

University Regulations for Administration, Finance and Accounting

DR N. 65 - 13.01.2016

CHAPTER I – GENERAL REGULATIONS.....	4
PARAGRAPH ONE – PRINCIPLES AND OBJECTIVES	4
Art. 1 – General Principles	4
Art. 2 – Objectives of University Regulations for Administration, Finance and Accounting and Accounting and Management Control Manuals.....	4
PARAGRAPH TWO – STRUCTURE FOR ORGANISATION AND MANAGEMENT	4
Art. 3 – Administrative Responsibility Centres	4
Art. 4 – Cost Centres	5
Art. 5 – Organisational Directorates	5
Art. 6 – Inter-departmental Research Centres	5
Art. 7 – Especially Complex and Significant Management Projects	5
PARAGRAPH THREE – ACCOUNTING ROLES AND FUNCTIONS	6
Art. 8 – Accounting Roles	6
Art. 9 – Rector	6
Art. 10 – Director General.....	7
Art. 11 –Academic Senate	7
Art. 12 – Board of Directors	8
Art. 13 – Cost Centres	8
Art. 14 – Administrative Officers	9
Art. 15 – Organisational Directorates	9
Art. 16 – Area Directors	9
CHAPTER II - THE ACCOUNTING SYSTEM	9
PARAGRAPH ONE – ORGANISATION OF THE ACCOUNTING SYSTEM.....	9
Art. 17– Principles of the Accounting System.....	9
Art. 18 – Monitoring System.....	9
Art. 19 – Structure of the Accounting System	10
Art. 20 – Accounting Period	10
Art. 21 – Chart of Accounts.....	10
Art. 22 – Equity and Operating Profits.....	11
Art. 23 – Financial Management of Investments.....	11
PARAGRAPH TWO – ACCOUNTING RECORDS.....	12
Art. 24 – Accounting Records.....	12
Art. 25 – Public Accounting Records	12

Art. 26 – Management Accounting Records	13
PARAGRAPH THREE – ECONOMIC-CAPITAL MANAGEMENT	13
SECTION ONE – BUDGETARY PLANNING	13
Art. 27 – Purposes, Aims and Principles of Budgetary Planning.....	13
Art. 28 – Definition of Budgetary Planning Guidelines	14
Art. 29 – Preparation of the Authorising Annual Draft Budget and the Tri-annual Draft Budget	14
Art. 30 – Preparation and Approval of the Authorising Draft University Budget.....	16
Art. 31 – Budget Allocation to Administrative Responsibility Centres	16
Art. 32 – Preparation and Approval of the Tri-annual Draft Budget	16
Art. 33 – Provisional Budget	16
Art. 34 – Preparation of the Non-authorising Draft University Budget.....	17
Art. 35 – Planning of Cashflow and Financial Needs	17
SECTION TWO – MANAGEMENT	17
Art. 36 – Management Objectives	17
Art. 37 – Registration of Accounting Events	17
SECTION TWO/1 – MANAGING THE ACTIVE CYCLE	17
Art. 38 – General Principles for the Active Cycle	17
Art. 39 – Responsibilities for the Active Cycle	18
Art. 40 – Collection Order Signature.....	18
SECTION TWO/2 – MANAGING THE PASSIVE CYCLE.....	18
Art. 41 – General Principles for the Passive Cycle	18
Art. 42 – Responsibilities for the Passive Cycle	19
Art. 43 – Signature of Payment Orders.....	19
Art. 44 – Documentation Attached to Payment Orders	19
Art. 45 – Financial Management.....	19
Art. 46 – Credit Cards.....	20
Art. 47 – Management Analysis	20
Art. 48 – Periodic Assessment of the Budget	20
SECTION THREE – DRAFT REVIEWS	20
Art. 49 – Objective of the Draft Review Process.....	20
Art. 50 – Draft Budget Adjustments.....	20
Art. 51 – Authorisation of Adjustments to Draft Accounting Documentation	21
SECTION FOUR – FINAL ACCOUNTING DOCUMENTATION.....	21
Art. 52 – Closure of Accounts.....	21
Art. 53 – Final Accounting Records	21

Art. 54 – Preparation and Approval of Consolidated Summary Accounting Records	22
Art. 55 – Opening of Accounts	22
PARAGRAPH FOUR – CHECKS AND FINAL REGULATIONS	22
Art. 56 – Control System	22
Art. 57 – Board of Auditors	23
Art. 58 – University Assessment Committee	23
Art. 59 – Internal Auditing	23
CHAPTER III – ASSET MANAGEMENT	24
PARAGRAPH ONE - ASSETS	24
Art. 60 – Asset Classification	24
Art. 61 – Immaterial Assets	24
Art. 62 – Material Assets	24
Art. 63 – Financial Assets	24
Art. 64 – Criteria for Registering and Assessing Balance Sheet Elements	25
Art. 65 – Depreciation of Assets	25
Art. 66 – Inventory of Goods	25
Art. 67 – Real Estate Consignees	25
Art. 68 – Movable Property Consignees	25
Art. 69 – Management of Goods	26
Art. 70 – Recognition of Goods	26
CHAPTER IV - NEGOTIATION AUTONOMY	26
Art. 71– Negotiation	26
Art. 72 – Contracts	26
CHAPTER V – FINAL AND TRANSITORY MEASURES	27
Art. 73 – Validity of Regulations	27
Art. 74 – Other Measures	27
Art. 75 – Application Limits	27

CHAPTER I – GENERAL REGULATIONS

PARAGRAPH ONE – PRINCIPLES AND OBJECTIVES

Art. 1 – General Principles

1. The administrative activities of Sapienza University of Rome aim to promote the pursuit of the university's institutional objectives, guaranteeing short and long-term economic, financial and patrimonial equilibrium, whilst respecting all accounting and budget principles established by current legislation.
2. Accounting and administrative processes are inspired by principle of legality, transparency, efficiency, efficacy and saving to pursue responsibility in the management of resources and achieve pre-established objectives.

Art. 2 – Objectives of University Regulations for Administration, Finance and Accounting and Accounting and Management Control Manuals

1. The present Regulations are adopted in implementation of Articles 6-7 of Bill 9 N. 168 (May 9, 1989) as per Bill N. 240 (Dec. 30, 2010), D. Lgs. N. 18 (Jan. 27, 2012) and Art. 26 of the Sapienza Statute published with D.R. N. 3689 (29.10.2012) and subsequent modifications. They regulate the accounting system, the administrative and accounting procedures, structure and objectives, all accounting processes (programming, management, budget reviews), control systems, related responsibilities and contract procedures.
2. For all details concerning the structures and procedures related to the accounting system and management control system, please refer to the Accounting Manual and in the Management Control Manual.
3. The Accounting Manual defines the structure of the Chart of Accounts (Art. 21) in line with the principles established by the Ministry by D.M. N. 19 (14/01/2014) and subsequent modifications. This includes:
 - Accounting principles and procedures for registration;
 - Procedures for periodical accounting;
 - Procedures for management of financial management and financial flow.
4. The Management Control Manual defines the plan for Administrative Responsibility Centres and Cost Centres, procedures for the budget assignment, budget management and relative control procedures, as well as audits and drafts, as well as criteria for allocation and revenue from Cost Centres.
5. The Accounting Manual and the Management Control Manual are proposed by the Director General and approved by the Board of Administrators.

PARAGRAPH TWO – STRUCTURE FOR ORGANISATION AND MANAGEMENT

Art. 3 – Administrative Responsibility Centres

1. Administrative Responsibility Centres are organisational units that employ allocated resources and are responsible for the correct management and achievement of planned objectives.

2. Administrative Responsibility Centres are:

- a. Cost Centres;
- b. Organisational Directorates.

Art. 4 – Cost Centres

1. The Cost Centres identified by the Statute have administrative and managerial independence. Each Cost Centre proposes an annual and three-year budget and investment to set off all the activities necessary for the completion of the planning phase (Art. 29).
2. Cost Centres manage assigned budgets, produce related accounting records and conduct accounting activities as established by the university accounting principles and procedures.
3. The administrative activities of Cost Centres are assigned to an Administrative Officer (RAD) as per Art. 14.

Art. 5 – Organisational Directorates

1. Organisational Directorates are identified by the Director General.
2. The manager of each Organisational Directorate is nominated by the Director General.
3. Organisational Directorates independently manage resources allocated by the Director General as part of the annual budget and investment plan.

Art. 6 – Inter-departmental Research Centres

1. Inter-departmental Research Centres are created to drive research potential through interdisciplinary integration and improvement of resource exploitation. As per Art. 15 of the Statute, administrative and accounting activities are managed by one of the involved Departments. The proposal of the creation of an Inter-departmental Research Centre must include the Department that will be responsible for administrative and accounting activities, as indicated in the Section Two – Paragraph Two, even in relation to related research centres.
2. An Administrative Coordinator is assigned to Inter-departmental Research Centres who is responsible for providing administrative and accounting support to the centre that is directly supervised by the RAD at the Department responsible for administrative and accounting activities.
3. Inter-departmental Research Centres participate in planning activities for their reference Department as per Paragraph Three – Art. 29.
4. Following the definition of the Annual University Budget and the budget of Cost Centres, the RAD at the Department responsible for administrative and accounting activities will communicate the allocated resources to the Coordinator responsible for the management of activities at the Inter-departmental Research Centre.

Art. 7 – Especially Complex and Significant Management Projects

1. Especially Complex and Significant Management Projects may be developed by project groups across a series Administrative Responsibility Centres providing resources.

2. Such projects have a Coordinator nominated by the Director General.

PARAGRAPH THREE – ACCOUNTING ROLES AND FUNCTIONS

Art. 8 – Accounting Roles

1. University accounting is subdivided into the following phases:

- a. Planning;
- b. Management;
- c. Draft Revision;
- d. Final Budget Statement.

2. Offices involved in this process:

- a. Rector;
- b. Director General;
- c. Academic Senate;
- d. Board of Administrators.

3. Structures involved in the accounting process:

- a. Cost Centres;
- b. RADs;
- c. Organisational Directorates;
- d. Area Directors.

4. The Director General established the organisation of the accounting services, assigning the following responsibilities:

- a. Accounting, Finance and Control Area: management of the accounting process for the preparation of accounting records (as per Art. 25), monitoring account management and cash flow management;
- b. Administrative Responsibility Centres: formulate budget proposal for structures, manage active and passive cycle procedures, as per current legislation. Cost Centres are responsible for accounting records, as well as the issue and underwriting of payment orders and invoices.

Art. 9 – Rector

1. In terms of accounting processes, the Rector, as also established by the Statute, is responsible for:

- a. Presenting the multi-annual programming document to the Academic Senate and Board of Administrators;
- b. Presenting the public accounting draft documentation to the Board of Administrators for approval and to the Academic Senate for the required assessment;
- c. Presenting the public accounting consolidated documentation to the Board of Administrators for approval and to the Academic Senate for the required assessment;
- d. In case of proven necessity and urgency, the Rector may take care of administrative measures that are normally the competence of the Board of Directors and have them ratified at the first

subsequent board meeting, and draft the reports that accompany public accounting draft documentation (Art. 25);

f. Preparing the report (as established by D.L. N. 180/2008 converted into Bill N. 1/2009 Art. 3- quater) that is an integral part of the Management Report accompanying the university's consolidated financial statements (Art. 25);

g. Preparing, together with the Director General, proposals for the Board of Administrators concerning financial coverage for investment costs, as established by Art. 23;

h. Reporting to the Board of Administrators on monitoring results and, together with the Director General, on the overall state of management.

Art. 10 – Director General

1. In terms of accounting processes, the Director General, as also established by the Statute, is responsible for:

a. Adopting acts and administrative measures and controls expenditures and revenue (with the exception of the direct responsibilities of Area Directors or other specific proxies);

b. Prepares public accounting draft documentation (Art. 25);

c. Prepares public accounting consolidated documentation (Art. 25);

d. Prepares, together with the Rector, the Management Report , accompanying the university's consolidated financial statements (Art. 25);

e. Oversees the implementation of plans, programmes and general directives defined by the university governance;

f. Monitors, in collaborations with the Accounting, Finance and Management Control Area, the overall management of the university;

g. Prepares and presents the Accounting Manual and the Management Control Manual to the Board of Administrators for approval;

h. Prepares Plan of Accounts (Art. 21).

Art. 11 –Academic Senate

1. In terms of accounting processes, the Academic Senate, as also established by the Statute, is responsible for:

a. Establishing criteria for the subdivision of financial resources and the budget for academic staff as part of the expense items approved by the Board of Directors, in line with the periodical evaluations conducted by the Board on the progress and sustainability of expenditures as part of the annual and tri-annual staff programming needs, coherently with the objectives assigned to Departments in terms of research and education and the number of degree programmes and relative facilities;

b. Providing the required assessment of the public accounting draft documentation (Art. 25);

c. Providing the required assessment of the public accounting consolidated documentation (Art. 25);

d. Providing an assessment of the multi-annual programming document (Art. 28).

Art. 12 – Board of Directors

1. In terms of accounting processes, the Board of Directors, as also established by the Statute, is responsible for:

- a. Approving the multi-annual programming document, following its assessment by the Academic Senate;
- b. Approving the annual and multi-annual financial programme;
- c. Approving the annual and tri-annual programme for staff requirements, funding and resource allocation;
- d. Approving public draft accounting records (Art .25) following their assessment by the Academic Senate, and transmit them to the Ministry of Education, University and Research and the Ministry of Economics and Finance;
- e. Approving public consolidated accounting records (Art .25) following their assessment by the Academic Senate, and transmit them to the Ministry of Education, University and Research and the Ministry of Economics and Finance;
- f. Approving any proposals present in the Participatory Budget into the Multi-annual Budget;
- g. Approving the Accounting Manual and the Management Control Manual;
- h. Approving the Chart of Accounts (Art. 21);
- i. Approving financial coverage for investments (Art. 23);
- l. Authorising draft budget (Art. 33);
- m. Exercising all other requirements relative to administration and finance;
- n. Approving Department hiring proposals as per Art. 18, Comma 1, letter e) and Art. 24, Comma 2, letter d of Bill N. 240/2010.

Art. 13 – Cost Centres

1. Cost Centres include:

- a. Departments;
- b. Faculties;
- c. School of Advanced Studies;
- d. School of Aerospace Engineering;
- e. Service Centres;
- f. Research and Service Centres;
- g. Infosapienza;
- h. Sapienza Museum Network;
- i. Library Network.

2. In terms of accounting processes, Cost Centres are responsible for:

- a. Collaborating on the planning, management and assessment of budget drafts and consolidation;
- b. Formulating annual and tri-annual budget proposals in respect of strategy guidelines;
- c. Managing resources allocated by the Director General on the basis of the University Budget;
- d. Administering purchases and revenues, as appointed by the Director General;
- e. Monitoring the economic, financial and Balance Sheet of the structure;
- f. Preparing accounting records necessary for the structure.

3. The School of Aerospace Engineering is regulated by the regulations in this document applicable to Faculties and Departments.

Art. 14 – Administrative Officers

1. RADs are responsible for the administrative and accounting management of the Centres addressed by the previous article. They are appointed by the Director General to supervise all expenses and the organization of human resources, including all external activities involving Sapienza University. In addition to the points specified in Articles 39 and 42, further specific competences and responsibilities may be assigned by the Director General.

Art. 15 – Organisational Directorates

1. In terms of accounting processes, Organisational Directorates are responsible for:
 - a. Formulating annual and tri-annual budget proposals in respect of strategy guidelines;
 - b. Managing resources allocated by the Director General, including administering purchases and revenues, on the basis of the University Budget;
 - c. Monitoring the economic, financial and Balance Sheet of the structure.

Art. 16 – Area Directors

1. Organisational Directorates are managed by Area Directors who are responsible, based on the assigned budget, for the area's financial, technical and administrative management. Area Directors independently exercise expenditures, human resources organization and supervision.

CHAPTER II - THE ACCOUNTING SYSTEM

PARAGRAPH ONE – ORGANISATION OF THE ACCOUNTING SYSTEM

Art. 17– Principles of the Accounting System

1. Sapienza has adopted a financial accounting system and a single university budget, as well as analytic accounting.
2. Accounting records at Sapienza (also see Paragraph Two) are based on Art. 1 of these Regulations.
3. The Accounting Manual and Management Control Manual (Art. 2) specify the principles and criteria adopted for accounting procedures.

Art. 18 – Monitoring System

1. The General Accounting Monitoring System respects the principles of financial accounting indicated in these Regulations and that are described in detail in the Accounting Manual.

2. Analytic accounting for the annual draft budget defines the budget limits of the Administrative Responsibility Centres; allows the assessment of resources during management; and permits, following the consolidated budget, to improve management efficiency and efficacy through the comparison of draft and consolidated data.

3. The university accounting system is compatible with public administration accounting systems thanks to the classification of items integrated with the analytical accounting system that allows budget data in terms of financial accounting and per missions and programmes to be reclassified.

Art. 19 – Structure of the Accounting System

1. The accounting system reflects the organisational structure of Sapienza University through the definition of units.

2. Units include:

a. Cost and Revenue Centres

b. Projects

3. Each Administrative Responsibility Centre (Art. 3) is organised into Cost and Revenue Centres, which can either be multi-level and/or transversal or each Centre can be organised into sub-centres. Cost and Revenue Centres may represent real or virtual organizational units that are useful for the analytical identification of accounting.

4. Projects are temporary initiatives with assigned objectives, financial resources, tools and human resources. Project may refer directly to Administrative Responsibility Centres or to Cost Centres.

Art. 20 – Accounting Period

1. The accounting period lasts one solar year (January 1 to December 31).

2. In relation to the various accounting objectives, the accounting system addresses:

a. An accounting period corresponding to the entire year;

b. Accounting periods corresponding to annual subdivisions;

c. Accounting periods corresponding to more than one year.

Art. 21 – Chart of Accounts

1. Sapienza, in terms of accounting records, has adopted:

a. Chart of Accounts for General Accounting;

b. Chart of Accounts for Analytical Accounting.

2. The Chart of Accounts for General Accounting identifies the nature of acquisitions and operational resources. It is structured to guarantee Double-entry bookkeeping system. The Chart of Accounts for Analytical Accounting is structured to guarantee the reclassification per destination of the previous operations.

3. The Chart of Accounts for General Accounting is associated to the Chart of Accounts for Analytical Accounting.

4. The Chart of Accounts for General Accounting and the Chart of Accounts for Analytical Accounting are organised on the basis of measures and be further organized to management objectives.

5. The definition of the measures according to which each Chart of Accounts is organised is decided by the Board of Administrators and approved upon the definition of the annual draft budget. Any urgent modifications and/or integrations that are necessary during the course of the year are adopted by the Director General and subsequently ratified by the Board of Directors.

Art. 22 – Equity and Operating Profits

1. Equity is constituted by:

- a. Endowment Fund;
- b. Controlled Assets;
- c. Uncontrolled Assets.

2. At the beginning of financial accounting, the Endowment Fund represents the difference between the active and passive accounts of the Balance Sheet, minus controlled and uncontrolled assets, which are analytically determined upon the definition of the first Balance Sheet. The Endowment Fund may be increased or diminished by the Board of Administrators.

3. Controlled Assets include funds, reserves and capital grants that are controlled by decision of the university governance or third-party donators.

4. Uncontrolled Assets include annual performance, free resources from management of previous periods and statutory reserves.

5. At the end of an accounting period with a positive balance sheet, the Board of Administrators approves the addition to the equity.

6. At the end of an accounting period with a negative balance sheet, the Board of Administrators will have to adopt measures to address the issue by:

- a. Using allocated reserves;
- b. Using uncontrolled equity;
- c. Identifying extraordinary means of coverage;
- d. Presenting a repayment plan unless, in case of need, measures allowed by current legislation on insolvency are implemented.

7. The detailed contents of the net equity of each accounting period are described in the notes to the financial statements.

Art. 23 – Financial Management of Investments

1. The budget for investments (Art. 25) describes the amount of investments planned for the accounting year and the necessary financial coverage.

2. Financial coverage for investments, which must be authorised by the Board of Administrators following a proposal by the Rector and Director General, is governed by Art. 12, letter (i) through the:

- a. use of free reserves from previous accounting years;
- b. use of credit with proven reimbursement potential and economic sustainability;
- c. use of cash reserves following disinvestments through sale of fixed capital assets following

authorisation of the Board of Administrators and the Academic Senate;
d. use of capital and funds from third parties.

3. At the end of an accounting year with a positive balance between funding and scheduled investments, the Board of Administrators may decide to employ the positive balance in further investment programmes for subsequent accounting years.

4. If the need for further unexpected funding arises during an accounting year, it can be sourced through a reduction of scheduled investments. All such variations must be approved by the Board of Administrators.

5. The Board of Administrators may motivate the need to turn to the financial market to contract or renegotiate mortgages. The funds obtained through such actions may only be used as per the limits established by current legislation on debt.

6. The burden of the mortgage depreciation charges must not in any way compromise either the university's economic, financial and capital equilibrium in the short, medium or long term, or the university's ordinary management. An assessment ensuring such financial stability must be included in the relative resolution.

PARAGRAPH TWO – ACCOUNTING RECORDS

Art. 24 – Accounting Records

1. Accounting records include public documents and management documents both of which must include a draft and a consolidated version.

2. Public accounting records, which serve for both internal and external information, follow established requirements that are described in these Regulations and in the Accounting Manual. Management accounting documents are mainly for internal purposes that are described in the Accounting Manual and in the Management Control Manual.

Art. 25 – Public Accounting Records

1. Public accounting records follow established requirements and must adhere to the budget organisation required by current legislation and the indications provided in the Accounting Manual and in the Management Control Manual. Public accounting records include university draft budgets, tri-annual budgets, financial statements and consolidated budgets.

2. Draft Public accounting records include:

a. Draft Annual Authorising Budget composed by:

- *University Economic Budget* indicating revenues and expenses for the accounting year based on principles of economic competence;
- *University Investments Budget* indicating all investments and financial coverage for the accounting year. Investments include all operations that modify material, immaterial and financial assets.

b. Draft Tri-Annual Budget composed by:

- *Economic Budget* indicating revenues and expenses for the three-year period based on principles of economic competence;

- *Investments Budget* indicating all investments and financial coverage for three-year period.

c. Draft Annual Non-Authorising Budget as per current legislation to allow the consolidation and monitoring of public administration accounting.

Draft public accounting documentation must include the Report by the Auditing Board and the Rector's Programme.

3. Consolidated Public accounting records include:

a. University Budget for accounting year composed by:

- Balance Sheet - indicating the consistency of active and passive capital assets.
- Income Statement – indicating revenues and expenses for accounting year based on principles of economic competence.
- Financial Statement – summarising the relation between financial resource sources and uses and variations in cash flow (increments and use of cash flow).
- Notes to Financial Statements – providing information complementary to that indicated in the documents and that is necessary to fully document the capital and financial situation and the economic performance, as well as to illustrate the adopted assessment criteria.
- Management Report – indicating results of research, education and technology transfer activities, as well as the economic, financial and capital performance.

b. Consolidated University Budget for enterprises, companies and/or other agencies controlled by Sapienza University, with or without participations, no matter what their legal form, including balance sheet, economic performance and integrative notes.

c. University Financial Account allowing consolidation and monitoring of public administration accounting.

The documents described in points 2a and 3a include costs for missions and programmes in terms of main objectives and strategic missions.

Public consolidated accounting records include the Auditing Board Report.

Art. 26 – Management Accounting Records

1. Management Accounting Records, which are described in the Accounting Manual and in the Management Control Manual, aim to monitor the economic, financial and capital equilibrium of the university.

PARAGRAPH THREE – ECONOMIC-CAPITAL MANAGEMENT

SECTION ONE – BUDGETARY PLANNING

Art. 27 – Purposes, Aims and Principles of Budgetary Planning

1. The Budgetary Planning process aims to define Sapienza objectives and programmes both on an annual and tri-annual basis. It must guarantee the sustainability of all university activities. Its accounting aspects are provided in the:

- Authorising Annual Draft Budget;
- Tri-annual Draft Budget.

The budgeting planning process will allow the definition of economic budgets and annual investments for Administrative Responsibility Centres as per university organisation.

2. The Authorising Annual Draft Budget must be approved in balance. The economic budget may make use of uncontrolled assets to balance any eventual issues. University management must pursue a balanced economic, financial and capital equilibrium.
3. The Tri-annual Draft Budget must guarantee the sustainability of all medium to long-term activities.
4. The Authorising Annual Draft Budget and the Tri-annual Draft Budget must adhere to the tri-annual plans for budgetary planning and personnel recruitment, as well as tri-annual programming as per current legislation.

Art. 28 – Definition of Budgetary Planning Guidelines

1. By April 30 of the preceding year, as per Articles 18,19 and 20 of the Statute, the Board of Administrators, following a proposal by the Rector and the assessment of the Academic Senate, must approve the annual and tri-annual budgetary planning documents that identify objectives for departments, faculties, School of Advanced Studies, as well as the objectives for the Director General.
2. The documentation mentioned at the previous point must also include the objectives for the service centres, the research and service centres, the InfoSapienza Centre, the Museum Network and the Library System.
3. By May 31, as per Art. 22 of the Statute, the Director General must plan all actions to pursue the objectives described in point (1) through the definition of operative objectives to be assigned to Area Directors in the central administration, the InfoSapienza Director, the Library System Director and the Press Centre Director.
4. The objectives described in points 1-2-3 are defined in coherence with the University Strategic Plan and the classification of expenses for programmes and missions.
5. By May 31, as per points 1-2-3, the Director General will prepare an agenda for all activities for the Authorising Annual Draft Budget, as well as the Tri-annual Draft Budget.

Art. 29 – Preparation of the Authorising Annual Draft Budget and the Tri-annual Draft Budget

1. In preparing the budget, the Director General, in agreement with the Rector, will implement the actions established by the budgetary planning guidelines for expense centres.
2. Each Administrative Responsibility Centre must prepare a budget proposal based on the models provided in the Accounting Manual, as follows:
 - Economic Budget;
 - Investment Budget.
3. Departments formulate annual budget proposals based on the indications provided by the Director, developed by the RAD and approved by the Department Council. Moreover, the departments also formulate a tri-annual budget proposal to guarantee the sustainability of medium-term activities.

4. Faculties formulate annual budget proposals based on the indications provided by the Dean, developed by the RAD and approved by the faculty committee. Moreover, the faculties also formulate a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
5. The School of Advanced Studies formulates an annual budget proposal based on the indications provided by the Director, developed by the RAD and approved by the Department Council. Moreover, the School also formulates a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
6. Service Centres formulate annual budget proposals based on the indications provided by the Dean, developed by the RAD and approved by the Directive Committee or corresponding body, following the approval of the Technical-Scientific Committee. Moreover, the Service Centres also formulate a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
7. Research and Service Centres formulate annual budget proposals based on the indications provided by the Dean, developed by the RAD and approved by the Directive Committee or corresponding body, following the approval of the Technical-Scientific Committee. Moreover, the Service Centres also formulate a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
8. For the InfoSapienza Centre, in conformity with Art. 15, Paragraph 4 of the Statute, the Director formulates an annual budget proposal based on the indications provided by the President, developed by the RAD and approved by the Directive Council. Moreover, the InfoSapienza Centre also formulates a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
9. The Library System formulates annual budget proposals based on the indications provided by the Dean, developed by the RAD and approved by the Directive Committee, following the approval of the Technical-Scientific Committee. Moreover, the Library System also formulates a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
10. For the Museum Network, the Director formulates annual budget proposals based on the indications provided by the Museum Council, developed by the RAD and approved by the Directive Committee. Moreover, the Museum Network also formulates a tri-annual budget proposal to guarantee the sustainability of medium-term activities.
11. Individual budgets, as per Paragraphs 3,4,5,6,7,8,9,10 of this Article, must be aim for a break even and be accompanied by the reclassification of accounting records in terms of financial competences.

All documents must be formally transmitted to the Director General in order to allow all necessary operations for the completion of the budgeting plan.

Individual budgets will be assessed and added to university draft documentation that will have to be approved by the Board of Directors.

12. Organisational Directorates formulate annual and tri-annual budget proposals that satisfy the assigned objectives and adhere to the structure's development guidelines, describing all activities related to fund allocation.

All documents must be formally transmitted to the Director General in order to allow all necessary operations for the completion of the budgeting plan.

13. Draft documentation from the Administrative Responsibility Centres, in their definitive version, are the basis for the definition, through a process of integration and aggregation, of the draft public accounting documents for the university:

- a. Authorising Annual Draft Budget – including economic and investment budgets;
- b. Tri-annual Draft Budget – including economic and investment budgets.
- c. Non-authorising Draft Budget financial accounts.

Art. 30 – Preparation and Approval of the Authorising Draft University Budget

1. At the end of the budget definition process, the Director General prepares the Authorising Draft University Budget that the Rector, following approval by the Board of Auditors, proposes to the Board of Administrators for approval, after also consulting with the Academic Senate.
2. The approval of the Authorising Draft University Budget and all documents required by current legislation must take place no later than December 31 of the year preceding the accounting period.

Art. 31 – Budget Allocation to Administrative Responsibility Centres

Following the approval of the budget by the Board of Directors, the Director General communicates the authorising budget to each expense centre, delegating the RAD to implement and sign the functional administrative documents required to develop the activities described in the budget.

Following the approval of the budget by the Board of Directors, the Director General assigns resources to the Directors, along with the management guidelines, to implement the activities defined by the Board of Directors and as established by D. Lgs, 165/2001.

Art. 32 – Preparation and Approval of the Tri-annual Draft Budget

1. At the end of the budget definition process, the Director General prepares the Tri-annual Draft Budget with the Director of the Accounting, Finance and Management Control Area that the Rector, following approval by the Board of Auditors, proposes to the Board of Administrators for approval, after also consulting with the Academic Senate.
2. The approval of the Tri-annual Draft Budget and all documents required by current legislation must take place no later than December 31 of the year preceding the three-year reference accounting period.

Art. 33 – Provisional Budget

1. If the Board of Administrators is incapable of approving the Authorising Draft University Budget by the deadline established by these Regulations, it will authorise a provisional budget in order to allow operative continuity of ordinary activities.
2. A provisional budget can only be authorised for a period no longer than three months, allowing only ordinary, required expenses as well as those related to on-going projects that will end during the provisional budget period.

Art. 34 – Preparation of the Non-authorising Draft University Budget

1. Together with the approval of the budgets described in Art. 29, Paragraph 2, the Board of Administrators will also approve the Non-authorising Draft University Budget, reclassified in terms of the requisites and scheme required by current legislation, to allow the consolidation and monitoring of public administration accounting.

Art. 35 – Planning of Cashflow and Financial Needs

1. The Accounting, Finance and Management Control Area supervises the planning and management of cashflow for the entire university based on the plans and activities of Organisational Directorates and Expense Centres, in coherence with current legislation.
2. Each Administrative Responsibility Centre is accountable for planning its cashflow requirements.
3. For cashflow and financial needs planning, please refer to the specific regulations.

SECTION TWO – MANAGEMENT

Art. 36 – Management Objectives

As part of the accounting system, the management process aims to record the events that are significant in economic-capital and financial terms.

Art. 37 – Registration of Accounting Events

1. Accounting aims to record management facts with an external relevance in order to determine the consequent results.
2. General accounting only concerns events that generate a certain, assimilated or presumed economic, capital, or financial variation. The accounting representation of administrative facts is determined by the concrete, corresponding numeric description.
3. External management facts are identified in the accounting system and generate records both in the active and passive cycles.
4. The Accounting Manual describes the operative procedures for recording events in the general accounting system with the double-entry bookkeeping system.

SECTION TWO/1 – MANAGING THE ACTIVE CYCLE

Art. 38 – General Principles for the Active Cycle

1. The general principles for the active cycle or profit recording, include:
 - a. Profit recording per economic area;
 - b. Recording of certain credit:
 - c. Credit exposure at nominal value or forecast return. The nominal value of credits may be rectified through a credit devaluation fund.
2. Profit is only recorded if it is reasonably certain and quantifiable.

3. Events that generate certain, assimilated or expected financial variations and that determine the recording of returns are described in the Accounting Manual.

Art. 39 – Responsibilities for the Active Cycle

1. Responsibilities for the active cycle are attributed as follows:

a) Expense Centres – RAD responsibilities include:

- All phases concerning the acquisition of resources and the relative confirmation of the budget, the emission of collection orders, signature of documents required by cashier agency, fiscal and administrative requirements;
- Certification of formal assignment of institutional contributions and the effective completion of commercial services.

b) Organisational Directorates:

- Area Directors and Office and Sector Managers are responsible for all resource acquisition processes;
- Directors and Accounting, Finance and Management Control Area Office and Sector Managers are responsible for the emission of active commercial invoices, collection order validation and transmission to cashier agency.

Art. 40 – Collection Order Signature

1. Collection orders must be signed as follows:

a) Expense Centres – RADs. The signature validates the collection order.

b) Organisational Directorates – Director General. The signature certifies the formal validity of the collection order.

SECTION TWO/2 – MANAGING THE PASSIVE CYCLE

Art. 41 – General Principles for the Passive Cycle

1. General principles for the passive cycle, the recording of expenses, includes:

- a. Recording of costs per economic area;
- b. Recording of certain or expected debts;
- c. Exposure of debts at nominal value.

2. Costs must be related to revenue or other available resources for university activities. This is a fundamental corollary to the principle of economic competences and intends to express the balance between positive and negative economic components, both certain and expected.

3. Events that generate certain, assimilated or expected financial variations and determine accounting records are described in the Accounting Manual.

Art. 42 – Responsibilities for the Passive Cycle

1. Responsibilities for the passive cycle are attributed as follows:

a) Expense Centres – RAD responsibilities include:

- Acquisition of all goods and services, including budget management;
- Paying all due amounts, certifying delivery and compliance, testing if required and all fiscal and administrative requirements.
- The RAD is also responsible for preparing all documentation for payment orders as per Art. 44.

b) Organisational Directorates:

- Area Directors are responsible, within the assigned budget, for financial, technical and administrative management, including the formalisation of all acts and measures concerning their area of competence;
- Office and Sector Managers for each Directorate, as well as specific managers required by special regulations, are responsible for all operations in their area of competence, in respect of current legislation, for all acquisitions of goods and services and for any administrative act involving accounting. Moreover, they are responsible for the regularity of adopted administrative-accounting procedures, the exact determination of payments due, the certification of deliveries and congruity, testing if required, and all fiscal and administrative requirements;
- The Director and the Office and Sector Managers of the Accounting, Finance and Control Management Area are responsible for payment orders and their formal soundness, as well as the management of notifications to the Cashier Agency for all payments, as per assigned requirements and cashflow limits.

Art. 43 – Signature of Payment Orders

1. Payment orders must be signed as follows:

a) Expense Centres by RADs – the signature represents the validation of the payment order.

b) Organisational Directorates by the Director General (or delegate) – the signature represents the validation of the payment order and the formal soundness of all required documentation.

Art. 44 – Documentation Attached to Payment Orders

1. Every payment order must be accompanied, depending on the specific case, by documentation attesting the regular execution of work, supplies and services, or by reports or testing certificates if required, by detailed delivery receipts when the goods can be inventoried and stocked, and payment receipts and all other documentation justifying the expense. The documentation must also include all legal requirements for payment orders.

2. Said documentation must be cleared by the figure responsible for certifying the expense.

Art. 45 – Financial Management

1. The University cashier service is assigned to a banking agency. For special needs, the university may use postal service accounts as long as savings are periodically transferred to the cashier agency (minimum every 15 days).

2. The Bursar has a treasury fund for minor, documented expenses that is allocated at the management of each accounting period. For further information on the operation of this fund, please refer to the University Regulations.

Art. 46 – Credit Cards

Payments may also be made via credit card. For further information, please refer to the Accounting Manual and the University Regulations.

Art. 47 – Management Analysis

1. Management Analysis includes both annual and mid-year monitoring as specified in the Accounting Manual and the Management Control Manual.

2. Management Analysis mainly aims to verify the presence of any disalignments, allowing the university to react timely to management issues by identifying the issues and implementing required corrective measures.

Art. 48 – Periodic Assessment of the Budget

In conjunction with the management analysis described in Art. 47, the Accounting, Finance and Management Control Area will periodically verify the congruence between assigned budgets, cost sustainability, and the development of investments and planned revenue. As a result of these assessments, required corrective measures may be adopted, such as a general revision of the budget or necessary provisions for critical situations.

SECTION THREE – DRAFT REVIEWS

Art. 49 – Objective of the Draft Review Process

1. The Objective of the Draft Review Process is to update the Authorising Draft University in view of annual management results, as verified by the management analysis process and in relation to the consolidation of information on the previous accounting period.

2. Corrections may result from:

- a. adjustments that do not substantially modify the initial expectations;
- b. adjustments deriving from modifications related to objectives and/or completion deadlines.

Art. 50 – Draft Budget Adjustments

1. During the year, the draft budget may be adjusted in the following cases:

- a. Increase/decrease of resources with restricted use;
- b. Remodulation of costs in the economic budget or in the investment budgets of each Administrative Responsibility Centre;
- c. Differences in budgets between Administrative Responsibility Centre;
- d. Differences between the economic budget and the investments budget;
- e. Any situation of disequilibrium that required budget adjustment in relation to:

- Increase in costs or new financial requirements;
- Less revenue than expected;
- New funding (without restricted use);
- Allocation of revenue/settlement of certified losses from previous accounting period.

Art. 51 – Authorisation of Adjustments to Draft Accounting Documentation

1. Adjustments addressing issues described in Art. 50, Section 1, a-b-d, must be authorised by the Director General for the budget of Directorates and by Expense Centres for specific budgets.
2. Adjustments addressing issues described in Art. 50, Section 1, d, must also be ratified by the Board of Administrators, following the assessment of the Board of Auditors.
3. Adjustments addressing issues described in Art. 50, Section 1, c, must be authorised by the Director General for the budget of Organisational Directorates and must also be ratified by the Board of Administrators, following the assessment of the Board of Auditors.
4. Adjustments addressing issues described in Art. 50, Section 1, e, must be approved by the Board of Administrators, following an assessment by the Board of Auditors. In case of urgency, they may be authorised with a decree by the Rector and ratified by the Board of Administrators, following an assessment by the Board of Auditors.

SECTION FOUR – FINAL ACCOUNTING DOCUMENTATION

Art. 52 – Closure of Accounts

1. The process of account closure aims to determine the values, deriving from accounting procedures, to insert in the final accounting documents for Sapienza University at large.
2. The process of account closure takes place through the correction or adjustment of accounting documentation to prepare the University Budget in full respect of economic competences, at the end of the accounting period.

Art. 53 – Final Accounting Records

1. Final Accounting Records include:
 - a. Accounting records documenting adjustments and corrections;
 - b. Final accounting documentation.
2. Accounting records documenting adjustments and corrections are prepared to determine the economic competence of positive and negative revenues and to determine operating assets. These may be:
 - a. Depreciation and amortisation documents to cover asset amortisation quotas and any depreciation of active assets;
 - b. Adjustment entries that transfer, partially or fully, costs and profits that have already been accounted for (in terms of competences) to future accounting years;
 - c. Integrations to costs and profits that have not already been accounted for but that are the economic competence, partially or fully, of the accounting year.

3. Final accounting records provide the balances for the summary accounts of the income statement and balance sheet.
4. The Accounting Manual describes all the criteria and procedures for the final accounting records.
5. Residual budget is managed as follows:
 - a. Budget commitments based on juridical obligations and financial coverage that have not yet been transformed into economic-asset accounting records are reassigned to the following accounting year;
 - b. Residual budget from resources with constraints are reassigned to the following accounting year;
 - c. Residual budget from resources with constraints are not reassigned to the following accounting year.

Art. 54 – Preparation and Approval of Consolidated Summary Accounting Records

1. Upon completion of the final accounting records, the Director General and the Accounting, Finance and Management Control Area prepare the University Budget (Art. 25, Paragraph 3).
2. The Director General and the Rector jointly produce the Management Report.
3. The document described in paragraph 1 is prepared along with the University Budget for Financial Accounting.
4. The University Budget is submitted for approval by the Rector to the Board of Administrators, following the opinion of the Academic Senate, by April 30 of each year. It is accompanied by a report produced by the Board of Auditors certifying the correspondence of the document to the accounting outcomes and is integrated with evaluations and recommendations on the regularity of the administrative and accounting management and proposals for its approval.

Art. 55 – Opening of Accounts

At the beginning of the new accounting year, the balances of the balance sheet accounts are reopened, reporting the final balances of the accounts relating to assets, liabilities and equity in the balance sheet referring to the previous year.

PARAGRAPH FOUR – CHECKS AND FINAL REGULATIONS

Art. 56 – Control System

1. Internal controls aim to guarantee impartiality, correct management, also in terms of the cost-effectiveness, efficiency and efficacy of the university as a whole and of individual structures. These are carried out by:
 - a. Board of Auditors;
 - b. Assessment Committee.
2. Further controls are operated by internal structures dedicated to internal audits as specified in the following article.

Art. 57 – Board of Auditors

1. The Board of Auditors examines the correct accounting and management of all acts and is regulated by Bill N. 240/10, the University Statute and other regulations.
2. The Board of Auditors will carry out all checks on the economic, patrimonial and financial management and monitor the observance of national legislation, the Statute and all internal regulations.
3. The Board of Auditors is responsible for the requirements described at Art. 20 of Bill N. 123/2011.
4. In order to exercise controls, each auditor has the right to view all university administrative and accounting documents.

Art. 58 – University Assessment Committee

The composition and the tasks of the University Assessment Committee are regulated by current legislation, the University Statute and internal regulations.

Art. 59 – Internal Auditing

1. The Accounting, Finance and Management Control Office of the Director General has an internal auditing organ, organised into sections, each of which supervises a series of expense centres and/or types of measures.
2. Internal Auditing tasks:
 - a. Constant monitoring of the correct application of accounting regulations, as defined in the Accounting Manual; timely correction of any errors and omissions;
 - b. Assessing the correct and efficient operation of RADs.
3. The internal auditing structure conducts random ex post checks on methodologies and legitimacy according to procedures based on the type of act and its relevance and financial significance; as part of the planning described in paragraph 4 below, certain acts may be checked ex ante. Checks are conducted to verify:
 - a. Process integrity and conformity to current legislation and regulations;
 - b. Complete and rigorous management of documentation;
 - c. Completeness, reliability and timeliness of information;
 - d. Management of internal and external risks.
4. Internal auditing activities are defined annually as part of the plan adopted by the Director General by January 31 of each year and may be periodically revised (usually per semester). The plan lays out all operational procedures for the auditing.

CHAPTER III – ASSET MANAGEMENT

PARAGRAPH ONE - ASSETS

Art. 60 – Asset Classification

1. The assets are represented by all the specific productive elements that are stably employed to achieve university objectives and are classified as follows:

- a. immaterial assets;
- b. material assets;
- c. financial assets.

2. Assets are indicated as the first active voices on the Balance Sheet, as defined in the Accounting Manual, and are subject to inventory as indicated in the specific internal regulations.

Art. 61 – Immaterial Assets

1. Immaterial assets, as defined in the Accounting Manual, are immaterial and intangible goods that produce economic benefits over the arc of various accounting periods and refer to effective costs that do not exhaust their utility during the accounting period of creation.

Art. 62 – Material Assets

1. Material assets, as defined in the Accounting Manual, are long-lasting goods that are an integral part of the university's permanent organisation. These goods are normally used as tools to produce income for the university and are not therefore destined to be sold or transformed. They may be classified as:

- a. Land and Real Estate;
- b. Facilities and Tools;
- c. Scientific Devices;
- d. Library, Art, Antiques and other museum articles;
- e. Furniture and materials;
- f. Material assets in creation and accounts;
- g. Other material assets.

Art. 63 – Financial Assets

1. Financial assets, as defined in the Accounting Manual, include participations, credits and other titles that identify assets destined to be used over a long period. These include:

- a. Holdings reserved by university governance for long-term investments;
- b. As per current legislation, holdings in other companies and/or agencies for no less than one fifth of their capital, or a tenth if the company/agency is listed on regulated stock markets.

2. Financial activities that are not considered assets are listed as active elements on the balance sheet.

Art. 64 – Criteria for Registering and Assessing Balance Sheet Elements

1. The criteria for the registration and assessment of balance sheet active and passive elements are described, coherently with current legislation, in the Accounting Manual.

Art. 65 – Depreciation of Assets

1. Material and immaterial assets with a limited use must be systematically depreciated on the basis of their residual use.

2. The Accounting Manual provides all the criteria and procedures for calculating the depreciation.

Art. 66 – Inventory of Goods

1. In terms of inventory, material assets, as indicated by the specific internal regulations, are divided into real estate and movable property and are described in separate inventories.

2. Inventories are accounting documents that described all of the management's goods. They certify and document the existence of these goods to safeguard their conservation and ownership by the management, as well as describe the goods' quantity, nature and value.

3. Real estate and movable property are inventoried as they become a university asset through purchase, construction, donation, etc.

Art. 67 – Real Estate Consignees

1. University real estate is entrusted to consignees who are personally responsible for the real estate entrusted to them, as well as for any damage that may derive from their action or negligence, as indicated in the specific internal regulations.

2. Consignees for the real estate in this article are:

- a) Central Administration: Director General and Directors of Organisational Directorates, each for specifically assigned real estate;
- b) Expense Centres: RADs for specifically assigned real estate.

Art. 68 – Movable Property Consignees

1. Inventoried movable property is assigned to consignees, sub-consignees and university users, all of whom are personally responsible for the goods entrusted to them, as well as for any damage that may derive from their action or negligence, as indicated in the specific internal regulations.

2. Consignees for the goods in this article are:

- a) Central Administration: Bursar;
- b) Expense Centres: RADs.

3. Sub-consignees for the central administration are the Directors of Organisational Directorates.

4. Users are defined as those who practically – or based on documentary evidence – have or use goods, either permanently or temporarily, for objectives related to university employment.

Art. 69 – Management of Goods

1. Goods are inventoried on the basis of their transport certificates, signed by the consignee.
2. All inventory activities, including the updating of accounting documents, are regulated by the specific internal regulations.
3. Inventories are closed, in terms of accounting, at the end of every accounting year.

Art. 70 – Recognition of Goods

1. Goods must be inventoried as detailed in the university's internal regulations.

CHAPTER IV - NEGOTIATION AUTONOMY

Art. 71– Negotiation

1. The Director General and Directors of Organisational Directorates are responsible for all negotiation for their respective expense capacities and limits as per Art. 10 and Art. 15 of this document.
2. RADs adopt negotiation acts in their areas of competences and in the prescribed limits as indicated by Art. 4 and Art. 14 of this document.
3. Faculty Deans, Department Directors, the Director of the School of Advanced Studies, Service Centre Directors, Service and Research Centre Directors, the Director of the Museum Network, the Director of the Sapienza Library System and the President of the Infosapienza Centre may sign for acts related to didactics or science with external relevance, such as contracts and agreements with both public and private, national or international organisations, in respect of the measures established by Paragraphs 1 and 2..
4. The same right described in Paragraph 3 is recognised to Director of Interdepartmental Research Centres, following agreement with the Centre's Administrative Coordinator.

Art. 72 – Contracts

1. Contractual activities are disciplined by a specific internal regulation adopted by the Board of Administrators and national legislation addressing universities, as well as the application of EU regulations and relative measures.

CHAPTER V – FINAL AND TRANSITORY MEASURES

Art. 73 – Validity of Regulations

1. The present regulations have been emanated with a decree by the Rector that indicates the document's adoption date.
2. All regulations that are incompatible with this document cease to be valid as of its adoption date.
3. Ongoing contractual procedures at the adoption date of this document will continue to be regulated by the regulations that were valid at the outset of said procedures.
4. The Manuals described in Art. 2 will be approved within six months of the adoption of this Regulation, unless differently indicated by the Board of Administrators.

Art. 74 – Other Measures

1. Relations with inter-university centres, consortiums, associations and foundations are regulated by specific regulations.

Art. 75 – Application Limits

1. All issues not expressly regulated by this document must be determined by current national and EU legislation regulating the issues at hand.