



الوحدة الإستثمارية
مؤسسة الضمان الاجتماعي
The Investment Unit
Social Security Corporation

**The Social Security Investment Unit
Financial Instructions**

The Social Security Investment Unit (SSIU) Financial Instructions

These Instructions are issued in accordance with the provisions of Article (15) of the Social Security Corporation investment bylaw No (111) of 2001 and its amendments and Article (f-12) of Social Security Corporation (SSC) Law No. (19) of 2001, pursuant to the SSC Board Decision No. 11/2007 on 12/2/2007.

Article (1):

These instructions are called (The SSIU Financial Instructions) . These Instructions shall come into force after being approved by the Social Security Corporation's SSC Board of Directors.

Article (2):

The following words and phrases, wherever mentioned in these Instructions shall have the meanings attributed to hereunder unless the context indicates otherwise:

Law: The valid Social Security Law.

Bylaw: The valid Investment bylaw of the Social Security Corporation.

Corporation: The Social Security Corporation (SSC).

Unit: The Social Security Investment Unit (SSIU) established pursuant to the provisions of Article (3) of the bylaw.

SSIC: Social Security Investment Commission (SSIC)

SSIC Chairman: Social Security Investment Unit (SSIU) Chairman.

Involved Manager: The manager in charge of the financial issues in the Unit.

Financial Manager: The Manager of the Financial Control Department in the Unit.

Financial Employee: SSIU employee who is authorized to collect, keep, expend and control the Unit's funds, or who is authorized to organize financial documents , keep accounts records or who is in charge of executing, adopting, endorsing, entering or carrying over accounts records to registers, cards or forms designated for that purpose.

Fiscal Year: The period that commences on the first day of January of each year and ends on the thirty first of December of the same year.

Balance Sheet (Financial Position): The financial statement that includes assets, liabilities and shareholders' equity as of the end of the fiscal year.

Final Financial Statements: Financial lists and statements prepared at the end of the fiscal year to clarify the SSIU's financial standing and the results of its activities for the fiscal year then ended. They include income statement, statement of cash flow, balance sheet and a statement of change in shareholders' equity.

Budget: An estimation of SSIU revenue and expenditures for a successive fiscal year.

Revenues: Any financial income for the SSIU resulting in accordance with the provisions of law, regulations and instructions issued thereby.

Expenditures: Any of SSIU's financial liabilities resulting in accordance with the provisions of law, regulations and instructions issued thereby, or any financial obligations resulting from agreements or contracts.

Advance Payment: The sum of money that is paid in advance on the account of budgetary allocations that are formed specifically to implement certain activities, conduct specific tasks or meet the SSIU's financial obligations or any other obligations resulting from contracts, agreements, warrantys or to cover out-of-pocket or contingent expenditures.

Trusts: Received or cut amounts to be spent in certain activity or for the payees' accounts.

Accounting and Financial Rules and Standards

Article (3):

In order to achieve the objectives set for these instructions, SSIU has adopted the following accounting and financial rules and standards:

- A. Double record approach in organizing its accounting transactions.
- B. A consolidated accounting classification to prepare SSIU's final financial statement.
- C. The Accrual Basis of Accounting to substantiate its financial transactions for preparing its final financial statements.
- D. Generally accepted accounting principles and internationally accredited financial and accounting rules .

Duties and Responsibilities

Article (4):

SSIU Chairman is considered the paymaster in SSIU in accordance with its budget and the SSIC's decisions, and is in charge of making all necessary decisions to maintain the Unit's funds.

Article (5):

SSIC determines the special authorizations pertinent to signing checks and making withdrawals from the Unit's accounts at banks, provided that signatories are no less than two for any withdrawal.

Article (6):

The Financial Manager is held accountable before the SSIU Chairman for implementing the Department's financial activities according to the following:

- a) To supervise bookkeeping and recording of incoming financial documents to the Financial Department within accounting records, relay accounting entries resulting from SSIU activities correctly and substantiate all relevant financial transactions.
- b) To participate and coordinate with the relevant departments to prepare the draft budget and follow up its implementation after having it approved.
- c) To prepare the balance sheet and the final financial statements.
- d) To prepare periodic and non-periodic reports, statistics, and financial statements regarding actual SSIU revenues and liabilities, and prepare statistics within the periods specified by SSIU Chairman, supported by notes and accompanied by necessary recommendations.
- e) To comply with accounting and financial rules and standards adopted by the Unit.
- f) Any other tasks assigned to him by SSIU Chairman.

Article (7):

The financial employee is responsible for performing accounting and financial activities related to SSIU. The financial employee is also in charge of maintaining registers, records and financial documents that are in his possession in a satisfactory manner. He is responsible for collecting SSIU receivables and settling its due obligations. The financial employee is liable for any mistakes which may result in any adverse effect against SSIU, as well as any acts of manipulation, embezzlement, forgery or loss of the Unit's funds whether deliberately or negligently.

Article (8):

According to a nomination from the Financial Manager or the Relevant Manager, SSIU Chairman identifies the financial employees who:

- a) Shall submit a financial guarantee according to the employees' applicable financial guarantee system.
- b) Shall be insured against breach of trust, provided that SSIU assumes all fees, and other expenditures in this respect.

The Budget

Article (9):

- a) SSIU's budget includes two separate tables; the first includes the projected revenues during the next fiscal year and the other includes the projected expenditures during the same year, compared to the actual revenues and expenditures for the current fiscal year.
- b) The budget's expenditures are organized under two classifications. The first is for current expenditures and the second is for capital expenditures.

Article (10):

- a) The Financial Control Manager prepares the draft budget, accompanied by necessary data, notes and recommendations and submits them to SSIU Chairman on or before the last day of November of each year.
- b) The SSIC Chairman introduces the draft budget to the SSIC so as to refer it to the SSC Board for endorsement before the end of December.

Article (11):

In the event that the budget is not endorsed before the beginning of the next fiscal year, the expenditure continues in monthly allocations in a ratio of 1/12 according to the previous fiscal year's budget to cover the recurrent financial expenditures and carried forward financial obligations only, provided that these amounts are settled from the new budget after endorsement, whereas financial and contractual obligations of the previous year are to be settled when due time.

Article (12):

If needed, the SSIC, pursuant to a recommendation by the SSIC Chairman, may issue an appendix to the budget during the fiscal year and refer it to the SSC Board for endorsement.

Article (13):

Transfer of provisions allocated for in budget may be allowed under the following terms and conditions:

a) Upon SSIC decision based on SSIU Chairman's recommendation to transfer as follows:

1. From capital expenditures items to current expenditures items.
2. From one budgetary item to another, or from one item to another regarding capital expenditure.

b) Upon SSIU Chairman's decision issued in accordance with a recommendation proposed by the Financial Control Manager, to transfer from the items of current expenditures to the items of capital expenditures.

c) The SSIU Chairman may transfer provisions from a section in the budget to another or from one item to another included in the same section of current expenditures, except for the provisions for salaries, allowances and wages, where transfer among them may not be allowed unless such transfer is approved by the SSIC based on a recommendation by the SSIU Chairman .

Article (14):

Within two months as of the end of the fiscal year, the Financial Control Manager prepares a brief report about the Unit's activities, the balance sheet and the final financial statement for the year then ended, in comparison to the figures of the projected budget set for the same year and with the final financial statement figures of the previous year, categorized according to budgetary items and sections in order to have it endorsed by the SSIC and referred to the SSC Board.

Revenues

Article (15):

a. The Unit's funds shall be collected by any of the following methods:

- 1- Receipts which bear accredited serial numbers, or by bank notices .
- 2- Electronic system's notices applicable in collection via credit cards, of which the payer should be given a copy .
- 3- Electronic financial transfers.

b. SSIU Chairman, shall specify the provisions in respect to the implementation of clauses (1, 2) of item (a) of this Article upon the intention of use.

c) Received revenues in any year are registered in the accounts of the year of recognition.

d) Received funds are recorded in the registers in their collection day or as of the date of notifying SSIU of that collection and the purpose thereof.

e) The Unit's funds may not be used after their receipt or prior to their deposit for any reason whatsoever.

Article (16):

Received funds, if collected by error, may be refunded to their beneficiaries upon the SSIC Chairman's approval, based on a recommendation by the Relevant Manager.

Article (17):

An expenditure that is refunded for any reason is recorded as part of the expenditures account if refunding occur in the same year or if the final financial statement of the year of disbursement is not issued yet. However, if refunding occurs in a year following the year of disbursing and the final financial statement for that year is issued, then it is recorded as the revenue for the year of collection.

Expenditures

Article (18):

a. Any expenditure for which no provision has been taken in the budget may not be committed to.

b. Upon the SSIU Chairman's recommendation in special events, the SSIC may commit to an expenditure which exceeds the provision taken in the budget if the spending nature or the project execution requires more than one fiscal year.

c. Upon the SSIU Chairman's recommendation, the SSIC may, if necessary create sections for new capital expenditures and secure the necessary provisions from other capital expenditures' sections .

Article (19):

SSIU shall hold no financial liability pertaining to any agreement or contract unless signed by authorized signatories on its behalf in accordance with the accredited authorizations.

Article (20):

- a- Expenditures may not be disbursed unless the following conditions are met:
- 1- Claims and documents which records the expenditure and reinforces payment according to the valid regulations..
 - 2- Soundness of expenditure calculation.
 - 3- Compliance of the expenditure with the Unit's valid laws, regulations and instructions.
 - 4- Approval of disbursement by the authorized party.
- b- Exceptions of the provisions of item (a) of this Article are as follows:-
- 1- The expenditure which is stated in any applicable legislation.
 - 2- Approved advanced payments pursuant to any agreement or contract.
 - 3- Training fees, subscription fees in periodicals, magazines, professional associations and contributions to local, regional and international organizations and unions, and refundable insurance and the like.
 - 4- Confirmed advance payment for contingent purposes or any official tasks.
 - 5- Any other case approved by the SSIC.

Article (21):

All payment vouchers and post payment supporting documents , shall be stamped with a seal that refers to “paid”, “pay date”, “pay method” and check number or payment order.

Article (22):

All expenditure payment procedures incurred on SSIU shall be organized in accordance with decisions issued for this matter.

Advance Payments

Article (23):

The SSIU Chairman may order advanced payment on the account of the balanced allocations in the budget. Its amount is specified according to the task, or the commitment required.

Article (24):

The advanced payment shall be paid for any of the following purposes:

- a) Permanent advanced payment for the employee who is charged with defraying recurrent petty cash expenditures
- b) Temporary or administrative advanced payment is disbursed to execute specific task , purchase supplies, , provide commodity, service or meet urgent expenditures or to a delegated employee in a training course or official mission abroad.

Article (25):

- a) The permanent advanced payment shall be settled on the last day of the end of the fiscal year. It may be renewed when needed. It is also settled upon the relocation of the employee to whom it was paid, or when he makes a request or upon the termination of his services.
- b) The permanent or administrative advanced payment shall be settled upon the end or fulfillment of its purpose.
- c) The special advanced payment shall be settled according to the stipulations of agreement or contract whereby it was paid.

Article (26):

The employee or person, to whom the advanced payment is paid, shall be liable for it. If it is not settled, it shall be considered as personal debt where it will be collected by all applicable means, including monthly salary deductions by a decision from the SSIU Chairman.

Article (27):

Paying and refunding advanced payments shall be subject to the provisions mentioned therein.

Trusts

Article (28):

Trusts are divided into:

- a. Employees' salaries deductions to apply the laws or regulations or agreements which require transfer from payroll to the concerned parties.
- b. Other trusts: amounts that are deducted or received or kept for other parties' accounts implemented for contractual or legal commitments or surplus or wrongly received amounts, amounts of anonymous beneficiaries, and value of checks issued by SSIU which are not submitted to payment within their due time. These trusts shall be paid to their beneficiaries unless these beneficiaries lose their rights due to laps of right.

Warranties

Article (29):

Submitted warranties to SSIU from others shall be:

- a. Issued by a local bank.
- b. In accordance with the request and its collection is unconditional.
- c. Automatically renewed upon the expiry of its period unless SSIU otherwise issues a decision.
- d. Meet SSIU's conditions and requirements.

e. Its amount shall be enough to cover the warranted amount or according to stipulations of contracts or agreements.

Article (30):

Extension of duration or amendment of the warranty's amount is requested upon its decrease or confiscation by a decision from SSIC Chairman according to a recommendation from the Relevant Manager.

Article (31):

a) Warranties shall be recorded in the pertinent warranties register manually and automatically.

b) Warranties shall be kept in a safe by the relevant party. The relevant department, in SSIU, shall keep renewing it and demanding its value in due time, or return it to its resource upon expiry of its purpose.

Financial Control

Article (32):

SSIU accredits the following financial control methods:

a) Internal auditing by the competent department.

b) External auditing by an external auditor who is appointed by the SSC Board's decision according the SSIC's recommendation.

Article (33):

All records, documents and financial registers shall be subjected to internal and external audit. The Unit's employee shall introduce these records, documents and registers to the Unit's approved auditors and provide them with any detailed data as requested.

Article (34):

a. In the event of embezzlement, loss of the Unit's funds, manipulation or forgery of documents, registers, financial notices or any other document , the SSIC Chairman, based on the recommendation of the Relevant Manager, may set up a committee to determine the employee's liability and disciplinary measures to be taken against him, provided that a report in this regard is submitted at the SSIC's first meeting following the occurrence of the incident .

b. Acts of embezzlement and financial and accounting manipulation shall be debited from the relevant employee's account, provided that it shall be settled according to the decision issued by the competent authority.

Article (35):

a) If the liable person for any shortage or loss in SSIU's funds is impossible to be identified, the shortage or loss is eliminated based on the following:

1- Upon the SSIC Chairman's decision, based on a recommendation by the committee constituted for this purpose, if the loss value does not exceed JD 2000 (two thousand Jordanian Dinars).

2- Upon the SSIC's decision, based on a recommendation by the SSIC Chairman pursuant to a recommendation by the committee constituted for this purpose if the loss value exceeds JD 2000 (two thousand Jordanian Dinars).

b) SSIU's funds stand for cash or cash equivalent, such as stamps but do not include supplies.

General Provisions

Article (36):

The SSIC Chairman identifies the forms of registers, pay documents, receipts and any other necessary forms for the financial and accounting transactions, their records and bookkeeping procedures. Additionally, he sets the period needed to keep each type of them, their impairment's procedures and the committees needed to be constituted for such purpose.

Article (37):

a. All records and documents concerning any financial transaction in SSIU are codified by manual and electronic methods.

b. Records, documents, registers, applications and any special papers or documents may be electronically kept, provided that a codified paper copy is duly available.

c. The SSIC Chairman issues the necessary decisions to codify the saving of the SSIU electronically incoming transactions and specifies methods of saving, amendment, deletion, copy making and other relevant issues.

Article (38):

A-1- The SSIC may delegate any of its authorities provided for herein to the SSIC Chairman.

2- The SSIC Chairman may delegate to the Financial Control Manager, the Relevant Manager or any employee working in the Financial Control Department with his authorities provided for herein.

B- Any of the authorizations, provided for in item (a) of this Article, shall be definite and in writing.

Article (39):

The provisions of these instructions are applicable to all SSIU's financial transactions.

Article (40):

The SSIC Chairman may issue relevant decisions concerning any issues not handled herein, and deemed necessary for the proper execution of these instructions.