



# REPUBLIC OF SAN MARINO

**We Captains Regent  
the Most Serene Republic of San Marino**

**LAW n.119 of 8 AUGUST 2005**

**Annex “B”**

**ADMINISTRATIVE, ACCOUNTING AND FUNCTIONAL REGULATION OF THE CIVIL  
AVIATION AND MARITIME NAVIGATION AUTHORITY  
OF THE REPUBLIC OF SAN MARINO**

**CHAPTER I (ABROGATE)**

**CHAPTER II**

**Economic and financial management**

**Art. 6**

**(Budgets)**

The financial year of the body starts on 1 January and ends on 31 December of each year.

The economic and financial management is implemented on the basis of multi-year and annual budgets, which must be drawn up following a programme report by the Director General, after consultation with the Authority's Executive Committee.

Once the data have been collected and processed, the Director General shall draw up the final draft budget by 30 June.

The Executive Committee shall approve the budget by 15 August together with the annual activity proposals and the three-year programme.

The financial statements approved by the Executive Committee, together with the explanatory note, shall be sent by the Secretary General to the Secretary of State for Transport, to the Secretary of State for Finance and to the Directorate General for Public Finance within 31 October for the subsequent approval process, as well as to the Public Finance Control Committee pursuant to point a), paragraph 1, of Article 106 of the Law no. 30 of 18 February 1998.

When drawing up the budget, in addition to the financial statements (income and expenses), the Executive Committee must also adopt the income statement (revenues and expenses).

**Art. 7**

**(Annual budget management)**

The management of the annual budget relating to the financing of expenditure and to the collection of revenues shall be carried out through the commitment and verification accounting institutions, arranged by chapter and within the relevant appropriations.

After 30 June and by 15 August of each year, the Executive Committee may resolve to propose the balancing of the budget estimates.

The balancing proposal must then be submitted by the Secretary General to the Secretary of State for

Transport, to the Secretary of State for Finance and to the Directorate for Public Finance for the subsequent approval process, as well as to the Public Finance Control Committee.

The transfer of funds between the different chapters of the budget, belonging to the same title, is established by resolution of the Executive Committee.

Forecasting new chapters during the financial year is allowed only if the budget balance is not altered and in order to provide for newly established activities subject to a resolution of the Executive Committee.

#### Art. 8

##### (Reserve funds)

Reserve funds may be provided for in the budget in order to cover unforeseen needs that may arise after approval of the budget.

The aforesaid funds include the reserve fund for compulsory expenditure and the reserve fund for unforeseen expenditure which, overall, may not exceed 10% of total expenditure.

The Executive Committee is responsible for the management and use of reserve funds.

#### Art. 9

##### (Final account)

The final account shall be drawn up by 30 April of the year following the year to which it refers.

The final account consists of the following documents: the financial account (income and expenses), the income statement/balance sheet and the explanatory note.

The relevant records and any transfer of data shall be completed within and no later than 10 February, as required by the current legislation.

The elimination of residual assets, due to the uncollectibility of the related receivables ascertained during the year, is proposed to the Executive Committee and it is reflected in the final account.

The cancellation of residual liabilities is ordered by the Executive Committee on the proposal of the Directorate General. The residual amounts may be kept in the budget as long as the need for the expenditure to which they refer remains and however no later than the third year following the year in which they were raised, unless the Executive Committee decides otherwise. The residual amounts cannot be used to pay expenses other than those for which they were raised.

The final account for the previous year and the explanatory note shall be submitted to the Board of Statutory Auditors within 30 June of each year for approval.

The final balance for the previous year, approved by the Executive Committee, together with the explanatory note of the Board of Directors and Auditors, shall be submitted by the Director General to the Secretary of State for Transport, to the Secretary of State for Finance, to the Directorate General for Public Finance within 30 September of each year for the subsequent approval process, as well as to the Public Finance Control Committee.

#### Art. 10

##### (Donations)

Any donation, both in cash or in kind, must be accepted by the Executive Committee.

Donations received from third parties must be presented to the Executive Committee, which shall authorize their use according to the donor's wishes or for acts of utmost utility for the body.

Cash donations, even if aimed at the purchase of specific goods according to the will of the donor, are subject to collection.

Off-balance-sheet donations are not permitted.

The purchase of goods and the performance of activities resulting from donations shall be carried out in accordance with the rules laid down in this regulation and within the budget appropriations in the relevant chapters.

If an appropriation adjustment is necessary, the Directorate General shall carry it out in the manner permitted by this regulation. The Director General shall inform the donor about the use of the donated amounts.

#### Art. 11

##### (Inventory of assets)

The inventories are drawn up and updated by the administration.

Assets of value from € 105.00 (one hundred and five/00) and beyond, which have a duration of use of several years, committed to the chapters of the "Tangible fixed assets" category, must be taken over and handed over to the officials in charge.

The acceptance documents must be signed by the person in charge, by the employee who delivered them and by the Director General. A copy of the bill of lading must be enclosed with the payment order for the purchase invoice.

The minimum value for the inventory obligation will be updated in line with the criteria adopted for State property.

In the event of a reduction in assets, attached to the inventory, it is necessary to produce special minutes signed by the Board of Auditors; such minutes must specify the reasons of opportunity or necessity justifying the elimination of movable assets, also specifying whether it was an accidental event, theft or other.

At the request of the sector manager, the removal from the inventory of movable assets which are now out of use or for another reason is ordered by the Director General for assets with a value not exceeding € 250.00 (two hundred and fifty/00) and by the Executive Committee for all the others. For the purpose of identifying competencies, reference is made to the presumed realisable value.

#### Art. 12 (Depreciations)

On the basis of the inventory divided by sectors and containing all the necessary elements for the exact identification of the assets, at the end of each financial year, the depreciation plan must be drawn up in order to transfer to the individual managements the share of incidence for technological deterioration and obsolescence pertaining to the financial year itself.

The percentages to be used for the annual depreciation rates will be taken from the tables provided for in the special regency decree.

The book value of the movable and immovable assets transferred by the State to the body for use, reported in the State budget, shall be reported in the body's budget in the memorandum accounts.

#### Art. 13

##### (Returnable fund)

In order to meet small urgent expenses, the body established a returnable fund. The size of the funds shall be decided by the Executive Committee.

The depositary shall be required to submit to the administration, at the end of each financial year, the original documentation justifying the expenditure incurred in order to enable the necessary checks to be carried out and recorded in the accounts.

The returnable fund shall be used exclusively for urgent expenses and to purchase consumables and is not subject to any prior authorisation.

If there are no valid and demonstrable reasons, the advance or simultaneous payment of supplies or services exceeding € 260.00 (excluding cash on delivery) is not permitted.

The use of the returnable fund is subject to the following requirements.

- application of the withholding tax as stamp for receipt on payments exceeding € 260.00, excluding payments made outside the territory for the purchase of goods and services and, insofar as applicable, with the criteria set out in Art. 42 below.
- request for invoice or equivalent document for expenses exceeding € 105,00.

The restoration of the availability is provided for by the administration subject to the approval of the Director General.

#### Art. 14

##### (Revenue management)

All revenues must be subject to accounting verification in the financial year in which they accrue.

Revenues from the management of activities and services are ascertained by the Administration in the year in which the service was provided.

The Directorate General shall submit a list of receivables that are manifestly uncollectible to the Executive Committee on an annual basis in order for the latter to make the appropriate resolutions.

#### Art. 15

##### (Treasury)

The Treasury Service is managed in accordance with the provisions of the Law no. 35 of 3 March 1993: "Establishment of the Single Treasury Service" and in the manner established by specific agreements.

#### Art. 16

##### (Collection delegates)

The administration is appointed to collect revenues and income up to a maximum of € 500.00 (five hundred/00), resulting from the activities and services provided. For higher amounts the collection is entrusted to the Treasury Service.

The direct collection of revenues may be entrusted to individual delegated officials. Each delegate or appointee shall issue regular receipts.

The delegate shall deliver the amount collected and the receipts issued to the administration, which shall pay it to the Treasury Service. The forms relating to receipts shall be handed in and noted by the administration for due diligence.

The officers or delegates referred to in this Article shall be responsible for the accuracy of the collection.

### CHAPTER III

#### Management of negotiation activities

##### Art.17

##### (General and internal procedural rules)

The Authority purchases goods and services by private negotiation or private bid or competitive tender.

On the proposal of the Directorate General, the Executive Committee, with its own resolution, identifies the recurring goods and services for the purchase of which it is necessary to enter into annual agreements, after completion of the procedures referred to in the first paragraph of this article and taking into account the total foreseeable expenditure during the year.

A different longer duration of the agreement must be authorised in advance by the Executive Committee.

Consistently with the special needs of the body's activity, the purchases of goods of the same type available from individual suppliers shall be grouped together as much as possible in order to make the most of the benefits arising from the application of the procedures.

Any unjustified purchase splits identified may constitute grounds for refusal to register the relevant commitments.

The register of suppliers is established in accordance with articles 8 and 9 of the Law no. 10 of 20 January 2000 in order to pursue, in compliance with the principle of fair administration, an adequate level of reliability in the choice of suppliers.

The administration has the right to use the register of suppliers of the State and of the Autonomous Bodies.

The procedures for purchasing goods and services are governed by the general rules on public procurement and supply.

#### Art. 18

##### (Private negotiation)

For the purchase of goods and services of individual amounts higher than € 1,000.00 (one thousand/00) and up to € 25,000.00 (twenty-five thousand/00), the private negotiation procedure may be carried out, subject to acquisition of at least three offers from suppliers registered in the updated register:

If it is impossible to find bids due to a lack of bidding firms, the Executive Committee must be informed, and the latter will indicate the procedure to be followed.

Offers are valid also if they are submitted in advance by fax, followed by the original copy, or by e-mail with acknowledgement of receipt. Private negotiations may also be carried out with the approval of the Executive Committee of the body:

- 1) in the case of supplies available from a single firm and in the case of the purchase of movable assets to complete existing equipment or of accessories of the same;
- 2) where there are justified grounds of urgency which do not allow for any other procedure;
- 3) when the private bid was unsuccessful due to the absence of at least three bidding firms. The Executive Committee decides on the basis of a special and well-grounded report by the Director General.

#### Art. 19

##### (Private bid)

Having regard to Law n. 10/2000, for the purchase of goods and services exceeding € 25,000.00 (twenty-five thousand) the private bidding procedure must be adopted.

At the request of the Director General, accompanied by the specifications, technical specifications, project estimates and any other useful data for the execution of the private bid, the administration shall start the private bidding procedure by inviting the supplier firms chosen among those registered in the relevant register, to submit their offer for the supply subject to the bidding. The invitation must be accompanied by specifications indicating in particular:

- 1) any element which may characterize the good or service to be purchased from a technical and qualitative perspective;
- 2) the deadline and conditions for the submission of the bid and any other conditions for admission to the invitation to tender; the deadline may not be lower than twenty days from the date of dispatch of the invitation;
- 3) supply and payment conditions;
- 4) any other indication which is considered useful for a more exact formulation of the offer by the companies invited and for promoting a substantial level playing field between competitors, as well as

facilitating the evaluation of the bids received.

The bidding is valid only if there are at least three requests for bids. If in the register there are only two firms in the relevant product sector, the bidding shall be managed by the Executive Committee.

If in the register there is only one firm in the relevant product sector, a private negotiation shall take place.

Each bid produces effects for the single purchase for which it has been called for. In case of necessity or proven convenience, the Executive Committee may declare its applicability to possible purchases of the same good within a period of six months from the date of the minutes.

The bidding for the purchase of goods with recurring supplies may not be valid for more than one year after notification of the award. However, it shall remain in force with the consent of the Parties until the outcome of its updating, which may not extend beyond two months after its expiry.

Bids must be submitted in sealed envelopes. The envelopes shall be opened by the Director General or by his delegate.

Bidding firms may attend the opening of the envelopes containing the bids and may enter any comments into the minutes.

The Director General shall, together with the designated officers, draw up and sign the minutes and a well-grounded proposal for award to the competent bodies illustrating the criteria adopted for the procedure.

The bid may be cancelled if it is possible to conclude from the evaluation of the offers that there is a well-founded doubt as to the agreement between the firms themselves or if the prices offered are too high for the body compared to those currently charged on the market. In this case, the Director General is required to notify the Executive Committee for the latter to take the appropriate measures.

#### Art. 20

##### (Competitive tender)

The competitive tendering procedure is a form of tender reserved for firms that submit executive projects including a financial bid for their implementation.

The procedures for the execution of the competitive tender are those indicated in article 18 of the Law no. 10 of 20 January 2000.

### CHAPTER IV

#### Management of administrative activity

#### Art. 21

##### (Authorisation of expenses)

Requests for authorisation of expenditure shall be submitted to the Director General. Requests must specify: the reasons, the cost, the revenue, and the relevant chapter to which the expenditure is to be charged.

The competence to authorize expenses within the scope of the current legislation and regulations is delegated to the Director General up to € 5,000.00 (five thousand/00) for each individual expense.

Expenditure of a higher amount may only be committed by the Executive Committee, which shall indicate the most appropriate procedure. All authorised expenses must be ratified at the first meeting of

the Executive Committee.

The Administration must prepare special forms for the formalisation of the expense authorisation. Travel expenses for employees are undertaken, subject to authorisation by the Director General.

The relating amounts of reimbursements and indemnities, paid in accordance with the Regency Decree, are authorised by the Director General.

Expenses relating to occasional consultancies are authorised by the Executive Committee at the request of the Director General. If the consultancy is of an ongoing nature, a formal agreement or contract must be entered into, subject to a resolution by the Executive Committee in accordance with the relevant provisions in force.

Charges for the payment of utilities such as electricity, water, gas, telephone, postal service and other contractually regulated services are not subject to prior special authorisation.

Gifts shall be authorised by the Executive Committee.

#### Art. 22

##### (Commitments)

Each expenditure authorisation must be followed by the immediate registration of the commitment by the administration; this must be done before sending the purchase orders or preparing any other act in execution of the expenditure authorisation.

The authorisations must specify: the reasons, the cost, the revenue and the relevant chapter to which the expenditure is to be charged.

The forecast of expenditure undertaken shall be binding, thus implying the impossibility of exceeding the respective appropriations.

With the exception of expenditure relating to the purchase of recurring goods and services, any increase in expenditure compared to the initial authorisation must be subject to a further consistent provision by the competent body.

In the event of a reduction in commitments in the relevant financial year and where this becomes apparent following the settlement of the relevant invoice or travel reimbursement, the administration shall make the adjustment without further formalities.

The recording of the commitment in the payment of salaries and in cases where the expenditure cannot be quantified in advance is simultaneous with the payment of the expenditure.

The Administration shall inform the requesting office of the registration of the commitment by notifying the number or by notifying the impossibility to proceed due to lack of financial availability on the relevant chapter.

After 31 December of each year, no commitments may be entered in the financial statements for the previous year. Changes in commitments relating to the payment of salaries and changes relating to the accounting of expenses settled in financial compensation with the State and the enlarged public sector constitute exceptions. The derogation shall also be granted for commitments relating to adjustment operations at the closure of the financial statements.

#### Art. 23

##### (Contracts)

The Administration handles the stipulation and signing of contracts and agreements according to the following procedure:

- receipt of the contract proposal and its draft;
- check and final drafting of the contract or agreement in compliance with the regulations in force;
- forwarding of the contract or agreement to the Executive Committee for examination, discussion and approval;

- signing of the contract or agreement by the Director General.

Art. 24

(Orders)

The execution of orders relating to authorised purchases shall be carried out by the Director General.

Art. 25

(Settlement of expenses)

The settlement of expenses shall be carried out by the administration subject to:

- verification of the existence of the expenditure authorisation;
- control of the allocation chapter;
- accounting control of expenditure documents, consisting of invoices, bills, original documents for travel reimbursements;
- verification of correspondence by means of order letters and way-bills.

Expenditure documents must contain the necessary information for the accounting records attesting the regularity of the settlements.

Copies of the authorisations, way-bills signed for receipt and, in the case of movable properties, inventory acceptance forms must be attached to the expenditure documents.

Art. 26

(Payment orders)

Payment of expenses must be made on the basis of individual or collective payment orders issued by the administration. Payment orders must include the following information:

- sequential number of the order;
- date of issuance of the order;
- budget chapter;
- details of the commitment;
- reason for the payment;
- creditor's personal details;
- payment method;
- amount to be paid gross and net of withholding taxes;
- signature of the Director General.

Supporting documents for the expenditure (invoices, certificates, notes, order letters, etc.), as specified in the previous article, must be attached to the order.

The original orders shall be submitted to the Treasury Service, in the manner provided for in the Treasury Management Agreement. A copy of the orders, accompanied by supporting documents, shall be kept by the Administration for storage in its archives.

Art. 27

(Collection of revenues)

The direct collection of revenues may be entrusted to individual officers delegated by the Executive Committee as provided for in Article 16 of this regulation.



Art. 28

(Payment method)

The Administration shall pay the collections to the single current account opened with the Treasury Service at least monthly.

The Administration shall issue a collection order, according to the distribution of proceeds, whose original copy shall be submitted to the Treasury Service; a copy accompanied by the supporting documents shall be kept by the Administration for storage in its archives.