

Financial Services General Provisions

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American University of Armenia

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1. AUA Accounting is performed in accordance with the RA law on accounting and International Accounting Standards adopted by the Republic of Armenia by the Financial Services Department.
 2. AUA Accounting is centralized but coordinated with that of AUAC. Each organizational unit has management autonomy within that centralized structure. Decisions are made by the Heads of the departments on the basis of their consolidated AUA and AUAC balances and budgets.
 3. The structure of the Financial Services Department is determined by internal procedures and state regulations.
 4. The Financial Services department is tasked to:
 - a. Generate complete and trustworthy information on business transactions and the financial results of AUA activities.
 - b. Perform the financial oversight of the assets and their variation; secure the financial control of the material, human and financial resources of the AUA.
 - c. Warn the AUA Vice Presidents and/or the President about any negative facts of financial and business activity in a timely manner; along with corresponding departments reveal and utilize any internal reserves of the university resources.
 5. The President of AUA bears ultimate responsibility for the integrity of the AUA accounting system.
 6. The Finance Director of AUA secures financial control over business transactions and their reflection in accounting, and oversees the timely submission of appropriate information.
 7. All documents to release and receive any commodities, materials, money and other financial documents should be approved by the appropriate head of department and authorities according to the AUA procedures.
 8. The AUA Finance Director has no right to accept and process documents which violate the Legislation of the Republic of Armenia or the contractual and financial procedures set by the AUA.
 9. The fiscal year for the AUA starts on July 1 and ends on June 30, however according to the Armenian law the reporting year for companies follows the calendar year.
 10. The AUA follows the accrual basis of accounting in preparing all of its financial statements, except for the Statement of Cash Flow.
 11. The revenue and net income from the long - term contracts and projects (running longer than one year) is assessed after the work is fully completed and all the contractual obligations are met. In some cases, the works performed may be accepted according to a pre-specified schedule.
 12. The accounting at AUA is computerized. The accounting software currently used is "1C".
 13. AUA uses the chart of accounts approved by the Ministry of Finance and Economy of the Republic of Armenia to account for its assets, liabilities and business transactions.
 14. The numbered hard copy accounting documents and the analytical data in the accounting system serve as a base for recording transactions into the accounting ledgers. The former should provide sufficient proof about the fact of occurrence of the business transaction.
 15. Income and expense reports for each of the internal units of the AUA are generated on a quarterly basis in accordance with the internal procedures that combine AUAC and AUA income and expense transactions.
 16. The accounting systems of AUAC and AUA are designed and customized to reflect the overall governance of the AUA, the multiple sub-structures within it, and the day-to-day administrative needs of the diverse components of the AUA. This includes the need of the AUA CFO to generate management information reports that serve the Deans and Center directors, who have to manage and direct their activities on the basis of consolidated information from the AUAC and AUA accounting offices, as well as the needs of the AUAC and AUAF Boards of Trustees, their officers and sub-committees.
 17. In view of the common governance of the AUA by the Boards of AUAC and AUAF, and the administration of individual organizational units and departments on the basis of consolidated AUAC and AUA fund balances, the overall AUA accounting systems have been developed to ensure maximum inter-operability, while also respecting the specific requirements of the laws of United States and Republic of Armenia.
 18. All the supporting documentation (contracts, memos and other documents) for financial transactions, processing of documents and record keeping of the accounting are to be kept in Armenian, as required by the laws of the Republic of Armenia. The AUA Financial Services department also has to keep records in English for consolidation with the AUAC income and expense transactions.
 19. The AUA Financial Services department does not accept and process documents which are in violation of the legislation of RA and financial procedures of AUA.