

SAUDI ARABIAN OIL COMPANY (Saudi Aramco) GENERAL INSTRUCTION MANUAL		GENERAL INSTRUCTION NO 211.070	
ISSUING ORG:	ACCOUNTING POLICIES & SYSTEMS DEPARTMENT	ISSUE DATE 04-07-10	REPLACES 10-21-09
SUBJECT:	MISCELLANEOUS PAYMENTS	APPROVAL RAK	PAGE NO. 1 of 6

CONTENT: This Instruction describes miscellaneous payment requests via the Miscellaneous Payment System (MPS) accessible through the Saudi Aramco Corporate Portal (My Home) and payment requests via e-Form SA-8344 – Personal Miscellaneous Payments/Reimbursements. The MPS system has replaced miscellaneous payment requests made previously via form SA 60.

Reimbursements of employee travel expenses should be requested via Expense Report form SA-165 or e-Travel and not the MPS; refer to GI 211.060 for instructions on Expense Report form SA-165 and GI 211.050 for instructions related to eTravel.

The text of this instruction includes:

1. Glossary
2. Overview of the MPS
3. General Requirements for all Miscellaneous Disbursements
4. Miscellaneous Payment System (MPS)
5. Personal Miscellaneous Payments/Reimbursements – Form SA-8344

1. GLOSSARY

1.1 ABBREVIATIONS & ACRONYMS

AAE	-	Approval Authority Engine
AP&SD	-	Accounting Policies & Systems Department
GI	-	General Instruction
G/L	-	General Ledger
IRM	-	Industrial Relations Manual
MPS	-	Miscellaneous Payment System
NDE	-	Net Direct Expenditure
OAD	-	Operations Accounting Department
PAD	-	Payables Accounting Division/OAD
SCM	-	Supply Chain Manual

1.2 RELATED FORMS

SA-165	-	Expense Report
SA-8344	-	Personal Miscellaneous Payments/Reimbursements

1.3 REFERENCE TO OTHER MANUALS

IR Manual	Chapters 5, 7, 8, 14, and 16
MS Operations Manual	TRN-09-07 Donor Payment
SCM 01.06	Petty Cash Purchases by Saudi Aramco Organizations

1.4. RELATED ACCOUNTING & GENERAL INSTRUCTIONS

AI 707	Payments to Contractors and Vendors
GI 211.050	Cash Advance and Expense Settlement Using eTravel
GI 211.060	Expense Report - Form SA-165

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2. OVERVIEW OF THE MPS

- 2.1 Generally MPS is to be used for all miscellaneous payments to employees and vendors for ad-hoc non-routine and non-recurring payments of invoices or cash advances where no formal contract or purchase order has been established. MPS should not be used for payments where company policy dictates that other payment mechanisms should be used. Refer to AI 707 "Payments to Contractors and Vendors" for further guidance. In addition, MPS is not to be used for Personal Miscellaneous Payments/Reimbursements. Those should be claimed on e-Form SA-8344 (refer to section 5).
- 2.2 A Generic MPS is available to all employees and an Organization-Specific MPS is also available to certain Saudi Aramco Departments based on their specific business needs.
- 2.3 It should be noted that the Miscellaneous Payment categories listed under 'Employee Payments' and 'Vendor Payments' in the MPS are not all inclusive and exhaustive. For items not listed therein, the user should contact the Payment & Expenditure Unit/Accounting Process & Control Division/AP&SD.
- 2.4 Generally, the monetary approval limits within MPS have been set by AP&SD to ensure that most transactions for a given process can be approved at the manager level and that payments outside the normal range of amounts are approved by higher levels of Management. The approval limits for some processes are dictated by other Company policy manuals such as the IRM, SCM or the Management Guide. AP&SD will periodically review the monetary approval limits for each process to ensure that the limits are appropriate. Only Manager level approval limits can be delegated, unless specifically prohibited by Company policy.
- 2.5 In cases where the position is below Manager Level, and the position reports directly to a VP level or higher; the VP level could delegate up to MPS Manager level authorities to that position by requesting a delegation letter directed to the Manager AP&SD.

3. GENERAL REQUIREMENTS FOR ALL MISCELLANEOUS DISBURSEMENTS

The general requirements for all types of miscellaneous disbursements include:

- 3.1 Approver's authority is limited to expenses identified as an element of his approved NDE budget.
- 3.2 Approving authorities should ensure that expenses disbursed are strictly business-related expenses under their proponentcy.
- 3.3 Monetary approval limits are embedded in the MPS. Refer to section 4.3.
- 3.4 Prior to initiating a miscellaneous payment request, the initiator should ensure that the material or service requested is not provided by current Saudi Aramco vendors under purchase agreements or service contract agreements.

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- 3.5 Miscellaneous payment requests should always be supported by scanned original documentation (Adobe Acrobat (pdf) format) such as cash receipts or vendor cash invoices for verification of the authenticity of the payment (except for 3.6 below). Quotations are not accepted as support documentation. Exception to this rule is acceptable if the supporting documentation contains the words 'treat as original' and is signed by the requestor and the approver prior to scanning. The initiator of the MPS is responsible for maintaining all original documentation for audit purposes. The documents must be maintained in the custody of the proponent department for a minimum of two years for all employee related payments and a minimum of ten years for vendor payments. If supporting documents are strictly confidential, a letter of justification for confidentiality should be attached to the request signed by the appropriate approval authority, stating that the supporting documents are in the custody of the proponent.
- 3.6 Cash advances are generally paid for business assignments (Chapter 7 and 8 of the IR Manual); however, there are other cash advances paid to employees that require initiation by specific departments such as medical and aviation. Cash advances drawn for business assignments are cleared through the filing of an Expense Report (Form SA-165/e-travel). Supporting documents are not required for cash advances; however, the supporting documents should be attached to the Expense Report/e-Travel when submitted.
- 3.7 Petty cash purchases should be in accordance with SCM 01.06 – Customer Edition – “Petty Cash Purchases by Saudi Aramco Organizations”.

4. MISCELLANEOUS PAYMENT SYSTEM (MPS)

4.1 AUTHORIZED MISCELLANEOUS PAYEMENTS

- 4.1.1 A list of all current authorized miscellaneous payments can be viewed using SAP transaction ZAAE – Approval Authority Engine – Financial Accounting - Miscellaneous Payments (see screenshot below).



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4.1.2 An initiator can submit a miscellaneous payment request for employee payment on his behalf or on the behalf of another employee (requestor). Both the initiator and requestor will receive an e-mail notification of the request created.

4.1.3 A vendor number must be provided on a miscellaneous payment request for vendor payments. Some payment processes can have vendor numbers defaulted and others allow the initiator to search for the appropriate vendor number either by name or part of the name. Generally vendors supply their Saudi Aramco vendor number on their invoices. If a vendor number is not found, the initiator should contact Payables Accounting Division (PAD)/OAD (*OAD Vendor Master Payable Div).

4.1.4 Payments to an alternate payee are permitted provided that the payee is authorized to receive payment on behalf of the vendor. The initiator should contact Payables Accounting Division (PAD)/OAD (*OAD Vendor Master Payable Div) to create an alternate payee prior to processing the payment.

4.2 GENERAL LEDGER ACCOUNTS, COST ELEMENTS AND COST OBJECTS

4.2.1 All general ledger accounts and cost elements of each payment type are defaulted in the MPS to standardize the accounting treatment and subsequent reporting of similar costs. Cost centers will be defaulted to the requestors cost center or to the cost center node of the entire organization. If the payment type allows the initiator to charge costs to another cost center then the request will be routed to that cost center for approval.

4.2.2 Some payment types allow the initiator to select a cost object other than a cost center such as an Internal Order or a WBS.

4.3 APPROVAL OF MISCELLANEOUS PAYMENT REQUESTS

4.3.1 Miscellaneous Payment Requests submitted via the MPS should be approved by the defaulted authorized personnel based on the approval limits documented in the AAE.

4.3.2 Accounting Policies & Systems Department (AP&SD) maintains a system of approval limits for each process in the AAE. Inquiries relating to such delegations should be directed to the Manager, AP&SD.

4.3.3 A list of the current approval limits and the SAP HR position number which must approve a specific transaction can be accessed on the Value-based Financial Approval Catalog (VBFAC) – SAP transaction ZAAE04 (see screenshot below).

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4.4 DISBURSEMENTS THROUGH THE MPS

Miscellaneous payment requests for vendor payments are validated by PAD prior to disbursement. Miscellaneous payment requests for employee payments are routed to Payroll for release. Disbursements through the MPS will result in either:

4.1.1 Direct remittance to vendor's bank account, generating a Company check for Saudi Riyal payments or procuring a bank draft from a local bank for all currency types.

4.1.2 If employee related, payment will be made via the SAP HR Payroll System so that the disbursement becomes a component part of the employee's monthly pay.

5. PERSONAL MISCELLANEOUS PAYMENTS/REIMBURSEMENTS – FORM SA-8344

5.1 This form is used for the following employee payments, which are reimbursed through the Payroll System as a component of an employee's net pay.

Appliance Reimbursement	Passport Reimbursement
Dependent Relocation Expenses	Personal Effects Storage
Emergency Travel	Rental Assistance Allowance
Excess Baggage	Repatriation Travel
Expatriate Final Travel	SAO Settling-in Allowance
Funeral Allowance	SWS Travel Allowance
Home Management Fees	Unaccountable Settling-in Allowance
Inter-Area Transfer Allowance	Other
Moving Assistance Allowance	

See E-form at <http://eforms.aramco.com.sa/data/8344.pdf>

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5.2 Procedures for Processing Form SA-8344 are as follows:

5.2.1 The respective Area Personnel Division initiates Form SA-8344, completing it with the details provided by the employee concerned. Any supporting receipts and documents should be attached to the form. In certain cases such as excess baggage and rental assistance allowance, the employee should sign the form confirming the reimbursement amount. Payment should be approved by the respective Area Personnel Division head or his delegated supervisor(s).

5.2.2 The respective Area Personnel Division processes these types of payments into SAP HR Payroll using the appropriate wage type.

Approved: Original Approved by R.A. Krygsman
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