfare benefit, and any amendments thereto.
- **Real estate:** Everything that is stable and has a fixed place in it that cannot be moved without damage or change in its appearance, including vacant lands and buildings.
- **The Expropriating Entity:** The party requesting the expropriation or for which an expropriation decision is issued, whether it is a government entity such as ministries and its affiliated agencies or public institutions and bodies, municipalities and public legal persons.
- **Right holder:** everyone who has a real or personal right over the real estate subject of acquisition or temporary seizure other than the owner of the property.
- **Valuation Committee:** A real estate valuation committee that is the subject of acquisition formed in accordance with the acquisition law.
- **Grievance Committee:** The grievance committee for acquisition and valuation decisions formed in accordance with the acquisition law.
- **Beneficiary:** The person for whom the compensation decision was issued, in his name or in his interest.
- **Chosen place:** the address that the person chooses to receive notifications and correspondence.

General Provision and Procedure

9.3.3. It is not permissible for any government entity to request the acquisition of any real estate, unless there are approved appropriations for the acquisition or for the project to be constructed or executed on the real estate required to be appropriated, and that the appropriations allocated for the project in the budget of this entity are sufficient to cover compensation for the acquisition of all the real estate necessary to implement the project.

9.3.4. If the expropriating entity intends to compensate in kind for the real estate required to be acquired under alternative privately owned state-owned real estate, then it must obtain in advance the Royal Court approval for the allocation of alternative lands to compensate for the properties required to be appropriated.

9.3.5. The concerned Directorate of the expropriation government prepares the below listed information and forwards the request via formal letter to the Acquisition and Compensation Directorate for providing an initial valuation of the estate(s) of all properties that fall within the project under implementation, and which are required to be acquired for the implementation of this project, provided that the following is attached to the application:

1. The name of the project for which the property is to be acquired.

2. Reasons acquiring the estate for public welfare.

3. Details on the estate

4. Schematic of the property or property's location, its area and other relevant details.

5. Certificate from the SLRB regarding its registration status.

6. The name of all the property owners as per the SLRB records.

7. Only in the case where another government estate is used as a means of exchange the Royal Court's approval is required.

9.3.6. It is the responsibility of the Valuation Committee (or any other specialized committee) as determined by the Minister of Municipalities for evaluating estate(s) for budgetary purposes. By the estimated valuation of the total real estate required to be acquired for that project, as well as the total alternative real estate, if any.

9.3.7. The Expropriating Entity must obtain a declaration from the Projects Directorate of the availability of sufficient funds to cover the compensation value by using the Form "Request for sufficient budget acknowledgement" No. (MF401), before addressing the Ministry of Municipalities Affairs and Agriculture to acquire the required real estate, includes the following statement in the comment box of the Form: "MOFNE is authorized to effect payments for compensating by the Valuation Committee or the Grievance Committee" All specified data and documents shall be attached to the form, in addition to the estimated valuation of the real estate required to be acquired.

9.3.8. The Projects Directorate shall ensure that sufficient funds are available to cover the necessary cash compensation for all real estate required to be acquired for the project for which this approval is allocated, and that the procedures and supporting documents are sound and complete, taking into account the deduction of the value of the alternative lands allocated for in-kind compensation, if any, and in case the application is approved. The initial reservation is made at the estimated valuation from the budget approved for this purpose and the form is returned - after its approval - to the expropriating entity.

9.3.9. The Projects Directorate then creates a Purchase order for the acquisition, based on the evaluation amount.

9.3.10. As an exception to what has been stated in paragraphs (9.3.7 to 9.3.9), if the estimated valuation of the real estate to be expropriated amounts to ten thousand Bahraini dinars or less, the expropriating authority shall undertake the procedures for reserving the compensation amount in the Central Financial System, and issuing the purchase order, and the statement issued by The Central Financial System to reserve the amount referred to in the provision/alternative to

the "acknowledgment of the availability of financial credits" issued by the Projects Directorate under Form No. (401), and attached to the documents sent to the Ministry of Municipalities Affairs and Agriculture to complete the expropriation procedures.

9.3.11. The validity period for the initial seizure ends with the lapse of five months from the date of approval of the Form "Request for sufficient budget acknowledgement" No. (MF401) by MOFNE or the end of the fiscal year in which it was approved, whichever is earlier.

9.3.12. If the decision to acquire the specified real estate is not issued during the period of validity of the initial seizure, and more than five months have passed since the estimated valuation, the expropriating entity must repeat the procedures of the appraisal before it begins to renew the application for obtaining the declaration of the availability of funds.

9.3.13. The expropriating entity is required to obtain the prior approval of the Council of Ministers before it begins to take the measures specified by the acquisition law, provided that the application submitted to the Council of Ministers shall be attached to the Form "Request for sufficient budget acknowledgement" No. (MF401), and the Royal Court approval for the allocation of alternative real estate for compensation in kind (if any).

9.3.14. The concerned minister or head of the expropriating entity submits a request to acquire the real estate required for the implementation of the project to the Ministry of Municipalities Affairs and Agriculture, provided that this request includes all the specified data and documents, in addition to the estimated valuation, and the Form "Request for sufficient budget acknowledgment" No. (MF401) approved by the Projects Directorate, and the Council of Ministers approval.

9.3.15. The Ministry of Municipalities shall study the acquisition request submitted by the expropriating entity, in terms of the application's agreement with the acquisition law, regulations and decisions issued in implementation thereof and this system, and make sure that there is no conflict between the

application submitted by the government entity and other expropriation requests from other parties, before issuing the acquisition decision.

9.3.16. The expropriation decision is issued with a reason and attached to it a detailed statement of the real estate subject of expropriation and a layout drawing of its location, after verifying the availability of the terms of expropriation and the financial appropriation allocated for expropriation.

9.3.17. The Minister of Municipalities Affairs and Agriculture issues the acquisition decision in the name of the person whose name is registered as the owner of the property in the real estate newspaper in the Land Registry at the Survey and Land Registration Bureau, and if the property is not registered, the person who seizes it upon acquisition is considered the owner of the right in it, and whoever claims ownership of the property, real right, or possession must file a lawsuit to prove what he claims.

9.3.18. The Acquisition and Compensation Directorate publishes the acquisition decision accompanied by a detailed statement of the property within thirty days from the date of its issuance, in accordance with the procedures specified in the acquisition law.

9.3.19. The Acquisition and Compensation Directorate shall compile acquisition decisions related to one project and publish them in a combined announcement that includes a unified map of the project, and the basic data for each property within this project, whenever possible.

9.3.20. The Acquisition and Compensation Directorate shall notify the following authorities with a copy of the acquisition decision within ten working days from the date of its issuance (not exceeding fourteen days from the date of the acquisition decision), in accordance with the procedures specified in the acquisition law and the regulations and decisions issued in implementation thereof:

A. The owner of the expropriating property and the right holders.

B. Survey and Land Registration Bureau.

C. Documentation Office at the Ministry of Justice.

D. The Expropriating entity.

E. The municipality concerned.

F. Projects Directorate.

9.3.21. The Survey and Land Registration Authority is obligated to send the original ownership document of the expropriated property to the Government Property Affairs Directorate as soon as it is issued, and a copy of it to the Acquisition and Compensation Directorate for safekeeping in the expropriated property file.

9.3.22. Upon receiving the acquisition decision, the Projects Directorate confirms the initial reservation that it made, based on an estimated evaluation, until the end of the compensation payment procedures to the beneficiaries.

9.3.23. The Acquisition and Compensation Directorate shall refer the acquisition decision to the Evaluation Committee within a week of the issuance of the decision, accompanied by all the documents, data and notes received by it, and a report explaining the opinion of the Acquisition and Compensation Directorate in this regard.

9.3.24. Any person concerned, including owners and rights holders, may file a grievance against the acquisition decision or the data it contains to the Grievance Committee, within forty-five days from the date of publication of the decision, otherwise his right to this grievance will be forfeited, in accordance with the procedures stipulated in the Acquisition Law.

9.3.25. If the grievance against the expropriation decision or the data it contains is based on the incorrectness of the decision itself, the compensation payment procedures must be stopped, until the grievance committee's decision is issued, whether explicitly rejecting the grievance or implicit by the lapse of thirty days from the date the grievance is referred to it without adjudicating it, whichever closer.

9.3.26. The evaluation committee shall assess the value of the compensation due for the entire acquired property - with its buildings, plantings, dispositions, contracts, and any personal or in-kind rights contained in the property - on the

basis of the market value of the acquired property on the date of publishing the acquisition decision in the area in which the property is located or nearby or similar areas Depending on the circumstances, the existence of in-kind rights (such as usufruct) or personal (such as a lease contract) related to the acquired property does not affect the unit of the compensation amount determined for the entire acquired property, all in accordance with the controls referred to in the acquisition law and the regulations and decisions issued in implementation thereof.

9.3.27. The market value of the acquired real estate includes the value of buildings, plants, contracts (such as rent and bare) or dispositions (such as usufruct or rent) that are received on the property, unless it is proven that any of this was done with the purpose of raising the value of the property's valuation and obtaining compensation in excess of the receivable, and the establishment, construction, or determination of any of that after publishing the acquisition decision is an evidence that it was done with the intention of raising the value of the property, unless proven otherwise.

9.3.28. If any rights in kind or personal property are related to the subject of the acquisition, with a fixed date when the acquisition decision is published, the market value of the acquired property is estimated twice, The first: the market value of the property without the rights set forth on it, and the second: the market value of the property loaded with the rights contained therein, and the difference between the two values is the amount of compensation decided for the right owners, and the rest of the value is the amount of compensation decided for the owner.

9.3.29. The compensation for the acquired real estate may be in cash or in kind, or both (mixed).

9.3.30. In the case of compensation in kind, the compensation may be for land in the same area in which the acquired real estate is located or elsewhere, provided that there is a royal court approval to allocate alternative lands to compensate for the real estate required to be acquired, and in this case the valuation committee assesses the market value of each of the acquired real estate and the alternative land, and if their two values differ, then the expropriating entity must

determine the difference between the two values and the party entitled to this difference (the beneficiary or the expropriating entity).

9.3.31. The Acquisition and Compensation Directorate, as soon as the evaluation committee's decision is issued - and before notifying the beneficiary - must send the final reservation request for the amount of compensation due for the expropriated property from the financial appropriation set for this purpose in the budget of the expropriating entity, to the Projects Directorate, accompanied by all the supporting documents, this is for requests in which the "Request for Sufficient Budget Acknowledgment" form No. (401) has been approved by MOFNE.

9.3.32. The Projects Directorate, in coordination with the Payments and collection Directorate, ensures the correctness and completeness of the acquisition procedures and the availability of all the required payment documents attached to the final seizure request for the amount of compensation, and in the event that it has any notes about the request, the Acquisition and Compensation Directorate must take the necessary measures to correct it and provide the Projects Directorate with any additional data, information or documents that require to complete the procedures for determining the application.

9.3.33. The Projects Directorate, in the event of approval to disbursement of compensation, shall carry out the final reservation in coordination with the Payments and Collection Directorate, and notify the Acquisition and Compensation Directorate accordingly within ten working days at most from the date of the request or from the date of avoiding notes or completing the required data.

9.3.34. Once the Acquisition and Compensation Directorate receives the notice of final seizure execution, it must notify the owners of the expropriated real estate, the owners of rights thereon, and the expropriating entity of the amount and type of compensation, in accordance with the procedures stipulated in the Acquisition Law.

9.3.35. If the owner of the acquired property refuses to compensate with an alternative land, the Ministry of Municipalities Affairs and Agriculture may take the necessary measures to sell the alternative land in accordance with the provisions of Decree No. (19) of 2002 regarding the disposal of state-owned lands as private ownership and the procedures specified in the "Government Lands and

Real Estate" system No. 11.3 of this manual; and the Acquisition and Compensation Directorate must Regardless of the procedures for selling the alternative land or the price that was collected from the sale - continue the procedures for disbursing the monetary compensation to the beneficiary on the basis of the compensation amount specified by the evaluation committee for the acquired property.

9.3.36. If the beneficiary accepts compensation in kind, or mixed compensation, and pays the difference owed - if any - to the acquisition and compensation Directorate, for the account of the expropriating entity, the Acquisition and Compensation Directorate notifies the Survey and Land Registration Authority of the committee's decision accompanied by the royal court approval to register the property in the name of the beneficiary, as soon as the deadlines are missed. grievance or determination of grievance, explicitly or implicitly.

9.3.37. The owner of the expropriated real estate, the owners of the rights to it and the expropriating entity shall have the right to grievance against the decision of the valuation committee to estimate the compensation value within 45 days from the date of their notification or from the date of its publication in accordance with the procedures stipulated in the Acquisition Law, otherwise their right to appeal shall be forfeited.

9.3.38. If the owners, rights holders, or the expropriating entity do not file a grievance within the specified period, the Acquisition and Compensation Directorate must, within a period not exceeding ten working days, send a request to disburse the compensation amount to the beneficiaries to the Payments and Collection Directorate, accompanied by all documents supporting the payment of compensation, and a copy of the above to The Expropriation entity.

9.3.39. If the expropriating entity Grievance against the estimation of the compensation value, the procedures for disbursing compensation to all owners and rights holders shall cease, until the date on which the grievance is decided explicitly or implicitly, and if the grievance was submitted by the owner or the right holders, then the suspension of the disbursement is limited only to the one who made the grievance.

9.3.40. The grievance committee must decide on the grievance within thirty days from the date of referring it to it, and the lapse of this period without deciding on

the grievance is considered an implicit rejection of it, and the committee must notify the complainant and the expropriating entity of the express decision issued by the committee according to a registered letter with acknowledgment of receipt of the specified selected location to file grievance within seven days from the date of the decision.

9.3.41. After the decision on the grievance is issued explicitly or considered implicitly rejected, the Acquisition and Compensation Directorate must, within a period not exceeding ten working days from the date of the decision, send a request to disburse the compensation amount to the beneficiaries to the Payments and Collection Directorate, accompanied by all the documents supporting the payment of compensation, and a copy of the above The Expropriating Entity.

9.3.42. The expropriating entity must authorize payments for compensation in the Central Financial System within a period not exceeding ten working days from receiving the documents, and the lapse of the aforementioned period without a permit by the expropriating entity shall be deemed an implicit declaration of payments, and the Payments and Collection Directorate in this case may authorize compensation payments directly According to the procedures it deems appropriate.

9.3.43. The Payments and Collection Directorate authorizes the payments with one of the appropriate payment instruments as required by the Acquisition and Compensation Directorate, Either by issuing a cheque for the value of the compensation and handing it over to the aforementioned directorate, or by a bank transfer to the beneficiary's account after signing an acknowledgment of accepting the compensation amount and transferring it to the account that specifies its data, taking into account finish the payment procedures within a period not exceeding twenty business days from the date of passing the payment or the expiration of the period specified for passing it into the system by the expropriating entity.

9.3.44. The Acquisition and Compensation Directorate shall, within a period not exceeding five working days from the date of receipt of the cheque or bank transfer notice, notify the beneficiary of the date and place of receipt of the cheque according to a registered letter with acknowledgment of receipt on his

chosen place or on his place of residence known to the Acquisition and Compensation Directorate, provided that the date of receipt of the cheque does not exceed the period the remainder of the period specified for the payment of compensation minus five working days.

9.3.45. If the beneficiary does not have a known place of residence with the Acquisition and Compensation Directorate, or in the event that the cheque in the amount of compensation is not received by the beneficiary within the specified period, the Acquisition and Compensation Directorate shall deliver the cheque to the general registrar of the court in accordance with the procedures specified in the Civil and Commercial Procedure Law promulgated by Decree-Law No. (12) for the year 1971, and its amendments, within five working days from the date of receiving the cheque from MOFNE, or from the end of the period specified for receiving the cheque, as the case may be. This procedure is considered a judgmental disbursement of the compensation amount, and a clearing of the liability of the expropriating entity.

9.3.46. The Acquisition and Compensation Directorate notifies the expropriating entity and the Payments and Collection Directorate of what has been done regarding the cashing of the cheque, whether it is received by the beneficiary or deposited with the general registrar of the court.

9.3.47. In all cases, the payment of the compensation determined to the beneficiary must be completed - actually or judicially - within a period not exceeding ninety days from the date of the expiration of the deadline for grievance against the evaluation decision without submitting a grievance, or from the date of the decision on the grievance raised against him explicitly or implicitly.

9.3.48. Cheques or bank transfers for compensation amounts are issued in the name of the owners whose names appear in the ownership document on a date of the acquisition decision is published, and according to their shares contained therein, and any change made to the ownership document, whether in the names of the owners or the shares after the date of publishing the acquisition decision is not taken into consideration, also cheques or bank transfers are issued in the name of the rights holders, their heirs or their official agents under documented powers of attorney that allow them to deal with government entities and receive the amounts of compensation due to them.

9.3.49. Cheques shall not be delivered except to the persons whose names appear on the face of the cheque, or to their legal heirs according to the legal obligation, or to their notarized official agents whose official power of attorney gives them the authority to receive checks on behalf of the principal, after they sign evidence of receipt in the register prepared for this, with proof The deed of his personality or the legal obligation or his agency, as the case may be, and in the event that the due persons do not receive the check within the specified period, the check shall be delivered to the general registrar at the court.

9.3.50. If it is proven that the acquired real estate was seized or mortgaged as a security mortgage for one of the debts at the time of publication of the acquisition decision, then the payment of the compensation amount must be stopped in full, unless the compensation amount exceeds the value of the sum for which the pledge is made, or the amount of the debt for which the mortgage is subjected, and in this case it is disbursed to the beneficiary The difference between the two values, and the amount of the suspended compensation is not disbursed except after the consent of the right holders, or according to a final court ruling.

9.3.51. If a dispute arises about the ownership of the acquired real estate or any of the rights stipulated on it, the procedures for disbursing the amount of compensation for those whose right to the seized property arises shall be suspended until the dispute is finally resolved, whether amicably by the concession of the parties to the dispute, or by a final court ruling. Case the amount of compensation is paid to the person in whose favor the dispute is finally settled.

9.3.52. The budget for the project for which the real estate is acquired shall bear all the publishing costs related to the acquisition, and the fees for depositing compensation cheques with the general registrar of the court.

9.3.53. The general provisions and procedures for expropriation set forth in this system shall be applied to the appropriation of endowment properties and appropriation for the purpose of planning or re-planning and temporary appropriation in a manner that does not conflict with the provisions of each of them.

Acquisition of Waqf Estates

9.3.54. It is permissible to acquire Waqf estate unless the estate is registered as a place of worship.

9.3.55. After the expropriator completes the evaluation procedures and obtaining the approval of MOFNE of the availability of the financial approval, all cases related to the acquisition of estates that are under Waqf shall be referred to the High Sharia Court for decision making. The case must be raised through the State's Cases Authority.

9.3.56. Attached to the statement of the case referred to in Paragraph no. (9.3.55) all documents referred to in Paragraph no. (9.3.5).

9.3.57. As soon as the court's ruling of expropriation is issued, the Acquisition and Compensation Directorate undertakes the completion of the evaluation and disbursement procedures in accordance with the general provisions and procedures for expropriation specified in this system.

9.3.58. The respective Waqf council / committee / representative is the entitled beneficiary are considered, in this case, of the rights holders with regard to grievance and appeals against the value of compensation estimated by the evaluation committee.

9.3.59. Compensation is paid to the relevant Waqf council, as it is the authority competent to preserve the Waqf objects, in order to purchase a similar property and allocate it for the same aspects of the Waqf and the same conditions of the Waqf.

Acquisition for the purpose of planning and re-planning

9.3.60. If the purpose of the acquisition is planning or re-planning, the Acquisition and Compensation Directorate must, before starting the acquisition procedures, make an estimated valuation of the plots of land or real estate required to be acquired for this purpose, according to their market value before the planning or re-planning project is approved, and with the same valuation rules referred to in The general provisions and procedures for the expropriation specified in this system, and determining the basic estimated price of the aforementioned plots of

lands or real estate after the approval of the project, taking into account the new classification thereof.

9.3.61. If the Ministry of Municipalities intends to compensate for the real estate required to be acquired in kind under alternative lands in other areas outside the planning or re-planning area, and these properties are privately owned by the state, then it must obtain prior royal court approval for the allocation of alternative lands to compensate for the properties required to be acquired.

9.3.62. The Acquisition and Compensation Directorate shall obtain a declaration from the Projects Directorate that sufficient funds are available to cover the estimated financial differences required to cover the cash compensation - if any - in accordance with the procedures referred to in the general provisions and procedures for expropriation specified in this system.

9.3.63. All land acquisition cases for planning and re-planning must be presented to the Cabinet for approval by the Minister of Works, Municipalities and Urban Planning. Attached to it is the data and documents referred to in the general provisions and procedures for expropriation specified in this system, in addition to the following:

1. The approval of MOFNE of the availability of sufficient funds to cover the monetary compensation, if any.

2. Estate valuation before and after the planning and re-planning; and

3. Distribution of estates on the current Estates Owners post completion of the project.

9.3.64. The expropriation decision shall be issued by the Council of Ministers upon the proposal of the Minister of Municipalities, including the criteria for valuing the expropriated real estate before and after planning, as well as the rules and provisions for the distribution of plots of land subject to the planning or re-planning project, the decision shall be published with the same procedures followed regarding acquisition decisions issued by the Minister of Municipalities. And it has the same effects and consequences.

9.3.65. Once the acquisition decision is published, the matter is presented to the Evaluation Committee to make a final evaluation of the expropriated real estate according to its value on the date of publication of the decision, as well as to determine the basic price for each piece of project land after the implementation of the planning project or re-planning taking into account the new classification after the implementation of the project, in accordance with the evaluation rules Referred to in the general provisions and procedures for expropriation specified in this system, and the standards issued by the Council of Ministers, if any.

9.3.66. In the valuation of the properties expropriated for the purposes of planning or re-planning, the value of compensation should not be less than the value of the property before planning, and that it includes compensation for non-use of the acquired property for the period between the estimation of the value of the real estate and the estimated date for the payment of the compensation value, whether in cash or in kind.

9.3.67. A committee must be formed by the Minister of Works, Municipalities and Urban Planning that is responsible for the distribution of the lands or estates to the Owners, after completion of the planning and re-planning project. The committee's charter must clearly articulate its responsibilities and the procedures to be followed for the distribution of the lands or estates and must be in line with the Cabinet's instructions.

9.3.68. The committee in charge of distributing new lands or real estate shall offer alternative lands or real estate (whether they are plots of the new scheme's lands or others) to the owners of the properties that have been acquired, according to the arrangement and procedures specified in the decision to form the committee, on the basis of the basic price of each alternative property, and the amount of the estimated compensation for his expropriated property, which is determined by the evaluation committee.

9.3.69. If the owner agrees to compensation in kind, the differences are settled in favor of the entitled party (the beneficiary or the expropriating entity), And that is for the beneficiary to pay the difference to the Acquisition and Compensation Directorate if the expropriating entity is the owed the difference. Or the Acquisition and Compensation Directorate notifies the Payments and Collection Directorate to complete the payment of the cash difference in favor of the

beneficiary if he is the entitled party. This is a deduction from the budget approved for this purpose, and in accordance with the general provisions and procedures for expropriation specified in this system.

9.3.70. As soon as the settlement is completed and the legal deadlines for grievance have been missed, or the grievance is decided explicitly or implicitly in accordance with the procedures and dates established for grievance against decisions to acquire properties expropriated for public welfare, the Acquisition and Compensation Directorate notifies the Survey and Land Registration Authority to register the alternative property, provided that the royal court approval for compensation is attached to it if the alternative property was privately owned by the state.

Temporary Acquisition

9.3.71. If the purpose of the government entity in acquiring the property is to temporarily acquisition it (such as: setting up temporary facilities or storing materials or tasks necessary for the implementation of a public benefit project, or seizing the property until the completion of the acquisition procedures), Therefore, the government entity requesting the requisition shall carry out the estimation procedures to compensate for the non-use of the property during the entire period of the temporary acquisition, and to obtain a declaration from the Projects Directorate of the availability of the financial appropriation for this, within the budget of the project for which the acquisition or compensation will take place, in accordance with the general provisions and procedures for expropriation specified in this system.

9.3.72. Approvals for temporary acquisition of property may only be provided by the Prime Minister and must be raised by the Government Entity. Provided that this proposal shall be accompanied by the data and documents attached to the requisition request referred to in the general provisions and procedures for expropriation specified in this system.

9.3.73. Once the acquisition decision is published, the matter shall be submitted to the evaluation committee to estimate compensation for non-use of the

property subject to temporary acquisition from the date of the actual acquisition until the completion of the procedures for acquiring it or returning it in the condition it was in, or for a period of one year, whichever is less, within thirty days from the date of publication temporary acquisition decision.

9.3.74. In case where the temporary acquisition exceeds one-year period, a revaluation of the amount of compensation for non-use of the property are repeated every following year.

9.3.75. By a decision of the Council of Ministers, the period of temporary acquisition may be extended so that the total period of the acquisition does not exceed three years. In case the period of acquisition is expected to exceed a period of three years, the policies related to the permanent acquisition of estate shall be applied.

9.3.76. If the beneficiary submits a grievance within thirty days from the date of being notified of the evaluation committee's decision, in accordance with the procedures established for grievance against the decisions of appropriation of properties expropriated for the public welfare, the compensation payment procedures shall be suspended until the grievance is settled explicitly or implicitly.

9.3.77. As an exception to the previous provisions, the Minister of Municipalities may, at the request of any of the competent government entities, in the event of a sinking or cutting a bridge or an outbreak of an epidemic, or for reasons of defense or security and all other emergency or urgent conditions specified by a decision of the Council of Ministers, to order the temporary acquisition On the real estate necessary to face these cases, without prejudice to the right of owners and rights holders to compensate for non-use of these real estate in accordance with the previous provisions and procedures specified in this system.

Corrective actions and follow-up

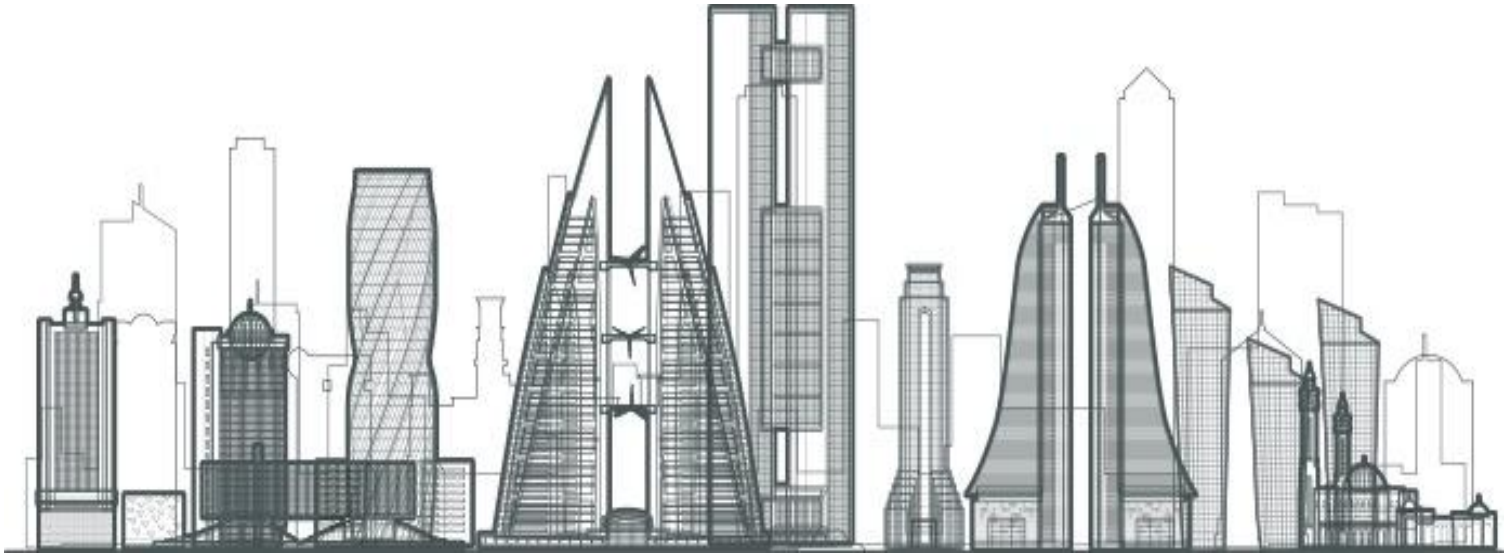
9.3.78. If the payment of compensation for damages or for expropriation is delayed for a period of more than six months from the due date for disbursement for any reason, the Acquisition and compensation Directorate must address MOFNE, about the reasons for the delay and its recommendations in this regard.

9.3.79. The Undersecretary of Financial Affairs at MOFNE may form a joint committee from MOFNE, and the Acquisition and Compensation Directorate that includes financial and legal elements to study the causes and remedy for delays in the payment of compensation so that the delay does not cause the government to bear any additional compensation.

9.3.80. MOFNE may request from the Acquisition and Compensation Directorate all documents and information related to the expropriation of a project to review the extent to which the implementation conforms to the expropriation law and the regulations and decisions issued in implementation thereof and this system, and in this case the Acquisition and Compensation Directorate must provide MOFNE with all documents and information Necessary within two weeks from the date of the request.

9.3.81. The Ministry of Municipalities Affairs and Agriculture shall coordinate with the expropriating government entities to submit a statement of the value of all cash or in-kind compensation due from it to the relevant ministerial committee, provided that the committee, after counting these claims, quickly decide on developing appropriate solutions that ensure that the right holder obtains a value Compensation for the acquired property, whether in cash or in kind.

10. Government Stores



General description of the system		
The coverage	Policies and procedures for controlling the inventory in government entities, also provisions and procedures for the purchase, registration and disbursement of inventory through the inventory system of the Central Financial System.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Accounts and Financial Systems Directorate	Setting and determining the control and accounting policies for inventory recording and controlling it.

10.1. Introduction and general provisions

Introduction

General provisions

10.1.1. All purchases of goods and materials must be subject to store control if their use is sustainable by virtue of their need, or the required quantity is sufficient to consume at least for a month, for which the collection and exchange procedures apply and to control the movement of inventory.

10.1.2. The director of financial resources of the concerned authority must issue the necessary instructions to the purchasing and storage departments to coordinate the application of the store control procedures, including notifying the store administrator of all purchases of storage materials and providing copies of purchase orders for those materials.

10.1.3. Government entities must register inventory transactions in the Central Financial System in real time.

10.1.4. The responsibilities of purchasing and storage must be separated, as well as between the receipt and disbursement of materials, the preparation of documents and the registration of the inventory card.

10.1.5. Goods and materials must be checked when receiving them to ensure their completeness, intactness, quality, validity and conformity to the required specifications, and goods and materials that violate the required specifications must be rejected and returned to the supplier.

10.1.6. A document of receipt of materials must be issued upon receipt of goods and materials received in stores, whatever the form of supply, whether by purchase, gifts, etc.

10.1.7. A request for the disbursement of materials must be prepared by the material applicant (beneficiary) for each subject that is required to be disbursed from the stores using the Central Financial System.

10.1.8. It must be taken into account that materials are requested by the concerned directorate and the authorized and competent employee only.

10.1.9. Goods and materials may not be stored to meet future needs beyond budgetary provisions.
10.1.10. Stores must be prepared in accordance with the nature of the stored materials and the expected duration of storage.
10.1.11. Stores should be organized in a way so it is easily to identify where each material is stored, and storage areas should be numbered as well.
10.1.12. The viability of the stored materials must be monitored, and the necessary measures should be taken to make the most of the stored materials before they expire this is done through the (Items under control) feature in the Central Financial System.
10.1.13. The stores and their assets must be insured in accordance with the insurance policy no. (11.2) specified in this manual.
10.1.14. In the event of selling excluded inventory materials, tenders and auctions legislation and regulation shall be applied.
10.1.15. The store supervisor in the government entity in the operations of the stores should review the data issued in the daily reports of inputs and outputs of goods and materials and match them with the documents receiving materials and requests for the disbursement of materials and he should approve those data for the benefit of their review and validity.

Gifts, Donations and Grants

10.1.16. When receiving gifts, donations and grants in kind they must be examined by the store supervisor and the specialized technicians can be used for microdevices, to show their status and then presented to the store and release a receiving materials document and prove the name of the donor and clarify the words (gifts, grants, donations) in the inventory card.
10.1.17. Receipt of gifts, donations or grants in kind for free is entered as stock items in the Central Financial System through a special receiving process called (Miscellaneous Transaction - FOC Receipt).
10.1.18. The disbursement of such items, such as devices and assets, shall be made on the basis of the authorization of the competent minister, while the consumables are disbursed with the permission of the director responsible for the stores, and the request for the disbursement of materials is edited and registered

in the inventory card, and a copy of the request and the documents supporting it are kept with the Director of Financial Resources of the Ministry concerned.

Custody

10.1.19. The Custody means any permanent item that is disbursed to the employee himself in accordance with the nature of the work performed by him such as medical supplies disbursed to the doctor and the equipment box for the worker to perform his task, or any materials or equipment that is spent to achieve, perform or facilitate a particular service.

10.1.20. The material or equipment disbursed as a custody of the employee must be recorded in the custody record from the material disbursement document that shows all information of the custody.

Custody Handover

10.1.21. When necessary to transfer a custody from a department, site or from one employee to another, the examination of the custody must be carried out by the provider and the recipient and under the supervision of the competent direct supervisor and prepare a protocol for the transfer of custody, which is adopted by the competent official and a copy is sent to:

A. Department or inventory control unit to conduct custody transfer entries.

B. Provider

C. Recipient.

Custody Responsibilities

10.1.22. The department is responsible for the items in its possession for use and its superiors must establish the necessary controls for proper control, and maintenance of these materials and equipment.

10.1.23. Those who hold personal custody of materials or equipment are fully responsible for them in terms of their use and maintenance until they fall from their custody.

10.2. Supervision of stores

General Provisions

10.2.1. The stores authority in government entities is responsible for implementing the provisions of this system and supervising the work of the stores and coordinating with other departments of the ministry concerned in deciding their annual needs of various goods and materials as well as arranging, maintaining and caring of the goods and materials according to the appropriate methods to the nature of each commodity and providing safety and security means in the stores.

10.2.2. Stores shall have a head of stores to supervise the storage operations in the main store and its subsidiary stores and ensure that the stores are controlled, as well as oversees the necessary records.

10.2.3. The store has a supervisor who supervises and controls the movement of the inventory and is responsible to the head of the stores or the competent manager for the control of the records and assets of the store.

10.2.4. Each store has a store secretary who collects and dismisses the stored items and holds the inventory cards and is assisted by another storekeeper who replaces him during his absence and is responsible in solidarity with the storekeeper, and signs with him the store's custody statements.

10.2.5. Storekeepers are permanent employees, and if multiple trustees in one store they are in solidarity together.

10.2.6. Whenever a storekeeper is appointed, transferred or terminated, the competent manager assigns one or more employees to monitor the recipient and delivery process, and sign the relevant records.

10.2.7. In cases where it is not possible to perform the recipient and delivery process, a committee is formed in the relevant government entity to open the store, inventory items and deliver them to the person who is assigned to receive them.

10.2.8. In government entities that do not have a store and does not have a special secretary who assigns storage tasks to an existing financial affairs officer in addition to his work, is responsible for the items and tasks under his control and must hold the necessary records and documents.

The functions and competences of stores staff

10.2.9. The responsibilities and competences exercised by the stores staff under this system represent the minimum control procedures for the supervision of the store's assets and the control of store records, in accordance with the principle of segregation of responsibilities and tasks and facilitating the obtaining of the required data from its various sources and conforming for the purposes of control and auditing.

The responsibilities of the head of store

10.2.10. The head of the stores shall be accountable to the competent manager and carry out the following tasks:

A. Supervising the organization of the stores in accordance with modern methods of storage and management of materials and applying the control provisions for storage specified in this system.

B. Supervising the work of store supervisors and trustees to ensure the progress of the work and the completion of the tasks accurately and thoroughly as well as to ensure that the store records are kept and updated first-hand by the supervisors and trustees of the stores each in relation to it.

C. Keep a manual of the specifications of the stored materials and update the data of this guide whenever needed.

D. Prepare estimates of the needs of the stores for goods and materials and provide them to the director responsible for the stores to include those estimates in the budget allocations required for the relevant government entity.

E. Set the maximum and minimum limits for the stored materials as well as the re-order limit for each item of the stored items in accordance with the procedures specified in this system.

F. Preparing a report of damaged, lost or consumed materials and submitting it to the director responsible for the stores, including its recommendations and actions.

G. Propose adding any new material to the list of the consolidated manual of materials.

H. Preparing periodic reports of stores and approving inventory statements that are presented to them in order to benefit the validity of their data and to investigate the reasons for the differences in inventory balances (if any).

The responsibilities of the store supervisor

10.2.11. The store supervisor is accountable to the head of the stores or the competent manager and performs the following tasks:

A. Receipt and authorization of requests for disbursement and receipt of materials and referral to the storekeeper to exchange and actual receipt of materials.

B. Hold the inventory movement control record to monitor the movement of each item of the store received and discharged by noting the date of the transaction, quantity, value and balance from the disbursement and receipt documents sent to it by the storekeeper.

C. Inventory movement Control Record is the basis for monitoring and auditing purposes, and the store supervisor must take into account the accuracy of inventory movement entries and update the data firs-hand from documents.

D. Reviews daily computer reports on the inputs and outputs of goods and materials, as well as matching them with receipts, disbursement and other documents attached to them.

E. Prepare a disclosure of the needs of the stores of goods and materials when the inventory reaches the point of re-order and submit it to the head of the stores or the competent manager to take the necessary measures to provide the stores with their required needs.

F. Prepare a disclosure of the status of the stagnant materials in the store as well as slow movement, including its recommendations on addressing the status of those materials.

G. Prepare a report on the rate of inventory turnover at the end of each fiscal year and compare it to the situation in the past year, including an explanation and justifications for the increase or decrease.

The responsibility of the storekeeper

10.2.12. The storekeeper is accountable to the head of the stores or the competent manager, and carries out the following tasks:

A. The storekeeper organizes the processes of entering materials and taking them out of the stores as well as organizing inventory cards and recording the entries and accompanies the inventory committee.

B. Receipt of items that are to be accepted after they have been matched by purchase orders or purchase contracts and sign the delivery notice issued by the supplier.

C. The disbursement of the stored materials with taking into consideration to disburse of the quantity that is nearly expired, full accuracy of this must be taken into account.

D. The storekeeper should note the minimum stock of materials and inform the store supervisor in time to take the necessary measures to secure the supply of materials to the store and provide him with requests for supplies for materials that reach the minimum stock and materials needed by the administration and are not present in the store, taking into account not exceeding the maximum inventory, and prepare requests for the supply of materials whenever needed.

E. The storekeeper must submit statements every three months at most to the store supervisor for submission to the store head or the competent manager to take action on the items described below:

1. Redundant.
2. Dispensed.
3. Which is null and void.
4. Unusable.

5. Fear of damage.

6. Which has a certain validity period.

F. The storekeeper may not give any information to those who are not responsible for the quantities, types and varieties in his possession.

G. The store keeper is personally responsible or in solidarity with other store keepers in case there is more than one of the items in his custody and their keeping, and care for them, and about the validity of their weight, number, size, type, and all that would expose them to damage, loss, and not give up his responsibility unless it is proven that this arose from compelling reasons or circumstances beyond his control, and was not possible to hedge them.

Receipt of material handling

Procedures for receiving and handling materials

10.2.13. The handling of materials means dealing with goods, materials and equipment received and discharged from the stores in terms of the classification, storage and control of materials, procedures for receiving, examining and dispensing materials and holding stored records.

Receipt and inspection of materials

10.2.14. The storekeeper may initially receive the materials by signing the delivery notice issued by the supplier and taking a copy of it, which is considered to be in the custody of the storekeeper and may not be disbanded or disposed of before the completion of the examination procedures.

10.2.15. The competent manager or head of the stores may exclude the usual processing materials from the examination and only examine their condition by the competent department to determine their acceptance or rejection, and to organize the examination procedures must issue a list approved by the director responsible for the stores of the usual materials excluded from the examination and update their data whenever necessary.

10.2.16. A committee is formed to examine and receive the supplied items headed by the head of the stores or who in his judgment and the membership of two employees of the government entity, one of whom is a staff member of the

requesting entity of the materials, and in cases where technical expertise is required the committee includes one or more technical members.
10.2.17. The head of the stores or who in his judgment - for the materials to be examined by the competent examination committee - must take what is necessary to notify the Committee within two days at the most of receipt of the materials for examination, provided that the examination committee is scheduled to be held as soon as possible from the date of receipt of the materials in the stores.

The procedure for examining materials

10.2.18. Materials will be examined as the following procedures state:

A. The committee shall conduct all necessary procedures for examining the materials, examining them, verifying their validity and conforming to the specifications specified in the purchase orders or contracts, and the Committee determines the percentage of examination and selection of samples so that they are representative of the materials to be examined.

B. A member of the committee is entrusted with preparing the minutes of the examination committee, including the committee's decision to accept or reject all or some of the materials, provided that this report is signed by the members of the committee and approved by the direct president.

C. The storekeeper will sort out the materials that are to be accepted for those that are to be rejected and initiate the process of receiving the materials to be accepted.

D. For materials to be rejected, the purchasing authority shall send a notification to the supplier, including the reasons for rejecting the materials, assigning him to transport rejected materials from stores and supplying new materials with the required specifications and at the same prices.

E. In case the supplier is late in receiving rejected goods and materials, he will be notified through a registered letter to receive goods and materials within two

weeks of its date, indicating that the government entity is not responsible for any harm to the goods as a result of the late pick up from his side and further measures will be taken in the case of not responding in the given period.

The procedure sought to receive the materials

10.2.19. The receipt of the materials is carried out in accordance with the following procedures:

A. The storekeeper shall be competent to receive the materials that are decided to be accepted by the inspection committee or excluded from the examination after conforming to what is contained in the purchase orders or purchase contracts with the delivery notice issued by the supplier, and the storekeeper must take into account the full accuracy in verifying the type of materials received for the stores and their conformity to the specifications and their validity.

B. The storekeeper prepares a material receipt document by the Central Financial System to benefit the receipt of the materials.

C. The storekeeper will record the amount of material received in the inventory card by the Central Financial System and adjust the balance box in the same card accordingly and send a copy of the material receipt document to the store supervisor.

D. The store supervisor records and enter the data of the material receipt document in the inventory movement control record by the Central Financial System and the entries are based on the quantity and value of the materials received.

The disbands of materials from stores

10.2.20. Follow the principle first in first out when the stored items are disbanded and the disbursement of the quantity that is nearly expired must be taken into account.

10.2.21. The materials are disbursed in accordance with the following procedures:

A. The department or system concerned requesting the material should prepare a request for the disbursement of materials by the Central Financial System and is approved by the direct president or the director responsible for the stores according to the level of authority and send the request to the store official to disbands the materials.

B. After the approval of the request for the disbursement of materials by the store administrator, the storekeeper will deliver the required materials to the beneficiary and get the recipient's signature on the request for the disbursement of materials by the Central Financial System to the benefit of receipt,

C. The storekeeper records the quantity data spent on the inventory card by the Central Financial System and adjusts the inventory balance accordingly.

D. The store supervisor records the data of the ordered disbanded materials in the inventory movement control record, taking into account the accuracy and value of the quantity spent.

E. Keeping copies of the requests for disbands of materials with the material requester entity, as well as the storekeeper and store supervisor, should be taken into account according to the priority of their dates and sequence.

10.3. Regulating stores and storage policies

The division of stores

10.3.1. Government stores are divided into four types according to the ministry's approved organizational structure.

A. Private main stores: those are the stores of governmental entities specialized in the storage of goods and materials of their own nature, to meet the needs of their departments and units, and supply their own and subsidiary stores in various locations.

B. Private sub-stores: those are the stores dependent on the main stores of the government entity and are supplied with goods and materials from the main stores of the same ministry to meet the needs of departments and units in remote work sites.

10.3.2. Storage materials are divided into three categories:

A. Permanent items: include items of materials that are not consumed once used and must be returned to stores if the purpose is finished or unusable, either for disposal or to be converted to another permanent item if possible (e.g., furniture, appliances, equipment, supplies of hospitals, schools and institutes).

B. Items intended for consumption: include items of materials that are consumed in direct use without leaving residues of its kind (e.g., food and biblical tools such as stationery).

C. Unusable items: Include items of materials that are to be excluded due to damage or it’s not possible to fix.

Supply stores

10.3.3. Government entities must prepare estimates of the needs of the stores for goods and materials according to a well-thought-out plan and provide these estimates to the Financial Resources Directorate to take into account in preparing the estimated budget of the entity.

10.3.4. The employee in charge of the stores develops a program for the government's stores in accordance with the annual supply requirements provided

to him by the stores, which is based on the preparation of the data received from the various directorates when preparing the ministry's budget.

10.3.5. Prices in supplying programs are estimated by a committee that for this purpose is formed by departments of stores, purchases, accounts and financial affairs, and is guided in its work by the prices of recent contracts unless there are justifications, which must be assessed on another basis.

10.3.6. When developing the government's supply policy, the government's supply policy is taken into account:

A. Provide all requirements of all items used.

B. The time required for supply.

C. Provide sufficient stock for the need to work until the start of the supply and receipt of the required goods and materials.

10.3.7. In drawing up the stores supply policy, it is necessary to specify both the minimum, the maximum, and the re-order of each item in the stores, and to prove these limits in the cards and records prepared for it.

Estimate the minimum and maximum inventory and the re-order limit

The minimum limit

10.3.8. The minimum stock of any material represents the balance to be available in the stores, taking into account the quantities required for the needs of the government entity during the supply period, the time required to supply goods and materials locally or overseas, and procurement procedures.

10.3.9. The minimum stock is calculated by dividing the quantity expected to be ordered during the quarter period by 90 and multiplying the output in the number of days it takes to supply from the date of purchase to the date of delivery in the stores.

The maximum limit

10.3.10. The stock balance of any item should always not exceed three times the minimum, taking into account the storing portability of items and their exposure to damage, the availability of items in the market as well as storage possibilities.

The re-order limits

10.3.11. It is not permissible - in cases other than necessity - to start the inventory repurchase procedures before making sure that the material to be purchased or the stock of its substitute item has reached the reorder limit.
10.3.12. The inventory repurchase planning process takes place through the Central Financial System using the (Min-Max Planning) feature, so that the competent warehouse employee determines the minimum and maximum quantity of the material to be stored based on its importance and movement within the warehouse, and through it sufficient time is given to prepare a purchase request and provide additional quantities before it runs out of stock.
10.3.13. The Central Financial System calculates the available quantity and if it is less than the minimum and adds to it the required reserved quantity. Accordingly, a purchase order is issued to bring it to the upper limit. Before repurchasing the stock, it must ensure that the stock of the material to be purchased or the stock of its alternative item has reached the reorder limit. Here is an example of an inventory repurchase planning process through the centralized financial system:

Item	Min	Max	On-hand QTY	Demand	Reorder Qty
XXXXX-XX-XXXXX	5000	15000	0	10000	25000

10.3.14. It is not permissible to start purchasing procedures before making sure that the stock of the item to be purchased or the replacement item stock reaches the point of re-order and is calculated at 125% of the minimum stock for items that take 60 days and less and 200% for items that take longer to supply.

The Storage of materials

10.3.15. The materials are kept in the store - each one separately - in the places designated for it in a manner appropriate to the work and according to the date of its arrival.

10.3.16. Each box or place of storage must be numbered and a card bearing the name and number of the material must be placed on it, taking into account the distinction between the new materials and the materials used.

10.3.17. The materials must be preserved in a way that does not expose them to damage, destruction or loss - depending on the nature of each material - and the government entity to do so to survey the opinion of the technical authorities concerned regarding the way the material is preserved.

10.3.18. The storekeeper must from time to time inspect materials that are scheduled for a certain shelf life or material that is inherently perishable due to weather factors or because of non-use and present the result of the inspection to the store supervisor to take the necessary action in a timely manner.

10.3.19. When keeping storage materials, you should arrange them by expiration date so that the priority for the earliest date.

10.3.20. The storekeeper shall be responsible for all damage, loss or destruction of the material he receives under his custody, unless it is established that this was caused by compelling circumstances beyond his control and could not be expected or destroyed.

10.3.21. No employee may authorize the admission of materials that are not related to the government entity for storage in stores such as deposits, personal trusts or similar.

The inventory disposal

10.3.22. The inventory is disposed and written off from records in case of damage, loss, full or partial depreciation.

10.3.23. Exclusion provisions and procedures provided for in the "Fixed Assets Control" System no. (11) apply when inventory is excluded.

10.3.24. The excluded inventory is recorded as an allowance on the government entity.

10.4. Warehouse inventory

General annual inventory

10.4.1. All inventory items in all stores are comprehensively inventoried at least once a year, and an annual continuous inventory may be conducted without prejudice to the sudden inventory system during the year.

10.4.2. One or more inventory committees shall be formed by the decision of the relevant undersecretary, excluding officials of the stores trustees or the employees who manage it effectively, and this decision includes the exact date of the start of the work of the Committee, and the inventory is carried out under the direct supervision of the direct chairman, and in the case of the inventory of materials and technical equipment must include a member of the technicians specializing in those materials and tasks, and in all cases the inventory must be carried in the presence of the store keeper.

10.4.3. Stores of all types are inventoried at the end of the year, or on any other date where appropriate, and the inventory is mandatory in cases of death, or transfer to the storekeepers

Inventory statements

10.4.4. The stores supervisor, in cooperation with the storekeeper, prepares the inventory statements by the Central Financial System, including the basic data of the custody in terms of inventory items, quantities, price of their units and their total values, after which the Inventory Committee shall:

A. Inventory of items of material as an item by weight, size, number according to the unit installed in the records, stabilization of the balances already in place from inventory in inventory statements and showing inventory differences (if any) in the designated area for disclosure and inventory forecasting by committee members It is sent to the responsible accountant to complete the settling procedures.

B. In cases of urgent necessity, items may be disbanded or delivered, during inventory, provided that the inventory committee agrees, that receipt forms or

disbands requests be deposited in temporary files until the completion of the inventory process.

C. The head of the stores or the person in his judgment shall sign the inventory statements stating that he acknowledges that the materials mentioned in these statements have been effectively inventoried, and then the statements are sent to the competent manager for comment in the box prepared for that.

Adjustment of inventory differences (deficit or surplus)

10.4.5. In the event that there are differences between the balances from the actual inventory and the balances contained in the Central Financial System, these differences are settled through two processes: (Stock Adjustment+) in the event of a decrease in the quantity in the system from the shelf, and the (Stock Adjustment-) process in the event of an increase in the quantity in the system off the shelf.

10.4.6. The responsible accountant records this difference in the inventory card and marks it. (These two operations are approved by the storekeeper, who is the only one who has the necessary authority to do so).

10.4.7. The responsible accountant will review the balance data and differences shown in the inventory statements and send them to the storekeeper to explain the reasons for these differences in the box prepared for this statement within one week of receipt.

10.4.8. The stores supervisor shall prepare the form for receiving materials to settle the difference arising from the increase or request the disbursement of materials to settle the difference resulting from the deficit and attach a copy of the inventory statement described to the increase or deficit and the chairman of the inventory committee, the head of the stores or the competent manager shall sign any of them.

Deducting or writing off the deficit

10.4.9. The director responsible for the stores or his acting officer decides if the storekeeper is found to be responsible for the deficit - take the necessary

measures to deduct the value of this deficit from his salary or benefits, in accordance with the provisions of the civil service.

10.4.10. In the case of deficits caused by natural factors, should be indicated in the current inventory balance and the previous inventory balance for each item, dates and quantities of the recipient and the expenditure during the period between each inventory and the percentages of the actual deficit compared to the permissible percentages by quantities stored, the duration of storage and the nature of each item.

Personal custody inventory

10.4.11. A statement must be obtained from employees who have personal custody of the permanent material that these materials are already in their custody and that they are in a usable condition, provided that the officer in charge of these declarations indicates that the material in question is in accordance with the records.

Annual declaration of inventory

10.4.12. At the end of each financial year, the director responsible for the stores or acting director signs an acknowledgement that all materials in all of his stores - whether for sustainable, purpose-of-consumption or unusable materials - have already been inventoried, that there are no materials not covered by the inventory, that there are no items left in the stores that exceed the need or are not necessary for use and that what may be found are subjected to the prescribed procedures immediately to act upon, and that they are provided to the regulators upon request.

Sudden partial inventory

10.4.13. The government entity is required to conduct an inventory on irregular dates for certain materials in the stores, taking into account the selection of random samples of materials, taking into account the fact that all materials and equipment at high cost are inventoried in the stores at least once during the year, in accordance with the following procedures:

1.Records entries of the item's balances selected on the inventory statements from the inventory movement control record.

2.It inventories the items of materials subject to the sudden inventory as an item by weight, measurement, or count according to the unit installed in the inventory card and confirms the balances that already exist from the inventory in the designated box of the inventory statement form and its signature.

3.Matches the balances in the inventory statement form (custody balances under inventory movement control record and actual inventory of materials) and records the differences, if any, in the designated box, and the accountant must investigate the reasons for those differences by reviewing the records, matching inventory movements entries and correcting the wrong entries in the records, and then send the statements to the store keeper to explain the reasons for the inventory differences within a week at most of the date of receipt, with the store keeper having to sign those statements indicating those differences.

4.The inventory statements are then sent to the competent manager for comment in the box intended for this.

5.The accountant in charge of the inventory shall prepare a document for receiving inventory materials or requesting the disbursement of materials to settle the difference resulting from the increase or deficit, and each of the accountant in charge of the inventory, the direct head or the competent manager shall sign either.

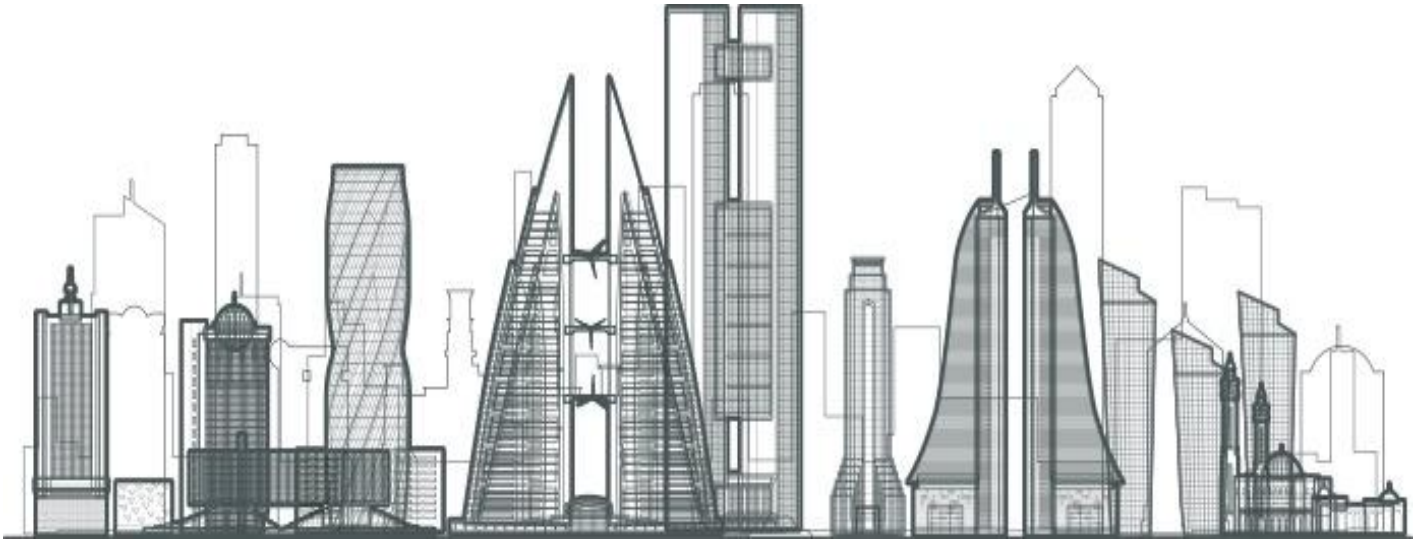
Loss, theft or damage to inventory

10.4.14. In the event of theft, loss, or damage to any stock items, the supervisor shall estimate the value of the loss or damage and notify the Head of Stores of the incident and submit a report on the same day of the incident.

10.4.15. The procedures stipulated in the sub-system "Violations and Financial Crimes" No. (12.2) of this guide shall be applied when a serious suspicion of a violation or financial crime is discovered, and it turns out that one of the

government agency employees is responsible for theft, loss or damage to the inventory.

11. Fixed Assets



General description of the system		
The coverage	This system covers general policies and provisions related to the control of government fixed assets, including the lands and real estates of government.	
Directorates supervising the main operations of this system	**The Directorate**	**The responsibilities**
	Accounts and Financial Systems Directorate	Supervising the process of recording and updating the fixed assets register and following up the settlement within the general ledger system, and managing the insurance process of these assets, and following up to obtain the compensations for any losses covered by the unified insurance documents.
	Government Property Affairs Directorate	Supervising and controlling of the lands and real estates owned by government.

11.1. Fixed asset control provided

Introduction

11.1.1. This system contains accounting provisions, policies and control procedures relating to the preservation and registration of government fixed assets.

11.1.2. The accounting policies specified in this system do not apply to renewable and non-renewable natural resources.

11.1.3. The criteria and conditions for the registration of fixed assets contained in this system apply to fixed assets registered after the date of its issuance, and no modification of the registered asset data prior to that date.

11.1.4. For the purposes of applying the provisions of this system, the following terms mean the meanings described in their respective spouses, unless the context of the text is otherwise stated:

- **Fixed assets:** assets owned by the government entity or are considered owned by them, and the purpose of their ownership is to use them for administrative use or in the production or processing of goods or services, or to rent them to third parties, and their consumer life extends for more than one financial year, and the other conditions that qualify them to be recognized as fixed assets as in this system.
- **Fixed archaeological assets:** ancient assets of historical, environmental or cultural importance, such as historical buildings, archaeological sites and nature reserves.
- **Land development:** permanent improvement, repair and development costs on lands with excluding to the buildings.
- **Fair value of the asset:** The market value of the asset is assessed by professionals specialized in the valuation of the relevant assets.
- **Estimated asset value:** A similar asset value in properties and specifications, a value for replacing the consumer asset, or a re-production or creation value of a similar alternative asset.
- **Financial lease:** A lease that entails transferring the risks and benefits associated with the ownership of the tenant's asset substantially to the government entity during the lease period.

- **Fixed assets system:** The central electronic system adopted by MOFNE in the registration of government fixed assets.
- **The procurement system:** the central electronic system adopted by MOFNE in the conduct and registration of purchases.
- **Fixed asset registration:** Registration or entry of fixed asset data into the fixed asset system.
- **Consumer age:** the duration of time during which the asset is usable.

Fixed Assets Register

11.1.5. Government entities must register fixed assets that meet the financial conditions, standards and ceilings specified in this system.

11.1.6. Fixed assets must be recorded in the government entity's fixed assets register when they are acquired in any of the following ways:

A. purchase.

B. Permanently allocated to the government entity by the government.

C. Transferred to the government entity by another government entity.

D. Obtain it as a donation or a grant from private individuals or entities.

E. The asset is manufactured or created by the government entity.

F. Rent it through a financing lease.

11.1.7. Fixed assets acquired by purchase, manufacturing or construction are recorded at cost in addition to other expenses to put the asset into operation, and if they cannot be registered at the purchase cost, they are recorded at the fair or estimated value of the asset.

11.1.8. The fixed assets received as a donation, grant or gift are recorded at their estimated value.

11.1.9. The costs of the warranty extension contract are added to the value of the fixed asset if the extension contract is purchased in the fiscal year in which the

asset was purchased, and the depreciation of the contract is calculated over the consumer life of the fixed asset.

11.1.10. Since it is often not possible to determine the financial value of the archaeological fixed assets, it is therefore assessed and registered in the register of fixed assets according to the appropriate basis set by the government entity, after coordination with the Accounts and Financial Systems Directorate.

11.1.11. Fixed assets associated with the completed stages of the project are recorded when they are ready for use, otherwise they will be recorded after all stages of the project are completed.

11.1.12. The government entity must add subsequent expenses for the improvement or maintenance of fixed assets to the assets value in the book if those expenses will increase the consumer life, increase the future production capacity of the asset, substantially improve the quality of the products or reduce operating costs, from before these expenses are incurred.

11.1.13. Within a transition period of not more than one year from the date of their connection to the fixed asset system, government entities must complete the procedures for accounting, evaluating and entering fixed asset data that were acquired prior to the government entities connection to the system.

The financial ceiling for the registration of fixed assets

11.1.14. Fixed assets must be recorded if their value is equal to or exceeds the financial ceilings specified in the following table:

category	Ceiling (BD)
Land and land development	Undefined
Buildings, development of buildings and other construction, infrastructure, leased assets through a financial lease	10,000
Vehicles, ships and boats	3,000
Furniture	500
Tools, machinery, hardware, IT assets	100

11.1.15. Government entities are allowed to record fixed assets whose value are less than the financial ceilings specified in the fixed assets register, and in this case, they may record the full depreciation at the time of recording or according to the useful life.
11.1.16. The cost and return calculation must be taken into account when deciding to register fixed assets below the specified financial ceilings.
11.1.17. The value of tools and devices attached to new assets may be recorded within the total cost of these assets even if their value is less than the financial ceiling set for this category (for example, computer peripherals such as keyboards and mouse).
11.1.18. The government entity may treat a set of fixed assets as a single unit within the fixed asset register if the following conditions are met:

A. They are identical or similar in their characteristics and functions or represent as a whole a coherent system.

B. A combined value of BD 10,000 or more.

C. The cost of its individual units should not exceed the financial ceiling.

D. To have all one productive life.

The classification of fixed assets

11.1.19. Fixed assets in the government entity's final account lists are classified into main categories, and subcategories according to the classification structure of the fixed asset system, taking into account that subcategories have the same nature or characteristics as the main category of fixed assets.

The procedure for registering fixed asset purchases

11.1.20. Purchases of fixed assets charged on the recurrent budget and projects are recorded in accordance with the following procedures:

A. When preparing the purchase requisition, coordination is made with the employee responsible for registering fixed assets at the government entity to ensure entering the purchases of fixed assets included in the purchase requisition

into the procurement system under the appropriate items related to fixed assets (19XXX), from Chapter Four of the Recurring Expenses Budget - Capital Goods Expenditures (64X) or Project Expenses Section (58X).

B. After the purchase process is completed and receiving the purchase order and the invoice and passed in the payments system (Accounted & Validated), the fixed asset purchase data appears in the 'Add Asset Group' report, which is automatically prepared by the Central Financial System.

C. The employee responsible for registering fixed assets will cheque the 'Add Asset Group' report on a daily basis and add any new assets that appear within the fixed asset system.

D. The employee responsible for registering fixed assets during the completion of the asset registration procedure may modify the specified classification of the asset to another.

E. In the event that delays in passing invoices or the supplier delays in submitting invoices for payment, the government entity can manually enter fixed asset purchase data into the fixed asset system, and then set up the daily entries necessary to update the general ledger system, in which case it should be taken into account that those assets will not be registered again when the invoices are being processed later.

Depreciation of fixed assets

11.1.21. The accounting depreciation of fixed assets recorded in the fixed asset system must be calculated in accordance with the following accounting policies:

A. The straight-line depreciation method is used in calculating the accounting depreciation of fixed assets, and the method of calculating depreciation may be adjusted after coordination with the Accounts and Financial Systems Directorate.

B. Depreciation calculation begins when the asset is ready to be utilized and continues until the end of its specified consumer life.

C. Accounting depreciation is not calculated for: land, land development, archaeological assets, and works of art.

11.1.22. The consumer life of IT assets is set at 5 years, and the approval of the Information and Communication Technology Governance ICT Committee must be obtained to determine a consumption life below that period.
11.1.23. Taking into account the provision set out in paragraph (11.1.22) the government entity determines the consumer age of fixed assets it owns on the basis of the parent manufacturer's guidelines, or the recommendations of a specialized technical authority, and can be guided by the consumer ages described in the following table:

Category	Depreciation Ratio (in years)
Buildings, building development and other construction	25
Infrastructure	40
Vehicles, tools, machinery, hardware, IT	5
Furniture assets, ships and boats	10

Internal control procedures

11.1.24. The government entity is responsible for establishing appropriate control measures for the preservation and protection of the fixed assets in its jurisdiction, taking into account their compatibility with the purposes, types, size and nature of the uses of fixed assets, and the cost of control procedures is proportional to the value of the benefits.
11.1.25. The internal control system developed by the government entity to control its fixed assets must ensure the following:

A. Managing and using fixed assets efficiently and to best exploit.

B. Keeping legal documents proving the government entity's ownership of fixed assets, as required by the legislation issued.

C. Protecting fixed assets from loss, theft, misuse, or use by unauthorized persons.

D. Maintaining and preserving fixed assets and keeping them intact and in good condition.

E. Insurance for fixed assets against potential risks in accordance with the provisions and procedures described in the subsystem "Insurance of Government Assets" no. (11.2).

F. The segregation of the responsibilities of the functions of purchasing, receiving, recording and inventory of fixed asset data, wherever possible under the functional organization of the government entity.

G. The database of the fixed asset register should be kept completed and updated.

H. Inventory of fixed assets annually.

11.1.26. The government entity determines the appropriate procedure for numbering its fixed assets, depending on the nature of each of these assets, so that it is possible to track and control those assets for inventory purposes, identify cases of loss or theft, and facilitate follow-up maintenance and insurance procedures.
11.1.27. The “Assets Tag” labels must be printed after the fixed assets have been physically entered into the system and verified to ensure that the recorded and actual assets match.
11.1.28. High-quality labels must be used to ensure their sustainability throughout the operational life of the fixed assets.

Inventory of fixed assets

11.1.29. Fixed assets must be inventoried at least once per year.
11.1.30. The inventory is carried out by a committee or specialists who are not directly related to the responsibility of preserving, registering, or controlling assets.
11.1.31. Reports from the fixed asset system are used as a basis for matching inventory data, and fixed assets are inspected in their locations to verify and validate the data mentioned in the registry compared to the actual inventory results.

11.1.32. The employee responsible for overseeing the inventory should prepare a report containing data on the start and completion date of the inventory and the scope and results of the inventory, as well as a statement of:

A. unused or unusable fixed assets, with a view to taking action to repair or exclude them.

B. The difference between the results of the actual inventory and the data of the fixed asset registry, in order to investigate the causes of the differences, and to take the specific actions in this system on lost fixed assets.

11.1.33. The inventory report and inventories are used as a basis for modifying and correcting fixed asset registry data, and the report is approved by a functional level of at least a manager in the government entity.

Excluding fixed assets

11.1.34. Fixed assets may not be excluded before the end of their consumer life, unless there are economic or technical justifications determined by a specialist or specialized entity.

11.1.35. Excluded fixed assets are disposed of in any of the following means:

A. Retain them for educational or training purposes.

B. Transfer it to another government entity to take advantage of it.

C. Sale by auction in accordance with the provisions of Decree No. (36) of 2002 on the organization of tenders, auctions, purchases, government sales and its amendments and executive regulations, and the decisions and circulars of the Tender Board issued in this regard.

D. Granting it to charity or private bodies officially registered in the Kingdom of Bahrain, upon its written request, provided that it is not limited to one body whenever possible.

E. Granting personal computers and accessories to employees of the government entity concerned whose career levels are below of a manager or in his judgment, to be done in accordance with regulations that ensure the fairness of distribution and protect the stored data (e.g., distribution by lot).

F. Dealing with them by the methods that the competent committee deems appropriate in the case that there is an economic feasibility to dispose of them other than the methods mentioned above.

11.1.36. The data of the fixed asset remains if it is still in use, in the fixed asset register after depreciating its total book value.
11.1.37. The disposal of government land is subject to Decree No. (19) of 2002 on the disposal of privately owned land, and the government land and real estate system of this manual.
11.1.38. The form "Request for Fixed Assets Disposal" no. (1902) is used to exclude fixed assets, promotes exclusion by opinion or technical report from a competent authority, and the government entity may use another form provided that it contains a minimum of the data specified in the form in question.
11.1.39. The committee referred to in paragraph no. (5.1.5) or another competent committee to be formed with the same conditions of this committee is taking responsibility for establishing the necessary controls for the exclusion of fixed assets, including the conditions for agreeing to exclude assets and determining how they are disposed of, in a manner that does not conflict with the provisions of this manual.
11.1.40. The form "Request for Fixed Assets Disposal" no. (1902) is sent after its approval to the employee responsible for preserving and updating fixed asset data, in order to update the fixed asset registry data with excluded fixed asset data.
11.1.41. The Directorate of Fixed Assets Supervision in the Government entity should maintain the 'Request for the forms "Request for Fixed Assets Disposal" no. (1902) and the supporting documents in a file dedicated to this purpose.
11.1.42. The procedure for the asset excluded must be initiated immediately upon the issuance of the decision, and if it is reused it must be re-registered in the system.

Total disposal and re-registration of fixed assets:

11.1.43. Government entities may, exceptionally and based on acceptable justifications, completely dispose of and re-register fixed assets, provided that this

is not repeated more than once within three years, except in exceptional cases that necessitate it.

11.1.44. The procedures for the total disposal and re-registration of fixed assets are carried out in accordance with the following procedures:

a. Conduct a full inventory of fixed assets according to the inventory procedures outlined in this manual.

b. Compare the actual inventory report with the fixed asset register in the system and identify any discrepancies.

c. Take the necessary actions to address any discrepancies based on the findings.

d. Take the necessary actions regarding fixed assets that are to be permanently disposed of.

e. Prepare the "Fixed Asset Disposal Request" form (No. 1902), obtain approval from the Inventory and Disposal Committee and the relevant director, and submit it along with the supporting documents to the Accounts and Financial Systems Directorate.

Transfer of fixed assets due to the issuance of decrees reorganizing government entities:

11.1.45. If assets are transferred from one government entity to another as a result of legislation reorganizing it, the government entity that has those assets registered with it must coordinate with the entity to which the assets will be transferred before proceeding to remove the assets from its records, in accordance with the following procedures:

a. Identify the fixed assets to be transferred to the other government entity.

b. Verify the actual assets to be transferred against the asset register in the system and take the necessary actions regarding any discrepancies.

c. Take the necessary actions regarding the fixed assets that are to be permanently disposed of.

d. Add the actual assets that are not disposed of.

e. Obtain approval of the fixed asset inventory by the receiving government entity.

f. Prepare the "Fixed Assets Disposal Request" form (No. 1902), obtain approval from the Inventory and Disposal Committee and the relevant director, and submit it along with the supporting documents to the Accounts and Financial Systems Directorate.

Loss or theft of fixed assets

11.1.46. As soon as the government entity discovers the loss of any of the fixed assets in their custody, they must investigate the causes of the loss and take the necessary measures to recover the lost asset.

11.1.47. The procedures provided for in the "Financial irregularities and crimes" no. (12.2) subsystem of this manual shall be applied when a serious suspicion of a financial irregularity or crime relating to the disposal of fixed assets is discovered.

11.1.48. If lost or stolen assets are not recovered, they are excluded in accordance with the procedures specified in this system.

Government vehicles

Governmental entities responsibilities

11.1.49. The competent directorates of supervision of government vehicles in the government entity undertakes the following responsibilities to control government vehicles, in line with the provisions and procedures specified in this system:

A. Establishing the appropriate internal control system to manage the efficient and effective use of government vehicles.

B. Conduct a periodic review of the government's vehicle needs and take action to reduce the cost of renting vehicles and keep the minimum number of vehicles.

C. Identify appropriate controls and procedures to ensure the safety of the use and maintenance of government vehicles by their users.

D. Monitoring the compliance of the leased institutions with the conditions of dealing specified in the lease contracts, in particular with regard to the obligation of the leased institution to provide the vehicles and follow up their maintenance and take responsibility for their insurance and registration and take responsibility for the damages resulting from the violation of the terms of the contract.

E. Keep a file for each vehicle rental contract, in which a copy of the contract is kept, reports of inspection and delivery of rented vehicles, and any correspondence with the contracted enterprise.

F. Keeping the required records and statements according to this system and updating their data first and foremost.

G. Maintaining and repairing government-owned vehicles and keeping a record to follow up on their maintenance and repair, so that repair data and periodic maintenance dates are recorded.

H. Follow-up inspection procedures and renew the annual registration of government-owned vehicles.

I. Keep a record of the daily movement of vehicles.

J. Keeping a record of each government vehicle containing all documents related to the purchase, insurance and maintenance of the vehicle, works and repairs, etc.

11.1.50. The Director of the Directorate which Supervision of Government Vehicles in the Government entity has the authority to address the competent authorities in the Ministry of Interior about everything related to the registration, transfer or cancellation of government vehicles.

11.1.51. A poster bearing the logo and name of the government entity must be installed on vehicles owned by the government entity or rented for a long period of time, with a hotline number to be used by the public to report any improper use by the driver of the vehicle.

The driver of the government vehicle

11.1.52. The driver of the government vehicle must comply with the following responsibilities:

A. Carry a valid driver's license, valid for the type of government vehicle he drives.

B. Compliance with the laws and regulations issued to regulate traffic and vehicle traffic.

C. Take appropriate precautions and measures to maintain the safety of the government vehicle and conduct the necessary daily or periodic inspections of the vehicle, such as checking the levels of oil, cooling water and tires and any other examination that does not require specialized technical expertise.

D. Notify the administration or the competent department of the government entity in the event of an accident, malfunction or damage to the vehicle.

E. Handing over the vehicle to the competent administrative authority of the government entity on the periodic dates set for cleaning, maintenance, inspection and registration.

F. The use of government vehicles for purposes authorized by the government entity only and may not be used for personal matters or other purposes that are not related to official business functions.

G. Unless the nature of the work is called for the maintenance of the government vehicle for emergencies, the driver of the government vehicle must park the vehicle in the places specified by the relevant government entity after the official working hours, and hand over the vehicle keys to the relevant department.

11.1.53. If the driver of the government vehicle causes a traffic accident and is the wrong party according to the traffic report, he bears a maximum of BD 50 from the cost of repair or from the endurance amount specified in the government vehicle insurance policy, in addition to the cost of issuing a traffic report, and the refund after deducting or paying in cash by the employee is supplied to the consolidated public account.

11.1.54. The driver shall bear all the costs of unsecured damage or failures caused by the vehicle if it causes it as a result of misuse, negligence or intentional damage to the vehicle, as well as the penalties imposed by civil service regulations.
11.1.55. The driver of the government vehicle shall bear the value of all traffic violations imposed on him while driving the government vehicle, and in this regard the government entity must follow the following:

A. Follow-up with the competent directorate of the Ministry of Interior periodically to verify the violations recorded on the vehicles owned by it.

B. Notify the user of the vehicle directly concerned, for the violations you receive from the competent directorate of the Ministry of Interior or from the leased company.

C. Deducting the amount of the violation from the employee's salary and paying it to the competent directorate of the Ministry of Interior in case the employee procrastinates or fails to pay the violation.

D. Ensure that any traffic violations payable to the driver of the government vehicle are settled before the end-of-service dues are paid to him.

The exclusion of government vehicles

11.1.56. The disposal of government vehicles is subject to the provisions and procedures specified in this system.
11.1.57. The governmental entity will take the necessary measures to cancel or transfer ownership of the excluded government vehicle in coordination with the competent directorate of the Ministry of Interior.
11.1.58. Excluded vehicles granted to third parties are not delivered until the transfer procedures have been completed with the competent directorate of the Ministry of Interior by the government entity.
11.1.59. The government entity updates the fixed asset registry with excluded government vehicle data and notifies the Accounts and Financial Systems

Directorate with data on vehicles that are cancelled or converted, in order to update the data on the insurance records of government vehicles.

11.2. Government Asset Insurance Provided

Introduction

11.2.1. This system contains provisions, procedures and responsibilities related to asset insurance and government responsibilities.

11.2.2. The following definitions are used to indicate some of the terms in this system:

• **Insurance**: A contract between the insurance company and the insured, in which the first party undertakes to compensate the second party for damages and losses covered by a contract or insurance policy, in exchange for the payment of the premium by the second party.

• **Insurance policy:** is the bond or legal evidence that proves the existence of the insurance contract and includes the limits of the insurance coverage and its terms and exceptions, and the endorsement, reports and subscription information that is provided to the insurance company and the written correspondence exchanged between the parties of the contract is an integral part of the insurance contract.

•**Endorsement**: A document issued by the insurance company, which acknowledges the renewal of the policy, specifying the values of the insured assets and the period of validity of the policy, or referring to the modifications to the policy during its validity.

• **The subject of insurance**: the assets, persons or liabilities insured against the risks associated with them.

• **Endurance amount**: Is the amount or percentage specified by the policy, which is borne by the insured at the time of the loss, and the insurance company's responsibility is limited to compensating the value of the loss that exceeds this amount or the percentage specified in the policy.

• **Requirement of proportionality**: a condition that compensates the insured for part of the total loss, as a result of securing the assets at a value less than their replacement value after an accident.

• **Replacement value**: The cost of replacing the damaged property with new ones, compensation is settled without taking into account the consumption, after deducting the deductible, the compensation amount shall not exceed the amount insured in the insurance policy.

• **Civil liability insurance**: Insurance coverage of claims of public civil liability to third parties, in order to meet financial damages resulting from the operation or use of assets insured by government facilities.

• **Field risk inspection:** Field visit to examine and inspection the subject of insurance in order to assess the risks associated with it, or to assess losses in the case of a claim for compensation.

• **Claim**: Is to claim the insurance company for loss or damage to the subject of the insurance, as a result of a risk covered by the policy.

• **Clearance Notice**: A written statement from the insured that the insurance company's party will be discharged from the current and future liability for the incident in question, after agreeing to the amount of compensation due in accordance with the limits of the insurance coverage specified in the policy.

• **Law**: Decree No. (36) of 2002, on the organization of tenders, auctions, purchases, government sales, amendments and executive regulations.

• **Central insurance policies:** Insurance policies financed from the central budget and supervised by the Ministry of Finance and National Economy to cover the risks of assets and liabilities specified within this system.

General provisions

11.2.3. A centralized budget within the recurring expense budget is allocated, supervised by MOFNE to cover the costs of purchasing and providing central insurance covers to the topics specified in this system, and this ministry is responsible for contracting with insurance companies to offer these covers.

11.2.4. Central insurance policies cover the risks of the assets and liabilities of non-independent government entities whose budget is linked to the Central

Financial System. These entities should not issue contracts directly with insurance companies to provide insurance covers for the risks included in the central insurance covers specified in this system.

11.2.5. Insurance for assets is limited to what is within the ownership of the government entity only, and the assets leased or used by the government entity may be insured if the entity is responsible for compensation in the event that the tenant or user asset is damaged as agreed in the lease or employment contract.

11.2.6. Insurance applications covering any benefit of employees of government entities are subject to approval by the Civil Service Bureau in accordance with their regulations and laws.

11.2.7. When transferring ownership of a secured asset, the government entity must notify the Accounts and Financial Systems Directorate to remove that asset from the central insurance cover as of the date of transfer or transfer.

11.2.8. Central insurance policies supervised by MOFNE cover the following documents:

A. Operating stations and laboratories.

B. Cash money and financial custody.

C. Transportation such as government vehicles, ships and boats.

D. Civil liability to others.

E. Personal injuries for technical and vocational education and training students at the Ministry of Education.

F. Government buildings and facilities and their contents.

11.2.9. The budget of government entities shall bear the cost of insuring any other topics not covered by the central insurance policies specified in this system.

11.2.10. Insurance applications are subject to a feasibility study, and therefore government assets and liabilities are not insured if the cost or conditions of their insurance exceed the financial benefit expected from the insurance.

11.2.11. The procedures for the purchase and renewal of insurance covers are subject to the provisions and procedures stipulated by law and the decisions and circulars of the Tenders Board.

11.2.12. Government entities are responsible for repairing damages to uninsured government assets and property and are responsible for compensating third parties for damages arising from their uninsured responsibilities.
11.2.13. The Accounts and Financial Systems Directorate shall implement the insurance policy specified in this system.

Assessing the topic of insurance

11.2.14. Insurance is provided based on statements submitted by government entities that list assets, values, and locations.
11.2.15. Government entities are obligated to match the lists of insured assets with the values and data entered in the fixed assets register.
11.2.16. The total values of the topic matter of the insurance are determined by the relevant government entity before the insurance coverage is purchased for the first time, and are reassessed whenever necessary.
11.2.17. The evaluation of government real estate is subject to the procedures outlined in paragraph (11.3.77) of the Government Real Estate System.
11.2.18. The government entity is required to notify the Accounts and Financial Systems Directorate during the validity of the insurance contract, of any changes in the subject of insurance, including deletion, addition, change in values, etc., in order to take the necessary measures to coordinate with the insurer to modify the policy.

Governmental entities responsibilities

11.2.19. Government entities follow up on the procedures related to the insurance of assets and responsibilities that concern them by carrying out the following tasks and responsibilities:

A. Take all precautionary measures to avoid accidents and protect government assets and protect users or beneficiaries from losses or damages associated with their use or operation.

B. Implementing the recommendations of inspection reports related to the development of risk management directorate procedures and providing the Accounts and Financial Systems Directorate with these updates.

C. Providing data on time when requested by the Accounts and Financial Systems Directorate, the insurance company, field inspection companies or other stakeholders.

D. Providing the Accounts and Financial Systems Directorate with its observations on technical reports related to the insurance process, at the request of that directorate.

E. Keep a detailed record of the insured assets data, update its data first and foremost and notify the Accounts and Financial Systems Directorate of changes in the values of those assets, or changes in the addresses of secure locations.

F. Keep a copy of the insurance policies and all relevant documents.

G. Follow up and monitor changes in the prices of insured assets during the period of insurance effect as a result of inflation and price changes and provide the management of the Accounts and Financial Systems Directorate with them, to modify the insurance policies to avoid applying the requirement of proportionality under which the government is compensated with values below the replacement value or the cost of repair.

H. Reimbursement of the costs of repairing damages or losses and the amount of endurance stipulated in the insurance policy from the amounts approved in its budget, and the completion of the related procedures.

I. Make field inspections available and provide the required data to the relevant authorities in accordance with the requirements of insurance, claim or compensation procedures.

J. Knowledge of the terms and obligations and limits of compensation and exceptions, the limits of tolerance stipulated in the insurance policies, and contact with the Accounts and Financial Systems Directorate to clarify any inquiries related to this.

K. Notify the Accounts and Financial Systems Directorate during the period of validity of the policy of additions to the sites or insured assets, in order to be included in the policy.

L. Notify the Accounts and Financial Systems Directorate during the period of the policy, regarding the cancellation of certain assets such as demolitions and the exclusion of machinery, equipment, contents, ships and boats in order to delete them from the policy.

M. Follow-up to the implementation of the recommendations of the inspection reports, and to inform the Accounts and Financial Systems Directorate of the actions taken, so that the Directorate will notify the insured company of the modifications that may occur to the subject of insurance.

Applying for insurance

11.2.20. To add any insurance topic sought by MOFNE, according to the following procedures:

A. The government entity directs the insurance application to the Accounts and Financial Systems Directorate, with all data on the subject of insurance.

B. The government entity must provide the Accounts and Financial Systems Directorate with any additional data it requests in order to make the appropriate decision on the application.

C. If the application is rejected, the government entity will be addressed with the reasons for the rejection in writing with the recommendations it deems necessary.

D. When approving the insurance application, the Accounts and Financial Systems Directorate coordinates with the insurance company to conduct a field inspection of the insurance issue - if necessary, depending on the nature of the insurance subject matter - to identify the relevant risk situation, prepare the necessary inspection reports, and may assign a specialized company to accomplish that task.

E. The Accounts and Financial Systems Directorate sends inspection reports after review to the government entity, to express an opinion on the observations and recommendations contained, with the final reports to be issued after the completion of the procedures for their review and modification in accordance with the government entity's visuals.

F. If there is a valid standard insurance policy commensurate with the nature of the subject of the insurance required, the Accounts and Financial Systems Directorate will notify the insurance company to include it in the insurance policy, in accordance with the rates of prices included in the policy and provide the government entity with a copy of the insurance policy and the supporting documents.

G. In the absence of a valid standard insurance policy commensurate with the nature of the subject matter of the insurance required, the Accounts and Financial Systems Directorate will consider the feasibility of purchasing an insurance policy for this cover or notifying the government entity to provide insurance cover directly by contracting with one of the service providers.

H. The Accounts and Financial Systems Directorate maintains the original copy of the insurance policy and related documents and provides a copy of it to the government entity, with a view to accessing it and providing any notes on it, if any, and keeping it in its records.

Renewal of insurance

11.2.21. The annual renewal of insurance policies concluded for more than one year is carried out in accordance with the following procedures:

A. Long before the expiry of the policy, the Accounts and Financial Systems Directorate prepares for the renewal process, by coordinating with the relevant government entities to provide the necessary data for the renewal of the policy, in particular by:

1. Identify any changes required to the subject of insurance such as deletion, addition or reassessment.

2. Ensure that there are no claims due to government entities that have not been reported or have not been completed.

B. The Accounts and Financial Systems Directorate sends the policy renewal request to the insurance company, including the request for any required changes to the insurance subject matter.

C. The insured company prepares the renewal document (endorsement) and sends it to the Accounts and Financial Systems Directorate.

D. The Accounts and Financial Systems Directorate reviews the endorsement to ensure that the price and the capacity of the insurance coverage fit with the original contract with the insurance company.

E. The Accounts and Financial Systems Directorate sends documents supporting the renewal process to the relevant government entity and it should be notified of any relevant observations.

Amendment of the insurance contract

11.2.22. The Accounts and Financial Systems Directorate may modify the contract within the limits contained in it, and in a manner that does not conflict with the law.

Vehicle Insurance

11.2.23. The Accounts and Financial Systems Directorate maintains a record of the data of government insured vehicles that will be modified in accordance with the deletion and addition notices addressed to them by government entities.
11.2.24. Government vehicles are insured in accordance with the following procedures:

A. When acquiring the vehicle, the government entity directs a request to the Accounts and Financial Systems Directorate, with a view to arranging the insurance cover, provided that the application contains data specifying the type and specifications of the vehicle.

B. The Accounts and Financial Systems Directorate will notify the insurance company to include the vehicle to be insured to the central insurance policy, and to secure it in accordance with the rates of the prices listed in the insurance policy, and to notify the government entity to receive the necessary insurance certificate from the insurance company.

11.2.25. Government vehicle insurance are renewed in accordance with the following procedures:

A. Long before the expiry of the policy, the Accounts and Financial Systems Directorate sends a circular to government entities to report on any additions or omissions of their vehicles, and to ensure that there are no claims due to government entities that have not been reported or have not completed their termination procedures.

B. The Accounts and Financial Systems Directorate updates the general registry of government vehicles based on the statements of government entities and sends the request for renewal of the insurance policy to the insurance company with the updated list of vehicles.

C. The Accounts and Financial Systems Directorate receives insurance certificates and notifies government entities to receive, review, verify and retain their data.

11.2.26. The government entity should notify the Accounts and Financial Systems Directorate in writing of the deletions made on its vehicles, in order to cancel their insurance and recover the outstanding premium for the remaining period.

Compensation

Claim for compensation

11.2.27. The government entity must notify the Accounts and Financial Systems Directorate in writing immediately after losses or damages to insured assets requiring financial compensation, and to comply with the relevant circumstances, bearing in mind that delays in reporting the claim may result in the rejection of compensation by the insurance company.

11.2.28. It is not required to refer to MOFNE for accidents of insured government vehicles, and the government entity concerned shall conclude the compensation procedures directly with the insurance company, unless the insured company objects to compensation, in which case the Accounts and Financial Systems Directorate shall be notified to verify the coverage conditions stipulated in the insurance policy.

11.2.29. Subject to the provisions of paragraph (11.1.53), the government entity shall assume the responsibility of contracting for the repair of the damaged government vehicle directly without the need to coordinate with the insurance company, if the driver of the government vehicle was the cause of the traffic accident and the cost of repairing the vehicle damage was within the amount of the deductible specified according to the terms of the insurance policy.

11.2.30. The insured government entity is not entitled to claim additional improvements beyond the value specified in the policy and is liable to pay for the repair and replacement of its uninsured assets affected by its approved budget.

11.2.31. The amount of compensation is estimated in accordance with the terms of the policy and the insurance contract with the insurer.

11.2.32. The government entity may initiate purchase and contracting procedures to repair damages resulting from the accident, in accordance with the legislation governing procurement, and after coordination with the Accounts and Financial Systems Directorate and obtaining the approval of the insurance company or the resident of losses caused by the insured company.

11.2.33. The government entity must take all necessary measures and measures to minimize losses and damages as much as possible.

11.2.34. When the insured assets are damaged or lost, the government entity is required to cooperate with the insured company and provide the supporting documents, with the aim of assisting in the recovery of the damage sought by the party causing the damage or losses.

11.2.35. The government entity shall require those who cause damages or losses to uninsured government property to pay financial compensation to return the damaged facility to its previous state prior to the accident, and to take legal action against it, if necessary, in accordance with applicable laws and regulations.

11.2.36. Financial claims must not be paid to beneficiaries until they have signed a final clearance authorizing the government entity to release any future liability or claim after receiving the agreed amount of compensation.

11.2.37. The government entity should analyze and examine the causes of claims and take appropriate measures to improve its risk management procedures at its facilities, in order to avoid future losses.

11.2.38. Government entities are obliged to notify the Accounts and Financial Systems Directorate of all their actions regarding the claim for damages, and copies of their correspondence with the relevant parties.

11.2.39. Compensation is made for claims for insurance policies purchased by the Government to cover personal injuries for technical, vocational and training students, based on medical reports specifying the type of injury and disability.

11.2.40. In the event of a dispute between the affected party and the government entity or the insurance company, whether regarding the declaration of liability or determining the amount of compensation due to the affected party, and the affected party resorting to the judiciary, the government entity must consult the Legislation and Legal Opinion Commission Bahrain on the necessary legal procedures.

Receipt of compensation

11.2.41. The compensation due for damages covered through insurance policies financed by the central insurance budget is considered as government revenues, and therefore they must be transferred upon receipt to the consolidated public account.

Repair of Insured damage

11.2.42. Government entities shall bear the costs of repairing or replacing their insured damaged assets from their approved budget.

Compensation procedures

11.2.43. Compensation procedures are carried out in the case of damages and losses, in accordance with the following procedures:

A. The Accounts and Financial Systems Directorate shall be informed by the government entity in writing of losses or damages requiring financial compensation, and the circumstances associated with the accident, immediately after the loss or damages have occurred.

B. The Accounts and Financial Systems Directorate reviews the notice of the government entity, verifying that the government entity is eligible for financial compensation under the policy.

C. If the government entity is entitled to compensation, the Accounts and Financial Systems Directorate will notify the insurance company of damages or losses to the insured assets.

D. The Accounts and Financial Systems Directorate coordinates with the government entity and the insurance company to inspect the incident to determine the causes of the losses and damages resulting from it.

E. The government entity in coordination with the insurance company prepares technical specifications and determines the amount of work required for repair or replacement.

F. The government entity shall take the necessary measures to obtain the offers of the suppliers to replace or repair the damaged assets, with the aim of obtaining an impartial assessment of the damages.

G. The government entity provides the Accounts and Financial Systems Directorate with all documents relating to the estimated value of compensation.

H. The Accounts and Financial Systems Directorate will require the insurance company to receive compensation, based on reports received from the government entity.

I. When the value of the compensation is approved, the clearance notice shall be signed by the parties concerned as required by the nature of the claim.

J. The proceeds of claims due to the government shall be transferred upon receipt to the consolidated public account.

K. The concerned government entity completes the contracting procedures to repair the damages.

Provisions for damages relating to public liability insurance

11.2.44. When a person or entity makes a financial claim for damages or losses as a result of the operation or use of government assets and assets, the government entity must take into account the following:

A. The claim is received only by an authorized employee who has the authority to receive the claims.

B. Never to acknowledge liability or accept payment of compensation, except after it has been submitted to a legal counsel for consideration and verification of the government entity's responsibility for compensation.

C. Notify the Accounts and Financial Systems Directorate of the claim, to examine the possibility of payment through the civil liability insurance policy, if any.

11.3. Government real estate

Introduction

11.3.1. This system includes policies, procedures and general provisions for control, administration, supervision of government real estate (land and building), and all actions on government real estate whether these are transactions that transfer ownership (such as sale, purchase, exchange) or other transactions that do not transfer ownership (such as Investment, lease, usufruct license, surface rights), as well as the maintenance and insurance of government properties.
It also defines the competences and responsibilities of some government entities in controlling government real estate intended for exploitation or investment for social, industrial, educational, sports, housing, agricultural, marine, livestock, service projects, infrastructure, or the construction of public utilities.

Definition of terminology

11.3.2. For the purposes of applying the provisions of this system of the Manual, the following terms mean the meanings described, unless the context states otherwise:

A. Real estate: Land, buildings, and everything that is fixed in its place and cannot be moved from it without damage or alteration.

B. State-owned real estate is privately This refers to land and buildings owned in accordance with Decree No. (19) of 2002, This includes the following:

- State-owned land and building under the law.
- State-owned land and building under real estate title documents.
- Land and building that no one owns under real estate titles or final court rulings, or any other documents proving ownership of them on any legal basis.

C. State-owned real estate are public property

Land and building is owned by the state or a public legal person and are already intended for public benefit or by law, decree or decision of the competent minister.

The allocation of this real estate for public benefit expires or ends with the end of the purpose for which it was allocated or by law decree or decision of the competent minister.

D. Central Register of Government Property: An electronic register containing government real estate data linked to all relevant government entities, established on the basis of the Decision of the Council of Ministers No. (16-2064) dated May 9, 2010, supervised by the Government Property Affairs Directorate.

E. Government Land Investment Platform: A central electronic platform (coordination, media, and promotion) to showcase investment opportunities in government real estate, and to make all its data available to those wishing to invest in it, to strengthen the partnership between the public and private sectors, stimulate investment and land development, and accelerate the implementation of development projects.

F. The Committee: The Government Lands Investment Committee, which was established by the Prime Minister's Decision No. (44) of 2022 to establish and form the Government Lands Investment Committee, which is responsible for following up on the mechanism for investing real estate and studying the technical, financial and environmental aspects of the requests of the entities disposing of it to invest it, and presenting it on the Government Lands Investment Platform in conjunction with its offering for investment in accordance with the laws and regulations.

The Central Register of Government Property

11.3.3. Each government entity will hand over the documents of asset ownership for all registered government real estate inside and outside Bahrain, except for documents for military and security installations.

11.3.4. The Government Property Affairs Directorate is responsible for the preservation of the original property documents, with each government entity keeping a permanent file for each government property in which all drawings, engineering designs, maps, maintenance data and any other documents related to

government real estate are kept and providing electronic copies to the Government Property Affairs Directorate.

11.3.5. Government entities must provide the Government Property Affairs Directorate with copies of leases of and government real estate as soon as they are concluded or are located, and annual reports of the value of the rents due for them, in order to register them in the central registry of government property.

11.3.6. The government entity should notify the Government Property Affairs Directorate of any update or change in the real estate data allocated to it, with the aim of updating the data of the central registry of government property.

11.3.7. The Construction Projects Directorate at the Ministry of Works provides electronic copies of the drawings and documents for new buildings to the Governmental Property Affairs Directorate after the completion of their construction.

Disposal of government land and real estate

11.3.8. Government real estate may not be used for other purposes or activities than the one originally assigned to it, in accordance with Decree No. (19) of 2002 on the disposal of privately owned land.

11.3.9. Based on Royal Decree No. (35) of 2016 regarding the mechanism for applying Article 4 of Decree-Law No. (19) of 2002 regarding the disposal of state-owned lands as private ownership, it is not permissible for state agencies and other public legal persons to dispose of among themselves the real estate allocated to them or change their use from a public purpose to a private purpose or by any means such as sale, lease, exchange or other private purposes except after obtaining the supreme royal approval. State agencies and other public legal entities may dispose of among themselves the real estate allocated to them or change Using it for another public purpose, pursuant to a decision issued by the Prime Minister, based on the approval of the one or two public entities concerned with the land - as the case may be - and after consulting the Urban Planning and Development Authority (See Appendix No.1).

11.3.10. Government entities may not determine the validity of the property for use except in coordination with the Government Property Affairs Directorate, as follows:

A. If the property's inability to use is due to technical reasons, such as building defects or obsolescence of the property, this is supported by a technical report from the Ministry of Works.

B. If the property is not suitable for use is due to the government entity's desire to develop the property in accordance with its current and future requirements, this should be supported by a feasibility study.

11.3.11. The receipt of the possession of real estate that is dispensed with by the government entity for any reason, in accordance with the following rules:

A. When applying the provisions of paragraph (11.3.9), the coordination between the entity wishing to reallocate the /real estate and the beneficiary of it must be taken into account, after the issuance of the updated property document and its adoption in the central registry of government property, provided that the delivery and receipt of the property with buildings and facilities, if any, shall be supervised by the Government Property Affairs Directorate and in accordance with the form of delivery and receipt (See Appendix No.2).

B. If the concerned government entity wishes to exclude real estate, the entity will coordinate with the Government Property Affairs Directorate to receive the real estate.

11.3.12. All government entities must coordinate with the Government Property Affairs Directorate when requesting the registration of an unregistered government property, as follows:

A. The Government Property Affairs Directorate submits the request through the Planning Platform, if the purpose of registration requested by the entity is suitable.
B. If the purpose of the requested registration is not suitable, the entity will be notified, and the registration of the unregistered government property will be studied according to the priorities of the government’s needs for the region.

The sale of government real estate

11.3.13. Government real estate owned by the state as public property may not be sold, seized, or acquired by prescription, unless the allocation for public benefit has actually been terminated or by the same mechanism used to allocate it for public benefit, so that it becomes privately owned state property.

11.3.14. Government real estate expropriated for public benefit may not be disposed of except after following the procedures for disposing of the expropriated property outlined in Law No. (39) of 2009 regarding the expropriation of real estate for public benefit.

11.3.15. The sale or disposal of government real estate of state-owned private property is subject to the provisions of Decree No. (19) of 2002 on the disposal of privately owned land (See Appendix No.3).

11.3.16. Applications for sale or disposal government real estate must be submitted to the Government Property Affairs Directorate, where it completes the necessary procedures to complete the conduct in accordance with Decree No. (19) of 2002 on the disposal of privately owned land. Government land and real estate are sold by auction, unless a royal order is issued otherwise.

11.3.17. The sale of government real estate shall be by public auction, whether it is an in-person or electronic auction; the auction management procedures may be assigned to the private sector, unless a royal order is issued otherwise.

11.3.18. The Government Property Affairs Directorate is responsible for overseeing the sale of government real estate, which is issued by royal order to approve its sale through auction.

11.3.19. A decision shall be issued by the Minister concerned to form the Government Real Estate Sales Committee and its system of work, with members of the ministry or outside the ministry being experienced and honest and the members should not be less than three.

Determining the estimated price of the sale

11.3.20. An estimated price for government real estate must be determined before being put up for auction, which is carried out by a specialized evaluation committee to be formed and operated by a decision of the minister concerned, and those who

participated in the estimated price determination work may not participate in the membership of the sales committee for the real estate themselves.
11.3.21. The estimated price committee referred to in this system should be guided by the prices of the previous sale, market conditions, market value of similar real estate, and other elements or factors affecting the determination of the estimated sale price.
11.3.22. The decision of the estimated price committee referred to in this system to determine the estimated sale price must be approved by the minister concerned or who he chooses to delegate on his behalf.
11.3.23. Strict confidentiality must be taken into account with regard to the estimated price set for the sale of government real estate by auction, so that the documents contained in this evaluation are placed in an envelope that is sealed as soon as it is approved by the members of the estimated price Committee and kept with the Director of the Government Property Affairs Directorate, and is handed over at the start of the bidding session to the chairman of the sales committee to open it in the presence of its members.

Preparing the tender documents

11.3.24. The government entity concerned coordinates with the Government Property Affairs Directorate to prepare the tender documents for the sale of government real estate, to include a statement of the specifications of the properties to be sold and the conditions of sale and methods of payment of the price and insurance.
11.3.25. The value of insurance related to the sale of government real estate and the ways in which it is paid and refunded shall be determined by a decision of the Minister of Finance and National Economy.
11.3.26. The price of selling the tender documents for the sale of government real estate shall be determined by a decision of the Minister of Finance and National Economy, provided that the actual cost of it is not exceeded.

The auction announcement

11.3.27. The auction is announced for the sale of government real estate in a local daily newspaper a maximum of twice and may be advertised in the media or website of the relevant government entity or through an electronic platform supervised by the concerned government entity.

11.3.28. In the case of electronic auctions, the auction is announced, temporary deposits are submitted and returned, and bids are submitted in accordance with the electronic procedures and mechanisms approved in the auction documents.

11.3.29. The auction for the sale of government real estate must be announced at least fifteen days before the scheduled date of the auction session.

11.3.30. The announcement of the auction for the sale of government real estate must include a brief description of the properties advertised for sale, the deadline for the purchase of the bidding documents, the location and time of the bidding session, the conditions that must be provided by those who participate in the bid, the value of temporary insurance and, and if permitted the inspection times.

Terms of participation in the auction

11.3.31. The terms of participation in the auction may be restricted to the sale of government real estate to a specific category when required for the sake of public interest, without limiting the bid to persons themselves.

11.3.32. Members of the sales and valuation committees may not participate in auctions to sell government real estate or any of its stages, by submitting themselves or by an acquaintance - they and their relatives up to the second degree to bid in the bids announced in accordance with this system of the manual.

Temporary insurance

11.3.33. The tender documents on the sale of government real estate must include that the bidder is obligated to pay temporary insurance, cash, certified

cheque or a letter of guarantee from a locally accredited bank or insurance policy from a locally accredited insurance company, but in all cases not less than BD 1,000.

11.3.34. Temporary insurance paid by the bidder in the auction for the sale of government real estate is delivered to the chairman of the sales committee before entering the auction in exchange for a receipt.

11.3.35. The temporary insurance paid at the auction for the sale of government real estate is refunded to the bidder that has not been awarded, and the refund is at the end of the auction session in exchange for the withdrawal of the receipt after signing a declaration which benefits that the bidder has in fact received the temporary insurance that was provided by him earlier.

The terms of sale

11.3.36. The bidder whom the auction for the sale of government real estate was awarded by is obliged to pay the price at which the property was deposited during the bidding session and before its end.

11.3.37. If the bidder whom the auction of government real estate was awarded by fails to pay the price awarded to him - during the bidding session and before its end, the next bidder in the order may be imposed, provided that it pays the amounts due in the same session, with the confiscation of the temporary insurance of the default bidder.

Postponing the sale

11.3.38. The sale is postponed to the next session if the number of bidders in the bid for the sale of government real estate is less than three, in which case it is not permissible to open the envelope of the estimated price of sale, and the re-announcement will follow the same procedures, and it should be announced at least one week ahead of schedule, and the announcement of the bid from the beginning may include setting the date and place of the bidding and return sessions so that the time difference between them is not less than one week.

Cancellation of the auction

11.3.39. A reasoned decision of the minister concerned may cancel the bid for the sale of government real estate after it is announced - and before the bidding session - if the sale is dispensed permanently, or the public interest requires it, provided that the decision to cancel is published in the manner prescribed by law, in which case the price of the sale of the tender documents and temporary insurance must be refunded to the owners without asking them within seven working days following the decision to cancel.

11.3.40. The auction for the sale of government real estate shall be cancelled if tenders are not submitted, or the bids submitted do not reach the estimated price of the sale, or, if the auction was not paid by the first or the second bidder during the auction as stated in paragraph (11.3.35).

11.3.41. If the auction is cancelled in accordance with the case described in paragraph (11.3.38), these properties may be re-auctioned in the same prescribed procedures.

Awarding the auction

11.3.42. The auction, which is held for the sale of government real estate, is awarded to the highest bidder.

11.3.43. The bidder whom the auction held for the sale of government real estate was awarded by, is obliged to pay the outstanding amounts in accordance with the terms of sale contained in the bidding documents at the bidding session and before its end.

11.3.44. All amounts collected from the proceeds of the sale of bid documents for the sale of government real estate, confiscated insurance and the price of the sale of government real estate are deposited in the consolidated public account as a revenue.

Investment in government real estate

11.3.45. Every government entity that wishes to invest in the government properties allocated to it shall coordinate with the Government Lands Investment Committee by following the approved mechanism for offering properties on the Government Lands Investment Platform (see Appendix No. 4).

Leasing and utilizing government real estate

11.3.46. Government entities may, when needed, establish certain facilities or services within the real estate owned by the State as public property allocated to them, such as: restaurants, ATMs, special service devices, etc., in order to serve the real estate, employees, or those dealing with the government entity, provided that the contractual relationship between the government entity and the operators of these facilities is regulated through usufruct license contracts for a specified period, which explicitly stipulate the authority of the government entity to terminate the usufruct license at any time for the public interest, without this entailing any right to compensation, with notification to the Government Property Affairs Directorate of the contract, attaching a copy of the contract concluded in this regard.

11.3.47. The license to use state-owned real estate must not be for a purpose that is wholly public, or for an investment purpose, or for a purpose that conflicts with the original public benefit purpose of the real estate.

11.3.48. Leasing government real estate is subjected to the previsions of the law Decree No (36) of 2002 on organizing the tenders, auctions, purchases, and sales of the government states and its procedure's. Taking into account the mechanism for applying Article 4 of Decree No. (19) of 2002 on the disposal of privately owned land issued by Royal Order No. (35) of 2016, the relevant government entity must coordinate in advance with the Government Property Affairs Directorate for all lease contracts, whether new contracts or in the case of renewal or extension of existing contracts.

11.3.49. Each concerned government entity is responsible for the follow-up of collection for use and rental rents of rental properties required in accordance with its contracts, and in order to take all measures deemed appropriate in this regard by taking into account the provisions and procedures stipulated in the subsystem 'Revenue Collection' No. (4.3).

Determining the rental value of governmentreal estate

11.3.50. The usufruct or rental value must be estimated through coordination with one of the real estate appraisers accredited by the Real Estate Regulatory Authority.

11.3.51. All lease contracts must include a clause allowing for periodic review of the rent, according to the contract's duration and market rates.
11.3.52. The government entity must submit a request to obtain approval from the Public Revenue Policy Directorate at the Ministry of Finance and National Economy if the lease period exceeds four years, when requesting postponement or exemption from applying the review of the usage fee in cases where the contracts stipulate the mandatory increase in the usage fee.
11.3.53. The optimal and most economically and financially viable method must be chosen to offer vacant government real estate for use or rent, using one of the methods specified in the legislation on tenders and auctions and the decisions and circulars of the Tender Board issued in this regard.

Conservation of government real estate

Insurance of the Government real estate

11.3.54. All precautions and measures must be taken, and security and safety means must be provided to government facilities and real estate and the equipment and equipment it contains to protect it from damage and the risk of damage or destruction.
11.3.55. Government real estate is insured in accordance with the provisions and procedures specified in the subsystem 'Fixed Asset Insurance' No. (11.2), with the Accounts and Financial Systems Directorate and it must provide the Government Property Affairs Directorate with an updated annual list of insured government real estate.
11.3.56. In the event of any damage or destruction of uninsured government real estate, the relevant government entity must notify the Government Property Affairs Directorate immediately and take the necessary measures to determine the cause of the damage or death caused and the actions taken.

Removal of encroachment on government real estate

11.3.57. The government entity is responsible for controlling the government real estate allocated to it in order to prevent others from infringing on them, whether by occupying them without a permit, using them without a right or using them

without legal basis, in accordance with the Decision of the Council of Ministers No. (16-2064) of May 09, 2010.

11.3.58. In the case of infringement of government real estate allocated to it, the relevant government entity must notify the Government Property Affairs Directorate and take the necessary measures in coordination with the municipality concerned and the State Issues Authority of the Ministry of Justice, Islamic Affairs and Endowments, depending on the circumstances, to remove the infringement by friendly or legal means to ensure that the following is achieved:

A. Obliging the infringer to evacuate the real estate immediately.

B. Obliging the infringer if he has initiated any construction, demolition or other work to stop these works and return the real estate to the state it was in.

C. Returning the real estate to what it was at the expense of the infringer and without compensation.

D. Claim for damages resulting from trespassing on government real estate.

11.3.59. In the event that there is a dispute between two or more governmental entities over the ownership of one or more government real estate, its limits or the rights and powers imposed on it, the dispute shall be presented to the Legislation and Legal Opinion Commission after the approval of the Council of Ministers, and the decision of the Authority to decide the dispute is binding on all parties.

The responsibilities of the supervision of government real estate

11.3.60. The relevant government entity is responsible for the control, management and supervision of the government real estate allocated to it in accordance with the decision of the Council of Ministers No. (16-2064) issued in its 2064 session held on May 09, 2010, on the responsibility of supervising government property.

The Government Property Affairs Directorate

11.3.61. The Government Property Affairs Directorate is responsible for the following competences and responsibilities for the supervision of government real estate:

A. Keeping the central registry of government property and updating its data.

B. Coordinating with government entities on the application of general provisions and procedures contained in this system of the manual.

C. Coordinating with the Planning and Urban Development Authority to meet the needs of government entities of government real estate to be used in the implementation of current or future projects.

D. Developing the investment of government real estate through the optimal utilization of it and achieving the best return, and supporting the national economy in light of the Kingdom's economic vision.

E. Coordinating with government entities that supervise government allocated real estate, for exploitation or investment for social, industrial, educational, sports, housing, agricultural, marine or livestock, service projects, infrastructure or to establish various public facilities, and to determine the use or rental value of the government real estate.

G. Contracting and signing contracts for the use and lease of the real estate managed by them and collecting the rents due on it, registering and depositing them into the consolidated public account as a government revenue.

The Ministry of Industry and Commerce - Industry Affairs

11.3.62. The Industrial Districts Directorate at the Ministry of Industry and Commerce has the following responsibilities and competences for control of industrial zones:

A. Control and supervision of the management of government voucher and real estate in the industrial zones of the Ministry dedicated to industrial development

purposes in accordance with the provisions and general policies contained in this system of the Standard Financial Manual, and Decree Law No. (28) of 1999 regarding the establishment and organization of industrial zones, their executive regulations, and their amendments.

B. Coordinating with the competent government entities to identify and survey industrial areas.

C. Approval of the allocation and leasing of government voucher of real estate in industrial areas for industrial development purposes.

D. Approval of the allocation and leasing of government vouchers and real estate in industrial areas for use for commercial activities of a special nature, such as the construction of warehouses.

E. Concluding and signing contracts for leasing government vouchers and real estate in the industrial areas of the Ministry and ensuring that tenants do not violate the conditions and regulations specified by the Ministry of Industry and Commerce regarding the use of industrial zones.

F. Monitoring the collection of government vouchers and rents in industrial areas, receiving them and depositing the rents received into the government revenues account.

G. Keeping a register for tenants that includes voucher or rental real estate data, rental value and amounts received and due to each tenant.

H. Preparing periodic reports on government vouchers and real estate data leased in industrial areas, the value of rentals received and due, and sending a copy of these reports to the Government Property Affairs Directorate.

I. Provide the Government Property Affairs Directorate with a list of any new contract, renewal or extension of existing contracts during the fiscal year.

Government entities that allocate real estate

11.3.63. Government entities that allocate real estate are responsible for the following competences and responsibilities:

A. Control and supervision of the management of government real estate in the areas allocated for her , in accordance with the general provisions contained in this system of the Standard Financial Manual.

B. Concluding and signing the license to use or leases for government real estate allocated for her .

C. Follow-up the process of receiving rental rents of government leased real estate and making sure that they are registered and deposited in the bank into the government revenues account in accordance with the procedures followed.

D. Keeping a register of tenants that includes the leased real estate data, the use or rental value and the amounts received and due to each tenant.

E. Provide the Government Property Affairs Directorate with a list of real estate, rental government property data, and the value of rentals received and due annually.

F. Provide the Government Property Affairs Directorate with a list of of any new contract, renewal or extension of existing contracts during the fiscal year ,

The Planning and Urban Development Authority

11.3.64. The Planning and Urban Development Authority has the following competencies and responsibilities for the supervision and supervision of government real estate:

A. To ensure that government real estate does not conflict with the strategic national plan.

B. Ensure that the status of government real estate does not conflict with the approved plan for the region and does not conflict with the approved classification of real estate use in the region.

C. Coordination with the Government Property Affairs Directorate on the cancellation of real estate documents that cannot be exploited because it conflicts with infrastructure services or for planning reasons.

The Ministry of Housing and Urban Planning

11.3.65. The Ministry of Housing and Urban Planning assumes the following responsibilities and jurisdictions for control of government real estate allocated to housing projects, by decree of Law No. (10) of 1976 on housing and its amendments:

A. Control and supervision of real estate allocated to major housing projects in the government, including government real estate that are part of the activities of the Housing Bank, in coordination with the Government Property Affairs Directorate.

B. Concluding and signing contracts for the development of government real estate in cooperation with the private sector to provide housing services, after obtaining the approval of MOFNE.

Maintenance and out-fit of government buildings

11.3.66. The concerned government entities must notify the Government Property Affairs Directorate before commencing any maintenance work on government buildings and after completing them.

11.3.67. Government entities must obtain prior approval from the Ministry of Works to conclude or renew contracts for the maintenance of government buildings, 90 days prior to the date of the contract's validity or renewal.

11.3.68. All maintenance work on government buildings (regardless of type) must be carried out by contractors already accredited by the Ministry of Works.

11.3.69. All government entities must commit to carrying out all planned maintenance work in accordance with the approved maintenance plan when making budget estimates.

11.3.70. Government entities must provide the Government Property Affairs Directorate and a copy to the Financial System Development Directorate with detailed and updated data for the maintenance (planned and executed) of its State-owned buildings, at least semi-annually, according to the form described in

the annexes 'Building Maintenance Details Model' or any additional data requested by the mentioned directorate, as follows:

A. The government entity overseeing the building provides data on maintenance directly carried out by the government entity.

B. The Building Maintenance Directorate in the Ministry of Works provides data on all building maintenance work carried out or supervised by them.

Unplanned (emergency) maintenance work

11.3.71. Emergency maintenance works are spent from the budget allocated for this purpose, which amounts to 15% of the total maintenance budget of the government entity.

11.3.72. The Central Efficiency Directorate may approve the request for maintenance of government buildings as emergency expenses, if they fall under any of the following categories:

List of emergency and urgent maintenance work	
Civil workers	1. Cracks in the structural structure. 2. Cracks in the walls of buildings. 3. Damage to the staircases and the wall of the corridors. 4. Damage to the stairs. 5. Damage to the slopes of the disabled. 6. Damage to septic tank covers and sewer holes. 7. Leaks in water extensions and blockages of sewage lines. 8. Severe damage to floor tiles. 9. Other elements that pose a threat to health, safety and the environment.
	1. Leaks in water extensions. 2. Breakdowns in water pumps.

Mechanical works	3. Damage to water tanks (cracks or leaks from the tank). 4.Interruption in the water source. 5. Floods in water tanks. 6. Breakdowns in ventilation systems. 7. Other elements that pose a threat to health, safety and the environment.
Electrical works	1.Power outages. 2. Failures in the protection switches from the current leak to the grounding wire. 3. Breakdowns in the main and sub power distribution panels. 4. High temperature and loosening of the bolts with the electricity distribution plate. 5. Malfunctions in suspended external light bulbs. 6.Break in the power sockets, lighting switches, air conditioners and water heaters which leads to the detection of live electrical wires. 7.Damage or cut in live electrical wiring. 8. Loss of lighting lamp covers. 9. Other elements that pose a threat to health, safety and the environment.

Security, safety, energy and the environment

11.3.73. Government entities must take into account the conditions relating to security, safety, environmental conservation and energy conservation issued by

the competent government entities, when equipping government offices or facilities, and these conditions are included in the tender documents and procurement contracts concluded with government office providers as much as possible, for example:

A. Standards and conditions for environmental conservation specified by the Supreme Environment Council.

B. Safety conditions issued by the Civil Defence Council.

C. Instructions of the Civil Service Bureau on the regulation of occupational safety and health in government entities.

D. Energy conservation conditions and regulations issued by the Electricity and Water Authority.

E. Building conditions issued by the Ministry of Works.

Various provisions

Survey work on government real estate

11.3.74. The government entity concerned must submit survey requests to the Government Property Affairs Directorate in cases where a survey certificate is required. Provided that the relevant government entity coordinates with one of the engineering offices accredited by the Survey and Land Registration Bureau to survey the required sites, in accordance with the circular issued by His Excellency the Deputy Prime Minister No. (01) of 2023, regarding the implementation of the committee's decision. Ministerial for Development Projects and Infrastructure No. (2 - 181/2023) issued at its meeting held on March 15, 2023, regarding transferring government cadastral transactions and private sector transactions to accredited private cadastral offices.

11.3.75. If the government property is to be included in the strategic projects, the relevant government entity will coordinate with the Planning and Urban Development Authority to obtain the necessary approvals for the project, including the survey certificate for the real estate.

Purchase of real estate

11.3.76. The government entity may purchase private real estate for private use purposes both inside and outside the country, with the approval of the Prime Minister, and in accordance with the provisions of Decree No. (36) of 2002 on the organization of tenders, auctions, purchases, government sales and its executive regulations, and the relevant government entity must coordinate with the Government Property Affairs Directorate in this regard, to find out the availability of government real estate that can be allocated for the desired purpose.

Assessment of government real estate

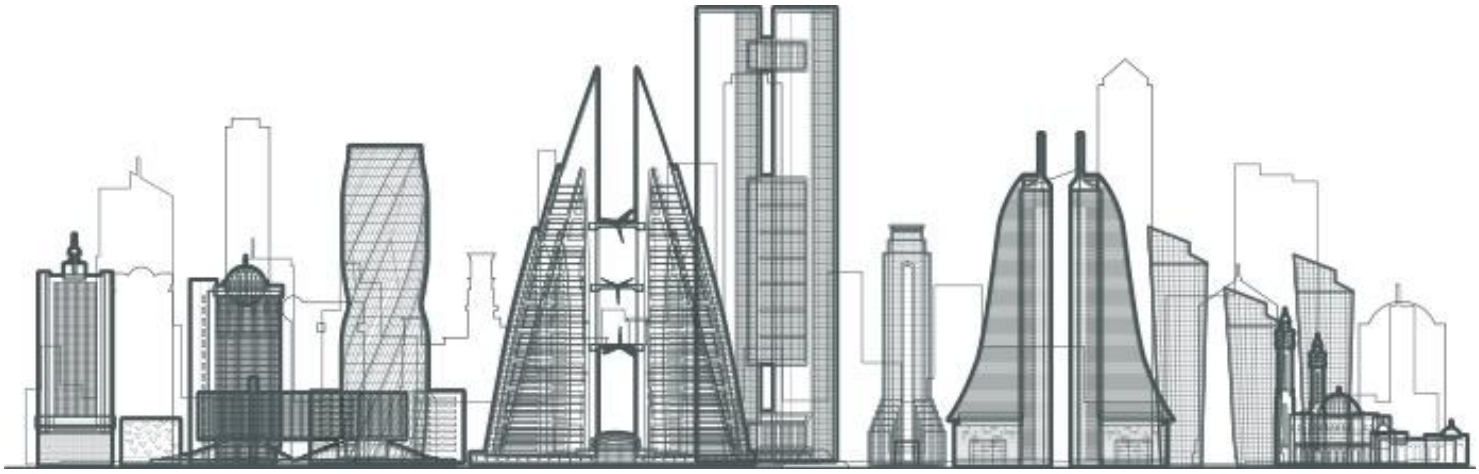
11.3.77. If the government entity wishes to evaluate or asses the government real estate allocated to it, it may use the data contained in the (Aqari) platform or one of the real estate evaluators registered with the Real Estate Regulatory Authority, If it does not have the necessary specializations for evaluation.

11.4. Annexes

1 - Model Details of Building Maintenance

الرقم التسلسلي	بيانات المبنى Building Information							عنوان المبنى Building Address					بيانات الملكية Ownership Information				بيانات الشخص المعني بالصيانة Person In Charge Information			ملاحظات عامة
	أسم المبنى	المساحة الكلية للمبنى	عدد المباني ضمن العقار	سنة البناء	تكلفة البناء	سنة اخر صيانة شاملة للمبنى	تكلفة الصيانة	رقم المبنى	رقم الطريق	رقم المجمع	الموقع	المحافظة	رقم الوثيقة	رقم المقدمة	رقم العقار	أسم المالك	أسم الشخص	رقم التواصل	عنوان البريد الإلكتروني	
NO.	Build. Name	Build. Total Area	No. of Units	Built year	Built Cost	Last Maint. Year	Maint. Cost	Build. No.	Road No.	Block No.	Location	Govern.	Title Deed	Case No.	Parcel No.	Owner Name	Person Name	Tel. No.	E-mail Address	General Comments
1																				
2																				
3																				
4																				
5																				

12. Auditing, Irregularities and Financial Violations



General Description of the System		
Coverage	The provisions and procedures relating to financial reviewing, auditing, irregularities and financial violations	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Office of Legal Affairs	Providing legal advice on the validity of procedures related to financial irregularities
	Audit and Communication Directorate	Receiving violations and financial crimes from government entities, and classifying cases related to financial violations, and submitting the necessary reports on them.

12.1. Auditing

General Provisions

12.1.1. The Financial Resources Directorate in the government entity is responsible for coordinating with the administrative organization responsible for internal auditing, as approved by the competent authority, to assist in the external audit procedures on the accounts.

12.1.2. All relevant directorates in the government entities must have the obligation to provide the required data to the auditors, to carry out internal audit works, which shall include but it is not limited to the following:

A. Meet to provide an overview of your operations.

B. Discuss risks and internal controls

C. Explain specific processes and systems

D. Provide copies of internal documents.

E. Show supporting documentation related to different financial transactions; and

12.1.3. All Directorates must liaise with the external auditors through the Directorate responsible for Internal Audit in the Government Entity.

12.1.4. The Directorate responsible for Internal Audit in the government entity's must be involved from the beginning of the external audit process, including participation in the audit opening and closing meetings, and all discussions held with the auditors before the final report is issued.

12.1.5. It is the responsibility of each Director within a Government Entity to monitor corrective action in efforts to ensure that audit comments and recommendations are resolved on a timely basis within their jurisdiction and in an appropriate manner. Specialized resources from the Directorate responsible for Internal Audit may be used to provide special focus reviews or to expand the scope of planned review in areas where there may be a need for additional controls due to existing operating weaknesses.

12.1.6. Authorized auditors shall have at any time during the course of the audit, the right of access to all books, registers and documents, and of requesting any details deemed necessary.
12.1.7. Auditors have unrestricted access to those within the Government Entity if the auditor determines it necessary to obtain audit evidence objectivity.
12.1.8. Concerns raised in the "Professional Opinion on the Final Account" letter must be reviewed by the respective Directorate, and the necessary responses and clarifications must be provided. An agreed-on action plan must be set and regularly followed up on.
12.1.9. The accounts of each government entity must be audited either by the National Audit Office or by other external auditors for government entities that are not subject to the audit scope of the National Audit Office.

Audit File and Documentation

12.1.10. The Finance Directorate (or equivalent) must ensure that all financial reports are prepared on time to enable auditors to review and audit them.
12.1.11. An audit file must be maintained and regularly updated by the Finance Directorate in Government Entities. The audit file must include at a minimum the following documents:

1. Monthly closing statements.
2. Annual final account.
3. Fixed asset register.
4. List of authorized signatories and the date of authority.
5. Monthly trial balance.
6. Reconciliation statements for:
7. Bank and cash accounts.
8. Payables accounts; and,
9. Receivables accounts.
10. Ageing records for both receivables and payables.
11. Suspense accounts; and,

12. Last two-year audit report, representation and management letters, highlighting the progress of the Government Entity's Directorates against all the action points.

Procedures

12.1.12. Audit procedures on government accounts are carried out as follows:

A. The audit cycle begins when the government entity sends the final account to external auditors.

B. Each government entity prepares a file for audit and submits it to the auditors at the start of the audit cycle.

C. After auditing, the Finance Director receives audited statements for review and, if necessary, notes are made on the adjustments that must be made that arise from the audit.

D. The letter of representation, prepared by the auditor, is sent to the relevant directorate for review and comment.

E. Approval is obtained to make the necessary adjustments to the final accounts. Any required adjustments are made after checking the accounts in the system (including passing adjustment journal entries in the general ledger and modifying individual and consolidated accounts).

F. At the end of all the adjustments, the government entity receives the following from the external auditors:

1. The audited final account of the government entity.

2. Professional opinion letter on the final account.

G. The government entity reviews the financial statements and ensures that all financial statements are presented appropriately and consistently with previous years and are in line with the accounting policies in place and have been independently reviewed.

H. The government entity's audited final accounts are sent to MOFNE within three months of the end of the fiscal year.

12.2 Financial irregularities and crimes

Introduction

12.2.1. This system aims to develop a procedural manual for government entities to deal with financial irregularities and crimes, in accordance with the provisions of the applicable legislation, and to establish follow-up and correction procedures with a view to addressing the effects of financial irregularities and crimes and reducing their recurrence.

12.2.2. For the purposes of applying the provisions of this system of the Manual, the following terms mean what is explained, unless the context of the text is otherwise stated:

A. **Financial irregularities:** Any intentional miss behavior or negligence entails that amount are spent of state funds or entities controlled by the National Audit Office, or the loss of a financial right, or the infringing interest of its financial interests, or delays in the completion of construction projects, in particular the violation of the rules, provisions and financial procedures stipulated in the Constitution, laws, resolutions, regulations especially those contained in the

1. Articles (107, 108, 109, 110, 111, 112, 113, 114, 117, 119) of the Constitution.

2. Budget Law

3. Central Bank of Bahrain Law

4. Tenders Law

5. State Budget Law.

6. Standard Financial Manual.

7. Circulars of the implementation and preparation of the budget and final account issued by MOFNE.

Examples of financial irregularities:

1. Violation of the provisions relating to the preparation and implementation of the state budget and the budgets attached to or independent of it, as well as the

budgets of other entities under the control of the National Audit Office, or those whose funds are public funds or in their judgment.

2. Violation of the provisions relating to the preparation of the final account of government Entities that are within the general budget of the state or attached to it or independent of it, as well as the budgets of other entities controlled by the National Audit Office, and those whose funds are public funds or in their judgment.

3. Embezzlement of funds under the control of the National Audit Office.

4. Violation of the provisions of the Tenders Law and rules and procedures for purchases and sales and stores affairs, as well as all applicable financial and accounting rules, procedures and regulations.

5. To be associated with expenses that are not necessary or not required by the public interest.

The financial irregularities are considered to be the following:

1. Not providing The National Audit Office or MOFNE with the accounts and documents supporting them on time or with the papers, documents or other documents requested by either of them in order to carry out their supervision.

2. Not providing MOFNE is not provided with the required reports in accordance with the provisions of the Budget Law.

3. Any conduct, negligence or concealment of information would hinder the National Audit Office or MOFNE from fully conducting their supervisory functions.

4. presenting the National Audit Office or MOFNE with incorrect data, papers or documents.

5. Where ever The entities under the control of the National Audit Office Supervision or whose funds are public funds or in their judgment shall not take the necessary measures to collect the amounts that have been lost or improperly disbursed or that have been earned and neglected in their collection, within one

month of the date they are informed by the National Audit office or by MOFNE, or from the date they verify the maturity of these amounts.

6. Not taking the actions provided for in this system.

B. Financial crimes: Any crime that involves the use of public money and is punishable by a criminal penalty mentioned in any of the applicable legislation, including examples of financial crimes:

1. Embezzlement of any public servant or public service person for any funds or papers - whether the embezzlement with the intention of possession, use, or otherwise - found in his possession because of his job, especially if the employee is a collection commissioner or his delegates or trustees of deposits or money changers and handed over to him the money or papers as such.

2. Any public servant or public service person shall use his or her function to seize, whether it is the seizure with the intention of ownership, use, or otherwise, without the right to the state's or one of the governmental entities mentioned in the public servant's definition of financial crimes.

3. Any public servant or public service person who is responsible for collecting fees, fines, returns, taxes or so on request or take what is not due or overdue with his knowledge.

4. Any public servant or public service person who has employed workers in the work of the State or to one of the government entities mentioned in the mentioned definition of the public servant in the scope of financial crimes is forced or unjustifiably detained their wages or some of them.

5. Any public servant or public service person entrusted with maintaining the interest of the State or one of the mentioned entities by defining the public servant in the scope of financial crimes in a transaction, operation or case and deliberately harming this interest in order to gain profit for himself or others.

6. Any public servant or public service person who has caused the error of causing serious harm to the amount of his duties is required to maintain it.

C. Public servant in the scope of financial crimes:

1. Public authority officers, employees of government ministries and interests and local administration units.

2. Members of the armed forces.

3. Members of councils and units that have a general representative status, whether elected or appointed.

4. Anyone who has been authorized by a public authority to carry out a particular work within the limits of the work delegated to him.

5. Presidents and members of the boards of directors, directors and other employees of public bodies and institutions.

6. Presidents and members of the boards of directors, directors and other employees of the subordinate units' public bodies and institutions.

Whether the employment or service is permanent or temporary in full or non-paid, voluntary or involuntary, and the termination of the post or service does not prevent the application of the provisions of this system when the financial crime occurs while the status is available.

D. The competent authority: the competent minister or the head of the competent government entity or whom he chooses to delegate on his behalf of the senior positions.

E. Senior positions: Positions appointed by decree or decision of the Prime Minister, or whom in his judgment and other functions determined by a decision of the Prime Minister, in accordance with the Civil Service Law.

F. The Commission of Inquiry: The commission formed to investigate cases of irregularities and financial crimes in accordance with the provisions of this system.

G. General Directorate for Combating Corruption: The General Directorate for Combating Corruption and Economic and Electronic Security at the Ministry of Interior.

H. The competent authorities: The General Directorate of Anti-Corruption or the Public Prosecution, depending on the circumstances.

Report financial irregularities and crimes

12.2.3. Government entities must report financial irregularities and crimes in accordance with the provisions and procedures outlined in this system, to protect public funds, combat financial and administrative corruption, and achieve administrative and financial integrity.

12.2.4. The competent authority in each government entity must issue a decision to allocate a box or any other appropriate arrangement to receive complaints and reports of financial irregularities and crimes in the government entity, in order to ensure the confidentiality and protection of the complainant's person or the person who comes forward, and the decision issued must determines an employee or administrative unit He/she has no direct or indirect relationship with the financial affairs and control of the assets of the government entity, and he/she is responsible for the following:

A. Receipt of reports of violations and financial crimes, and referral to the competent authority in the government entity.

B. Inform the concerned authorities outside the government entity when a serious suspicion of a financial violation or crime is discovered, after obtaining approval of the competent authority.

C. Followup the implementation of the government entity's corrective measures for financial violations or crimes and improve internal control and notify the National Audit Office of these procedures and their results.

D. Keeping a record-to-record cases of financial irregularities and crimes and keeping all relevant documents and decisions.

12.2.5. The Audit and Communication Directorate must be provided with a copy of the decision issued by the competent authority referred to in paragraph (12.2.4) to receive complaints and reports, and any changes made in this regard.

The discovery of financial irregularities and crimes

12.2.6. Government entities must take the measures provided in this subsystem as soon as a financial violation or crime is discovered, by any means, in particular:

A. Report of the National Audit Office.

B. Representatives Council.

C. Various media.

D. Internal or external control reports.

12.2.7. If the Directorate concerned at MOFNE finds or suspects a financial violation or a crime from examining the received paper or electronic financial transactions from the government entities, it must suspend the procedures, close the transaction register and return the documents to the relevant government entity to take action.

12.2.8. Once there is a serious suspicion of a financial violation or crime, Government Entities must take the following measures:

A. Inform the Audit and Communication Directorate at MOFNE and those concerned in the National Audit Office.

B. Provide the National Audit Office with a report on the suspicion of violation or financial crime with copies of the documents supporting it within a maximum of seven days from the date of its discovery, and a copy of what has been submitted to the Audit and Communication Directorate at the Ministry of Finance and The National Economy.

C. Take the necessary measures to refer the subject and all related documents to a commission of inquiry, in accordance with the terms and conditions of this system, taking into account the provisions of the holders of senior positions.

12.2.9. Disciplinary accountability procedures must be initiated within three months of the date of their immediate superior's knowledge of the financial violation, or one year from the date of the violation, whichever is earlier, otherwise the right to disciplinary accountability of the staff member is dropped, the period referred to by any investigation procedure is interrupted, the period is

suspended from the last procedure, and if the staff contributing to the violation are numerous, the interruption of the period for one of them will result in a break for the remaining persons, even if the proceedings have not been taken for a conclusive period.

12.2.10. The three-month period referred to in paragraph (12.2.9) is not included in the following cases:

A. There is a kinship between the employee and his immediate superior.

B. The direct president shall be an actor or contributor to the employee in the commission of the financial violation, by instigating, agreeing or assisting.

C. The financial violation has caused serious material and moral damage to others.

12.2.11. Taking into account the provisions for the holders of senior positions, taking the measures referred to in this subsystem on referral to the Commission of Inquiry is mandatory for financial irregularities that are definitively referred to in the annual report issued by the National Audit Office, and financial irregularities detected and transmitted to the government by MOFNE.

12.2.12. If it arises from the act that is the component of the financial violation itself, the right to impose a disciplinary penalty is not waived until the criminal proceedings have expired in accordance with the provisions of the Code of Criminal Procedure.

12.2.13. The competent authority may decide to suspend the employee from his or her full employment, for a period of not more than six months, with the payment of salary during the period of suspension, if required in accordance with the following regulations:

A. The employee shall be notified of the decision to suspend work as soon as it is issued.

B. The employee must sign the notification, and in the event that the employee refuses to sign the notification, the notification authority must prove the employee's refusal to sign and place the stamp of the competent authority, in which case the employee shall be legally notified.

Referral to the investigation and the formation of the commission of inquiry

12.2.14. The competent authority in the government entity shall issue a decision to set up a commission of inquiry into the violation, and to refer the officials charged with committing the offence or financial crime of investigation, if they are not holders of senior positions.

12.2.15. Taking into account the provisions of the holders of senior positions, the composition of the Committee must take into account the following regulations:

A. The composition of the commission of inquiry shall be from at least one president and two other members, experienced, competent, impartial and non-poisonous.

B. Among the members of the commission of inquiry must be a member of the financial affairs team nominated by MOFNE, and a member of the legal affairs, and representatives may be hired from the Civil Service Bureau.

C. The position of the chairman of the committee shall not be less than that of the head of the department and his degree and the degree of the members of the committee shall be higher than that of the staff member referred for investigation or its level.

D. The chairman or members of the committee shall not be the direct director or head of the employee referred for investigation or related to it.

Procedures and controls of the commission of inquiry

12.2.16. The commission of inquiry should investigate the financial irregularities attributed to the employee or the officials charged with the financial irregularity, taking into account the financial irregularity of all those who committed it, and all those who contributed to it by any means of participation, whether by incitement, agreement or assistance, as well as those who are lax in reporting them or covering up the perpetrators in any way, taking into account the responsibility of the superiors within the framework of the limits of supervisory responsibility, all of this. Without violating the civil or criminal liability of the employee if necessary.

12.2.17. Taking into account the provisions for senior position holders, the Commission of Inquiry takes into account the following:

A. The investigation of the employee shall not begin until after he has been notified in writing of the decision to refer him to the investigation or to order an investigation within fifteen days from the date of his referral to the investigation.

B. Ensure that all financial transactions related to the financial violation are stopped during the investigation period.

C. The right of the employee referred to the investigation to see the investigation procedures and all the relevant papers, and to obtain a copy of these papers.

D. Suspending the financial authorities of employees whose work is linked to the financial transaction under investigation.

E. Begin investigation proceedings within 15 days of the date of referral to the investigation.

F. Listen to any mitigating circumstances or reasons that the staff member wishes to make before preparing the recommendation and presenting it to the competent authority.

G. The investigation must be completed within one month at most of the start of the investigation, including the reasons for the financial violation, a perception of treatment and development solutions if possible.

H. Comply with all other investigative procedures and controls established in the Civil Service Law.

12.2.18. If the investigation of the employee accused of wrongdoing is initiated, the termination of the employee's service for any reason other than death does not prevent the completion of the investigation and his disciplinary sanctions for the offences attributed to him. If the financial violation results in the loss of one of the financial rights established in favour of the Public Treasury, the investigation procedures may be taken and the employee is held liable disciplinarily, even if the investigation has not commenced before the end of the service, up to five years from the expiry date of the service, in which case a fine

may be imposed not exceeding five times. The salary he received per month at the end of his service, provided he is found guilty.

Recommendations of the Commission of Inquiry

12.2.19. Upon completion of the investigation, the Commission of Inquiry must submit its recommendations to the competent authority within 10 days from the end of the investigation, including:

A. Recommendation to terminate the investigation for one of the following reasons:

1. Untruth, if the attributable act is not proven.

2. Not to violate, if the alleged act is proven, but this act does not constitute a financial violation.

3. In the absence of importance, if the attributable act is proven, and the financial violation is proven, but the financial violation does not result in any material or financial damage or the loss of any government right, in which case the Committee should propose the means or controls not to repeat the financial violation.

4. Insufficient evidence, in the case of insufficient evidence available to establish evidence of the authenticity or attribution of the act to the employee.

5. The right to disciplinary accountability or the right to impose disciplinary sanctions is dropped.

B. Recommending that the employee be punished appropriately from the disciplinary sanctions specified in the Executive Regulations of the Civil Service Law, in the event that the act is proven, and the financial violation is proven.

C. Recommendation to inform the competent authorities if the commission considers that the facts attributed to the employee constitute a financial violation and that there is evidence that the staff member committed this financial crime,

however, the Committee may be satisfied with the deterrent effect of disciplinary sanctions, given the limited gravity of the offence attributed, or the lack of the element of intent.

D. It is permissible to recommend the removal of the employee from financial affairs.

E. It is permissible to recommend that the employee compensate for any damage caused to public property if necessary.

F. Corrective action may be recommended to prevent the recurrence of a financial violation or crime in the future.

12.2.20. In preparing its recommendations, the Commission of Inquiry must take into account the following:

A. Past financial irregularities attributed to the employee, its frequency and severity.

B. The nature and consequences of the material damages resulting from the financial violation.

C. Misunderstanding or appreciation in relation to the commission of a financial violation.

D. The extent to which a cover-up or participation in the commission of a financial violation by agreement, assistance or incitement.

E. The discoverer of the financial violation (personal violation, regulatory body, etc.) and the time of proof of the financial violation.

F. The employee's ability to control the events that led to the financial violation.

G. The availability of the element of intentionality or misdeeds in the commission of the financial offense.

H. The extent to which there are guided and corrective financial measures that have been taken in the past on the subject of financial violations to prevent it

from occurring or repeating it by the governmental entity or the heads of the employees.

I. The material and moral cost of replacing the employee with another, in the case of recommending dismissal.

J. Gradual sanctions.

12.2.21. Taking into account the provisions of the holders of senior positions, the Commission of Inquiry shall submit its recommendations to the competent authority of the person to which the staff member belongs, to issue a reasoned decision within 15 days from the date of the commission of inquiry making its recommendations to him, one of the following:

A. Return the investigation report to the Committee if it deems the penalty to be tightened.

B. Supporting, repealing or amending the committee's recommendations.

12.2.22. If the recommendation of the Commission of Inquiry is to sign the penalty for the dismissal of the employee from service, it must be referred from the competent authority to a disciplinary board formed by the decision of the Head of the Civil Service bureau, and the decision to refer to the Disciplinary Board must include a specific statement of the acts attributed to the employee, in accordance with the rules and procedures referred to in the Civil Service Law.

The decision of the competent authority on the financial violation

12.2.23. The Financial and Administrative Control Authority must be informed of the decision issued in relation to the financial violation by the competent authority, before notifying the employee or implementing the decision, whether that decision is to save the investigation, sign the penalty or inform the competent authorities, provided that the reporting shall be accompanied by the records of the investigation and other related papers and documents, no later than seven days after the date of the decision.

12.2.24. If the National Audit Office finds from examining the papers, if the decision to keep the matter correct, or that the penalty imposed on the violator is

not commensurate with the financial violation committed, the Chief of The office shall return the papers to the issuer within 15 days of the date of receipt of the order, requesting it to reconsider the matter, either by rewarding the violator if the decision is issued for preservation, by tightening the penalty signed in proportion to the violation referred to, or the period of passage. Without a response from the National Audit Office as tacit approval of the content of the decision.

12.2.25. In the case of the National Audit Office requests a review of the matter or the severity of the penalty, the government entity concerned must decide on the request of the Office within seven days at the time of receipt of the returned papers, and the relevant government entity may not violate the directives of the Office except by reason-based decision based on new facts or evidence that were not under the attention of the Office.

12.2.26. In all cases, the relevant governmental entity shall notify the Audit and Communication Directorate at MOFNE of the decision on the financial violation and provide it with any other statements or documents relating to the financial violation requested by that department.

12.2.27. In the event that a decision is issued to convict the employee and to impose a penalty for a financial violation, the relevant government entity must notify the State Case Authority, if necessary, to take legal action to recover the rights and the funds that have been unlawfully disbursed, whether these amounts have been disbursed to the offending employee or others.

Conduct in the event of evidence of financial crimes

12.2.28. If the competent authority finds that the facts of the violation attributed to the employee constitute financial violence, either prior to the investigation or on the recommendation of the commission of inquiry, and there is serious evidence that the employee committed these facts, and the disciplinary sanction is not sufficient to achieve sufficient deterrence, the following measures must be taken:

A. A decision must be issued to inform the competent authorities.

B. Suspend administrative investigations, if they have begun, in the relevant facts until the financial crime has been adjudicated.

C. Referring the entire file to the relevant authorities.

D. Notify the National Audit Office and the Audit and Communication Directorate at the Ministry of Finance and The National Economy of the decision issued to inform the competent authorities.

12.2.29. Despite the above, if the financial violation attributed to the employee represents a serious violation of the requirements of the duty of employment, and the evidence of the employee committing it is conclusive, the government entity may continue to hold the employee disciplined in parallel with the referral of the matter to the competent authorities or criminal trial.

12.2.30. If the issue of the violation is referred to the General Directorate Anti-Corruption, the government entity must cooperate with this directorate and provide it with the documents, and information it needs, and follow up on its decision.

12.2.31. If the General Directorate Anti- Corruption refers the matter to the Public Prosecution for serious evidence of the commission of a financial crime, the relevant government entity should follow up on the investigations before the Public Prosecution, cooperate with it in all the documents and information it needs, and follow up on the decision issued by the Prosecution.

12.2.32. If the General Directorate of Anti-Corruption or the Public Prosecution ends up terminating the investigation or that there is no lawsuit is being filed, the relevant government entity must continue the administrative investigation, and this decision does not prevent the employee from imposing the appropriate sanction if necessary.

12.2.33. The competent authority may suspend the employee from work if he or she is referred for criminal investigation or during a criminal trial for six months with full pay during the suspension period, if it is in the interest of the investigation or work, or to prevent the employee from influencing witnesses or evidence.

12.2.34. At least two weeks before the end of the suspension period and not more than one month, the order is submitted to the competent authority to consider the extension of the suspension, and the suspension may be extended for other similar periods if the reasons for the suspension continue, or the necessity required by the labour authority.
12.2.35. If the Public Prosecution decides to remand the employee in custody, he is considered suspended for the duration of his imprisonment and suspends half of his salary, and after the end of the prison he shall be paid if the investigation is kept, or the court sentences him to his innocence.
12.2.36. If the Public Prosecution refers the financial crime to the Criminal Court for serious evidence of the commission of a financial crime, the relevant government entity must notify the State Case Service to follow up on the trial and take civil prosecution proceedings if the case so requires.
12.2.37. The government entity, in coordination with the State Cases Service, must follow up on the criminal court's ruling on financial crime and then complete the administrative investigation into the disciplinary section based on the final judgment of the criminal case, whatever its content.
12.2.38. The decision of the Criminal Court of Acquittal does not prevent the re-examination of the disciplinary part and the appropriate punishment for the employee, if necessary, unless the sentence issued on the objective innocence establishes that the employee did not commit the act attributed to him, within the limits of the facts that the judge has established that the employee did not commit it.
12.2.39. If the final conviction of the employee for the financial violation is handed down, the Commission of Inquiry recommends that the appropriate penalty be imposed only in the disciplinary aspect, and the Commission may not re-investigate the extent of the criminal verdict that has been established by convicting the employee.
12.2.40. If the court's conviction includes the imprisonment of the employee, the employee is deemed suspended from his job and deprived of his salary, and the competent authority may agree at the request of the employee or his family to agree to pay his salary to his family, which he or she receives if the period of imprisonment exceeds three months, provided that his pension benefits are

sufficient to cover the amount spent, in which case the amounts spent are deducted from his pension benefits upon retirement.

12.2.41. The competent authority may return the employee to his or her post after the expiry of his or her term of imprisonment, if disciplinary accountability procedures do not end until his dismissal, in which case his removal from financial affairs must be considered.

12.2.42. In any case, the government entity must notify the Audit and Communication Directorate at the Ministry of Finance and the National Economy of the final outcome, regarding the conduct of the competent authorities or the court in the matter of financial crime.

Provisions for senior positions

12.2.43. If the employee accused of the violation or financial crime is a high-ranking official, a report on the facts and acts attributed to him and the evidence supporting the charge must be presented to the competent authority to present it to the Office of the Prime Minister, to issue his decision to refer the staff member to the investigation, to inform the competent authorities or to keep the matter on the case.

12.2.44. The investigation of the holders of senior positions shall be carried out by a special disciplinary committee or by the competent authority of his employer in accordance with the provisions and controls specified in the referral decision for investigation.

12.2.45. The decision to transfer a senior position employee for investigation must include a statement of the facts and acts that constitute the financial irregularities against him, and the evidence supporting the charge and inform the officer referred in a manner that is not insignificant of this decision at least 15 days prior to the date of the investigation.

12.2.46. The Commission of Inquiry on Senior position employees is committed to the same general controls as the commissions of inquiry on non-senior employees.

12.2.47. Suspension and disciplinary sanctions against senior office holders shall be decided by the Prime Minister.

12.2.48. Excluding supervisory liability, if the violation or financial crime is indivisible and the number of employees contributing to it, they are dealt with in accordance with the procedures and provisions of the highest level of employment.

Corrective action

12.2.49. Within one month of the date of the proof of the violation or financial crime, the relevant government entity must take the necessary measures to correct the irregularities and financial crimes and collect the amounts that have been improperly disbursed or that have been earned and neglected in their collection, by themselves or by informing the State Case Authority to take appropriate legal action, and notifying the National Audit Office and the Audit and Communication Directorate at MOFNE as a result of the corrective actions taken.

12.2.50. The Audit and Communication Directorate studies and analyses cases of irregularities and financial crimes received from government entities.

12.2.51. The Minister of Finance and National Economy, if he considers it feasible, may appoint, after coordination with the competent authority, a competent official as a financial controller in the government entity, and the Minister of Finance and National Economy shall determine his terms of reference and functions.

12.2.52. If the frequency of financial irregularities and crimes in a government entity is found to be repeated or serious, radical solutions to prevent their recurrence are required, and it is not feasible to appoint a financial controller, which shall be submitted to the Council of Ministers to take what it deems appropriate, as follows:

A. The formation of an independent commission, including financial and legal elements, to consider these irregularities and financial crimes, and to develop the necessary measures to correct them and prevent them in the future, which may include:

1. Review the structure of the financial affairs of the government entity concerned.

2. Control their financial behavior.

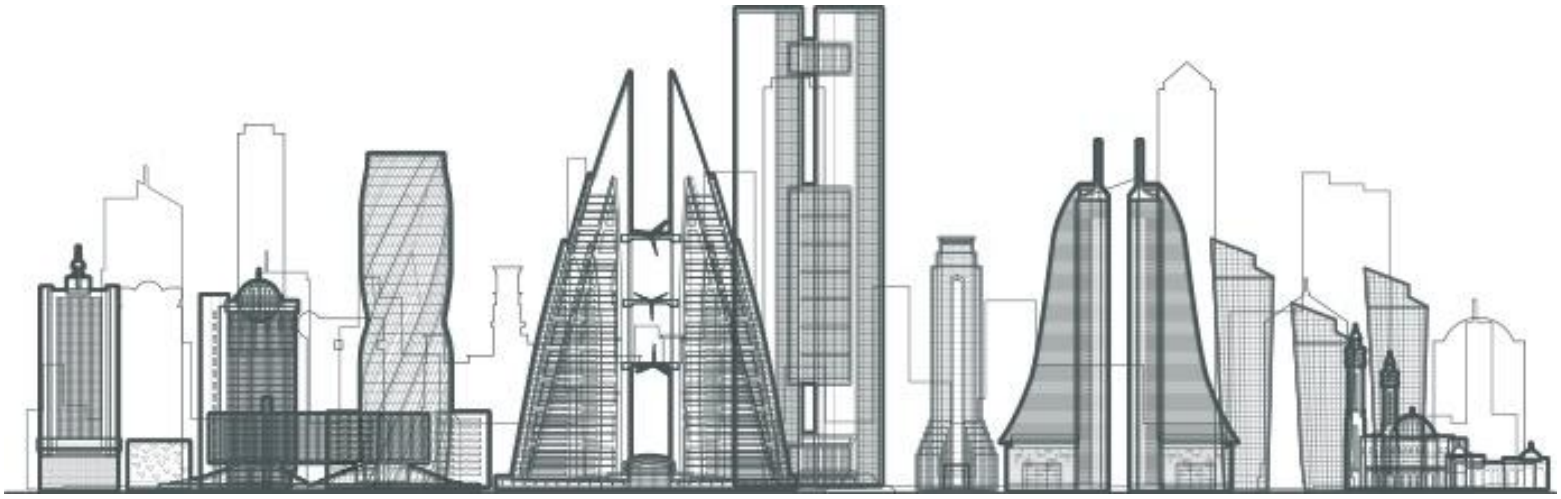
3. Take necessary measures to collect and recover the amounts that have been lost or improperly spent or that have been earned and neglected in collecting them.

4. Propose to amend existing financial procedures, regulations or legislation to fill gaps that have caused financial irregularities or crimes

5. Save the subject, with the alert to the competent authority to take the necessary.

12.2.53. The Audit and Communication Directorate at MOFNE and the ministry concerned must keep a classified record to record cases of financial irregularities and crimes, and to keep all relevant documents and decisions.

13. Miscellaneous Systems



General Description of the System		
Coverage	This system regulates the provisions and control procedures on topics that cannot be classified under a specific system of this manual	
Directorates supervising the main operations of this system	**Directorate**	**Responsibility**
	Different Directorates	Depending on the nature of each topic classified under this System.

13.1. Government attachés

General provisions

13.1.1. Financial transactions of government attaché are subject to the supervision of the government entity in which it follows.

13.1.2. The Attaché must abide by the application of the provisions and procedures contained in the laws issued, and apply the regulations of this Manual unless this subsystem specifies other provisions or procedures for overseas missions, and if it is not possible or impractical to apply these regulations, the Mission applies the instructions specified by the government entity supervising it.

13.1.3. The Head of the Attaché is responsible for ensuring that the staff of the attaché are committed to applying the provisions and procedures contained in this subsystem.

Budget control

13.1.4. The Financial Resources Directorate or whom in its judgment must coordinate with the Attaché to assess its financial needs within the annual budget, and notify the attaché at the beginning of each fiscal year of the budget allocations allocated to it within the general budget.

13.1.5. The Attaché is responsible for controlling the disbursement of the funds allocated to it, and implementing procedures that include:

A. Complying with the specific provisions and procedures within this system.

B. Spending within the approved budget.

C. Not spending from the budget for purposes other than those designated for it.

D. Charging the expenditure to the appropriate budget codes.

E. Maintaining necessary records to follow up expenditure and available budget.

F. Preparing monthly report for budget, actual expenditures, unpaid commitments, cash flows, bank and cash balances.

13.1.6. The Finance Directorate at the relevant Government Entity shall, after the approval of MOFNE, allocate a permanent financial imprest, which shall not exceed a quarter of attaché annual budget.
13.1.7. The Governmental attaché shall use the financial imprest to pay expenditures allocated in their budget. Governmental attaché may not use the allocated budget for unauthorized expenditures or for the payments of unrelated activities or responsibilities.
13.1.8. At the request of Governmental attaché, the concerned Government Entity may, after coordinate with the Payments and Collection Directorate pay directly to a supplier, or transfer money to the attaché to pay specific expenses or commitments outside of the financial imprest.

Control Over Bank Accounts

13.1.9. The Governmental attaché shall, on approval of Finance Directorate at the concerned Government Entity, open bank account(s) as needed, which shall be utilized for payments and deposit of revenues and amounts transferred from budget.
13.1.10. Revenues and amounts transferred from budget shall be deposits immediately at attaché bank account.
13.1.11. Cheques shall be jointly signed by head of Governmental attaché or their deputy & the Head of the Diplomatic Mission or their deputy.
13.1.12. Unused cheques shall be held by the of Head of Governmental attaché or their deputy.
13.1.13. Governmental attaché shall prepare monthly bank reconciliation and send it to the Finance Directorate (or equivalent) at the Government Entity.

Recruitment or Delegation in the Attachés

13.1.14. The recruitment or delegation of Bahrainis employees, their salaries and allowances shall be in accordance with civil service rules issued by the Civil Service Bureau.

13.1.15. The recruitment of local employees shall be subject to the approval of the concerned Government Entity, and in accordance with the salary scales and conditions of employment determined by the diplomatic mission in the country in which the Governmental attaché based, or according to the regulations specified by the government entities, as well as other local labour laws and regulations.

Petty Cash

13.1.16. In countries where cheques are not accepted, the attaché may establish a cash float to pay its expenses and petty cash, and it should coordination with the Finance Directorate at the concerned Government Entity to determine the amount of amount of the cash float, provided that it shall not exceed 25% of the attaché's monthly budget.

13.1.17. The cash float shall be kept at the custody of a cashier, or any other employee designated by Head of attaché, whom shall be responsible for the safeguard of the cash and maintaining proper records.

13.1.18. The cash float shall be kept in a safe with proper specifications to safeguard cash from theft, lost or any other contingencies. Safe shall be placed in a secured place.

13.1.19. A surprise cash count for the cash float shall be carried out at least every three months by an accountant with, the result of the cash count shall be documented in the Form Cash Count Statement No. MF0803.

13.1.20. Spending out of the cash float shall approved by the Head of attaché or their deputy, by using Expense Voucher.

13.1.21. The attaché may pay petty cash expenses out of the cash float based on supporting invoices or cash memos, in compliance with the petty cash policies set out in this manual, which shall be grouped at the end of each month or when reimburse is required.

13.1.22. The cash float may be reimbursed when the total payments reach 75% or more of the amount.
13.1.23. After the Governmental entity verifying and confirming the cultural Attaché imprest, will then send the requests for imprest replenishment for cultural Attaché to MOFNE.
13.1.24. The Government entity should use the below listed forms, supported with required documents below:

1. Model No. 4 (Request for advance replenishment) Form no. MF804.
2. Model No. 3 (Payment/Receipts Statement).
3. Bank Reconciliation statement Form no. MF0902.
4. Bank Statement.
5. Cash Count Statement.
6. Invoice Register.

Purchases

13.1.25. The Government Entity shall coordinate with the Tender Board regarding purchases procedures that should be followed by Attaché, for purchases limits that requires public tender.
13.1.26. The Tenders and Auctions Law and the Tenders Council legislation are applied with regard to the purchases of foreign attachés, unless it is exempted from it by a decision of the Council of Ministers after the issuance of the Foreign Contracts Regulations with the approval of the Tenders and Auctions Board, in which case the procedures of the issued regulation shall apply.
13.1.27. The directorate concerned with financial resources or the equivalent in the government entity determines the financial limits for the purchase from the cash advance.
13.1.28. Standard agreements and contract issued by related Diplomatic Missions shall be used wherever possible, and the approval of the Finance Directorate at concerned Government Entity shall be obtained prior to sign non-standard

agreement and contract forms. Contracts shall be signed by head of Attaché or their deputy & the Head of the Diplomatic Mission or their deputy.
13.1.29. The Attaché shall purchase goods and services through standard procurement processes, detailed in this manual, wherever possible, including issuing of PO's and if is not possible, it may issue a cheque direct to supplier, or by cash from the cash float, supported by invoice or cash receipt.

Procedures

Payment Procedures

13.1.30. The accountant in charge shall prepare a payment voucher for each issued cheque, or amount paid out of the cash float, except petty cash expenses where one payment voucher for total expenses may be prepared.
13.1.31. The accountant in charge shall record promptly details of cheque, cash payments and issued payments vouchers, in the payment/receipts statement.
13.1.32. In order to replenish the permanent financial imprest, the Attaché shall prepare and send Request for advance replenishment (Model no. 4) attached with payment/receipts statement (Model no. 3) and supported payment documents, to the Finance Directorate at concerned Government entity not later than the second week of the month following that replenish request

Local Employees' Salaries & Wages Payment Procedures

13.1.33. The Attaché shall prepare 'Statement of salaries & wages of local employees' on a monthly basis, filled with the required data.

1. Salaries paid through cheques: one cheque shall be prepared for each employee's net salary. A payment Voucher shall be prepared for each cheque, the beneficiary signature shall be obtained at the payment voucher.

2. Transfer of salaries to bank accounts: a Payment Voucher shall be prepared for the total amount of employees' net salaries. Cheque or payment order of the

salaries amount shall be prepared and sent to the bank with statement showing employees net salary and their accounts.

3. Cash salaries: a Payment Voucher shall be prepared for total amount of employees' net salaries, with one cheque for same amount. Each employee shall receive their net salary after signing in the Statement of Salaries.

13.1.34. Other than salaries, the Attaché may pay any due deductions through cheque or payment order.
13.1.35. The Attaché shall attach and send a copy of the salaries statement with the Payment Vouchers after record to the Government entity.

Processing of Revenues

13.1.36. A receipt voucher shall be prepared for revenue amounts received by the Attaché and shall be recorded promptly in the Payment/Receipts Statement.
13.1.37. Received cash and cheques shall be deposited at bank not later than the following working day.
13.1.38. The Attaché's revenue shall be treated as public revenue and deposited to Consolidated Fund and not be added to attaché allocated budget.
13.1.39. The Attaché may retain amounts received and not transfer it to the Finance Directorate at the Government Entity. However, such amounts shall be deducted from the first amount transferred to the attaché to compensate the disbursed from the permanent financial imprest.

Control Over Fixed Assets

13.1.40. The Control of Fixed Assets system No. (11) of this Standard Finance Manual shall be followed to control over fixed assets, whenever its possible.

Control Over Motor Vehicles

13.1.41. Monitoring of attaché vehicles is subject to the provisions and procedures specified in "Recurrent Expenditure" system No. (5) regarding government vehicles, when appropriate.
13.1.42. The Attaché is responsible for the insurance and registration of its motor vehicles to local laws and regulations of the host country.

Provisions and Procedures for Students Entitlement

13.1.43. At the beginning of each academic year, the Scholarships Centre at the Ministry of Education shall prepare a statement of entitlements and fees due to its students abroad for each Cultural Attaché, indicating the amounts allocated to each student (university fees, monthly allowances, books etc.). This statement shall be sent to Directorate of Financial Resources at MOFNE and a copy to the concerned Cultural Attaché.
13.1.44. The Directorate of Financial recourses at the Ministry of Education shall determine the frequency of transfer of student entitlements to the allocated bank account and advise the Cultural Attaché concerned accordingly.
13.1.45. A separate bank account shall be established for the transfer of entitlements due to students of Ministry of Education. Other Government Entities students' entitlements which are transferred to the Cultural Attaché shall be transferred to the same bank account. The relevant Government Entities need to notify the Directorate of Financial recourses at the Ministry of Education of their student entitlements transferred directly to the Cultural Attaché.
13.1.46. Each Cultural attaché shall prepare & authorize on a monthly basis or at entitlements payment dates, a Statement of Student entitlements payable through 'Statement of Student Allowances'. Student entitlements may be paid through any of the following methods:

1. Transfer to bank accounts: One payment voucher shall be prepared for total student's entitlements. Cheque or payment order of total entitlements shall be

prepared and sent to the bank with statement showing students allowances and their accounts.

2. Cheques Payments: One cheque shall be prepared for each student. Separate payment voucher is prepared for each cheque and the beneficiary signature shall be obtained at the payment voucher.

3. Cash payments: One payment voucher shall be prepared for total amount of students' entitlements, with one cheque for same amount. Each student shall receive their entitlements after signing in the Statement of Salaries.

Forms and Documents Preparation and Authorization

13.1.47. Summary of the Prepare & Authorize of Forms and Specimens used:

No.	Form / Specimens	Preparations		Review / Approval
		Frequency	Employees	
1	Cheques	On payment	Accountant	Head of Diplomatic Mission & head attaché
2	Notification of budget allocation	Annually	Accountant	Director of human & financial recourses (or equivalent)
3	Expense Voucher	On payment	Accountant	Attaché head
4	Payment/Receipts Statement	On payment or receive	Accountant	Accountant
5	Request for advance Replenishment	Monthly	Accountant	Attaché head
6	Statement of salaries &	Monthly	Accountant	Attaché head

No.	Form / Specimens	Preparations		Review / Approval
		Frequency	Employees	
	wages of local employees			
7	Statement of Student Allowances	Monthly	Accountant	Attaché head
8	Receipt Voucher	On receipt	Cashier	Accountant
9	Cash Count Statement	periodically	Cashier	Attaché head & Accountant
10	Bank Reconciliation Statement	Monthly	Accountant	Attaché head
11	Purchase Order	On purchase	Accountant	Attaché head
12	Fixed Assets Inventory Statement	Annually	Inventory Officer	Attaché head & Accountant

13.1.48. The Deputy of Head of Diplomatic Mission and Deputy of Head of attaché (or equivalent) may approve documents specified at this subsystem, if they act in place of Diplomatic Mission Head or attaché Head.

13.1.49. The Finance Directorate at the Government Entity may amend Forms and Specimens specified in this subsystem as needed, providing that it should include required data that insure completeness and correctness of payment, receipt, and bank and cash balance details.

13.1.50. Records and documents specified in this subsystem may be prepared and stored electronically, taking into account availability of security procedures that ensure the completeness and correctness of data and that computer data is not amended by an authorized person. Backup of documents and records should be maintained.

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