VCU Qatar Financial and Administrative Policies and Procedures

Responsible Offices:

Office of the Provost and Vice President for Academic Affairs

Office of the Senior Vice President for Finance and Administration

POLICY STATEMENT AND PURPOSE:

The 2002 General Assembly authorized the Virginia Commonwealth University Board of Visitors to establish, operate and govern a branch campus of Virginia Commonwealth University (VCU) in the State of Qatar. The Board of Visitors has the same powers with respect to operation and governance of its branch campus in Qatar as vested in the Board by the *Code of Virginia* with respect to VCU in Virginia. These powers include, but are not limited to, the fixing of fees and charges, the establishment of academic standards, and the conferral of degrees.

While State and University policies and procedures apply to the VCU Qatar Campus (VCUQ), the General Assembly has authorized certain exceptions for the program including the ability to maintain a local bank account in Qatar and to modify procurements in Qatar and surrounding Arab states to comply with local customs, laws and regulations. In addition, Qatari citizens and other residents who are employed solely to support VCUQ (local hires) are not to be considered employees of the Commonwealth of Virginia.

The VCU Board of Visitors approved the initial policies and procedures related to VCUQ and authorized the President of Virginia Commonwealth University to approve any subsequent changes.

The State Council of Higher Education's approval of this program was contingent upon the requirement that no general funds are used to support this program.

A. COMPLIANCE WITH STATE AND UNIVERSITY POLICIES AND PROCEDURES

VCUQ activities must comply with the terms of the "Agreement to Establish and Operate the Virginia Commonwealth University in Qatar" (Agreement) between the University and the Qatar Foundation for Education, Science, and Community Development (QF), which established the VCUQ Campus as a cost reimbursable contract. State and University policies and procedures apply to VCUQ unless:

- a specific exception is included in this document,
- an exception is authorized in writing by the President of Virginia Commonwealth University,
- a procurement modification is approved in writing by the VCU Director of Procurement, Real Estate and Insurance Services, or
- VCU Human Resources has approved personnel-related policies and procedures related to non-faculty hires.

Initial Policy Effective Date: August 2, 2002

Revised Policy Effective Date: July 1, 2005, August 21, 2008, April 2010, August 2010

VCUQ may implement campus-specific procedures as long as they are consistent with University policies and procedures as modified by the VCU Qatar Financial and Administrative Policies and Procedures and other University approvals, and approved by the Dean of the School of the Arts.

B. REVENUE AND RELATED POLICIES

1. Deposit of Funds and Banking Relationships

State policy requires that all funds, except for gifts and endowments, be deposited into State bank accounts. The 2002 General Assembly authorized VCU to maintain a local bank account in Qatar for the purpose of receiving funds directly from sources within Qatar and other University accounts for expenditures within Qatar for VCUQ.

The QF will transfer Qatar program funds to the VCUQ local bank account. Two months in advance of expenditures, VCUQ will transfer to VCU stateside, in U.S. dollars, funding received for program expenditures to be made and disbursed by VCU (Richmond) on behalf of VCUQ and the management fee. These funds are to be deposited into Educational and General (E&G) Programs accounts in support of this instructional program and related general and administrative costs.

2. Tuition and Fees

The Board of Visitors is authorized by the *Code of Virginia* to set tuition and fees for students. VCU Q tuition and fees will be developed through the budget development process in consultation with QF. The final tuition and fees will be approved by the Board of Visitors.. VCU and VCUQ are not responsible for any tuition shortfalls resulting from non-payment of tuition or enrollment fluctuation; the QF is responsible for the billing and collection of all tuition and fees due from students.

C. EXPENDITURE AND RELATED POLICIES

1. Procurement Activities

VCUQ has the same delegated procurement levels established for University departments. All procurements must comply with the aforementioned State laws and State/University policies and procedures, except for procurements made within Qatar and the surrounding Arab states, which may be modified to comply with local customs, laws and regulations. The VCU Director of Procurement, Real Estate and Insurance Services will approve any such procedural modification(s) and may grant exceptions to allowability rules, which may be necessary to comply with local customs, laws and regulations, with the review of the Senior Vice President for Finance and Administration. In addition, VCUQ may purchase from established QF contracts at dollar levels authorized by the VCU Director of Procurement, Real Estate and Insurance Services.

2. Qatar Expenses

No expenses related to the VCUQ program are to be paid using State general funds. Therefore, all Qatar program expenditures must be charged to either the E&G direct program accounts or the management fee (both of which are funded by the QF and are non-general funds) or from University and/or School of the Arts local funds. No other Qatar program expenses are to be paid from E&G funds.

3. Advertising and Marketing Expenditures

The Executive Director, Division of University Relations has delegated approval authority for advertising and marketing expenditures related to the VCUQ Campus to the Dean of the School of the Arts. As such, the Dean of the School of the Arts must approve all advertising and marketing expenditures targeted at prospective students.

4. Allowable Expenditures

In general, expenditures must be business related, reasonable, and comply with VCU Policies and Procedures.

VCUQ is a cost reimbursable contract. As such, reimbursements must comply with the terms and conditions set by the sponsor, the QF. These requirements are set forth in a number of documents including, but not limited to, the Agreement, approved Business Plan, approved Financial Plan and other authorizations and approvals as provided from time to time by the QF. VCUQ fiscal personnel are responsible for determining whether expenditures are allowable under the terms and conditions set by the sponsor (referenced as sponsor allowability).

With prior approval, expenditures (procurements) for VCUQ may be modified to comply with local customs, laws and regulations. The VCU Director of Procurement, Real Estate and Insurance Services is authorized to grant exceptions needed to comply with local custom, laws and regulations.

The Appendix titled "Expenditure Allowability Decision Tree" outlines the decision process related to VCUQ allowable expenditures. VCUQ fiscal personnel should document any expenditures approved under sponsor allowability or local custom on the invoice or other supporting materials. Questions are to be directed to the VCU Director of Procurement, Real Estate and Insurance Services.

D. FINANCIAL ACCOUNTING AND REPORTING, BUDGET ADMINISTRATION AND COMPLIANCE CONTROLS

1. Reporting Transactions in the University and State Financial Systems

All expenditures by VCUQ shall be processed through the University Accounts Payable and Support Services division with payments made according to standard University Procedures through the University Financial System and electronic instructions submitted to the Qatar

bank. Revenues received and deposited locally into the Qatar bank will be immediately recorded in the University and State Financial System through the processing of the appropriate journal entry.

2. Information Required to Support the University's Annual Financial Audit

Annually, by May 31, VCUQ shall provide an analysis of the estimated in-kind services provided by the QF for the 12 months ended June 30. In general, VCUQ will furnish within seven Qatar business days of request any documents requested by the Auditor of Public Accounts in connection with the audit of the University's financial statements.

3. Compliance Controls

Except for specific exemptions included herewith, all University policies and procedures applicable to financial transactions are applicable to the VCUQ. VCUQ is to observe all required procedures and segregation of duties included in VCU financial processes, whether VCU automated systems or other systems are used.

Specifically, the approver of a purchase order and person completing the receiving report cannot be the same person. Likewise, the timekeeper and certifying officer cannot be the same person.

Additionally, VCU Assurance Services, or its official designee, may audit all transactions of any type processed by VCUQ. VCUQ will provide requested documentation within seven Qatar business days to Assurance Services or its designee via e-mail, facsimile or other pre-approved method. Audit reports will be distributed through channels much like those in place on the VCU Monroe Park and Health Sciences Campuses with the Dean of VCUQ and the Chief Administration Officer of VCUQ being the first reviewers of those reports. VCUQ is required to report all instances of suspected fraud to VCU Assurance Services, as are all other VCU departments. Any questions regarding audit issues should be directed to the Executive Director of Assurance Services.

E. HUMAN RESOURCE ADMINISTRATION

1. General

All University personnel policies apply to the VCUQ faculty unless specifically modified in this document or otherwise approved by the President.

Qatar citizens and other residents who are employed in non-faculty positions solely to support VCUQ are considered to be "local" employees and are not to be considered employees of the Commonwealth of Virginia. VCU Human Resources must approve all personnel-related policies and procedures for the non-faculty hires, with the review of the Senior Vice President for Finance and Administration.

2. Compensation/Payroll

Faculty and staff members hired for VCUQ (both U.S. and non-U.S. citizens) are to be paid directly by VCU Richmond for both base salary and off-shore living allowance. In addition to the standard University benefits, VCUQ faculty may be provided additional benefits associated with living abroad and which are funded by the QF.

VCUQ will report all payments to, or on behalf of, faculty and staff except employee travel reimbursements to the VCU Payroll Department for appropriate tax reporting. All benefits determined to be reportable income are to be paid directly by VCU Richmond. The VCUQ holiday schedule for 12-month teaching/research and administrative/professional faculty has the same number of paid holidays as other VCU employees, but the holiday dates may differ to accommodate the religious holidays observed in Qatar. The schedule is provided annually in January to VCU Human Resources for programming in the Banner system.

3. Standard Work Week

The workweek for VCUQ will be consistent with the workweek for the State of Qatar.

4. Faculty Contracts and Salary Administration

a. Faculty Contracts

Faculty hired into positions serving in VCUQ will receive a faculty contract, the *Qatar Campus Terms and Conditions of Employment* document and the *Emoluments for VCUQatar Faculty* document. The faculty contract specifies the terms of the appointment, the *Emoluments* documents lists the additional benefits provided to the faculty and the VCUQ *Terms and Conditions of Employment* document informs faculty that they are subject to VCU's and VCUQ's applicable policies and procedures. In addition, this document indicates that violation of the local laws and cultural protocols of Qatar may be cause for termination of employment.

Faculty employment is conditional upon a criminal background check, regardless of citizenship.

b. Faculty Salary Administration

Salary increases for VCU Qatar faculty shall coincide with the home University's salary administration process for faculty salary increases. However, if no salary increases are scheduled for faculty at the Richmond campuses, salary adjustments for VCUQ faculty working in the School of the Arts - Qatar Campus may still be made if funding is approved in the VCUQ budget for this purpose and with the approval of the President and/or VCU Board of Visitors. VCUQ faculty salaries may also be exempt from salary reductions implemented at the Richmond campus with the approval of the President and/or VCU Board of Visitors.

F. ACADEMIC ADMINISTRATION POLICIES

1. Admissions

Applicants must qualify under VCU standards for admission. Admissions priority shall be given to Qatari citizens as per the Agreement.

2. Academic Calendar

The VCUQ academic calendar does not coincide precisely with the VCU Richmond Campus calendar due to religious holidays observed in Qatar.

3. Graduation

Graduation will take place in Doha at the end of the Spring semester. The degrees will be posted in VCU records in May. These students will be considered May graduates for official reporting purposes.

4. Honor Council

The VCUQatar Honor System establishes the Honor Council. Honor Council members shall maintain confidentiality regarding the names of persons involved in honor cases.

The VCUQatar Honor Council shall consist of five members who are appointed for twoyear terms:

- Three full-time faculty members elected by the full-time faculty.
- Two students. One shall be appointed by the Dean of VCUQatar and one shall be elected by the student body. Four additional student members shall be appointed as alternates to serve when a student member appointee is not available or has disqualified him/herself.

5. Records and Registration

Grades will be hand-delivered to students on campus and mailed to their permanent mailing addresses.

6. Enrollment Reporting

VCUQ students will be reported as on-campus, non-resident students of the Qatar Campus, which will be identified separately from U.S. students.

G. CHANGES TO POLICIES AND PROCEDURES

The President of Virginia Commonwealth University is authorized to approve changes to VCU Qatar Financial and Administrative Policies and Procedures.

WHO SHOULD READ THIS POLICY:

Anyone who creates, distributes, revises or administers policy should read this policy.

- University Senior Executives
- Vice Provosts
- Dean of the School of the Arts
- VCUQ Staff
- Finance and Administration Staff
- Assurance Services Staff

RELATED DOCUMENTS:

- 2002-04 Appropriation Act
- Code of Virginia
- Commonwealth Accounting Policies and Procedures (CAAP) Manual
- Guidance from the Secretary of Administration
- Guidance from the Secretary of Education
- Guidance from the Secretary of Finance
- Procedures for Implementation
- Qatar Foundation for Education, Science, and Community Development and Virginia Commonwealth University Agreement to Establish and Operate the Virginia Commonwealth University in Qatar
- University Policies and Procedures
- VCUQ Financial and Administrative Procedures for Recording Transactions in University and State Financial Systems

CONTACTS:

The Office of the Provost and Vice President for Academic Affairs is responsible for providing official interpretation of this policy related to academic and academic administration issues. The Office of the Senior Vice President for Finance and Administration is responsible for providing official interpretation of this policy related to financial and administrative matters.

TABLE OF CONTENTS: Policy Statement and Purpose 1 Who Should Read This Policy 7 Related Documents 7 Contacts 7 Definitions 8

DEFINITIONS:

Faculty Member Faculty member includes both instructional and administrative faculty.

Shared Services These are services required for the operation of the VCUQ that are not

provided by expenditures from either the VCU Campus or the VCUQ bank account. Examples would be services furnished by the Foundation in the form of the free use of facilities and equipment, the provision of support staff or consumable supplies. In-kind services should be valued at the current market value for similar services purchased on the open

market.

General Funds General funds is a term used in the State Appropriation Act to describe

taxpayer dollars.

Non-General Funds Non-general funds is a term used to describe funds earned by VCU to

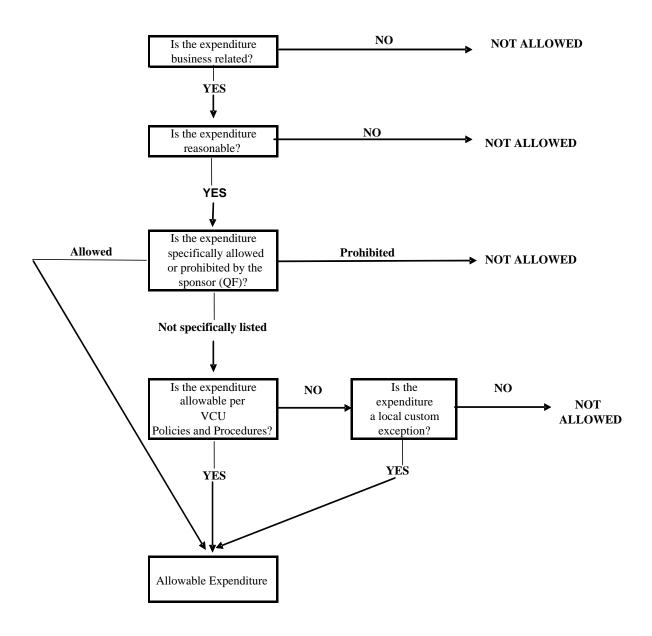
support its budgeted operations. Major sources include student tuition and

fee payments, grants and contracts, gifts, investment and endowment

earnings, and sales and services.

Appendix

Expenditure Allowability Decision Tree



Note: This decision tree addresses only the allowability of expenditures and not required approvals by University officials.