



# Financial Regulations

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## 1) Introduction and Background

### 1.1 Context and Purposes of Financial Regulations

The University's Financial Regulations set out the fundamental 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 University operates under a range of laws and regulations which place obligations on it with regard to financial matters, including but not limited to:

- Office for Students (OfS) Regulatory Framework for Higher Education in England and the associated Regulatory Advice Notices, particularly Regulation Advice 9 (Accounts Direction) and Regulatory Advice 10 (Accountable Officers) and Terms and Conditions of OfS funding for higher education institutions.
- Charity Law;
- HMRC rules;
- The wider corporate context including UK Companies Act compliance, Modern Slavery Act, Bribery Act, Criminal Finances Act Anti-Money Laundering Act;
- International regulatory compliance in the jurisdictions in which it operates;
- UK and international sanctions requirements.

These Regulations ensure that appropriate responses to such obligations are in place and, wider, that resources are being properly applied for the achievement of the University's Strategy.

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 policies and procedures may be updated more frequently. The University's detailed financial policies and procedures set out how these regulations will be implemented. These are available on StaffHub.

### 1.2 Compliance with Financial Regulations

Compliance with the Financial Regulations is compulsory for all staff at or connected with the University, including via partnerships or secondments. It is the responsibility of managers within each Institute 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 Finance Director. The University Board will be notified of significant breaches through the Audit and Risk Committee.

## **2) Financial Responsibilities of University Board, Board Committees and Senior Managers**

### **2.1 University Board**

The University Board is the governing body of the University and is responsible for, among other matters, the finances and resources of the University, ensuring that clear and robust systems are in place for internal control and for all financial monitoring and reporting.

The University Board has reserved specific powers to itself and delegated others, as outlined in a separate Scheme of Delegation (StaffHub), including to its Committees. These Committees are accountable to the University Board. With respect to financial matters, two Committees have delegated authorities and their roles are summarised below.

### **2.2 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;
- the University's policies on bribery, fraud and irregularity, including Public Interest Disclosure;
- 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 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.

The Committee oversees the University's compliance with the conditions of registration with the Office for Students.

### **2.3 Finance and Resources Committee**

The Finance and Resources Committee provides detailed advice and guidance to the University Board on all matters relating to the finances of the University and matters relating to the University's estate and information technology. This includes:

- The financial health and solvency of the University.
- The safeguarding of the University's assets.
- The financial strategy
- The medium-term financial forecast and annual budgets.
- Capital and investment planning.
- Borrowing and banking arrangements.
- Monitoring and reviewing financial and business performance, including student recruitment.

- Ensuring that all monies are spent in accordance with the conditions under which they have been received.
- Financial issues arising from the annual financial statements.
- Financial matters relating to estates and information technology.
- Financial matters relating to pension arrangements for staff in the University.
- The establishment and dissolution of subsidiary companies of the University.

The Finance and Resources Committee formally reviews and approves these Regulations and procedures relating to procurement.

#### **2.4 Accountable Officer**

The Vice Chancellor is the University's designated Accountable Officer responsible for the financial administration of the University. Among other requirements laid out by the OfS, the Accountable Officer is personally responsible to the University Board for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances around compliance.

They are responsible for ensuring that the University continues to operate in a financially sustainable manner and creates the financial capacity to invest in areas of strategic importance.

#### **2.5 Vice Chancellor's Executive**

Vice Chancellor's Executive is responsible for ensuring the effective, efficient and economic deployment and management of the resources available to the University and setting an affordable, sustainable budgetary framework to present to the University Board for approval.

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.

#### **2.6 Finance Director**

The Finance Director is a member of the Vice Chancellor's Executive and is accountable to the Vice Chancellor, the University Board and its Committees for financial governance. They act as the principal and specialist adviser for financial strategy development and implementation and have responsibility for financial operations, planning, budgeting and control, directing resource allocation.

The Finance Director ensures that the highest standards of financial practice, discipline, integrity and governance, effective financial policies and procedures are in place, ensuring that all financial reporting, management and systems are effective and compliant with legislative and audit requirements.

Under the framework of these Regulations, the Finance Director has responsibility for designing and implementing financial policies and procedures.

### 3) Financial Responsibilities of Staff

#### 3.1 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 (StaffHub).

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 the scheme of delegation.
- Have a focus on value for money in all activities, including avoiding unnecessary expenditure and eliminating waste and inefficiency.
- Maximise the revenue generated by the University through following pricing guidelines and through the efficient application of procedures for the identification, invoicing, collection and recording of income.
- Ensure that University assets are used appropriately and maintained securely.
- Take steps to prevent fraud or any other financial irregularity, immediately reporting any such suspicions or weaknesses in processes or control.
- Make available any relevant records or information to the Finance Director in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.
- Not be involved in any activity, including membership of a selection or evaluation panel or provide approvals of transactions, which would lead to an actual or perceived conflict of interest.

#### 3.2 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 (StaffHub) and be familiar with the steps that should be taken.

#### 3.3 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) (StaffHub), 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.
- Gifts or hospitality offered to external organisations or individuals do not give the impression of inducing others to act improperly.

## **4) Accounting, Taxation and Audit**

### **4.1 Annual Financial Statements and Accounting Policies**

The University's financial year runs from 1 August until 31 July the following year.

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

The University prepares consolidated financial statements, which include the University and any subsidiary companies, in accordance with the University's accounting policies, the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2019, Financial Reporting Standards (FRS 102), the Office for Students Accounts Direction and the Companies Act 2006.

The Finance Director is responsible for selecting appropriate accounting policies and for ensuring that they are applied consistently. Significant changes in accounting policies will be presented to the Audit and Risk Committee for approval.

### **4.2 Retention of Accounting Records**

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

The University will maintain its prime accounting records, whether electronic or in paper form, for six years or longer if mandated by a funder. These include purchase orders, purchase invoices, sales invoices, bank statements, receipts, cheques, BACS records, procurement card statements, payroll and pension records and tender documentation.

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

### **4.3 Taxation**

The Finance Director is responsible for ensuring that policies, systems and processes are established such that the University complies fully with all relevant laws, rules, regulations, payment requirements, statutory reporting and disclosure requirements issued by appropriate bodies in respect of its tax affairs. In support of this, arrangements for external tax advice will be put in place by the Finance Director.

The Finance Director will ensure that, as per the Criminal Finances Act, 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.

### **4.4 External Audit**

The appointment of external auditors is the responsibility of University Board, upon recommendation of the Audit and Risk Committee.

The primary role of the external auditors is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

The external auditors will be provided with access to the University's premises, assets, records, documents and correspondence relating to any financial or other transactions of the University. They have the authority to require and receive such explanations as are necessary concerning any matter under examination.

The Finance Director is the primary contact within the University for the external auditors and oversees the planning for audit visits and the provision of supporting information.

#### **4.5 Internal Audit**

The internal auditors are appointed by University Board, upon recommendation of the Audit and Risk Committee.

The OfS require that the University has in place adequate and effective management and governance arrangements. The Committee of University Chairs Higher Education Code of Governance, which the University looks to comply with, encourages institutions to have an internal audit function, with their duties and responsibilities aligned with the requirements of the OfS and the other regulatory bodies that the University's activities fall under. The role of internal audit is to provide University Board, its Audit and Risk Committee and the accountable officer with independent assurance about the adequacy and effectiveness of risk management, control and governance and value for money. To this end, they must provide an annual report addressed to University Board and the accountable officer which must be considered by the Audit and Risk Committee.

The University Secretary is the primary contact within the University for the internal auditors.

#### **4.6 Other Audits**

The University may, from time to time, be subject to audit, inspection or investigation of its financial systems by other external bodies such as the OfS or HMRC. The Finance Director will be the principal contact within the University for such reviews.

## **5) Financial Planning and Monitoring**

### **5.1 Financial Strategy**

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

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

### **5.2 Financial Forecasts**

The Finance Director is responsible for preparing and maintaining a rolling five year financial forecast that is consistent with the University's Strategy, Financial Strategy and any other strategies agreed by the University Board.

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

### **5.3 Annual Budget**

The Finance Director 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, and is accompanied by appropriate scenario planning and sensitivity analysis.

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 or as a result of other material changes. Any such revisions follow the same approvals process as above.

### **5.4 Budgetary Control**

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

Directors / Deans of Institute are required to meet agreed key performance indicators and targets 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 ensure that their net use of resources is in line with the level set in the budget.

Directors / Deans or those to whom they delegate responsibility for the delivery of specific elements of income and control of expenditure act as budget holders.

Budget holders are responsible for ensuring:

- That monitoring of income and expenditure is undertaken effectively, using the information provided by the Finance 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 and in a way that achieves best value for money.
- Commitments or contracts are not entered into without either funds within the budget being available or the specific permission of the Finance Director.
- That full consideration is given to the shape of and changes to future budgets when committing to any multi-year costs, including staffing appointments.

Expectations of variances to budgets must be reported to the Finance Service by budget holders immediately and corrective action identified.

Transfer of budgets can take place if the relevant budget holders are in agreement. Transfers are recorded by the Finance Service and approved by the Head of Financial Performance 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 Finance Director.

Unused expenditure budgets cannot ordinarily be “carried forward” to the subsequent financial year unless the related income is also to be deferred to that year. The Finance Director may put in place arrangements which provides Institutes or Services with specific additional resource in subsequent periods to recognise over-achievement against budgets.

## **5.5 Financial Information, reporting and forecasting**

Financial information is made available by the Finance Service 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 whom budgets are delegated, have access to system reports which show actual expenditure against budgets, and to projections of staffing costs by post.

The Finance Managers within the Finance 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 executive throughout the year and to each meeting of the Finance and Resources Committee and University Board.

Specific reports on the use of capital and investment budgets, the delivery of specific projects or contracts and any requested monitoring reports are provided to the relevant executive groups and the Finance and Resources Committee as required.

Financial forecasts for the current year are produced at least quarterly during the financial year and are presented to the executive, Finance and Resources Committee and University Board.

## **6) Income**

### **6.1 Sales, contracts and costing**

The Finance Director is responsible for ensuring that appropriate policies and procedures are in operation to maximise the income generated by the University and to enable it to receive all income to which it is entitled promptly.

No income contract 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. This includes demonstration that the activity will generate a surplus on a full-economic cost basis unless there are clear and understood strategic reasons for it not doing so.

Due diligence processes must be followed before a contract is entered into which will include a focus on legislative and regulator requirements such as sanctions and academic freedoms / free speech.

Income contracts 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. Liaison with Finance Service is required to ensure that income can be collected in line with the required payment schedule.

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

If any work is subcontracted to an external organisation by the University, 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.

### **6.2 Pricing and tuition fee Setting**

The headline tuition fee levels and fees for student residences are approved annually by the Finance and Resources Committee upon the recommendation of the Finance Director. 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 reviewed and approved by the Finance Director. A Fee Discount or Waiver Justification Form must be completed setting out the rationale for the change. Staff must not offer or imply the offer of any discount or waiver prior to this form being completed and approved.

Contracts with employers for the delivery of teaching or research, including apprenticeships, must specify the fees that will be chargeable and how and when they will be reviewed. Inflationary increases should be built into contracts unless there is a regulatory reason which prevents this. The fees and the fee review mechanism must be approved by the Finance Director before the contract is agreed. The relevant Institute or Service is responsible for ensuring that reviews of fees take place.

The pricing of all other services must be reviewed annually by budget holders and agreed by the Finance Director.

### **6.3 Invoices and Documentation**

Budget holders are responsible for ensuring that the Finance Service is informed promptly of all income due to the University and provide sufficient information, including purchase order numbers and contact 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 Finance Director.

Where goods and services are supplied by the University an appropriate charge must be made through the raising of an invoice on the University's finance ledger. Invoices must include VAT at the appropriate rate if applicable, utilising the VAT guides on StaffHub, with specific advice obtained from the Finance Service as necessary.

#### **6.4 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, with appropriate quality checks taking place.

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 Institute or Service.

#### **6.5 Receiving payments**

The University is largely cashless in its operations. Tuition fee and student accommodation payments will only be accepted by electronic means. Permission to receive other types of small payments by cash or cheques will only be granted in exceptional circumstances by the Finance Director.

The arrangements for receiving and recording electronic payments, including debit and credit cards, (using terminals or online) and other methods such as direct debits and standing orders are issued by the Finance Service and must be complied with. Arrangements for any new electronic methods of income receipt must be approved by the Finance Director.

The Finance Director 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 Institutes and Services that use terminals.

Where it is agreed that cash or cheques may be received, all monies must be recorded on a daily basis together with the form in which they were received and lodged with Finance promptly.

Cash and cheques must be 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. Receipts must be accounted for in full and not used to meet other expenditure needs of the Institute or Service. Personal or other cheques must not be cashed out of money received on behalf of the University.

#### **6.6 Donations**

Before accepting donations, the University will carry out appropriate due diligence on potential donors, including exploring any potential ethical issues surrounding either the donor or the

circumstances of the gift itself. Staff must ensure that they clarify and review any restrictive clauses before donations or gifts are accepted are considered.

All donations that are made to the University must be administered, used and invested according to relevant University policies and in line with donor wishes as appropriate. Documentation supporting donations must be retained to support statutory reporting and to facilitate gift aid claims as appropriate.

Individuals should not launch fundraising campaigns without gaining the approval of the University Secretary and Finance Director.

The University may only make donations to external organisations where there are strategic reasons to do so, any transaction is in the best interests of the University and furthers the purpose of the University for the public benefit. All such transactions must be approved by the University Secretary and Finance Director.

#### **6.7 Collection of Debt and Write-Offs**

The Finance Director is responsible for establishing the credit arrangements that indicate the periods in which different types of invoices must be paid, and for making arrangements to promptly collect debts and for ensuring that effective action is taken in collecting overdue debts.

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 Finance Director.

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

The approval routes and financial limits around debt write-offs are set out in the Scheme of Delegation.

#### **6.8 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 the Money Laundering, Terrorist Financial and Transfer of Funds Regulations 2017.

## **7) Non-Pay Expenditure**

### **7.1 Procurement**

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.

The Finance Director is responsible for ensuring that the University complies with its legal obligations concerning procurement legislation for the supply of goods and services and for ensuring that tenders and quotes are obtained where necessary. Financial thresholds for quotes and tenders are set out in the Procurement Policy.

The University requires staff, irrespective of the source of funds, to obtain value for money for supplies, equipment and services. Value for Money is achieved by ensuring that our purchasing results in the best mix of quality, benefits and effectiveness for the least outlay over the period goods or services are used or provided. This is usually achieved through competition between potential suppliers, with each tender submission or quote appraised against a set of value for money criteria.

In order to secure good value for money the University seeks to consolidate purchasing requirements and has agreements in place for much of its expenditure following tender or quotation exercises. These agreements should be used wherever possible, instead of seeking new suppliers. More detail can be found in the University's 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.

Outside of the costs specifically allowed in the Expenses Policy such as hotel accommodation and travel, staff must not make purchases with their own money and then seek to claim the cost back via the expenses system. Instead, a purchase order or a procurement card should be used. Personal purchases must not be made from University funds.

### **7.2 Purchase Orders, goods receipting and Invoices**

Official University orders must be placed for the purchase of goods or services except those made using procurement cards, with orders advising the supplier of the University's terms and conditions of contract and the expenditure.

In all cases, orders must be generated and approved 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 team.

The same member of staff cannot approve the purchase order and commit expenditure via the "goods receipting" function or invoice approval functions in the finance system.

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.

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

After authorisation, invoices will be paid by the Accounts Payable team via electronic methods to the named organisation, using the details held by the University. Any changes to these details, including bank details, will only be recorded on the finance system after a robust due diligence exercise.

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

### **7.3 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 guidance.

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 Accounts Payable team along with receipts within the timescales set out in the guidance.

### **7.4 Student bursaries and loans**

All bursaries and fee waiver schemes must be approved by the Finance Director. 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 Finance Director. These loans will be recorded on the student's account and must be repaid before graduation or the student leaving the University.

## **8) Payroll, Pensions and Expenses**

### **8.1 Appointment of Staff**

All offers of employment by the University shall be made in accordance with the guidelines issued by the People and Culture Service. Appointments are only made after the approval process has been completed via the staff recruitment system. Employment will not commence until a signed official contract of employment being in place and no work must be carried out by a prospective employee ahead of this contract being issued.

The People, Performance and Culture Committee (a University Board Committee) approves the standard contractual arrangements relating to all staff on the nationally agreed pay and grading structure within the University and all employment related policies; Remuneration Committee (a University Board Committee) approves contractual arrangements relating to all other staff, including the Vice Chancellor.

If temporary staff, such as those from an agency, are appointed, it is expected that this will be for a temporary purpose and for less than 12 months.

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. As with employees, a contract must be in place before any work is performed by off-payroll workers.

### **8.2 Payment of Salaries and Wages**

Salary payments are made to employees in accordance with employment contracts issued by the People and Culture Service. Changes to rates of pay and special payments are communicated by the People and Culture Service to Payroll. Any annual pay awards must be approved by University Board for staff on the nationally agreed pay and grading structure, and Remuneration Committee for all other staff.

The Director of People and Culture is responsible for ensuring that the Finance Service is informed of all relevant matters relating to staff 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.
- Information necessary to maintain records of service for pension, income tax and national insurance.

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

Where timesheets or other pay documents are used, including those relating to fees payable to external examiners, visiting lecturers or researchers, the processes and approvals will be approved by the Finance Director.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HM Revenue and Customs guidelines. This includes correctly identifying the employment status of workers and compliance with IR35 legislation as per the detailed guidance on StaffHub.

### **8.3 Pension Schemes**

The Finance Director is responsible for day-to-day pensions matters, including preparing the annual return to various superannuation schemes and paying contributions to various authorised superannuation schemes and for the development and implementation of the University's pension strategy.

The Director of People and Culture is responsible for administering eligibility to pension schemes.

### **8.4 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 (StaffHub) for full details and guidance.

Where a claim is made for costs that are outside this Policy, these may be refused or be subject to the deduction of tax and national insurance.

### **8.5 Advances for the Payment of Expenses**

In exceptional circumstances, the Budget Holder and Finance Director 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.

### **8.6 Gifts and rewards**

Schemes to reward staff through the use of vouchers or other cash equivalent must be approved by the Finance Director and the Director of People and Culture.

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. 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, with approval to be sought from the Finance Director.

### **8.7 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.

### **8.8 Private Consultancies and Other Paid Work**

Private consultancies and other paid work may be undertaken by academic staff in accordance with the relevant People and Culture Service 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.

### **8.9 Payroll Records**

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

The Director of People and Culture shall be responsible for maintaining accurate records of all matters relating to human resources for payroll purposes.

## **9) Asset Management**

### **9.1 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.

Directors / Deans of Institutes and Directors of Service are responsible for the security of all other University assets (including stores, furniture, equipment, 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 Finance Director. Where there is a suspicion of theft or fraud, the Counter-Fraud Policy and Response Plan should be followed.

### **9.2 Asset Registers**

The University's Capital Expenditure and Fixed Asset Accounting Policy provides detail on the definition, recognition, measurement and recording of capital (fixed asset) expenditure recognised in the University's financial statements, together with the depreciation policy.

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

The Finance Director will maintain a central record of all assets purchased with a value in excess of the University's capitalisation limit.

The Chief Operating Officer will maintain registers of the IT equipment which is operated, issued or maintained by the University and registers of the furniture, printers, facilities related equipment, vehicles and any other assets which the Service manages or operates, issues or maintains.

Directors / Deans of Institute 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 Finance Director 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.

### **9.3 Asset Disposals**

Approval to dispose of assets must be obtained in line with the Scheme of Delegation with communication to the Finance Service as set out in the Scheme.

Disposal of assets such as laptops, PCs, mobile phones or any other equipment which may contain sensitive or confidential information is the responsibility of the Head of IT or similar roleholder. Assets will be disposed of in a manner which ensures all sensitive and confidential information is

entirely deleted and compliant with GDPR regulations. Such assets should not be sold without the express permission of the Head of IT.

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.

#### **9.4 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 Finance Director who can advise on any potential taxation implications.

#### **9.5 Treasury Management**

The Finance Director is responsible for the development, maintenance and application of a Treasury Management Policy, which is approved by the Finance and Resources Committee.

The Finance Director 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 in line with the Scheme of Delegation and shall conform to any relevant OfS requirements.

#### **9.6 Banking arrangements**

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

The Finance Director is responsible for liaising with the University's bankers in relation to the University's bank accounts and all related processes, controls and security.

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 Finance Director. 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 Service.

## **10) Miscellaneous Items**

### **10.1 Insurance**

The Finance Director 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 major risks will be considered and those most effectively dealt with by insurance cover will be identified.

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

The buildings that are insured will reflect the register of properties maintained by the Chief Operating Officer.

The Head of Estates and Property must be informed 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 Service will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the appropriate members of staff within the Institute or Service.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and provide evidence of this before any claim for mileage expenses is submitted.

### **10.2 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 Finance Director, 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.

### **10.3 Intellectual Property**

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. The University's policy on intellectual property will be incorporated into all employment and other contracts as relevant.

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.

#### **10.4 University status**

The University is a private company limited by guarantee, registered number: 06033238. It is an exempt charity. Institutes, Services 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.