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MINISTERIAL RESOLUTION NO. 193 OF 1999

The Minister of Labour and Social Affairs

- * And after examining the provisions of Federal Law No. 1 of 1972 concerning the powers of the ministries and the competencies of ministers, and the laws amending it;
- * And after examining the provisions of Federal Law No. 6 of 1974 concerning associations for public benefit;
- * And further to the memorandum of the Department of Associations for Public Benefit;
- * And to ensure good working practices;

WE HAVE RESOLVED AS FOLLOWS

ARTICLE ONE

We agree to the issuing of the Unified Financial Regulations (attached hereto) for the associations for public benefit.

ARTICLE TWO

This Resolution shall come into effect from the date it is issued and the authorities concerned at the Ministry - each in their own area of work - shall be responsible for strictly enforcing the provisions of it and when it has been published in the Official Gazette.

Issued on: 18.4.1999

Matar Hamid Al-Tayer
Minister of Labour and Social Affairs

UNIFIED FINANCIAL REGULATIONS
FOR ASSOCIATIONS FOR PUBLIC BENEFIT.

PART ONE

Article (1)

The following words and expressions shall have the following meanings:

- The Minister: The Minister of Labour and Social Affairs
- The Ministry: The Ministry of Labour and Social Affairs
- Association: Any association for public benefit which has been established and registered in accordance with the provisions of Federal Law No. 6 of 1974, and the amendments to it.

Article (2)

The stipulations laid down in these Regulations shall apply to all the financial operations of the association.

Article (3)

The financial year of the association shall commence on the first of January of each year and end on the 31 December of the same year, although the first financial year of the association shall commence on the date of its registration and end on 31 December of the following year.

Article (4)

The estimated annual budget for the association shall include all the expenditure and all the revenues, and the expenditures shall be divided into the following headings:

- Heading One: The salaries and wages and allowances and allocations and emoluments and other bonuses.
- Heading Two: The general expenses.
- Heading Three: The capital expenses.

The headings shall be divided into clauses according to the type of expense in accordance with the pattern laid down in the general budget of the Union.

Article (5)

The financial officer / accountant / or those who carry out that function in the association shall draw up a draft budget at least two months prior to the start of the financial year in the light of the actual expenditure and the revenues obtained during the previous year, making an allowance for an increase in expenditure and revenues during the coming year in the light of the plans and programs drawn up by the board of management, always ensuring they conform to the objectives of the association.

Article (6)

The board of management will approve the draft of the estimated annual budget prior to the start of the financial year and will submit it for the consideration of the ordinary general meeting for approval, and the association must send a copy of the draft estimated budget to the Ministry after it has been approved by the general meeting within fifteen days from the date it is approved.

Article (7)

In the event of a delay in the approval of the draft estimated annual budget at the beginning of the year, the approvals for the previous financial year shall be used on the basis that they serve as the budget for the current year until such time as the estimated budget is approved by the general meeting and the expenses disbursed and the revenues received will be reconciled in accordance with the latest budget after it has been approved.

PART TWO

Article (8)

The revenues of the association shall comprise the following resources:

1. The subscriptions of the members.
2. Donations and gifts and legacies, both financial and in kind granted in accordance with the provisions of the Law.
3. Any grants which may be given by the Ministry or other ministries or public bodies or public organisations or local government departments.
4. The proceeds of events which are staged by the association.
5. Other sundry revenues arising from interest and the like.
6. The surplus carried down from previous years.

Article (9)

The Minister shall issue a Resolution as a guide to the classification of revenues by type, based on the rules and bases applicable in the general budget of the Union.

Article (10)

It is not permitted for the association to solicit funds or donations either within or outside the State except with a licence issued by the Ministry and in accordance with the provisions of Ministerial Resolution No. 348 of 1993.

Article (11)

1. The association must deposit its funds in its own name at one of the national banks in the State, and shall notify the Ministry of the name of the bank.

2. The Treasurer will deposit the money obtained at the bank using deposit slips on the last day of the week (up to a thousand dirhams) or first thing on the day following collection for those amount obtained in excess of a thousand dirhams.

Article (12)

The collections made of revenues referred to in these Regulations shall be collected against the issue of official receipts with the name of the association on them and bearing a serial number, and they shall be issued in three copies:

- The first copy: Given to the person concerned.
- The second copy: Attached to the statement of receipts prepared by the Treasurer and given to the accountant.
- The third copy: Retained at the office and held by the accountant.

Article (13)

The responsible accountant will record the entry documents for revenues collected and sign them and they shall be endorsed by the chairman of the board of management and be entered on the computer or in the register of revenues.

PART THREE

Article (14)

Disbursements made under the various headings and clauses of the budget shall be done under disbursement documents duly supported by corroborating paperwork. The chairman of the board of management shall be deemed to be the "official commissioner of the disbursement".

Article (15)

The disbursement documents and cheques shall be signed by the financial officer or a persona acting for him and by the official commissioner of the disbursement.

Article (16)

It is not permitted to incur any expense which has not been approved in the budget under the provisions of contracts entered into which incur financial obligations for more than one financial year, except with the agreement of the chairman of the board - with the exception of rental and employment contracts.

Article (17)

Disbursement of the funds of the association shall only be for the objectives and aims for which it is registered, and it is prohibited to disburse any amounts for any objectives and aims other than those.

Article (18)

Transfers between the various headings and clauses of the budget shall only be done when strictly necessary and then by a resolution of the board of management.

PART FOUR

Article (19)

Documentary loans may be granted at the start of the financial year by a resolution of the chairman of the board of management up to a maximum of 5,000 dirhams, and they must specify the amount of the loan and the name of the employee to whom the loan has been granted.

Article (20)

The loan shall be entered under the second and third expenditure headings of the budget in order to satisfy the requirements of the association for urgent and pressing matters which are necessary to provide for some of the service or material requirements or for petty expenses.

Article (21)

It is prohibited for disbursing a loan under the first heading, nor for any purpose or situation other than those referred to in the preceding Article.

Article (22)

The purchase or provision of services shall be done against the issue of original invoices for which the value of any one does not exceed five hundred dirhams for purchases or supplies, or one thousand dirhams for the provision of service and minor works, and it is prohibited from subdividing one piece of work between two invoices.

Article (23)

The loan will be exchanged against the issue of disbursement documents - for each heading separately - which shall be drawn up by the treasurer and signed by the accountant and approved by the official commissioner of the disbursement. All the documents supporting the disbursement must be attached, such as invoices, works completion certificates, provision of service certificates etc.

Article (24)

1. The treasurer shall maintain a register of loans in which shall be recorded the value of every loan granted at the beginning of the financial year, and the movement of the disbursement and the exchange procedures.

2. The treasurer shall maintain an inventory of the loans at the end of each working day in order to ensure that the balance is correct, and this must be confirmed.

PART FIVE

Article (25)

The association should - as a general rule - record all its financial and accounting transactions on a computer using a program which can extract financial information - as an alternative to the ledgers which those associations which do not use a computer are required to keep to record the financial transactions.

These records must include the following:

1. A general daily ledger.
2. A revenues ledger.
3. An expenditure ledger.
4. A cash / bank ledger.
5. A settlement accounts ledger (guarantees and loans).
6. A commitments ledger.
7. A trial balance ledger.
8. A members' subscriptions ledger.
9. A fixed assets ledger.

Article (26)

The association shall retain at its headquarters diskettes containing the financial statements or records and the ledgers and the corroborative documents and paperwork and the financial statements.

Article (27)

It is not permitted to destroy those records and documents and paperwork except in accordance with the rules laid down by the Ministry of Finance & Industry under Resolution No. 61 of 1986.

Article (28)

The final accounts of the association will be prepared at the end of the financial year on a payable basis for the expenses and the grants, and on a cash basis for the other revenues.

Article (29)

The financial year shall be charged with all the expenses paid and due for payment up to 31/12 each year and those expenses shall be distributed on accordance with the headings and clauses contained in the balance budget.

Article (30)

The final accounts shall contain all the revenues collected and assistance due or which is actually entered in the accounts of the association, duly distributed in accordance with the types of revenues contained in the budget.

Article (31)

At the end of the financial year a closing balance shall be drawn up for the accounts, after making the reconciliation required in accordance with accounting principles.

Article (32)

The board of management shall submit the final accounts to the general meeting at least two weeks before the time legally-fixed for the meeting.

Article (33)

The meeting shall approve the final accounts and the board of management shall then send them to the Accounting Council through the Ministry within three months from the end of the financial year, to which should be attached the following statements:

- A statement of the off-balance-sheet accounts (loans and guarantees).
- A certificate from the bank concerned confirming the balance of the association's balance as it was on 31/12 of each financial year.
- A minute of the annual inventory and stock-lists.
- A statement of assets (fixed assets).
- An auditor's report.

Article (34)

The association must submit a copy of the final accounts to the Ministry and the Accounting Council within fifteen days from the date they are approved by the general meeting.

Article (35)

The making of purchases and the satisfaction of the requirements of the association and the provision of its services and works and the selection of contractor shall be made in accordance with the following:

1. Direct purchase up to 5,000 dirhams - five thousand dirhams.
2. Competitive tender over 5,000 dirhams - five thousand dirhams.

Article (36)

The stores of the association shall be governed by the provisions and rules laid down in the regulations for stores and the control of them as issued under the Resolution of the Ministry of Finance & Industry No. 2 of 1979, and its amendments, to the extent that this is necessary according to the circumstances.

PART EIGHT

Article (37)

Always observing the provisions and rules laid down in the Articles of Association of each association:

1. National workers at the association shall be subject to the rules and provisions laid down in the Federal Government Service Law No. 8 of 1973, and the amendments to it, and the regulations laid down by the Council of Ministers based on it.
2. Similarly, non-national workers shall be subject to the rules and provisions laid down in the Labour Relations with Employers Law and the organisational resolutions issued by the Ministry of labour and Social Affairs concerning the regulation of the guest workforce.
3. Both the aforesaid classes of worker shall be subject to the rules and regulations laid down in the Travel and Removal Allowances Regulations as laid down in the Resolution of the Council of Ministers No. 18 of 1989, and the amendments to it.

PART NINE

Article (38)

The association will enjoy exemption from the taxes and charges and financial obligations laid down in Article 10 of Federal Law No. 6 of 1974, and the amendments to it.

Article (39)

All those debts for which the association has not been asked for payment shall lapse by prescription in favour of the association if they have not been demanded by the end of the fifth year following the financial year to which those debts belong. That period of prescription shall be interrupted for debts which have not been paid because of a reason owing to the association itself or because of a lawsuit brought before the judiciary, and the period of prescription shall come back into force again when the cause for the interruption of it has been removed.

Article (40)

The accounts of the association shall be subject to the internal financial monitoring of the Ministry, in order to ensure that the funds of the association are being properly managed, both in respect of the expenditure and the revenues, and in this connection the Ministry has the right to examine at any time the ledgers and records of the association and its documents, whenever it sees fit to do so.

Article (41)

A firm of auditors shall be selected for the association, and their emolument fixed, by the general meeting.

Article (42)

The Minister shall lay down by Resolution - after seeking the opinion of the Ministry of Finance and Industry - the manual or computerised formats for the ledgers and record and financial and accounting programs, and the disbursement and entry documents, and the revenue receipt ledgers etc. and the Resolution shall stipulate the method of use of them.

Article (43)

For any matter which is not covered by these Regulations, the provisions of Ministerial Resolution No. 348 of 1993 and its amendments will apply.

Minister of Labour and Social Affairs