**CEA/MRE System – Functional Requirements**

1. The Finance Department, at the beginning of fiscal year, will upload all approved CEA / MRE budgets into the system; conforming to the format (MS Excel sheet) defined by ICT Department.

The information which must be included in the Excel sheet file are summarized in the following table:

|  |  |
| --- | --- |
| Field Name | Description |
| Fiscal Year | Refers to the financial year |
| Expenditure Type | Type of expenditure request which can be any of the following:   * CEA – Capital Expenditure Addition * MRE – Major Revenue Expenditure * INC – Item Non-Capitalized |
| Cost Center | Refers to the department code where the project is budgeted to |
| Project Number | Unique project reference number |
| Expense Category | Expense type which includes the following:   * MRE * Maintenance * Non-capital |
| Expense Description | Brief description of the project |
| Detailed Description | Detailed and full description of the project |
| Amount | Project cost in BD |
| Account Code | Cost Center account code |
| Object Code | Object account code |
| Subject Code | Subject account code |
| Company Code | Uses the following company codes:   * 100 - GARMCO Main Mill * 600 – GARMCO Foil Mill |
| Project Start Date | Expected project execution date |

1. The Initiator (usually refers to the Department’s Secretary or Clerk) will create an expenditure request for a given project. The item type must be specified, which can be any of the following:

* Computer Related
* Human Resources
* Civil Engineering
* Mechanical Engineering
* Electrical Engineering
* Administration
* Transportation Related
* Furniture and Stationaries
* Medical Related
* Safety Related
* Projects
* Office Equipment
* Quality Related
* Maintenance Related

Each item type is mapped to an approval group. Once all information is provided, the Initiator will submit the request which will trigger the workflow approval process. Furthermore, the system will facilitate the attachment of relevant external documents into the requisition. External documents can be attached only by the Initiator.

The system checks the available budget for the requested project requisition. If the estimated cost in the current request exceeds the balance project budget amount, the system shall notify the initiator as well as the department manager. At this point, the Initiator shall either cancel the request or proceed with the submission by filling out the additional budget amount information, as well as the justification for the additional budget requirement. A special note will be displayed on the approval screen, as well as in the printed report if an additional budget is requested.

1. The following approval process will take place after the submission of the expenditure request.
2. The request will be assigned to the Originator for approval. This person is selected by the initiator during submission of the request and is responsible for validating the accurateness of the provide information. The request can be rejected by him if any incorrect or missing information is found.
3. Once the Originator approves the request, it will be assigned for approval to the following roles within the department:
   1. Superintendent – refers to the Head of the Department
   2. Cost Center Manager – refers to the Manager of the Department

*(Notes: In some departments, the Superintendent and Cost Center Manager role refers to the same person. In such a scenario, only one approval is required.)*

1. When the cost center approval process is done, the system will check if the request requires an “Item Category Approval”. This happens if the selected item type is mapped to an approver, which is summarized in the below table.

|  |  |
| --- | --- |
| Item Type | Approver |
| *Administration* | CEO |
| *Civil Engineering* | Executive Manager - Operations |
| *Computer Related* | Senior Group ICT Manager |
| *Electrical Engineering* | Exec. Manager - Operations |
| *Furniture & Stationary* | CEO |
| *Human Resources* | Executive Manager - Administration |
| *Maintenance Related* | CEO |
| *Mechanical Engineering* | Executive Manager - Operations |
| *Medical Related* | CEO |
| *Office Equipments* | CEO |
| *Projects* | CEO |
| *Quality Related* | CEO |
| *Safety Related* | Head of HSE |
| *Transportation Related* | Head of HSE |

1. In the next line of approval, the system will check if the cost center of the Originator, as specified in the request, belongs to any of the following Engineering departments:
   * + 3250 – ROLLGRINDING
     + 5200 – MECHANICALENGINEERING
     + 5300 – ELECTRICALENGINEERING
     + 5400 – CENTRAL ENGINEERING

If so, then the request will be assigned to the Executive Manager – Operations for approval. Otherwise, it will go to the next approver.

1. All requests normally go to the Executive Manager – Finance for approval regardless of cost center and budget amount.
2. After the approval of Executive Manager – Finance, the system checks if the expenditure request is budgeted and if the amount is greater than BD 20,000. If that is the case, the request will go to the General Manager for approval.
3. Next, the request will be assigned to the CEO for approval.
4. Then, the system checks if the amount is greater than BD 100,000. In that case, the request will go to the Chairman for approval.
5. Finally, after all approval is done, the request will be assigned to the Executive Personal Assistant for uploading the request to JDE OneWorld system.

In each approval stage, the system checks the Leave Requisition application to validate the availability of the assigned approver. If an approver is currently on-leave or not available for some reason, the workflow will assign the request automatically to their substitute if it’s defined either in the leave request or in the workflow substitute setup. Otherwise, it will be assigned to the original approver.

The following workflow diagram depicts the approval cycle from submission of a request until posting to JDE.

Diagram

Description automatically generated

1. Once the expenditure request is approved and posted into the JDE system, a Purchase Requisition request can be created to consume the CEA requisition. The PR system will automatically fetch the relevant information from the CEA system and display it in the data entry form.
2. The Finance Department will have the functionality to close any completed Projects for a specific fiscal year. Usually, the closure of an existing project happens when new projects are required to be uploaded into the system. Note that no expenditure request can be made against a closed or cancelled Project. Likewise, no Purchase Requisition request can be created against a closed or cancelled CEA/MRE requisition.

## Expenditure Closure

This function allows authorized users to close an MRE or CEA requisition. Take note that a requisition cannot be closed if there are pending Purchase Order requests. A data validation error message will pop-out from the screen when trying to close a requisition with pending purchase orders made against it.

### Closing an MRE Requisition

MRE requisitions will be closed automatically by the system at the end of the fiscal year, usually set on 31st of December based on the date the project was uploaded. An email will be sent to the Originator, cc copy to the Section Manager and Department Manager, with an attachment that contains the list of all MREs which are about to close. This notification will be sent 30 days prior to the expiry date of the requisition. If, in any case, the MRE request needs to be extended for some period, the Originator needs to modify the details of the requisition to enter the new end date and justification. Note that any extension or changes in the life span of the requisition will initiate an approval process, which involves the approval of the following entities in sequential order:

1. Section Manager
2. Department Manager

Once the request for extension has been approved by all concerned persons, the system will close the MRE requisition when the new expiry period has elapsed. Prior to closing the requisition, same principle applies where the system notifies the Originator one month ahead of its impending closure.

### Closing a CEA Requisition

CEA requisitions can be closed manually by the Originator or whoever has given the authority for closure. Once the requisition is closed, the system will initiate the workflow approval process for creating the asset in JDE. The following table briefly outlines the approval cycle and the person or role involved in each approval stages.

|  |  |  |
| --- | --- | --- |
| Role | Action to be Taken | |
| 1. *Drawing Engineer* | Provides the following information:   * Equipment No. * Equipment Description * Manufacturer * Model Year * Estimated Life Span (in years) * Drawing Received? (Yes/No) * Remarks   *Notes: Multiple equipment numbers can be entered into the system and will be displayed in a tabular format.* | |
| 1. *Planning Engineer* | Provides the following information:   * Work Order Required? * Operation Manual Received? (Yes/No) * Maintenance Manual Received? (Yes/No) | |
| 1. *Project Manager* | | Approves/Rejects the request |
| 1. *Electrical ENgineer* | | Approves/Rejects the request |
| 1. *Mechanical Engineer* | | Approves/Rejects the request |
| 1. *Senior Engineering Manager* | | Approves/Rejects the request |
| 1. *Exec. Manager - Finance* | | Approves/Rejects the request |
| 1. *Finance Validator* | | Post the CEA to JDE for creating the asset and provides the following information:   * Responsible Business Unit * Account Number * Location * Major Accounting Class * Major Equipment Class * Asset Cost Account No. * Accumulated Depreciation Account No. * Depreciation Expense Account No. |

## Equipment (Asset) Disposal

This function allows the Originator to submit an electronic request for the disposal of an equipment or asset, which has been capitalized in JDE. There is a built-in workflow engine that will handle the approval process once the request is submitted, as well as automating the disposal of the corresponding asset record in JDE. The Originator needs to provide the following information when submitting the request.

|  |  |
| --- | --- |
| Field Name | Description |
| Equipment No. | The Originator will have the provision to search for the desired equipment using the “Equipment Lookup” form. |
| Asset No. | Refers to the associated asset number as defined in JDE. *(Note: This information will be fetched automatically upon selection of the equipment no.)* |
| Location | Refers to the location of the equipment *(Note: This information will be fetched automatically upon selection of the equipment no.)* |
| Cost Center | Refers to the department where the equipment is allocated. *(Note: This information will be fetched automatically upon selection of the equipment no.)* |
| Method of Disposal | User needs to choose from the following options:   * Scrap * Sale |
| Date | The default value will be set equal to the current system’s date/time |
| File Attachments | Allows any type of file that can be associated with the request |
| Remarks | Refers to the justification or reason for disposal |

The following table briefly outlines the workflow approval process that will be invoked by the system upon submission of the disposal request.

|  |  |  |
| --- | --- | --- |
| Role | Description / Action to be Taken | |
| 1. *Department Manager* | | Refers to the Superintendent or Section Manager based on the cost center of the Originator. The required action is either to approve or reject the request. |
| 1. *Senior Engineering Manager* | | Approves/Rejects the request |
| 1. *Exec. Manager - Operations* | | Approves/Rejects the request |
| *Condition: If the equipment or asset is not capitalized, then the following process will take place.* | | |
| * *The system will automate the disposal process by changing the status of the asset in JDE from “A” (Active) or “F” (Fully Depreciated) into “D”, which means Disposed.* * *Sets the disposal request status to “Closed”.* * *Sends notification to the Originator cc copy to the Section Manager about the completion of the disposal process.* | | |
| *Condition: If the equipment or asset is capitalized, then the following additional approval will take place.* | | |
| 1. *Exec. Manager - Finance* | | Approves/Rejects the request |
| 1. *CEO* | | Approves/Rejects the request |
| 1. *Finance Validator* | | Validates if the asset has been disposed successfully by the system in JDE. Closes the request to complete the process cycle. |

1. The following form will be used by the Originator to search for the CEA requisition that needs to be closed in the system. Several search criteria fields are provided in the form to filter the search results. Once the desired record is fetched from the database and displayed on the grid, the user needs to click the “**Close Requisition**” button. A confirmation message will pop out on the screen asking whether to proceed with the closure or cancel the process. The workflow approval process for automating the creation of the asset in JDE will be invoked once the requisition is closed.