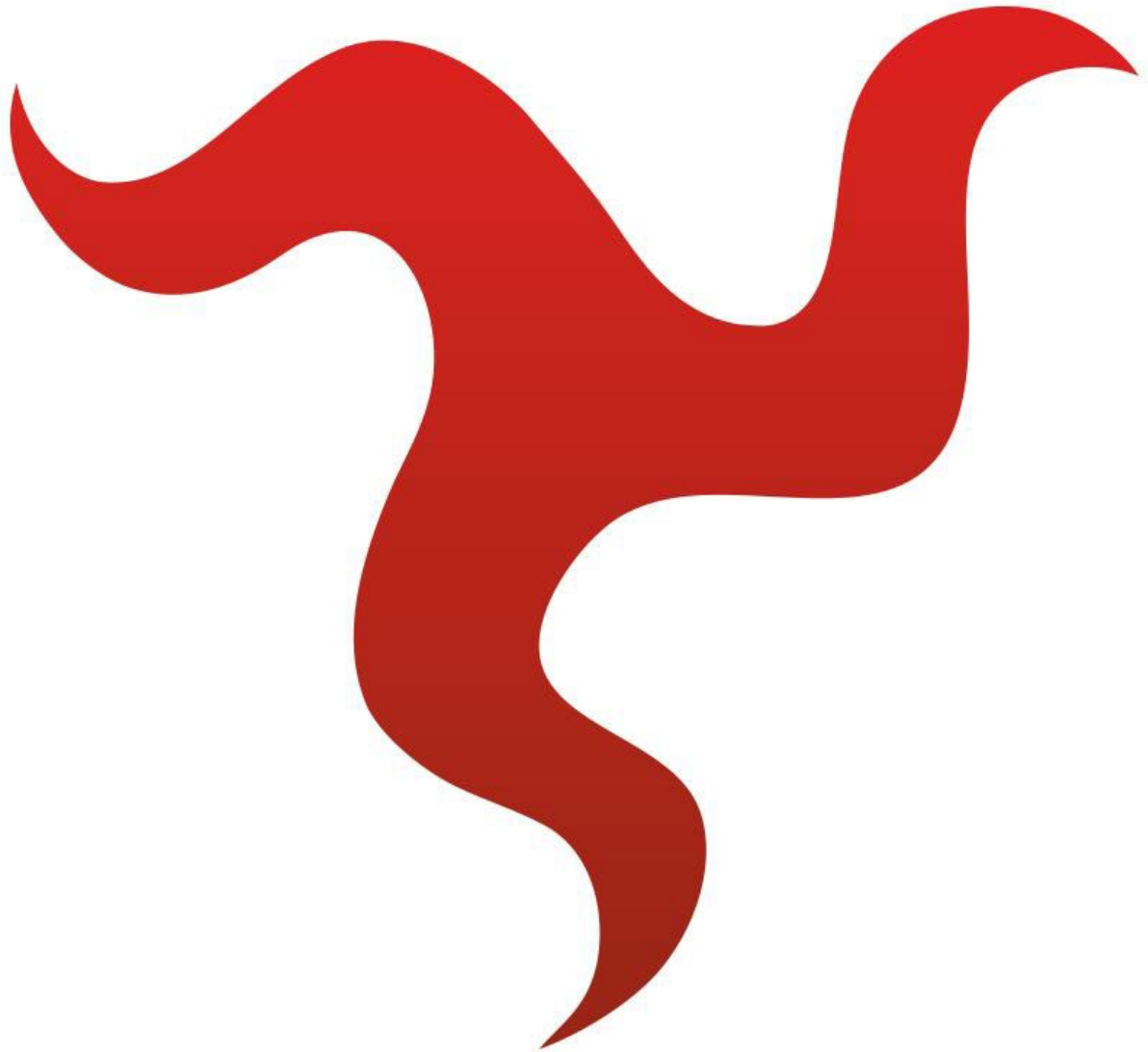


THE ISLE OF MAN GOVERNMENT FINANCIAL REGULATIONS

EXEMPTIONS FORM USER GUIDE

**Issued by the Treasury, Government Office,
Douglas, Isle of Man, IM1 3PX.**



**Isle of Man
Government**

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April 2019

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1. How do I apply for an exemption?

There are links to the exemptions form throughout the financial regulations, but you should read *FPN A.01 Obtaining Approval for Exemptions* in the first instance; available within the Financial Practice Notes section of the [Isle of Man Government Financial Regulations](#).

All financial waiver/ exemption forms must be submitted electronically, this places them on the central register maintained by Treasury. In the event that the electronic form or central register is not available to you, a copy of the approved form can be obtained from Treasury Audit Advisory Division and submitted by email to enquiries.audit@gov.im.

The exemptions form can be found [here](#) and will download like this:

Request for Exemption from Financial Regulations

Reference	<input type="text"/>
Status	Awaiting Submission
Title for application	<input type="text"/>
Applicant	<input type="text"/>
Department	<input type="text"/>
Division	<input type="text"/>
Subdivision	<input type="text"/>
Cost Centre	<input type="text"/>
Is the applicant the Authorised Budget Holder for this cost centre ?	<input type="checkbox"/> Authorised Budget Holder E-mail Address <input type="text"/>
Total Estimated Value (£)	<input type="text"/>
Exemption	<input type="text"/>
Is this application confidential ?	<p>Mark this application as confidential <input type="checkbox"/></p> <p>If you tick the confidential box, only those officers involved in the approval process can see your application. Leaving it unticked means only officers within your own Department (and system administrators and senior Treasury officials) can see your request.</p> <p>If your application is for less than £10,000 and you require it to be confidential, please contact AAD who will arrange it for you</p>
File Attachments to support application	<input type="button" value="Click here to attach a file"/>
Background / Description of Requirement	<input type="text"/>

What do you want to do ?

Why do you need exemption from Financial Regulations ?

2. Completing an application:

Title and Budget Area:

You need to provide a meaningful title for your application, which explains what the exemption pertains/ relates to, together with your Department, Division, Subdivision, and relevant Cost Centre.

Budget Holder:

If you're the Budget Holder, **tick the box**, if you're not, enter the Budget Holders email address. You need their approval in order for the exemption to proceed and, pressing the submit button at the end of this process will automatically generate an email to them requesting their approval of the form on the central register.

If you're not sure of the Budget Holders email address and you need to **search** for it, use the booklet icon to search for them and please take care to ensure you select the **most current/ relevant** email address for the Budget Holder, as they may have more than one email account shown in the results.

A screenshot of a form section. On the left, the text reads "Is the applicant the Authorised Budget Holder for this cost centre?". To the right of this text is an unchecked checkbox. Below the checkbox is a text input field labeled "Authorised Budget Holder E-mail Address". To the right of the input field is a search icon (a magnifying glass over a document) circled in red.

Exemptions Value:

Any value can be entered here, however only certain values will be accepted for certain Financial Practice Notes, for example:

FPN C.06 General Procurement

If you enter an amount greater than £100,000, the exemption form will not allow you to use *FPN C.06 General Procurement* as the exemption, but will instead prompt you to use *FPN C.08 Tendering* as the exemption applicable to a purchase of this value.

A screenshot of a form section. It has two rows. The first row is labeled "Total Estimated Value (£)" and contains the value "£101,000.00". A yellow warning box with a red border is positioned above the value, containing the text "Over 100K Limit - use FPN C.08 Tendering instead". The second row is labeled "Exemption" and contains a dropdown menu with "FPN C.06: General Procurement" selected.

Determining the value of your supply when purchasing:

When considering the value of a supply and the relevant purchasing/ procurement mechanism which applies, Budget Holder's need to consider the Contract Aggregated Cost:

Determining the value of your supply when seeking exemption:

If you are seeking exemption because you are not purchasing/ procuring in accordance with the Financial Regulations (i.e. where no competitive action has been undertaken), you must consider both Contract Aggregated Costs, Sub-Division of Procurement and Budget Area Aggregated Spend (as below) to determine the value of exemption to apply for and therefore the relevant exemption approval authority which will apply.

Contract Aggregated Cost:

Consider the total spend:

- Over the full term of the proposed contract including any extension options – this must include scheduled servicing and maintenance charges as well as any extension options; and
- If the proposed supply has no pre-determined end date then you must consider a period of 3 years.

“Over the full term of the proposed contract” can be a **single transaction** where it is a standalone transaction without obligation to receive further supplies. However the value for money ethos of the Financial Regulations imply that where you have repeated spend it may be best value to implement framework agreements or select supplier lists (undertaking appropriate competitive actions for same).

Sub Division:

Budget Holders must ensure that transactions are not being sub-divided to circumvent Financial Directions and the applicable expenditure thresholds.

Examples of such behaviours would be understating the expected value of a contract, attempting to enter into shorter term agreements so the value falls below thresholds or purchasing similar goods from multiple suppliers so the value falls below thresholds.

Budget Area Aggregated Cost:

Where a budget area purchases over a period of time goods or services of a particular type, the values of the separate purchases are added together and, if the total value exceeds the thresholds, the Financial Directions apply to **all the purchases**, even if individually the amount of each purchase is below the thresholds.

Confidentiality:

The confidential box can only be used for values >£10,000, if you require an exemption with a lower value to be marked as confidential, please contact AAD.

Ticking the confidentiality box ensures that in addition to senior Treasury officials and system administrators, **only** those officers involved in the approval process can see your application.

Other users with access rights within your Department who are not involved in the approval process will not see a form that is marked as confidential.

Leaving it unticked means only officers within your own Department can see your request. **Applications which are not marked as confidential will be visible to all users within your Department.**

The confidential box can be altered by each approver at the time they process the form.

Attaching files:

Various file formats, for example pdf, word and excel, can be uploaded and these can be opened and viewed by everyone who can access the form.

Background and further details:

You must provide detail explaining your application to assist approvers in their task. Be specific and state which part of the Financial Direction or Financial Practice Note you are applying for exemption from and give some detail to explain your reasoning.

Exemption type: One-off or procedural:

One-off exemptions relate to single one-off instances whilst **procedural exemptions** relate to a class or series of transactions/ purchases to which a 5 year expiry date is automatically applied, this date can be altered by approvers but must not exceed 5 years.

Please contact AAD if you require further guidance specific to your circumstances.

3. What happens when I submit the form for processing?

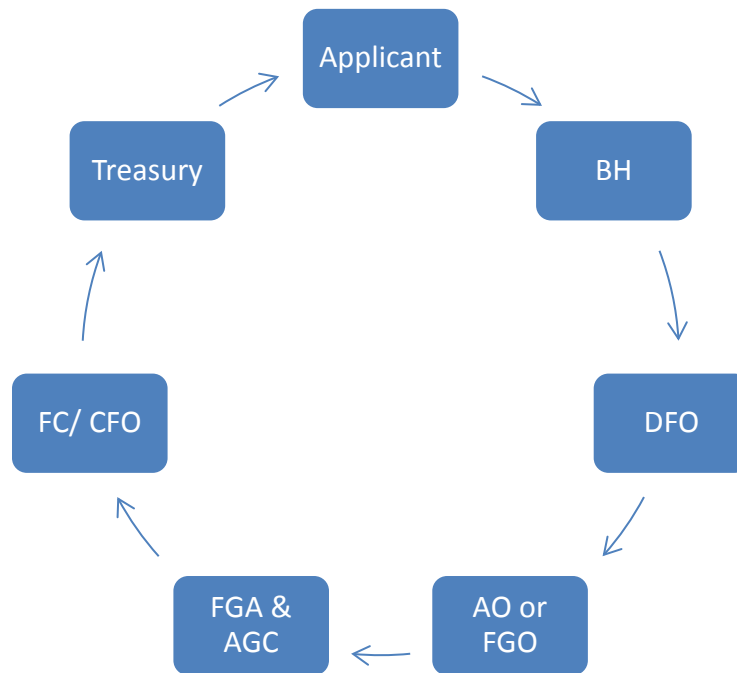
The exemption request is placed on Treasury's central register and a unique reference number is allocated to it.

An email is generated to the next Designated Officer, usually the Budget Holder or if you are the Budget Holder, the Designated Finance Officer, providing a link to the request and requiring them to:

- Approve;
- Reject;
- Request further information.

Pre-determined workflow paths:

The designated order of requests for approval generally follows this pre-determined workflow path:



BH	Budget Holder	DFO	Delegated Finance Officer	AO	Accountable Officer
FGO	Financial Governance Officer	FGA	Financial Governance Advisor	AGC	Attorney Generals Chambers
FC	Financial Controller	CFO	Chief Financial Officer	Treasury	The Minister

Not all exemptions require the involvement of all of these individuals, so actual workflow path scenarios could look as follows:

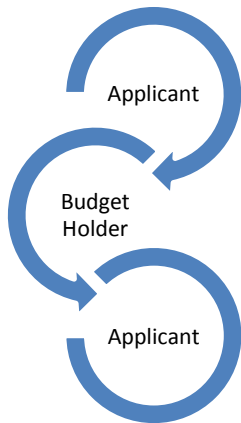
Workflow	Sample Exemption	Value	Approval Order
A	FPN C.06 General Procurement	<= £10,000	BH
B	FPN D.01 Banking & Issuing Cheques	Any	BH > DFO > FGO
C	FPN C.06 General Procurement	<= £100,000	BH > DFO > AO
D	FPN F.03 Disposal Land & Buildings	Any	BH > DFO > AO > FGA > FC/CFO > Treasury
D (P)	FPN C.02 Capital Procedure Notes	Any	BH > DFO > AO > AGC > FGA > FC/CFO > Treasury

Sample exemption workflows:

The following diagrams show the workflow process for some sample exemption applications:

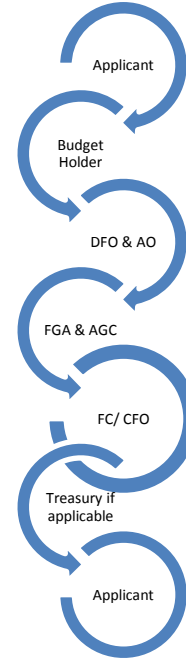
Workflow A: Sample <=£10k

FPN C.06 General Procurement:



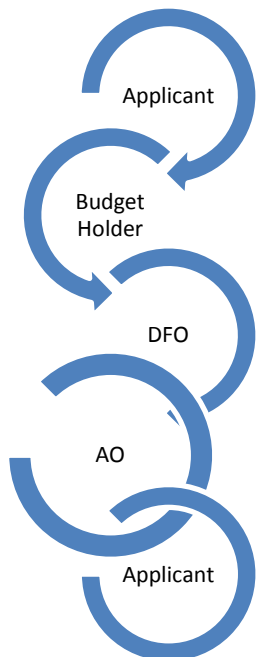
Workflow B: Sample

FPN C.08 Tendering:



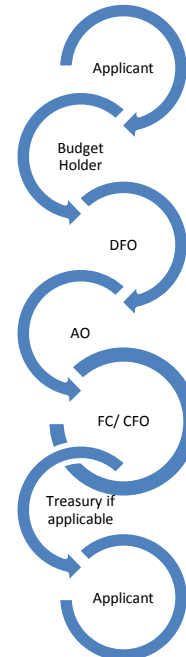
Workflow C: Sample <=£100k

FPN C.06 General Procurement:



Workflow D: Sample >£250k

FPN F.03 Disposal of Land & Buildings



Financial Governance Roles & Responsibilities:

Within the overall process there are a number of individual Financial Governance Officer Roles, each of which have a different range of responsibilities; sample responsibilities associated with these roles include:

Director of Civil Law
FPN C.09: Contract Management FPN C.10: Tender Evaluation FD C 6: Central Framework Agreements FD C 9.5: Tenders
Director of GTS
FPN F.02: ICT Disposal
Financial Controller / Chief Financial Officer
FPN's up to and including £250,000
Chief Accountant
FPN C.07: Goods & Services FPN D.01: Banking & Issuing Cheques FPN D.02: Managing Assets & Inventory FPN D.04: Imprest Accounts & Petty Cash FPN D.05: Cash Handling FPN D.06: Managing Third Party Funds FPN F.01: Providing Credit & Collecting Debts
Executive Director of Human Resources
FPN E.01: Payroll Procedures FPN E.02: Travel & Subsistence
Attorney Generals Chambers
FPN C.08: Tendering
Director of Audit Advisory
FPN A.03: Financial Irregularities
Treasury
FPN's > £250,000

4. Table of Exemption Workflows:

FD A: Financial Values & Governance	Path	Responsibility
FPN A.02: Gifts & Rewards.	C	AO.
FPN A.03: Financial Irregularities.	B	Dir. AAD.
FPN A.04: Delegating Financial Authority.	D	FC/ (CFO).
FPN A.05: Financial Training.	D	FC/ (CFO).
FD A 7.3: Budget Holders delegating financial authority (including appointing additional budget holders).	C	AO.
Other – submit to Treasury Minister for approval.	D	Treasury.

FD B: Managing Resources	Path	Responsibility
FPN B.01: Budget Planning.	C	AO; All parts except for the responsibilities of the AO.
FPN B.01: Budget Planning.	D	FC/ (CFO); The responsibilities of the AO.
FPN B.02: Budget Management.	C	AO; where overall net expenditure of the Designated Body remains within Tynwald approved budgets and providing there are no transfers from Non-pay to Pay budgets or from Capital Loan Repayment budgets.
FPN B.02: Budget Management.	D	FC/ (CFO); other instances where overall net expenditure remains within Tynwald approved budgets. Treasury; Where overall net expenditure of the Designated Body exceeds the Tynwald approved budget.

FPN B.03: Business Cases.	C	Total Project Costs (one-off costs + ongoing costs over the life of the project). <£10,000; BH where all costs can be met from within existing revenue budgets.
FPN B.03: Business Cases.	C	Total Project Costs (one-off costs + ongoing costs over the life of the project). <=£150,000; AO where all costs can be met from within existing revenue budget.
FPN B.03: Business Cases.	D	Total Project Costs (one-off costs + ongoing costs over the life of the project). < = £150,000; AO & FC/ CFO and the cost cannot be met from within existing revenue budgets. >£150,000; Treasury.
FPN B.04: Internal Funds.	D	Treasury.
FD B 4.1 Financing of expenditure.	D	FC/ (CFO).
FD B 4.2 Contracts/ arrangements to finance expenditure.	D	FC/ (CFO).
Other – submit to Treasury Minister for approval.	D	Treasury.

FD C: Buying & Making Payments	Path	Responsibility
FPN C.01: Determining Supplier Financial Relationships.	D	FC/ (CFO).
FPN C.02: Capital Procedure Notes.	D	Total Project Value: < = £250,000; FC/ (CFO). >£250,000;

		Treasury.
FPN C.03: Vehicle & Plant Procurement.	C	Total Contract Value: <=£150,000; AO.
FPN C.03: Vehicle & Plant Procurement.	D (P)	Total Contract Value: >£150,000 & <= £250,000; AO & FC/ CFO. >£250,000; AGC/ FGA/ FC (CFO)/ Treasury.
FPN C.04: ICT Hardware & Software Procurement.	B	Total Contract Value: <= £150,000; Exec. Dir. GTS.
FPN C.04: ICT Hardware & Software Procurement.	D	Total Contract Value: >£150,000; FC/ (CFO).
FPN C.05: Land & Buildings Acquisitions.	D	Total Contract Value: <= £250,000; FC/ (CFO). >£250,000; Treasury.
FPN C.06: General Procurement (<= £100,000).	A	Total Contract Value: <= £10,000; BH (subject to their delegated authority).
FPN C.06: General Procurement (<= £100,000).	C	Total Contract Value: <= £100,000; AO.
FPN C.07: Ordering, Receiving & Paying for Goods & Services.	B	Chief Accountant.
FPN C.08: Tendering.	C	Total Contract Value: <=£150,000; AO.
FPN C.08: Tendering.	D	Total Contract Value: >£150,000 & <= £250,000; AO & FC/ CFO.
FPN C.08: Tendering.	D (P)	Total Contract Value: >£250,000; AGC/ FGA/ FC (CFO)/ Treasury.

FPN C.09: Contract Management.	B	Dir. Civil Law.
FPN C.10: Tender Evaluation.	B	Dir. Civil Law.
FD C 3.1: Using Internal Resources First.	D	FC/ (CFO).
FD C 6: Central Framework Agreements.	B	Dir. Civil Law.
FD C 8.6 <=£100k Max. contract length 5 years.	C	AO.
FD C 9.5: Tenders to be undertaken by the AGC.	B	Dir. Civil Law.
FD C 10.2: Tendered cost >£100k, quality weighting cannot prevail over cost weighting.	D	FC/ (CFO).
FD C 10.4: Spend >£100k Quality assessment in accordance with C10 Tender Evaluation.	C	AO.
FD C 10.6: Tendered Spend >£100k one actionable response requires Treasury approval.	D(P)	Treasury.
FD C 11.1: >£100k Max. contract length 5 years.	D	FC/ (CFO).
FD C 11.3: >£100k contracting and payment in accordance with FPN C.09.	B	Dir. Civil Law.
Other – submit to Treasury Minister for approval.	D	Treasury.

FD D: Safeguarding & Optimising Assets	Path	Responsibility
FPN D.01: Banking & Issuing Cheques.	B	Chief Accountant.
FPN D.02: Managing Assets & Inventory.	B	Chief Accountant.
FPN D.03: Insurances.	D	FC/ (CFO).
FPN D.04: Imprest Accounts & Petty Cash.	B	Chief Accountant.
FPN D.05: Cash Handling.	B	Chief Accountant.
FPN D.06: Managing Third Party Funds.	B	Chief Accountant.

Other – submit to Treasury Minister for approval.	D	Treasury.
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FD E: Paying Staff	Path	Responsibility
FPN E.01: Payroll Procedures.	B	Executive Director Human Resources.
FPN E.02: Travel & Subsistence.	B	Executive Director Human Resources.
Other – submit to Treasury Minister for approval.	D	Treasury.

FD F: Selling & Receiving Payments	Path	Responsibility
FPN F.01: Providing Credit & Collecting Debts.	B	Chief Accountant.
FPN F.02: ICT Disposal.	B	Exec. Dir. GTS.
FPN F.03: Disposal of Land & Buildings.	D	Where the value is: < = £250,000; FC/ (CFO). >£250,000; Treasury.
FPN F.04: Disposal of General Assets.	A	Historical cost: < = £10,000; BH (up to their delegated financial authority).
FPN F.04: Disposal of General Assets.	C	Historical cost: < = £100,000; AO.
FD F 4.11: General Assets with a historical cost >= £100,000 disposed in accordance with FPN c.08 Tendering.	C	Historical cost: <=£150,000; AO.
FD F 4.11: General Assets with a	D	Historical cost:

historical cost over £100,000.		< = £250,000; FC/ (CFO). >£250,000; Treasury.
Other – submit to Treasury Minister for approval.	D	Treasury.

5. Updating an exemption request:

Where action is required from a Designated Officer, they will receive an email:

From: Financial Regulations Exemptions <sa_sp10EMail@gov.im>
To: [Redacted]
Cc: [Redacted]
Subject: Financial Regulations Exemption -Treasury FGA Approval Required

Treasury FGA approval is required for a request for exemption from Financial Regulations.

The following application has been made for an exemption to Financial Regulations - you have been cited as the Treasury FGA to review this request.

Reference : FRE-180
Applicant : [Redacted]
Department : Department of Testing
Division : Testing Division
Title : Testing C10.2 Quality v Cost
Cost Centre : 666 - Department of Testing
Total Value : £90,000.00

Your action is required to approve, reject or refer this item for more information.

Instructions

- 1) Please click on the link below, and move down to the Treasury FGA Approval section
- 2) Click on the "Approval Status" item - you can choose to approve, reject or pend the item for further information.
- 3) Click in the "Details of Decision" item and add some commentary on the reasons for approving, rejecting or pending for more information.
- 4) Click on the "Submit" button at the bottom of the dialogue.

[PLEASE CLICK HERE TO APPROVE/REJECT/PEND THE APPLICATION](#)

Clicking on the link will take you directly to the application requiring attention.

Deputy Officers do not receive email notifications, so if you are providing cover for a Delegated Officer you need to look in the portal for exemptions that may require your approval.

Request for Exemption from Financial Regulations	
Reference	FRE-180
Status	Approved
Title for application	Testing C10.2 Quality v Cost
Applicant	
Department	Department of Testing
Division	Testing Division
Subdivision	Application Testing
Cost Centre	666 - Department of Testing
Is the applicant the Authorised Budget Holder for this cost centre ?	<input type="checkbox"/> Authorised Budget Holder
Total Estimated Value (£)	£90,000
Exemption	FD C 10.2: Quality vs Cost

Approving the request:

You must only approve an exemption once you are satisfied:

- you have the appropriate authority to do so;
- sufficient information has been provided to enable you to make an appropriate risk assessment; and
- you are satisfied that the requested exemption would further the Financial Operating Policy values & objectives more than compliance with the requirements.

The approval must include:

- the extent of the exemption and the specific parts of the requirements that have been exempted; and
- any additional requirements considered necessary to manage any significant additional risks arising from the exemption.

Conditions can be placed on the exemption and such conditions become mandatory. These should be sufficiently detailed on the form as part of the approval process.

Rejecting the request:

If you are not satisfied that an application should be approved you must either:

- Request further information: if you require any clarification or further information in order to make a decision you must identify the relevant information required for you to make a decision and detail your request on the form.
- Reject: if you are satisfied that you have sufficient information to make a decision and feel that the existing financial regulations should continue to be applied in full, then you must reject the application.

Requesting further information:

Each approver can request further information and doing so generates an email to the original applicant, who then has the opportunity to provide further comment, attach files and re-submit the application.

This step does not email everyone included in the chain to date, the changes are documented on the form; however, emails are only generated between the applicant and the individual requesting further information.

Upon receipt of further information the approver continues as usual with approval.

What happens upon final approval/ rejection?

Upon final approval/ rejection the applicant receives an email notification of the approval/ rejection.

The form is filed on the central register maintained by Treasury.

6. Viewing/ printing exemption requests within your Department:

All exemption applications for your Department can be viewed [here](#); the view will show you all the exemptions associated with your own Department. Please note that if you are not included within an approval workflow (as approver or as deputy) then any applications that have been marked as confidential will not be visible to you.

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Financial Regulations Exemptions > Financial Regulations Exemptions

Financial Regulations Exemptions

Reference	Title	Applicant	Department	Division	Value
FRE-183	TEST - 123 NEW		Department of Testing	Testing Division	£101,000
FRE-182	TEST - email NEW		Department of Testing	Testing Division	£10,000
FRE-180	Testing C10.2 Quality v Cost		Department of Testing	Testing Division	£90,000
FRE-178	TEST - C.08 Tendering - <£240k - submit without ticking box		Department of Testing	Testing Division	£130,000
FRE-177	TEST - C.08 Tendering tick box test		Department of Testing	Testing Division	£240,000
FRE-176	TEST - C.08 Tendering tick box test		Department of Testing	Testing Division	£250,000
FRE-175	TEST - Email Test		Department of Testing	Testing Division	£100,000
FRE-174	TEST - email generates for one off exemption - F.02 ICT to Dir GTS		Department of Testing	Testing Division	£20,000
FRE-173	TEST - email generates for Procedural exemption		Department of Testing	Testing Division	£55,000
FRE-172	TEST - email generates for one-off exemption		Department of Testing	Testing Division	£55,000
FRE-170	TEST - Re-test FRE 136 to Dir GTS		Department of Testing	Testing Division	£10,000
FRE-169	TEST - Re FRE-102		Department of Testing	Testing Division	£20,000
FRE-166	TEST - 123		Department of Testing	Testing Division	£100,000

The exemption can be viewed by either clicking on the title, or if you move your mouse pointer over the title of an exemption, a drop down button will become visible:

Reference	Title	App
FRE-183	TEST - 123 NEW	sa
FRE-182	TEST - email NEW	Dy
FRE-180	Testing C10.2 Quality v Cost	And
FRE-178	TEST - C.08 Tendering - <£240k - submit without ticking box	D
FRE-177	TEST - C.08 Tendering tick box test	D
FRE-176	TEST - C.08 Tendering tick box test	D

Selecting the drop down menu will allow you to either view the item (the same as clicking on the title), or it will give you the option of looking at the version history:

FRE-183	TEST - Ean 123 NEW	sa
FRE-182	TEST - email NEW	Dy
F	View Item	And
	Version History	
F	Compliance Details	And
	Alert Me	

Version History will allow you to see the current status of the application, who has approved it to date, and who it is waiting for approval from.

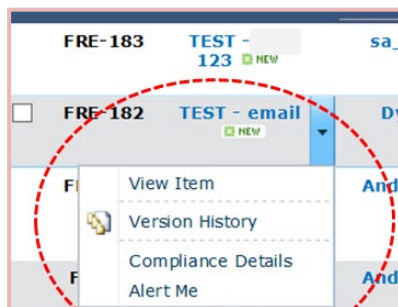
No. ↓	Modified	Modified By
Delete All Versions		
2.0	15/06/2018 14:53	
	Applicant	
	ABHApprover	
	ABHDecision	Approved
	ABHDecisionText	Submitted by budget holder - automatic approval
	DFOApprover	
	Status	Awaiting Approval
	Workflow Approval Status	Awaiting DFO Approval
	DFODEputy	
	Reference	FRE-175
1.0	15/06/2018 14:52	
	Title	TEST - Email Test
	Division	Testing Division
	Cost Centre	666 - Department of Testing
	Description	Test 1234
	Authorised Budget Holder	Yes
	ABH Contact	
	Value	£100,001.00
	ABHDecision	Awaiting Allocation
	DFODecision	Awaiting Allocation
	FGODecision	Awaiting Allocation
	AODecision	Awaiting Allocation
	FGADecision	Awaiting Allocation
	TreasuryDecision	Awaiting Allocation
	FCDecision	Awaiting Allocation
	Status	Awaiting Submission
	(more...)	

Printing the exemption:

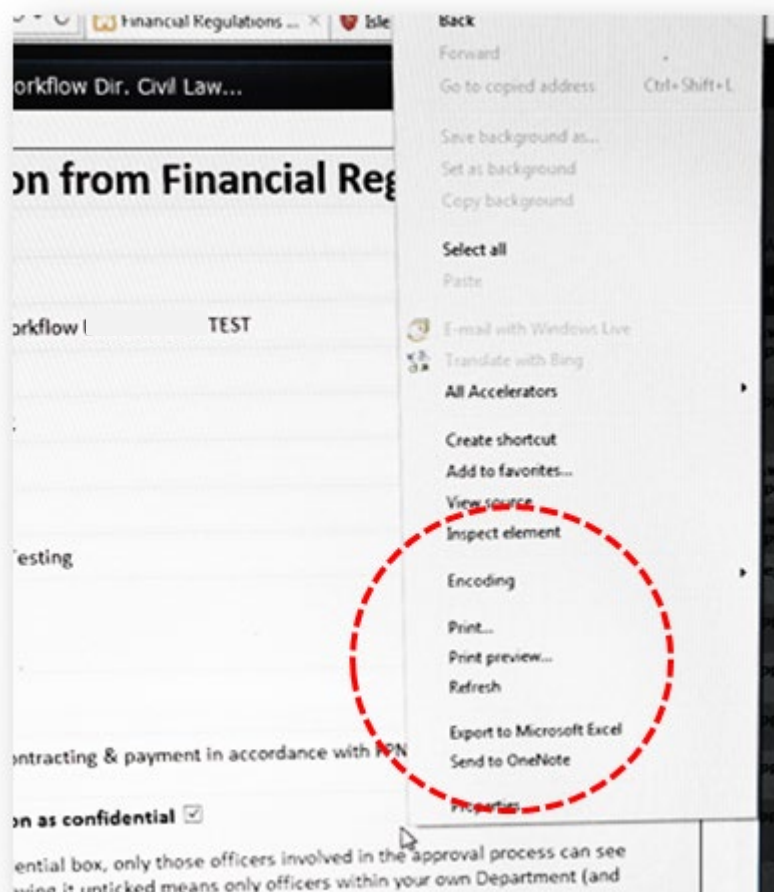
You will need to open the form by either clicking on the title:



...or by selecting 'View Item' from the drop down menu:



When the form is open, right click on it to bring up a menu; 'Print Preview' will not display correctly, and you will need to select 'Print' to print directly to your printer for a paper version, or print to pdf and save the file if you have the likes of *Cute PDF Writer* installed:



7. If I still have a query or need assistance, who can I contact?

Audit Advisory Division,
The Treasury,
Prospect House,
27-29 Prospect Hill,
Douglas,
IM1 1ET

Phone 686 552

Or by email at: Enquiries.Audit@gov.im