شركة شبكة الخدمات الآلية
Automated Services Network Co.

Financial Policies and Procedures Manual

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Automated Services Network Co.

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Policy Statement

To meet the company business objectives and ensure continuity of its operations, Automated Services Network Company shall adopt and follow well-defined and time-tested procedures. Financial Policies and Procedures Manual is an essential part, and it forms the basis for all other security efforts, including personnel and information security.

Purpose

The purpose of the Financial Policies and Procedures Manual is to:

- Outline the responsibility of the finance staff to ensure that all financial processes, tasks, and duties are done properly, and all exceptions are identified and handled
- Establish the rules for granting control and monitoring.

Scope

Employees

This applies to all employees of the accounting department.

Documentation and Document Control

The Financial Policies and Procedures Manual documentation shall consist of related policies, procedures, and guidelines.

The Financial Policies and Procedures Manual document and all other referenced documents shall be controlled. Version control shall be set to preserve the latest and previous versions of any document. However, the previous version of the documents shall be retained only for a period of two years for legal and knowledge preservation purposes.

Records

Records being generated as part of the Financial Policies and Procedures Manual shall be retained for a period of two years. Records shall be in hard copy or electronic media. The records shall be owned by the respective system administrators and shall be audited once a year.

Privacy

The Financial Policies and Procedures Manual document shall be considered as "confidential" and shall be made available to the concerned persons.

Responsibility

The Financial Manager is responsible for the proper implementation of the Financial Policies and Procedures Manual.

Policies & Procedures

1. Policy and procedures on transaction recording, revenue recognition and vendor settlements.

A. Policy and procedures on transaction recording:

Transactions that are not disbursements shall have a copy of the journal entry printed from the accounting system. Journal entries consecutively numbered.
The printed journal entry for a transaction attached to the supporting documentation to create a journal voucher, and the journal voucher filed together with other journal vouchers in numerical order for the fiscal year.

Documentation that supports the recording of a financial transaction provided to the eN**et**'s Financial Manager, and the documentation may consist of the following examples:

- ✓ Invoices
- ✓ Purchase orders
- ✓ Funding notices
- ✓ Payroll reports
- ✓ Payroll tax payment reports
- ✓ Vendor refund documents
- ✓ Documentation of correspondence with individuals

B. Policy and procedures on revenue recognition:

According to standard of (IFRS)15, the revenue is recognized when the delivery of promised goods or services, and the revenue recognition in eN**et** align with the five steps in below.

1. Identify the contract with the customer
2. Identify the contract's performance obligations.
3. Determine the transaction commission.
4. Allocate the transaction commission to the contract's performance obligations
5. Recognize revenue when (or as) the organization meets a performance obligation.

2. Policies and procedures on accounts receivables

Managing Invoicing: The first step in implementing an accounts receivable system is developing policies and procedures for invoicing. e**Net** can speed up collection by issuing invoices as soon as the sale is complete. The sales department report sales and when the accounting department should issue the invoice. Procedure's detail what the sales report must include as, how to prepare it and where to send it. Accounting procedures give the details of invoice preparation, verification, data entry into the accounting software and invoice mailing.

Managing Credit: Unless customers always pay in advance, they typically receive credit, at least until they pay their bills. Customers that receive credit must have accounts for which the company has performed a credit check and which it monitors for prompt payment. Company policies specify which customers can open accounts, what kind of credit approval process to apply and the required credit standards. Procedures detail the account information required from customers, who carries out the credit check and how. Account maintenance procedures give details on tracking payment performance and how to suspend credit when required.

Collecting Receivables: The final step in the operation of an accounts receivable system is collecting the amounts due as rapidly as possible, Regular reminders to customers with overdue accounts are an effective tool. Payment terms, any discounts, and a schedule for reminders as well as consequences for late payment are set. Collection procedures detail tracking payments, entering receipts into the accounting system, sending reminders for late payments and initiating additional collection actions.

3.Policy and procedures for petty cash

A. Casher issue the payment voucher to reimbursement the petty cash to the Financial Manager
B. The Financial Manager is the person whose custody and pay against bills.
C. The Financial Manager submit the expenditure bills to the casher for petty cash reimbursement.

4.Policy and procedures on financial statement closure process

This policy outlines the responsibility of the finance staff to ensure that all transactions are posted in a timely manner and that all exceptions are identified for inclusion during the closing processes.

A. eNet will systematically close and prepare monthly financial reports as soon after the end of the period as feasible for internal and external users following consistent procedures. Financial reports are prepared in conformance with GAAP unless other methods or requirements are explicitly communicated to the user (special report format for external party).
B. Any alternative accounting treatments are communicated clearly to the Financial Manager and the accounting staff when applicable.

C. Monthly financial reports are prepared on a consistent and standard timeline. Any variations to this timeline or to other financial close and reporting procedures must be reviewed for validity and approved by the Financial Manager.
D. GL sub ledgers or other supporting documents are reconciled to the general ledger on a monthly basis. Any exceptions are clearly documented (i.e., depreciation estimates) in narrative form to users no less than annually.
E. Any non-routine event or transaction will be assessed only after evaluating all necessary data to make the decision, treated using consistently applied methodology, and communicated, if material, via the report narrative.
F. eNet may utilize clearing or suspense accounts to simplify the reconciliation process between various systems. All clearing or suspense accounts must be reconciled at least monthly with supporting documentation approved by the Financial Manager
G. All related-party events and transactions are identified and authorized, appropriately accounted for, and disclosed in the appropriate accounting period.
H. All journal entries made to the general ledger must be adequately documented and approved by the Financial Manager.
I. Accruals and adjustments to allowance accounts are recorded, in accordance with GAAP. eNet prepares a monthly trial balance that supports and reconciles with the final monthly financial statements.
J. Audit preparation procedures are documented and followed by applicable accounting personnel.
K. Existing contracts and/or material legal matters are reviewed by the appropriate level of administration, which may include legal counsel or auditors to determine whether commitments, contingencies, or adjustments require disclosure in the financial statements.

5.Accounting procedures and controls for each transaction type

A. **Sales Cycle:** eNet receives an order from a customer, examines the order for creditworthiness, ships goods or provides services to the customer, issues an invoice, and collects payment. This set of sequential, interrelated activities is known as the sales cycle, or revenue cycle. Because the various steps in this cycle cross many departments, it is a computerize transactions, so that people throughout the business can access transactions from a central database.
B. **Purchasing Cycle:** eNet issues a purchase order to a supplier for goods, receives the goods, records an account payable, and pays the supplier. There are several ancillary activities, such as the use of petty cash or procurement cards for smaller purchases or expenditure. This set of sequential, interrelated activities is known as the purchasing cycle, or expenditure cycle.
C. **Payroll Cycle:** eNet records the time of its employees, verifies hours and overtime worked, calculates gross pay, deducts taxes and other withholdings, and issues pay-checks

to employees. Other related activities include the payment of withheld income taxes to the government, as well as the issuance of annual W-2 forms to employees. This cluster of activities is known as the payroll cycle. It can comprise a substantial proportion of all transactions in a service business, where there tend to be many employees.

D. **Financing Cycle:** eNet issues debt instruments to lenders, followed by a series of interest payments and repayments of the debt. Also, eNet issues stock to investors in exchange for periodic dividend payments and other pay-outs if the entity is dissolved. These clusters of transactions are more diverse than the preceding transaction cycles but may involve substantially more money.

6.Financial reports to be prepared and their verification and distribution

A. **Verify Receipt of Supplier Invoices:** Compare the receiving log to accounts payable to ensure that all supplier invoices have been received and accrue the expense for any invoices that have not been received.
B. **Verify Issuance of Customer Invoices:** Compare the shipping log to accounts receivable to ensure that all customer invoices have been issued. Issue any invoices that have not yet been prepared.
C. **Accrue Unpaid Wages:** Accrue an expense for any wages earned but not yet paid as of the end of the reporting period
D. **Calculate Depreciation:** Calculate depreciation and amortization expense for all fixed assets in the accounting records.
E. **Value Inventory:** Conduct an ending physical inventory count or use an alternative method to estimate the ending inventory balance. Use this information to derive the cost of goods sold and record the amount in the accounting records.
F. **Reconcile Bank Accounts:** Conduct a bank reconciliation and create journal entries to record all adjustments required to match the accounting records to the bank statement.
G. **Post Account Balances:** Post all subsidiary ledger balances to the general ledger.
H. **Review Accounts:** Review the balance sheet accounts and use journal entries to adjust account balances to match the supporting detail.
I. **Review Financials:** Print a preliminary version of the financial statements and review them for errors. There will likely be some errors, so create journal entries to correct them, and print the financial statements again. Repeat until all errors have been all corrected.
J. **Accrue Income Taxes:** Accrue an income tax expense, based on the corrected income statement.
K. **Close Accounts:** Close all subsidiary ledgers for the period and open them for the following reporting period.
L. **Issue Financial Statements:** Print a final version of the financial statements. Based on this information, write footnotes to accompany the statements. Finally, prepare a cover letter

that explains key points in the financial statements. Then assemble this information into packets and distribute them to the standard list of recipients

7.Budget Review and Variance Analysis Policy

The Finance Department shall review and update the budget annually to reflect operational changes and strategic priorities.

A Quarterly variance analysis must be performed, comparing actual results against budget estimates. These variances must be documented, analysed, and corrective actions proposed. Summaries and recommendations shall be presented to senior management in monthly financial review meetings. This practice aims to enhance accountability and improve financial decision-making based on accurate data.

8.COA Management

All requests for creating new Chart of Accounts (COA) entries, must be initiated through a standardized form. The request must be approved by both the Finance Manager and the General Manager. Once approved, the IT department is responsible for executing the creation in the financial system and must log the user and timestamp for audit traceability.

9.Bank Account Opening and Closure Policy

The process for opening or closing bank accounts shall follow a formal approval workflow. A standardized Request Form must be completed and approved by both the Finance Manager and General Manager. This policy ensures clear documentation, accountability, and proper authorization for all banking operations.

10. Financial Authority Matrix Policy

A comprehensive Financial Authority Matrix (FAM) defines the approval levels and responsibilities across various financial and administrative functions. This matrix must be reviewed and approved by senior management and the Board of Directors. It includes delegated limits for actions such as vendor payments, pricing approvals, debt write-offs, and obtaining banking facilities. The matrix forms a core part of the governance and control framework.

Financial process/activity	Concerned Department	Position	Authority Type	Authority Limit	Notes
Opening/closing bank accounts	Finance	FM	Implementation and supervision	Based on the approval of the General Manager and the Board of Directors	Compliance and Governance Department notification required
COA Management	Finance	FM	Implementation and supervision	Based on the approval of the General Manager	Compliance and Governance Department notification required
Approve pricing and discounts	Sales/Finance	GM	Final approval	Up to 20% discount, and above requires council approval.	Documented within official pricing models
Bad debt write-off	Finance	FM+GM	Joint approval	Up to 5,000 KWD with the approval of the General Manager, and above requires the Board of Directors	After a report from the collection department
Request for banking facilities	Finance	GM	Approval and formal request	Based on an approved budget and the approval of the board of Directors	With an official letter of authorization if necessary.
Signing checks	Finance	FM+GM	Double	According to the two-signature policy	As recorded in the bank
Approval of the annual budget	All departments	Board of Directors	Final approval	It will be approved after discussing the estimated budget.	A certified copy shall be kept within the governance documents.

Enforcement

Any employee found to have violated this policy may be subjected to disciplinary action in line with the company policies.

Acknowledgment of Financial Policies and Procedures Manual

This form is used to acknowledge receipt of, and compliance with, the Automated Services Network Co. Financial Policies and Procedures Manual.

Signature

By signing below, I agree to the following terms:

I have received and read a copy of the "Financial Policies and Procedures Manual" and understand the same.

I confirm that the above have read and received and read a copy of the "Financial Policies and Procedures Manual" and agree to comply to it.

Full Name	Designation	Signature
Aashick . Noordine	Accountant	
Anto Oommen Chacko	Accountant	
Jinto Joy Joy	Internal Audit Manager	
Jobin Johnson Vaidyan	Accountant	
Mahmoud Abdulhalim	Accountant	
Siju Abraham Oommen	Accountant	
Suku Mathew	Accountant	