



# University of **CUMBRIA**

## **FINANCIAL REGULATIONS**

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<b>POLICY SCHEDULE</b>	
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## **Introduction and Background**

### **1) Purpose and Status of Financial Regulations**

The University's Financial Regulations are the principles for the conduct of the financial affairs of the University ensuring that effective controls are in place over the totality of the University's resources.

The Regulations are designed to provide the University's Board and management with assurance that resources are being properly applied for the achievement of the University's Strategic Plan.

These Regulations form part of a system of accountability established by the University and are subordinate to the University's Memorandum and Articles of Association. They are to be read in conjunction with the Memorandum of Assurance and Accountability between the Higher Education Funding Council for England (HEFCE) and the University.

These Regulations apply to the University, any subsidiary undertakings and to all University activity irrespective of the source of funding or the specific rules a funder might have.

It is anticipated that these regulations will change only periodically whilst the supporting procedures will be updated more frequently.

The University's detailed financial procedures set out how these regulations will be implemented. Links to these are listed in Appendix 1.

### **2) Compliance with Financial Regulations**

Compliance with the Financial Regulations is compulsory for all staff connected with the University, including the University's partnership arrangements. It is the responsibility of managers within each Department and Service to ensure that their staff are made aware of the existence and content of the Financial Regulations.

A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary policy.

All breaches of Financial Regulations must be reported to and recorded by the Director of Finance and Resources. The University Board will be notified of significant breaches through the Audit and Risk Committee.

# Financial Responsibilities of University Board, Board Committees and Senior Managers

## 1) University Board

The University Board is responsible for ensuring the financial health and solvency of the University and acts as the principal financial and business authority of the institution. The University Board has overall responsibility of the University's assets, property and estate and its [roles and responsibilities](#) include ensuring that:

- proper books of account are kept and that the annual budget and financial statements are reviewed and approved;
- systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest are established and monitored;
- processes are in place to monitor and evaluate the performance and effectiveness of the institution against plans and to establish performance indicators;; and
- public funds are used for proper purposes and that good value for money is achieved through the use of these funds.

## 2) Audit and Risk Committee

The Audit and Risk Committee is responsible for assuring University Board about the adequacy and effectiveness of:

- risk management, control and governance;
- value for money; and
- the management and quality assurance of data.

As part of this, the Committee provides oversight of internal and external audit arrangements and the audit aspects of the University's Annual Report including the external audit opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the external auditors' management letter.

## 3) Finance and Resources Committee

The Finance and Resources Committee advises the University Board on:

- the financial health and solvency of the University;
- the safeguarding of the University's assets;
- borrowing and banking arrangements;
- the financial strategy;
- the medium-term financial forecast and the annual financial plan;

- financial issues arising from the annual financial statements; and
- the establishment and dissolution of subsidiary companies of the University.

#### **4) Accountable Officer (Vice Chancellor)**

Under the Memorandum of Assurance and Accountability, the University Board is responsible for the use of funds. To assist and enable it to discharge this responsibility and to provide clear accountability, the University Board has designated the Vice Chancellor as the University's 'Accountable Officer'.

As Accountable Officer, the Vice Chancellor is personally responsible to the University Board for ensuring compliance with the terms of the Memorandum of Assurance and for providing HEFCE with clear assurances to this effect.

#### **5) Vice Chancellor's Executive**

Members of the Vice Chancellor's Executive are responsible for the economic, effective and efficient use of resources allocated to them, and are required to establish and maintain clear lines of responsibility for all financial matters within their areas.

#### **5) Chief Operating Officer**

Chief Operating Officer is a member of the Vice Chancellor's Executive, has the executive responsibility for the University's finances and financial management. Specifically the Chief Operating Officer will pre-approve all strategy, policy, budget and performance reports before they are presented to Vice Chancellor's Executive and Board Committees.

#### **6) Director of Finance and Resources**

The Director of Finances and Resources is a member of the University's Senior Leadership Team, and supports the Chief Operating Officer. The role of the Director of Finance and Resources is to act as the principal and specialist adviser on all aspects of finance, resource allocation, capital development and corporate planning, including management of risk and performance.

In fulfilling the role and requirements identified for the Director of Finances and Resources within these Financial Regulation the role holder must seek advice and guidance on all material aspects of the financial management of the University from the Chief Operating Officer. This does not detract from the ability of the Director of Finance and Resources to raise significant issues with the Vice Chancellor or the Board.

Day-to-day financial administration is controlled by the Director of Finance and Resources, who is responsible for:

- the development of a financial strategy for the University;
- preparing annual capital and revenue financial plans;
- preparing accounts, management information, monitoring and control of expenditure against financial plans and all financial operations;
- preparing the University's annual accounts and other financial statements and accounts which the University is required to submit;

- ensuring that the University maintains effective financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- day-to-day liaison with internal and external auditors in order to achieve efficient processes and effective internal control; and
- ensuring that the Finance and Resources Service can competently support the Director of Finance and Resources in fulfilling his or her responsibilities.

## Financial Responsibilities of Staff

### 1) General responsibilities

The University is committed to the highest standards of openness, integrity and accountability. Staff should never use their authority for personal gain and should always seek to uphold and enhance the standing of the University. The University, therefore, expects staff of all levels to adhere to the formal [Code of Conduct](#).

With regard to University funds, finances and assets, staff should:

- ensure that they are aware of and comply with these Financial Regulations and the associated financial procedures and authority limits;
- make available any relevant records or information to the Director of Finance and Resources in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.
- ensure that appropriate guidance is sought prior to engaging in financial areas with which they are not familiar.
- immediately notify the Director of Finance and Resources whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or assets of the University. The Director of Finance and Resources shall take such steps as he or she considers necessary by way of investigation and report;
- use University property and resources only for University business;
- disclose any interests related to the procurement of goods and services, income contracts or staff appointments. Interests include shareholdings, appointments, directorships, governor positions or any other position that may lead to a conflict of interest. Interests of family members must also be disclosed. Members of the Vice Chancellor's Executive and the Senior Leadership Team must make full declarations of all interests on an annual basis; and
- not be on the selection or evaluation panel or approve or sign any contract which would lead to an actual or perceived conflict of interest.

### 2) Whistleblowing

Whistleblowing under the Public Interest Disclosure Act 1998 is disclosure by an employee or other party of actual or suspected malpractice in the workplace.

The University takes all such concerns seriously and staff should have read the [University's Public Interest Disclosure Policy \(Whistleblowing Policy\)](#) and be familiar with the steps that should be taken.

### 3) Bribery and Gifts and Hospitality

It is a criminal offence under the 2010 Bribery Act for members of staff to offer, receive or request a bribe.

Bribery is defined as:

***“offering, promising or giving of financial or other advantage with the intention of inducing a person to carry out their business improperly in breach of what a reasonable person would expect”.***

All staff should read the [University's Bribery Prevention Policy \(including Gifts and Hospitality\)](#), which includes practical guidance regarding the giving and receiving of gifts and hospitality.

The guiding principles to be followed by all University employees are that:

- the conduct of individuals must not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity must not give the impression, to any member of the public, to any organisation with whom they deal or to their colleagues, that they have been or may have been influenced by a benefit to show favour or disfavour to any person or organisation; and
- gifts or hospitality offered to external organisations or individuals do not give the impression of inducing others to act improperly.

#### **4) Freedom of Information**

The Freedom of Information Act applies to the University and staff should familiarise themselves with the [guidance](#).

Staff should be aware that information, including financial records, might be released in accordance with the University's Publication Scheme subject to the restrictions outlined in the Act.



## **Accounting, Taxation and Audit**

### **1) Annual Financial Statements and Accounting Policies**

The Director of Finance and Resources is responsible for preparing the University's annual financial statements and for ensuring that the audited accounts are presented to the Audit and Risk Committee and then to the University Board.

The Director of Finance and Resources is responsible for selecting accounting policies, having regard to national and sector guidelines, and for ensuring that they are applied consistently.

### **2) Retention of Accounting Records**

The Director of Finance and Resources is responsible for the retention of financial documents.

The University will maintain its prime accounting records for six years. These include, purchase orders, purchase invoices, sales invoices, bank statements, receipts, cheques, BACS records, payroll and pension records and tender documentation.

Other financial records will be retained for one year after the signing of the financial statements to which they relate or, where relevant, for a period as determined by the funder.

The Director of Finance and Resources will make appropriate arrangements for the retention of electronic financial records.

### **3) Taxation**

The Director of Finance and Resources is responsible for advising the Vice Chancellor's Executive and the University Board on all significant taxation issues. They will ensure that the Finance and Resources Service are equipped to provide or access taxation advice that budget holders and managers may require.

The Director of Finance and Resources is responsible for maintaining the University's tax records for all taxes, making all tax payments and submitting tax returns as they fall due.

The Director of Finance and Resources will ensure that the risks related to facilitating tax evasion by a third party by its employees, agents and any other associated persons acting on the University's behalf, are regularly assessed and that, in response, reasonable prevention procedures are in place to prevent associated persons from committing tax evasion facilitation offences.

### **4) Audit**

The Director of Finance and Resources will be the first contact within the University for the External Auditor who has rights of access to all documents and information necessary for audit purposes.

The University may, from time to time, be subject to audit, inspection or investigation of its financial systems by other external bodies such as HEFCE or HMRC. The Director of Finance and Resources will also be the principal contact within the University on such matters.

The Director of Finance and Resources has lead responsibility for liaison with the University's Internal Auditors. The Internal Auditors have direct access to the Chairman, Vice Chancellor and the Chair of the Audit and Risk Committee.

## **Financial Planning and Monitoring**

### **1) Financial Strategy**

The University's Financial Strategy ensure that resources are aligned to the Strategic Plan and the University remains financially sustainable.

The Financial Strategy is revised following any update to the Strategic Plan and is reviewed annually. The University Board, on recommendation of the Finance and Resources Committee, approves the Financial Strategy.

### **2) Financial Forecasts**

The Director of Finance and Resources is responsible for preparing and maintaining a rolling five year financial forecast that is consistent with the Strategic Plan, Financial Strategy and any enabling strategies agreed by the University Board.

The financial forecast is submitted to HEFCE on an annual basis. The University Board, on recommendation of the Finance and Resources Committee, approves the forecast prior to submission.

### **3) Annual Budget**

The Director of Finance and Resources is responsible for the annual budgeting process. The annual budget is a tool for realising the Financial Strategy and ensuring that resources are available to deliver the objectives of the Strategic Plan for the year in the form of an Annual Operating Plan. The budget is a key output of the annual planning process.

The budget includes the expected level of income and expenditure, cashflows and investment (whether capital or revenue in nature) for the year. Specific investment projects are then reviewed and approved according to the requirements set out in the Scheme of Delegation.

The financial performance of the University and its Departments and Services will be monitored and measured against the budget.

The budget is approved by the University Board on the recommendation of the Finance and Resources Committee prior to the start of the financial year to which it relates. It is then communicated to budget holders.

Exceptionally, the budget may be revised once student recruitment and re-enrolments levels are known early in the financial year. Any such revisions follow the same approvals and process as above.

### **4) Budgetary Control**

Achievement of the annual budget is the responsibility of budget holders, to whom the budget is devolved. Budget holders are typically the Heads of Department and Directors of Services.

Heads of Department are required to meet agreed key performance indicators for income, staff costs and non-staffing costs, returning a targeted level of contribution as a percentage of income.

Directors of Services are required to meet their agreed budgets for income generation and costs, ensuring that their net use of resources is in line with the level set in the budget.

Budget holders are responsible for ensuring:

- that monitoring is undertaken effectively, using the information provided by the Finance and Resources Service;
- the economic, effective and efficient use of resources allocated to them
- funds are spent in line with the purpose for which they were given;
- all funds are used in line with all statutory and regulatory requirements and in a way that achieves best value for money;
- commitments or contracts are not be entered into without either funds within the annual budget being available or the permission of the Director of Finance and Resources; and
- full consideration is given to the shape of and changes to future budgets when committing to any multi-year costs. Commitments extending over more than one financial period should be recognised and treated appropriately for accounting purposes.

Transfer of budgets can take place if the relevant affected budget holders are in agreement.

Transfers are recorded by the Finance and Planning Service and approved by the Deputy Director of Finance and Planning.

No transfer can take place from non-pay to pay budgets or from capital to revenue budgets without the explicit approval of the Director of Finance and Resources.

Unused expenditure budgets can not be “carried forward” to the subsequent financial year unless the related income is also to be deferred to that year.

Although the management of budgets may be delegated to appropriate staff, budgets remain the ultimate responsibility of the budget holder.

## **5) Financial Information and reporting**

Financial information is made available by the Finance and Resources Services to support budget holders in their role.

Monthly financial statements, showing actual income and expenditure compared to budget are provided to each budget holder. Alongside this, budget holders, and those to which budgets are delegated, have access to “live reports” which show actual expenditure against budgets.

The Finance Managers within the Finance and Resources Service meet with budget holders regularly in order that performance, variances and any remedial action are clear. The Finance Managers use these meetings and other information to provide regular forecasts of the likely position for the full financial year.

Management accounts, which summarise the financial performance across the University, are provided to the Vice Chancellor’s Executive throughout the year and to each meeting of the Finance and Resources Committee. A finance report is provided to each meeting of the University Board. Specific reports on the use of investment budgets, the delivery of specific projects or contracts and

any requested monitoring reports are provided to the Vice Chancellor's Executive and to Committees as required.

## **Treasury Management**

### **1) Borrowing and Leasing**

The Finance and Resources Committee is responsible for approving a Treasury Management Policy setting the University's approach to borrowing and leasing as well as investing funds.

All executive decisions concerning borrowing and operating and financing leasing (within policy parameters) are delegated to the Director of Finance and Resources. No borrowing or leasing may be entered into without the Director of Finance and Resources' approval.

The Director of Finance and Resources will ensure that the University's compliance with any loan covenants is monitored and is reported to the Finance and Resources Committee.

All borrowing and leasing shall be undertaken in the name of the University, must be approved by the University Board and shall conform to any relevant HEFCE requirements.

### **2) Banking**

The University's banking arrangements shall be approved by the University Board on the recommendation of the Finance and Resources Committee.

The Director of Finance and Resources is responsible for liaising with the University's bankers in relation to the University's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance and Resources, who shall make proper arrangements for their safe custody.

Only the Director of Finance and Resources may open or close a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or one of its subsidiary companies.

No employee shall open or operate a bank account (including PayPal or similar electronic money accounts) in the name of the University or an entity describing itself as being part of the University, without the express approval of the Director of Finance and Resources. All direct debits or similar from the University's bank accounts must be formally approved in line with the University's banking mandate and may only be established by a member of staff within the Finance and Resources Service.

### **3) Investments**

The Director of Finance and Resources is responsible for investing University funds in line with the Treasury Management Policy.

The Director of Finance and Resources is responsible for maintaining records of investments, for ensuring safe custody of all relevant documents and for reporting investment performance to the Finance and Resources Committee.

## **Income**

### **1) Sales, contracts and Costing**

The Director of Finance and Resources is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled.

The Director of Finance and Resources therefore has overall responsibility for the prompt collection, security and banking of all income received and for ensuring that all claims for funds are made by the due date.

No income contract or memorandum of understanding or similar should be signed without the completion of a business case which demonstrates the financial and other benefits which will result from the agreement. Unless there are clear and understood strategic reasons for not doing so, all new income generating activities must at least break-even, when analysed on a full economic costing basis.

Income contracts, including block payment of tuition fees by sponsors, must be approved and signed in line with the scheme of delegation. All contracts must specify how and when funds will be remitted and all amounts due to the University must be stated as being payable directly to the University.

Budget holders must ensure that any agreements negotiated by their Department or Service with external bodies cover any legal liabilities to which the University may be exposed.

Where matched funding is required, the source of this must be agreed by the Director of Finance and Resources before the contract is signed.

If any work is subcontracted to an external organisation, the budget holder must ensure that this is on the basis of a written contract which allows access to detailed records and that appropriate monitoring arrangements are in place to ensure that the outputs are achieved and the provision is of suitable quality.

### **2) Fee Setting**

The headline tuition fee levels for undergraduate and postgraduate programmes, apprenticeships and fees for student residences are approved annually by the Finance and Resources Committee upon the recommendation of the Director of Finance and Resources. The proposed fees will take into account value for money for students, market conditions, Government policy and the University's strategy.

All deviations from these headline tuition fees, including discounts or waivers for individual students or cohorts, must be approved by the Director of Finance and Resources. A formal process for proposing any discount to tuition fees is set out in the Tuition Fee Policy and must be followed consistently.

### **3) Invoices and Documentation**

Budget holders are responsible for ensuring that the Finance and Resources Service is informed promptly of all income due to the University and provide sufficient information to enable collection. All requests for monies due to the University should be rendered on official invoices or grant claims.

The format and content of all receipt documents, sales invoices, sales credit notes, tickets and electronic collection systems must have the prior approval of the Director of Finance and Resources.

Where goods and services are supplied by the University an appropriate charge must be made in all cases through the raising of an invoice on the University's finance ledger. Invoices must include VAT where applicable and advice on VAT can be obtained from the Finance and Resources Service.

### **3) Returns to Project Funders**

All returns to funders for research, regeneration or other projects should be made promptly and in full compliance with the funding rules and guidelines.

Prior to the submission of any returns to funders, these should be quality checked in accordance with guidance issued by the Director of Finance and Resources.

It is the responsibility of the budget holder to ensure that expenditure is kept within the terms of the funder and the limits of the grant awarded. Any overspending which cannot be recovered from the grant awarding body will be charged to the appropriate budget within the Department or Service.

### **4) Receiving payments**

All cash or electronic payments received by a Department or Service must be:

- recorded on a daily basis together with the form in which they were received;
- paid to the cash office / cash collection company promptly;
- transported in full compliance with the requirements of the relevant procedures and the University's insurers. Internal post must not be used to transport cash; and
- accounted for in full and not used to meet other expenditure needs of the Department or Service. Personal or other cheques must not be cashed out of money received on behalf of the University.

The arrangements to receive debit and credit card payments using terminals or on line must be approved by the Director of Finance and Resources. No new arrangements can be put in place without their permission. The Director of Finance and Resources has responsibility for ensuring compliance with Payment Card Industry Data Security Standards (PCI DSS). The procedures relating to PCI DSS must be followed in full by all Departments and Services that use terminals.

The arrangements for collecting funds using direct debits or standing orders must be approved by the Director of Finance and Resources.

### **5) Donations**

The Pro Vice Chancellor Enterprise-Business Development and Engagement is responsible for active fundraising for the University. All donations, whether in cash or otherwise, that are made to the



University must be administered, used and invested according to University Policy and in line with donor wishes as appropriate. Documentation supporting donations must be retained to support statutory reporting. Claims to HMRC for recovery of income tax are to be made by the Enterprise and Business Development Service with support from Finance and Resources as required.

Staff should ensure that they clarify any restrictive clauses before donations or gifts are accepted and they should ensure that any potential ethical issues surrounding either the donor or the circumstances of the gift itself are considered.

Individuals should not launch fundraising campaigns without gaining the approval of the Vice Chancellor's Executive.

## **6) Collection of Debt and Write-Offs**

The Director of Finance and Resources is responsible for establishing the credit arrangements that indicate the periods in which different types of invoices must be paid.

The Director of Finance and Resources is responsible for making arrangements to promptly collect debts and for ensuring that effective action is taken in collecting overdue debts. Any legal action against a debtor must be approved by the Director of Finance and Resources. .

The sanctions taken against students who are in debt to the University will be set out clearly in the Student Financial Regulations which are reviewed annually by the Director of Finance and Resources.

If, a debt is uncollectable due to inaccurate or incomplete information provided by a Department or Service, the cost of write-off will be charged to the relevant budget within the Department or Service.

The Director of Finance and Resources may approve debt write-offs in accordance with the Scheme of Delegation.

## **7) Refunds**

All refunds will be made in line with the University's refunds procedures and its Anti-Money Laundering Policy.. Where refunds are required, they should be made to original payer and follow the method by which the money was received in order to minimise the opportunities for money laundering in accordance with Money Laundering Regulations 2007.

## **Non-Pay Expenditure**

### **1) Purchasing**

Authorisation of expenditure must be in accordance with the Scheme of Delegation and the method of purchase must be in line with the Procurement Policy.

Budget holders are responsible for purchases within their areas and they must ensure that they have sufficient budget before committing to the purchase of goods or services. The University requires staff, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability optimising value for money. In order to secure good value for money the University seeks to consolidate purchasing requirements and has agreements in place for large numbers of areas. These should be used wherever possible, instead of seeking new suppliers. More detail can be found in the University's Procurement Policy.

Personal purchases must not be made from University funds.

Staff should not purchase goods or services (other than those specifically allowed in the Expenses Policy such as hotel accommodation and travel) with their own money and claim the cost back via the expenses system. Instead, a purchase order or a procurement card should be used.

#### *Orders*

Official University orders must be placed for the purchase of all goods or services in order that the supplier is advised of the University's terms and conditions of contract and the expenditure can be recorded on the Agresso.

Existing and preferred suppliers should be used. New suppliers should only be contracted following a robust selection process and then on approval of Finance and Resources Service.

In all cases, orders must be generated prior to requesting a supplier to provide goods or services. Invoices will not be paid without a purchase order being in place.

Suppliers must be directed, at the ordering stage, to issue invoices with the appropriate order number and to send invoices to the Accounts Payable Department.

#### *Goods Receipting*

The member of staff who commits to the expenditure by "goods receipting" the goods or service must be different from the member of staff responsible for authorising the purchase order.

Invoices will only be paid if the related goods or services are of the expected quality and by "goods receipting" the goods or services, a member of staff is acknowledging this. Budget holders should ensure that all the staff engaged with "goods receipting" are aware of the responsibility that this role brings.

#### *Payment*

No invoices will be paid without the order and invoice having been approved via Agresso.

Authorised invoices will be paid by electronic means wherever possible.

Payment of invoices or sums due under authorised contracts will be made to the named organisation and must not be paid directly to individual employees or associates of the named organisation.

The Director of Finance and Resources maintains registers of staff who may approve orders and invoices and goods receipt purchases via Agresso. Budget holders must ensure that they provide Finance and Resources with details of appropriate approvers as staff leave or responsibilities change.

Where the budget holder believes there is cause to withhold payment this should be referred to the Director of Finance and Resources, and the decision considered in accordance with the Scheme of Delegation.

#### *Off-payroll workers*

Before a sole trader, or worker wishing to contract via his or her own limited company (i.e. a “personal services company”), the employment status of the worker must be formally assessed. Failure to do so and to make the correct assessment may lead to significant financial penalties for the University.

While the worker may wish to be treated as “self-employed” and may have been recorded in this way previously, the nature of their work for the University must be evaluated against HMRC’s guidelines. The budget holder must liaise with Student & Staff Services and ensure that HMRC’s Employment Status Indicator Tool is used. Student & Staff Services will retain the print-out from the tool.

Where the University is engaging with a worker via an agency and that worker is operating via their own limited company, the same assessment must be completed and the output shared with the agency.

## **2) Quotations and Tendering**

The Director of Finance and Resources is responsible for ensuring that the University complies with its legal obligations concerning European procurement legislation for the supply of goods and services and for ensuring that tenders and quotes are obtained where necessary.

As stated in the Procurement Policy, three quotes must be obtained if an order is over £5,000 (including VAT) and a full tender must be conducted if the estimated aggregated contract expenditure will be more than £25,000 (including VAT).

The University is required to comply with the Public Supply Contracts Regulations and, as such, contracts that have a value exceeding £164,176 must be advertised in the Official Journal of the European Union.

Contracts with a value of more than £150,000 across their life time must be market tested at least every four years.

### **3) Procurement Cards**

Procurement cards are issued to staff to enable low value purchases to be made efficiently. All procurement card holders should read and follow the detailed Procurement Card Policy and Procedures.

Holders of procurement cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases.

Cardholders should obtain approval for their transactions each month and their transaction log must be submitted to the Payroll Department along with receipts within the timescales set out in the procedures.

### **4) Petty Cash**

It may be necessary for some areas of Department or Services to carry an amount of cash as a float for operational purposes. Unless specifically approved by the Director of Finance and Resources, this must not be used for any payments over £50. In no circumstances may payment of salaries or wages or any form of personal expenditure be made from petty cash floats.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the University's insurers when not in use and will be subject to periodic checks.

Standard University petty cash books shall be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the budget holder. A copy shall be forwarded to the Deputy Director of Finance when fully completed.

### **5) Student bursaries and loans**

All bursaries and fee waiver schemes must be approved by the Director of Finance and Resources. Bursaries will be paid electronically into the bank accounts of students.

Loans may be given to students in the case of hardship in accordance with the guidelines that are in place for student hardship funds. These guidelines are approved by the Director of Finance and Resources. These loans will be recorded on the student's account and must be repaid before graduation or leaving the University.

## **Payroll, Pensions and Expenses**

### **1) Appointment of Staff**

All offers of employment by the University shall be made in accordance with the guidelines issued by the Human Resources Services. Appointments are only made after the approval process has been completed via the Engage system. No work must commence without a signed official contract of employment being in place.

The Employment Policy Committee approves the standard contractual arrangements relating to all categories of staff within the University and all employment related policies.

If temporary staff are appointed, it is expected that this will be for a temporary purpose and for a short duration.

Where it is proposed that a worker will not be paid via Payroll, the employment status of the worker must be assessed in line with the guidance stated in the Non-Pay Expenditure section of these regulations. Given the potential for additional costs when using off-payroll workers, including VAT and various fees, a full value for money assessment will be made before any such appointment and appointments will be for a temporary period only.

### **2) Payment of Salaries and Wages**

Pay is made to employees in accordance with employment contracts issued by Student & Staff Services. Changes to rates of pay and special payments are determined by Student & Staff Services and notified to Payroll. Any annual pay awards must be approved by University Board.

The Director of Student & Staff Services is responsible for ensuring that the Finance and Resources Service are informed of all relevant matters relating to personnel for payroll purposes. In particular these are:

- appointments, resignations, variations, dismissals, secondments and transfers;
- absences from work for sickness, maternity or other reasons, apart from approved annual leave and other paid leave;
- changes in remuneration, including increments and pay awards; and
- information necessary to maintain records of service for pension, income tax and national insurance.

Director of Finance and Resources is responsible for payments of salaries and wages to all staff including payments for overtime or services rendered.

All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, shall be in a form prescribed or approved by the Director of Finance and Resources.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HM Revenue and Customs guidelines.

### **2) Expenses claims**

Staff may claim reimbursement for transport costs, meals, accommodation and other expenses that are wholly, exclusively and necessarily incurred in performing business activities for the benefit of the University.

Staff should refer to the [Expenses Policy](#) for full details and guidance.

Where a claim is made for other costs, these may be refused or be subject to the deduction of tax and national insurance.

### **3) Advances for the Payment of Expenses**

In exceptional circumstances, the Budget Holder and Deputy Director of Finance and Planning may jointly approve advances to staff where they are to be significantly out of pocket or it is practically necessary given the destination of travel.

Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a University procurement card. The amount of the advance should be based on estimated expenditure and is only to be used for making payments that are in line with the Expenses Policy and Procedures and other Finance procedures.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, a final account must be prepared within one month to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

### **4) Gifts and rewards**

Schemes to reward staff through the use of vouchers or other cash equivalent must be approved by the Director of Finance and Resources and the Director of Student & Staff Services.

In exceptional circumstances, such as bereavement or serious illness, it may be appropriate to send flowers or similar to a member of staff, a student or their family. University funds should not normally be used for any other types of gifts to members of staff or students. In circumstances such as retirement, leaving, etc., gifts should be paid for via the collection of donations. Any exceptions to this must be approved by the Vice Chancellor's Executive.

### **5) Hospitality and Entertaining**

The entertainment of external guests shall normally be conducted using the University's facilities. Where this is not the case, reasons must be stated when submitting an expenses claim for reimbursement or when making the purchase using another method.

Before offering or receiving hospitality, staff should ensure that they have read the Bribery Prevention Policy. This policy sets out the expected approach in this area in the light of the Bribery Act. All offers or receipts of gift or hospitality must be assessed against the guidance in the Policy and gifts or hospitality with a value above £30 must be declared.

Staff should also have regard to the [Expenses Policy](#) which make it clear that expenses for hospitality will be taxable if it is primarily intended for social and not business reasons, even if a business topic happens to be discussed.

## **6) Private Consultancies and Other Paid Work**

Private consultancies and other paid work may be undertaken by academic staff in accordance with the relevant Human Resources policy. Private consultancies and other paid work may only be undertaken by non-academic staff in accordance with the particular member of staff's contract. Staff should also ensure they are familiar with the University's intellectual property policy before engaging in such work.

## **7) Pension Schemes**

The University Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Director of Finance and Resources is responsible for day-to-day pensions matters, including:

- administering eligibility to pension arrangements;
- preparing the annual return to various superannuation schemes; and paying contributions to various authorised superannuation schemes.

## **8) Payroll Records**

The Director of Finance and Resources shall be responsible for keeping all records relating to payroll including those of a statutory nature.

The Director of Student & Staff Services shall be responsible for maintaining accurate records of all matters relating to human resources for payroll purposes.

## **Assets**

### **1) Security of Assets**

The Chief Operating Officer is responsible for ensuring the physical security of all University buildings and the physical security of all IT equipment and other items of value such as artwork.

Heads of Department and Directors of Service are responsible for the security of all other University assets (including stores, furniture, equipment, cash, etc.) and should work with the Chief Operating Officer and others to address any risks in their areas of operation.

Any loss of University assets must be communicated to the relevant budget holder as soon as possible. All losses should be reported to the Director of Finance and Resources. Where there is a suspicion of theft or fraud, the Counter-Fraud Policy and Response Plan should be followed.

### **2) Asset Registers**

The Director of Finance and Resources is responsible for maintaining registers of the land and buildings owned or leased by the University.

The Director of Finance and Resources will maintain a central record of all assets purchased with a value in excess of the University's capitalisation limit – currently £10,000.

The Director of Information Services will maintain registers of the IT equipment which is operated, issued or maintained by the University.

The Director of Student and Staff Services will maintain registers of the furniture, printers, facilities related equipment, vehicles and any other assets which the Service manages or operates, issues or maintains.

Heads of Department and Directors of Service or equivalent are responsible for maintaining registers of all other equipment in use within their areas. They should regularly review the use of assets to determine whether they continue to provide value for money and remain essential to their provision. A replacement plan for these assets should also be in place.

The Director of Finance and Resources will maintain a register of other items of value, such as artwork, and ensure appropriate insurance for these is in place.

All asset registers should be updated for new purchases and for disposals and a physical verification of assets should be performed periodically.

### **3) Asset Disposals**

Approval to dispose of assets must be obtained in line with the Scheme of Delegation and must be communicated to the Finance and Resources Service.

Where equipment or other assets are surplus to requirements, they must be disposed of or scrapped. If the asset is to be sold, a fair market value must be received and evidence retained to evidence this. The Deputy Director of Finance must be informed of any proposed disposal.



Proceeds from the disposal of assets will be reinvested in infrastructure investments rather than supporting general running costs.

#### **4) Personal use of Assets**

Assets owned or leased by the University shall not be subject to personal use without approval by the relevant budget holder or policy owner. Incidental personal use of telephones or computer equipment is addressed in the relevant policies.

Before an asset is made available for personal use, this should be discussed with the Deputy Director of Finance and Planning who can advise on any potential taxation implications.

## **Miscellaneous Items**

### **1) Insurance**

The Director of Finance and Resources is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Finance and Resources Committee on an annual basis.

The buildings that are insured will reflect the asset register maintained by the Director of Finance and Resources.

Staff must ensure that they advise the Head of Estates and Property immediately of any event which may give rise to an insurance claim, for example, fire, flood, lightning, malicious damage or any other major incident. The Finance and Resources Service will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the appropriate members of staff within the Department or Service.

Staff must also inform the Finance and Resources Service of any new circumstances affecting risk in order that they can be evaluated from an insurance perspective.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use.

### **2) Companies and joint ventures**

In certain circumstances, e.g. when a new partnership arrangement is established, it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the University and/or partner organisations. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Director of Finance and Resources, who will have due regard to guidance issued by the funding bodies.

The University Board is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so.

It is the responsibility of the University Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.

Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

### **3) Intellectual Property**

The University's policy on intellectual property is incorporated into all employees' contracts of employment and any legal relationship between the University and its students.

Certain activities undertaken within the University including research and consultancy may result in designs and inventions which may be patentable. These are collectively known as intellectual property.

In the event that the University decides to become involved in the commercial exploitation of inventions and research, the matter should proceed in accordance with the University's Intellectual Property Policy.

#### **4) University status**

The University is a private company limited by guarantee, registered number 06033238. It is an exempt charity. Departments, Service and joint projects are not independent legal entities. They must ensure that the University's legal name appears somewhere on any documents that seeks to establish a contractual relationship with an outside party. In legal terms, the Students' Union is independent of the University.