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## **BOURNEMOUTH UNIVERSITY**

### **FINANCIAL REGULATIONS**

# CONTENTS

1. [BACKGROUND AND PURPOSE](#)
2. [STATUS OF FINANCIAL REGULATIONS](#)
3. [CORPORATE GOVERNANCE](#)
  - 3.1 [The University Board](#)
  - 3.2 [Accountable Officer](#)
  - 3.3 [Committee Structure](#)
  - 3.4 [Responsibilities](#)
    - 3.4.1 [Finance Director](#)
    - 3.4.2 [Executive Deans, Directors & Heads of Professional Services](#)
    - 3.4.3 [All Members of Staff](#)
  - 3.5 [Risk Management](#)
  - 3.6 [Whistleblowing \(Disclosure in the Public Interest\) Policy & Procedures](#)
  - 3.7 [Code of Conduct](#)
  - 3.8 [Conflicts of Interest](#)
  - 3.9 [Anti-bribery Policy & Procedures](#)
  - 3.10 [Freedom of Information Act](#)
4. [FINANCIAL MANAGEMENT AND CONTROL](#)
  - 4.1 [Resource Allocation](#)
  - 4.2 [Financial Planning](#)
  - 4.3 [Budget Preparation](#)
  - 4.4 [Capital Programmes](#)
  - 4.5 [Other Major Developments](#)
  - 4.6 [Budgetary and Cash Control](#)
  - 4.7 [Accounting Arrangements](#)
    - 4.7.1 [Financial Year](#)
    - 4.7.2 [Basis of Accounting](#)
    - 4.7.3 [Format of the Financial Statements](#)
    - 4.7.4 [Capitalisation & Depreciation](#)
    - 4.7.5 [Accounting Returns](#)
    - 4.7.6 [Accounting Records](#)
    - 4.7.7 [Public Access](#)
    - 4.7.8 [Taxation](#)
  - 4.8 [Audit Requirements](#)
    - 4.8.1 [External Audit](#)
    - 4.8.2 [Internal Audit](#)
    - 4.8.3 [Fraud & Corruption](#)
    - 4.8.4 [Value for Money](#)
    - 4.8.5 [Other Auditors](#)
5. [INCOME AND BANKING](#)
  - 5.1 [General](#)
  - 5.2 [Appointment of Bankers](#)
  - 5.3 [Banking Arrangements](#)
  - 5.4 [OfS Grants](#)
  - 5.5 [Cash Receipts](#)
  - 5.6 [The Collection of Debts](#)
  - 5.7 [Student Fees](#)
  - 5.8 [Student Loans \(Including Emergency Hardship Loans\)](#)

- 6. [RESEARCH, CONSULTANCY AND EDUCATIONAL CONTRACTS](#)
  - 6.1 [Research](#)
  - 6.2 [Matched Funding](#)
  - 6.3 [Grant & Contract Conditions](#)
  - 6.4 [Education Contracts & Services Rendered](#)
  - 6.5 [Intellectual Property Rights](#)
- 7. [EXPENDITURE](#)
  - 7.1 [Procurement Manual](#)
  - 7.2 [Contracts](#)
  - 7.3 [Estates Contracts](#)
  - 7.4 [Authorisation of Approved Lease Agreements & Contracts](#)
  - 7.5 [Payment of Invoices](#)
  - 7.6 [Payment Timescales](#)
- 8. [PAY EXPENDITURE](#)
  - 8.1 [Remuneration Policy](#)
  - 8.2 [Appointment of Staff](#)
  - 8.3 [Salaries & Wages](#)
  - 8.4 [Pension Schemes](#)
  - 8.5 [Travel, Subsistence & Other Allowances](#)
  - 8.6 [Allowances for Members of the University Board](#)
  - 8.7 [Severance and other Non-recurring Payments](#)
- 9. [ASSETS](#)
  - 9.1 [Land, Buildings, Fixed Plant & Machinery](#)
  - 9.2 [Fixed Asset Register & Inventory](#)
  - 9.3 [Stocks & Shares](#)
  - 9.4 [Safeguarding Assets](#)
  - 9.5 [Asset Disposal](#)
  - 9.6 [Treasury Management](#)
  - 9.7 [Petty Cash](#)
- 10. [OTHER MATTERS](#)
  - 10.1 [Companies](#)
  - 10.2 [Insurance](#)
  - 10.3 [Security](#)
  - 10.4 [Funds Held on Trust](#)
    - 10.4.1 [Gifts, Benefactions & Donations](#)
    - 10.4.2 [Student Welfare & Access Funds](#)
    - 10.4.3 [Trust Funds](#)
    - 10.4.4 [Voluntary Funds](#)
  - 10.5 [Students' Union](#)
  - 10.6 [Use of the University Seal](#)
  - 10.7 [Provision of Indemnities](#)

## [APPENDIX 1 – USEFUL LINKS](#)

## 1. BACKGROUND AND PURPOSE

The University is a higher education corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992 and the Higher Education and Research Act 2017. Its structure of governance is laid down in the Instrument and Articles of Government. The University is accountable through its University Board, which has ultimate responsibility for the effectiveness of its management and administration.

The University is an exempt charity as set out in Schedule 3 of the Charities Act 2011 and the OfS is its Principal Regulator.

[The Office for Students' \(OfS\) Regulatory Framework](#) and the [OfS Terms and Conditions of Funding](#) (See Appendix 1 for the academic year apply to the University. The Regulatory Framework sets out how the OfS intends to perform its various functions and provides guidance for registered higher education providers on the general ongoing conditions of registration and set out the terms that apply to OfS recurrent and capital grant funding..

The University Board is responsible for ensuring University's compliance with all the conditions of registration, including Conditions D: Financial Viability and Sustainability and, F: Accountability.

In addition to the OfS Regulatory Framework and the OfS Terms and Conditions of Funding for the relevant academic year, the [Terms and Conditions of research grants - UK Research and Innovation \(UKRI\)](#) also apply to the University. These set out the formal relationship between UKRI and the higher education providers that it funds and underpins the funding that UKRI provides and describes the assurance they rely on in discharging their funding responsibilities.

These Financial Regulations form part of the overall system of accountability and assurance for the expenditure of all grant funding received by the University.

[Back to Contents Page](#)

## 2. STATUS OF FINANCIAL REGULATIONS

The Financial Regulations translate into practical guidance the University's broad policies relating to financial control. This document was approved by the University Board on 8 July 2022. It applies to the University and all its subsidiary undertakings but does not apply to the Students' Union as it is a separately constituted organisation. However, as a condition of the annual grant that the University provides to the Union, the University Board expects the principles contained in the Regulations, wherever relevant, to be adopted by the Union.

The purpose of these Financial Regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and business objectives:

- financial viability;
- achieving value for money;
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
- ensuring that the University complies with all relevant legislation; and
- safeguarding the assets of the University.

All issues concerning finance must be conducted in accordance with these Financial Regulations. In part, this is to ensure that the University meets its obligations to OfS as set out in [The Office for Students' \(OfS\) Regulatory Framework](#).

The Financial Regulations are reviewed and approved by the University Board following the recommendation of the Audit, Risk and Governance Committee. The Financial Regulations are underpinned by, and may refer to, other policy and procedure documents approved either by the University Board, a committee of the University Board, the Vice-Chancellor or the University Executive Team (UET). A schedule of the key documents is included at Appendix 1 to these regulations.

These regulations create a framework of financial controls within which the staff of the University must operate. Properly complied with, these Financial Regulations not only protect the University, but also individual staff. Failure to comply with the Financial Regulations may lead to the loss of assets, significant delays in payments to employees and suppliers, and additional work for colleagues.

Compliance with the Financial Regulations is compulsory for all staff employed by or connected with the University. Compliance issues may be raised by the Vice-Chancellor with the Audit, Risk and Governance Committee. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action in accordance with the University's [Staff Disciplinary Procedure](#) (click on Staff Procedures & Guidelines: Managers Guidance – Disciplinary procedure). Alleged and potential breaches will be reported, in the first instance, to the Finance Director who will take any required actions, including possible escalation to the Vice-Chancellor and, if appropriate, notifying the University Board. It is the responsibility of Executive Deans, Directors and Heads of Professional Services to ensure that their staff read and understand the [Financial Regulations and underpinning policies and procedures](#), which are available on the University intranet. Any potential breaches of the Financial Regulations should be reported to [FinancialRegulations@bournemouth.ac.uk](mailto:FinancialRegulations@bournemouth.ac.uk)

If there are any points which are unclear, please contact the Finance Director or the Deputy Finance Director.

The Audit, Risk and Governance Committee is responsible for maintaining an on-going review of the Financial Regulations and advising the University Board of any additions or changes necessary, which may arise due to changes in the University's business, activities, structures or regulatory and legislative requirements.

In exceptional circumstances, the Finance and Resources Committee may authorise a departure from the detailed provisions herein; such a departure is to be reported to the University Board at the earliest opportunity. The Finance Director should be contacted in the first instance for clarification of any points within the Financial Regulations.

[Back to Contents Page](#)

### **3. CORPORATE GOVERNANCE**

#### **3.1 THE UNIVERSITY BOARD**

The University Board oversees the strategic development of the University and has overall responsibility for ensuring the effectiveness of its management and administration. Its financial responsibilities are to:

- ensure the solvency of the University;
- safeguard the University's assets;
- ensure the effective and efficient use of resources;
- ensure the funds provided by OfS and Research England and any other funding body (including the Department for Education or the Education and Skills Funding Agency) are used in accordance with the terms and conditions of that particular funding;
- ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment;
- ensure that the University complies with all the conditions of registration and with the Office for Students accounts direction To and the [CUC Higher Education Audit Committees Code of Practice](#);
- approve the University's Strategic Plan;
- approve annual estimates of income and expenditure and to approve the annual financial statements; and
- appoint the University's internal and external auditors.

#### **3.2 ACCOUNTABLE OFFICER**

The Vice-Chancellor is the University's Accountable Officer and is responsible for the financial administration of the University and personally responsible to the Board for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances about compliance. In this capacity, the Vice-Chancellor must advise the Board if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with [The Office for Students' \(OfS\) Regulatory Framework](#) or the [Terms and Conditions of research grants - UK Research and Innovation \(UKRI\)](#). If the Board decides nevertheless to proceed, the Vice-Chancellor must immediately inform the funding body in writing. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Board and for the management of budgets and resources within the estimates approved by the Board. As the Accountable Officer, the Vice-Chancellor is required, if requested, to appear before the House of Commons' Public Accounts Committee on matters relating to receiving public funding from the OfS or from other bodies.

In particular, the Articles of Government 4.2.(e) charge the Vice-Chancellor with responsibility for:

*“...preparing annual estimates of income and expenditure, for consideration by the Board of Governors, and for the management of budget and resources, within the estimates approved by the Board of Governors.”*

The Vice-Chancellor shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the Annual Assurance Return.

### **3.3 COMMITTEE STRUCTURE**

The University Board meets at least four times each academic year and has established a number of committees to which it delegates various responsibilities. The full [Committee Structure](#) is published on the BU website. The Terms of Reference for these committees are accessible via the links to each of the Committee headings within the structure diagram.

### **3.4 RESPONSIBILITIES**

#### **3.4.1 Finance Director**

Day-to-day financial administration is controlled by the Finance Director who is responsible to the Vice-Chancellor for:

- the development of a financial strategy to meet the University’s strategic objectives;
- preparing annual capital and revenue budgets and financial plans;
- preparing annual cash flow forecasts and a 13 week rolling cash flow forecast.
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the University’s annual accounts and other financial statements and accounts which the University is required to submit to other authorities;
- ensuring that the University maintains robust financial systems and controls;
- providing professional advice on all matters relating to financial policies and procedures; and
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

In the event that the Finance Director is unavailable for any reason, the Vice-Chancellor may make such alternative arrangements in relation to the above as are appropriate in the circumstances.

#### **3.4.2 Executive Deans, Directors and Heads of Professional Services**

The Executive Deans, Directors and Heads of Professional Services have devolved responsibility for day-to-day financial operations within their budget areas and can delegate limited responsibilities to subordinate staff within areas of responsibility. They are responsible for establishing and maintaining clear lines of responsibility within their Faculty or Professional Service for all financial matters.

They are advised by the Finance Director and the Finance directorate in executing their financial duties. The Finance Director will also supervise and approve the financial systems and controls operating within their Faculty or Professional Service including the form in which financial records are kept.

Executive Deans, Directors and Heads of Professional Services shall provide the Finance Director with such information as may be required to enable:

- compilation of the University’s financial statements;
- implementation of financial planning; and
- implementation of audit and financial reviews, projects, and value for money studies.

#### **3.4.3 All Members of Staff**

Identified members of staff are authorised by their Executive Dean, Director or Head of Professional Service to deal with certain day-to-day financial matters, in accordance with the provisions of the regulations and the authorised expenditure limits aligned to grades. To be valid, such authority must be formally recorded and a copy of the authorisation lodged with the Finance Department. No other members of staff have authority to engage in any action or make any commitment which may conceivably incur institutional costs.

Staff should ensure that they are aware of the University's financial authority limits (see [Financial Authority Limits](#)) and the values of purchases for which quotations and tenders are required (see [Procurement Manual](#)).

All members of staff should be aware and have a general responsibility for the security of the University's property, for avoiding loss and for due economy in the use of resources.

They shall make available any relevant records or information to the Finance Director, or his or her authorised representative, in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

They shall provide the Finance Director with such financial and other information as he or she may deem necessary, from time to time, to conduct the requirements of the University Board.

They shall immediately notify the Finance Director whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University. The Finance Director shall take such steps as he or she considers necessary by way of investigation and report and shall have due regard to the [Anti-Fraud Policy & Procedures](#). The Finance Director must bring any significant or material matter to the attention of the Finance and Resources Committee.

### **3.5 RISK MANAGEMENT**

The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The University has a risk management policy and toolkit which explains the University's underlying approach to risk management, documents the roles and responsibilities of the University Board, the University Executive Team (UET) and other key parties. The Audit, Risk and Governance Committee of the University Board have approved this policy. University risk management arrangements will be considered and approved by the Audit, Risk and Governance Committee on an annual basis.

The University Board has overall responsibility for ensuring there is a common approach to the management of risk throughout the University through the development, implementation and embedment within the organisation of a formal, structured risk management process.

The University Board requires that the Risk Management Policy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management;
- the establishment of University-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes;
- detailed regular review at Faculty and Professional Service level to identify significant risks associated with the achievement of key objectives and other relevant areas;
- development of risk management and mitigation plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting of the corporate Risk Register and an accompanying risk report to the University Board and its committees; and
- an annual review of the effectiveness of the risk management system.

The policy and procedures must be capable of independent verification.

### **3.6 "WHISTLEBLOWING" (Disclosure in the Public Interest) Policy & Procedures**

Whistleblowing describes the action of a person connected to an organisation (usually an employee) who reports a concern about serious malpractice within that organisation. The relevant legislation is the Public Interest Disclosure Act 1998 as amended, which provides protection for 'whistleblowers' who report serious concerns provided they have a reasonable belief that it is in the public interest and act in accordance with the correct disclosure procedure. The University's ['Whistleblowing' \(Disclosure in the Public Interest\) Policy and Procedures](#) outlines what the procedure covers, how to raise a concern that does not fulfill the definition of a 'public interest disclosure' and how to report a concern in the Public Interest.

### **3.7 CODE OF CONDUCT**

The University's General Conduct Policy outlines the expectations of staff in ensuring all act with due regard to the interest of the University and to promote and implement corporate policies. The University expects that staff at all levels will observe its code of conduct.

The [General Conduct Policy](#) is available on the Staff Intranet.

### **3.8 CONFLICTS OF INTEREST**

The University values creativity, partnership and enterprise and is supportive of the various internal and external activities in which members of staff engage. Occasionally, however, a member of staff's outside interests may conflict, or appear to conflict, with their University duties. The University has, therefore, put in place a Conflicts of Interest Policy and Procedures to protect the University and members of staff from any appearance of impropriety and to enable the University and members of staff to comply with legal obligations.

The Policy provides a system for reporting and managing conflicts of interest that affect members of staff, members of the University Board and other individuals working in or for the University.

The [Conflicts of Interest Policy and Procedures](#) is available on the Staff Intranet and the BU website.

### **3.9 ANTI-BRIBERY POLICY AND PROCEDURES**

The University is committed to ethical standards of business conduct and adopts a zero-tolerance approach to bribery and corruption in all jurisdictions. The University will uphold relevant laws for countering bribery and corruption, in particular the Bribery Act 2010.

As part of the above commitment, the University has implemented Anti-Bribery Policy and Procedures, which are incorporated into these Financial Regulations.

The Anti-Bribery Policy and Procedures apply to all members of staff of the University, to all external members of the University Board when acting in that capacity and to all other persons when working in or for the University.

Breach of the Anti-Bribery Policy and Procedures may constitute a disciplinary offence for members of staff and may result in contractual or legal sanctions for other persons when working in or for the University.

The [Anti-Bribery Policy and Procedures](#) is available on the Staff Intranet and the BU website.

### **3.10 FREEDOM OF INFORMATION ACT**

The University's policy in relation to the Freedom of Information Act is available at: [Freedom of Information](#).

[Back to Contents Page](#)

## **4. FINANCIAL MANAGEMENT AND CONTROL**

### **4.1 RESOURCE ALLOCATION**

Resources are allocated annually by the University Board on the recommendation of the Finance and Resources Committee.

Executive Deans, Directors and Heads of Professional Services are responsible for the economic, effective, efficient and equitable use of resources allocated to them.

### **4.2 FINANCIAL PLANNING**

The Finance Director is responsible for preparing annually a rolling financial forecast for approval by the University Board on the recommendation of the Finance and Resources Committee for submission to the OfS. Financial forecasts should be consistent with the University Strategic Plan and financial strategy approved by the University Board.

### **4.3 BUDGET PREPARATION**

The Finance Service, reporting to the Finance Director, is responsible for advising Faculty and Professional Services on the preparation of their multi-year budget and for preparing annually a consolidated income and expenditure budget, and capital programme for the University 'group' (the 'group' comprises of the University and any subsidiary companies of the University). The budget should link clearly to the University's approved Strategic Plan and financial strategy and will represent the income, expenditure and cash flows associated with their implementation for the forthcoming year. The budget is considered by the University Executive Team before submission to the Finance and Resources Committee. The



budget should include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Finance Director must ensure that detailed budgets are prepared as part of a clear planning and resource allocation process. The Finance Director will communicate the detailed budgets to the Executive Deans, Directors and Heads of Professional Services as soon as possible following approval of the overall budget by the University Board.

#### **4.4 CAPITAL PROGRAMMES**

Alongside the approval of the five-year financial forecast, the University Board will approve an outline capital programme for the equivalent period, indicating the major projects anticipated over the period and estimated cost of each.

The Chief Operating Officer, in conjunction with the University Executive Team, will take the lead in developing the University's capital priorities and plan, and will ensure that the Finance and Resources Committee is consulted at an early stage in respect of new projects.

All purchases of capital items which exceed the limit set out within the schedule of [Financial Authority Limits](#) must be approved in advance by the University Board. Where such items are scheduled in the budget proposal for the current year, the University Board will have approved them when it approved the budget. Significant variations on that proposal, or items not included in that proposal, such as purchases to be funded from income generation, will require separate specific approval before any action to purchase can be taken. Any such new proposals require the endorsement of the Executive Dean, Director or Head of Professional Service concerned, and the Finance Director and the University Executive Team before submission to the Finance and Resources Committee and the Board. Capital equipment is any item having a unit price (including VAT) in excess of £5,000 (see [Financial Authority Limits](#)) with an expected useful life of more than one year.

All capital expenditure must be subject to a procurement process in accordance with the University's [Procurement Manual](#).

The Finance Director is responsible for providing regular statements concerning all capital expenditure to the University Executive Team and the Finance and Resources Committee for monitoring purposes.

Proposed capital and revenue projects are authorised through the University Executive Team and should be supported by:

- a statement which demonstrates the project's consistency with the Strategic Plan and, where applicable, Estate or IT strategy approved by the University Board;
- an initial budget for the project, which should include a breakdown of costs including professional fees, VAT and funding sources;
- a financial evaluation of the plans, including benefits expected to be realised and where appropriate, whole life costings, together with their impact on cash flow and the Income and Expenditure Account, plus advice on the impact of alternative plans;
- an investment appraisal in an approved format which complies with OfS guidance on option and investment appraisal, including sustainability and environmental considerations;
- a demonstration of compliance with normal tendering procedures. Where funded directly or indirectly by the OfS, the procurement procedures shall conform to the OfS's regulations.
- a monthly cash flow forecast.
- a change request report, where applicable. It should be noted that change requests require an additional review by Finance of the cash flow impact to the project and the overall University's cash flow prior to any changes being approved.

#### **4.5 OTHER MAJOR DEVELOPMENTS**

Any new aspect of business with a forecasted financial impact in excess of £500k, not covered by item 4.4 (i.e., non-core or activity not already undertaken by the University), which will require an investment in buildings, resources or staff time, should be presented for approval to the Finance and Resources Committee (after prior review by the University Executive Team).

All proposed establishments of, or investments in a company (including joint venture), should follow the [Related Companies Policies and Procedures](#), available on the Staff Intranet.

In planning and undertaking overseas activity, the University must ensure that it has assessed the financial, legal, academic and reputational status and risks associated with the activity. Such an assessment should be undertaken as part of due diligence checks prior to the activity commencement. Guidance on due diligence procedures is available in [Academic](#)

[Regulation, Policies & Procedures](#) (see [Partnership Approval Policy and Procedure](#)) and further advice can be sought from the Academic Partnerships team.

## **4.6 BUDGETARY AND CASH CONTROL**

The University's system of devolved budgets places budgetary control with the Executive Dean, Director or Head of Professional Service who will have overall control of income, expenditure and where appropriate, capital within an agreed budget for his or her area of responsibility and must ensure that day-to-day monitoring is undertaken effectively.

The budget holder will be assisted in monitoring their budget by monthly management information provided by the Finance Director, together with appropriate support from nominated staff within the Finance department.

The Finance Director, or his or her authorised representative, shall have the right of access to information from budget holders at all times.

The Finance Director, or his or her authorised representative, shall issue detailed period end closedown procedures.

Any deviation from the agreed budgeted income or expenditure of more than £50k shall be commented on in the monthly management accounts. If a budget holder becomes aware of a significant risk to meeting their latest agreed planning numbers, whether that be the latest budget or forecast for the year, this shall be escalated by the Executive Dean or Director or Head of Professional Services to the relevant UET member on a timely basis. A significant risk in this context has a probable financial impact which is the greater than the signing authority delegated to the budget holder (see Financial Authority Limits). The Finance Director is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance and Resources Committee on a basis determined by the Finance and Resources Committee, but subject to any specific requirements of the OfS. The Finance Director is also responsible for supplying management reports and forecast outturns, in an agreed format and frequency, to the University Executive Team and all governors.

Regular monthly cash flows will be prepared for presentation on a weekly basis to the University Executive Team that will include a 13 week rolling cash flow forecast together with monthly cash flow forecasts for a minimum of 12 months. All Finance and Resources Committee members will receive on a monthly basis an updated monthly forecast showing the cash flows looking forward for a minimum of 12 months.

As part of the cash flow monitoring processes all non-routine expenditure and proposals, including research bids, where actual expenditure or Full Economic Cost exceeds £100k will be presented for consideration to the UET and will be supported by a cash flow to ensure any cumulative cash flow deficits incurred over the life of the proposal are highlighted and assurance obtained that in the context of the overall cash flow the proposal will not have a material negative impact on funds. Where a research bid as income, or full economic cost, or both between £100k-£500k, it will be exempt of the requirement for cash flow approval if it meets all the following criteria;

- the funder is one of: any UK Research & Innovation funders (including the UK Research Councils), EU Horizon Europe schemes (excluding the European Research Council), British Academy or Royal Society,
- there is no legal commitment at the pre-award stage,
- the payments are no more onerous than quarterly in arrears,
- following regular credit checks to be performed by RDS, there is no indication of counterparty credit default risk; and
- the bid and award meet the University's target FEC recovery rates.

Regular monthly updates of the cash flows impacted by all areas will be obtained by the Finance team to ensure the forecasts are as accurate as possible. In particular areas where the timing of expenditure or income can constantly change the relevant Faculty or Service will notify Finance of such updates immediately if a material variance is identified. Such areas include Estates, IT and Research.

The project change request process referred to at 4.4 is an important part of budgetary and cash control and applies to all expenditure approvals whether capital or revenue. Where the Board, Finance and Resources Committee have approved a project, contract or other expenditure commitment, UET or a sub-Committee of UET the total expenditure must not exceed the total figure approved.

The monthly cash flows presented to the relevant approving authority must also be adhered to wherever possible. Where this is not possible, changes must be subject to a change control process to protect the integrity of the University's cash flows and related monitoring, reporting and assurance.

Changes to cash flows presented at approval stage must be reported to Finance at the earliest possible opportunity and are subject to the following approvals (wherever possible in advance):

Cash flow changes cumulatively not exceeding £100k – Finance Director

Cash flow changes cumulatively exceeding £100k but not exceeding £500k – UET

Cash flow changes cumulatively exceeding £500k but not exceeding £1 million – Finance and Resources Committee

Cash flow changes cumulatively exceeding £1 million – University Board

When considering the cash flow changes the relevant approving authority will require assurance that:

- 1) The impact can be accommodated within the University's overall cash flows as presented to FRC and the Board and
- 2) The impact of the changes will not cause the University to breach the minimum levels specified in its Reserves Policy.

## **4.7 ACCOUNTING ARRANGEMENTS**

### **4.7.1 Financial Year**

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

### **4.7.2 Basis of Accounting**

The consolidated financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of freehold property and equipment transferred to the University from Dorset County Council upon incorporation and in accordance with applicable accounting standards. They consolidate the financial statements of the University and all its related undertakings for the financial year.

### **4.7.3 Format of the Financial Statements**

The financial statements are prepared for the financial year ending 31 July, in accordance with the Statement of Recommended Practice ('SORP'): Accounting for Further and Higher Education, subject to any specific requirements of the OfS.

### **4.7.4 Capitalisation and Depreciation**

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item including VAT is (see [Financial Authority Limits](#)).

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Depreciation is not provided on freehold land or assets in the course of construction. On other assets, it is provided on cost or re-valued amounts in equal annual instalments over the estimated useful life of assets.

Assets under construction are accounted for at cost: based on the value of direct costs incurred to 31 July. As these assets become complete and operational, they are transferred to the appropriate asset category. On other assets, it is provided on costs or re-valued amounts in equal instalments over the estimated useful life of the assets. The prevailing rates of depreciation are detailed in the Accounting Policies note in the Financial Statements..

Where fixed assets are acquired with the aid of specific grants, they are capitalised and depreciated as above. Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

The capitalisation of internally generated intangible assets will be determined, valued, and reported under the requirements of FRS102 and amortised over the expected useful economic life of the asset. See Accounting Policies note in the Financial Statements.

#### **4.7.5 Accounting Returns**

The Finance Director is responsible for consolidating and despatching financial returns and other periodic financial reports to the OfS, and other agencies as required.

#### **4.7.6 Accounting Records**

The Finance Director is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

The University is required by law to retain prime documents for seven years. These include:

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- paid cheques; and
- payroll records, including part time lecturer contracts.

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

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

Additionally, for auditing and other purposes, other financial documents, including goods received notes and documentation supporting internal charges and journals, should be retained for three years or as determined by the funder.

#### **4.7.7 Public Access**

Under the terms of the Charities Act 2011, the University Board is required to supply any person with a copy of the University's most recent financial statements within two months of a request. The Act enables the University Board to levy a reasonable fee, and this will be charged at the discretion of the Finance Director. The University will also make the [financial statements available on the BU website](#).

#### **4.7.8 Taxation**

The University is an exempt charity and, as such, is not liable for corporation or income tax on any of its charitable activities. The University is registered for Value Added Tax; however, it is unable to recover input tax on the majority of its purchases because education is an exempt activity. Additionally, non-commercial research, which has a public benefit, is also outside the scope of VAT legislation.

The Finance Director is responsible for advising Executive Deans, Directors and Heads of Professional Services on corporation tax and VAT.

The Finance Director is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due dates as appropriate.

### **4.8 AUDIT REQUIREMENTS**

The audit requirements of the University are set out in the [CUC Higher Education Audit Committees Code of Practice](#) and the OfS Accounts Direction (updated by OfS on a periodic basis) pertaining to the financial year to be audited.

#### **4.8.1 External Audit**

External auditors will be recommended for appointment by the Audit, Risk and Governance Committee (ARG) to the University Board in accordance with the provisions of the [CUC Higher Education Audit Committees Code of Practice](#).

The primary role of external audit is to report on the financial statements of the University and its subsidiary companies and to conduct such examination of the financial statements and underlying records and control systems as are necessary to reach their opinion on the financial statements and to report on the appropriate use of funds.

External audit must provide an opinion to the governing body on whether funds (including public funds) have been applied for the intended purposes and on whether the financial statements provide a true and fair view of the financial results for the year. External audit must also form a view about whether an HEI is a going concern.

The ARG should assess the auditor's work each year to ensure that the University is receiving a service of sufficiently high standard at a reasonable price.

The University may ask external auditors to provide additional services. All non-audit work provided by the external auditors requires advance review and approval by ARG in accordance with their Terms of Reference and the ARG shall specify authority limits and approvers. Additional work must not impair the independence of the external audit opinion.

#### **4.8.2 Internal Audit**

The internal auditor is appointed by the University Board on the recommendation of Audit, Risk and Governance Committee.

The University is required to have an effective internal audit function. In accordance with the [CUC Higher Education Audit Committees Code of Practice](#), the main responsibility of internal audit is to provide the University Board, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.

All of the University's operations, including subsidiaries, fall within the remit of internal audit. Internal audit may also conduct any special reviews requested by the University Board, the Audit, Risk and Governance Committee or Vice-Chancellor, provided such reviews do not compromise its objectivity, independence or achievement of the approved audit plan.

The internal audit service remains independent in its planning and operation and has direct access to the University Board, Vice-Chancellor and the Chair of the Audit, Risk and Governance Committee. The internal auditor will also comply with "The Code of Ethics and International Standards for the Professional Practice of Internal Auditing."

The internal audit service must produce an annual report which must relate to the financial year and include any significant issues, up to the date of preparing the report, which affect the opinions. It must be addressed to the University Board and the Accountable Officer and must be considered by the Audit, Risk and Governance Committee.

#### **4.8.3 Fraud and Corruption**

If an individual suspects any matter which involves, or is thought to involve, irregularities or fraud concerning procurement, cash, stores or other property of the University, or any other suspected irregularity in the exercise of the activities of the University, the individual should notify the relevant officer under the University's [Anti-Fraud Policy & Procedures](#), which are available on the Staff Intranet

If an individual is not satisfied that their complaint has resulted in the appropriate action they should consider following the procedures set out within the University's ['Whistleblowing' \(Disclosure in the Public Interest\) Policy and Procedures](#)).

#### **4.8.4 Value for Money**

It is a requirement of the [Office for Students' \(OfS\) Regulatory Framework](#) that the University demonstrates that it has delivered value for money from its use of public funds. It should keep under review its arrangements for managing all the resources under its control, considering guidance on good practice issued from time to time by the OfS, the National Audit Office, the Public Accounts Committee or other relevant bodies.

#### **4.8.5 Other Auditors**

The University may, from time to time, be subject to audit or investigation by external bodies such as the OfS, National Audit Office, European Court of Auditors and HM Revenue and Customs. They have the same rights of access as external and internal auditors.

[Back to Contents Page](#)

## **5. INCOME AND BANKING**

### **5.1 GENERAL**

The Finance Director is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All templates for funds receipt forms, sales invoices, tickets or other official documents in use must have the approval of the Finance Director.

Levels of charges for contract research, services rendered, goods supplied, and rents and lettings are determined by procedures approved by the Vice-Chancellor.

The Finance Director is responsible for ensuring the prompt collection, security and banking of all income received.

The Finance Director is responsible for ensuring that all grants notified by the OFS and other bodies are received and appropriately recorded in the University's accounts.

It is the responsibility of all staff to ensure that revenue to the University is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, Executive Deans, Directors and Heads of Professional Services are responsible for ensuring that all claims for funds, including research grants and contracts, are accurate, in accordance with the terms and conditions of the contract and made at the earliest opportunity to optimise the University's income and cash flow.

### **5.2 APPOINTMENT OF BANKERS**

The University Board is responsible for the appointment of the University's bankers on the recommendation of the Finance and Resources Committee. The Finance Director shall review the University's banking arrangements at intervals of no more than five years to ensure that the University receives best value for money.

### **5.3 BANKING ARRANGEMENTS**

The Finance Director is responsible for, on behalf of the Finance and Resources Committee, 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 Finance Director who shall make proper arrangements for their safe custody.

Only the Finance Director together with another member of the University Executive Team 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.

With the agreement of the Chair of the Finance and Resources Committee and the Vice-Chancellor, the Finance Director may amend bank mandate details in respect of any University or University subsidiary company bank account. Changes will be reported to the next scheduled meeting of the Finance and Resources Committee.

All cheques and automated transfers on behalf of the University, such as BACS, must be authorised in the appropriate manner and on the basis approved by the Finance and Resources Committee. Details of authorised persons and limits are set out at [Banking Authorisation](#).

The Finance Director is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated and cleared on a timely basis.

### **5.4 OFS GRANTS**

The OFS provides grants for a number of purposes. The grants provided include:

- Recurrent grant;
- Capital funding;
- Special purpose grants.

Recurrent grant is provided for normal day-to-day running costs such as salaries and wages, consumables and supplies, maintenance of premises, administration and to support capital projects.



## 5.5 CASH RECEIPTS

The University operates, in the main, a cashless environment. No cash receipts for any reason, other than incidental petty cash transactions, are accepted.

All monies received by the University must be recorded at source at designated collection points and forwarded promptly, together with the appropriate paperwork, to the University cashier in line with the [University's detailed banking procedures](#). All monetary receipts may only be received directly by a Faculty or Professional Service if agreed with the Financial Operations Manager. All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenditure.

Custody of all petty cash and cash float holdings must comply with the requirements of the University's insurers and Cash handling and Anti-money Laundering Policy. The University will occasionally use the services of an outsource cash security service to transfer cheques or the cash residue of closed or withdrawn petty cash floats to its bankers.

Personal or other cheques must not be cashed out of money received on behalf of the University.

In no circumstances should University staff personally receive monies.

## 5.6 THE COLLECTION OF DEBTS

The Finance Director should ensure that:

- debtors' invoices are raised promptly on official University stationery by University authorised signatories in respect of all income due to the University;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtor's account;
- swift and effective action is taken to collect overdue debts in accordance with the University's credit management procedures; and
- outstanding debts are monitored, and reports are prepared for managers.

The authority levels for transferring debts to solicitors and the eventual write-off of debts are set out in the [Financial Authority Limits](#).

Further information is included within the University's [Credit Control & Debt Management Policy](#).

## 5.7 STUDENT FEES

The Finance Director is responsible for ensuring that student fees due to the University are received. The University reviews and revises, as appropriate, its fees regulations on an annual basis for approval by the University Executive Team. The Fees Policy, which is the joint responsibility of the Finance Director and the Director of Marketing and Communications, sets out the University's policy on student fees and the consequences of non-payment of student fees. The latest [Fees Policy](#) is available on the [BU website \(see Students/Help & advice/Important Information/Finance\)](#).

## 5.8 STUDENT LOANS (INCLUDING EMERGENCY/HARDSHIP LOANS)

Appropriate records will be maintained to support all transactions involving student loans.

[Back to Contents Page](#)

## 6. RESEARCH, CONSULTANCY AND EDUCATIONAL CONTRACTS

### 6.1 RESEARCH

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

The term 'research grant' is restricted to research projects funded by UK Research & Innovation, UK research councils and charities. Grants for general research training support (i.e., studentships not directly associated with a research project) are not classified as research but as teaching (under a heading Research Training Support).

All other externally financed research projects, for example those funded by the European Union and commercial organisations, are classified as 'research contracts.'

The current research policy of the University indicates the basis upon which any Faculty will benefit from involvement in such activities. The basic processes by which such activities are established are as follows:

- i. Completion of Intention to Bid form describing project. Full details of costs are provided by Research Development and Support Funding Development Team and the income envisaged.
- ii. Contractual issues will be raised with the University's Legal Services team, and dealt with in accordance with the [Contract Signing Policy and Procedures](#).
- iii. Proposals are approved through the electronic Activity Proposal Form by the following individuals:
  - a) For projects where the full economic cost is up to £50,000, the Executive Dean or Director of Professional Service or their other designated authority;
  - b) For projects where the full economic cost is more than £50,000 and is up to £500,000, the Executive Dean or Director of Professional Service;
  - c) For projects where the full economic cost is more than £500,000, the Executive Dean or Director of Professional Service, along with two members of UET. Board approval is only required at bid-stage if the CAF requires it because a commitment is being entered into at bid-stage which requires approval in accordance with the [Financial Authority Limits](#).
- iv. Approval to proceed is indicated by electronic return of the Activity Proposal form.

Until the proper approval is in place, no action can be taken to make any form of commitment to outside agencies or to incur expenditure. Authority to sign contracts binding the University or any of its subsidiary companies to any financial transaction or potential financial commitment, including income generating contracts, is as set out in the [Financial Authority Limits](#) and the [Contract Signing Policy and Procedures](#).

The department for Research Development and Support shall maintain complete, accurate paper and electronic records for all individual projects to a standard that is appropriate for external auditing (this may vary between funding bodies). It is the responsibility of the Research Development and Support Project Delivery Team to initiate the paperwork to claim reimbursement from the funding sponsoring bodies in accordance with the award terms and conditions. Each grant or contract will have a named Principal Investigator, supervisor or grant holder and will be assigned to a specific project code.

In partnership with the Faculty/Professional Services and PRIME, the Research Development and Support Project Delivery Team will authorise, process and monitor project expenditure in line with these Financial Regulations.

Further guidance and procedures in this area are available on the [Staff Intranet](#).

### 6.2 MATCHED FUNDING

Approval shall be dependent upon the relevant Executive Dean being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's costing and pricing policy.



If the University sub-contracts such work to external providers, the relevant Executive Dean shall ensure that:

- this is based on a written contract which allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality; and
- payments are only made against detailed invoices.

### **6.3 GRANT AND CONTRACT CONDITIONS**

Grant-awarding bodies and contracting organisations may stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the responsibility of the Principal Investigator, named supervisor or grant holder to ensure that conditions of funding are met.

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder and will be charged against departmental funds.

### **6.4 EDUCATION CONTRACTS AND SERVICES RENDERED**

In this context, an education contract is any course that does not form part of the award bearing teaching load of the department.

Consultancy work represents the provision of expert advice and work which, while it may involve a degree of analysis, measurement or testing, is crucially dependent on a high degree of intellectual input from the University to the client (commercial or non-commercial). Such work is usually paid for at a market rate and may deliver stronger IP rights to the client than would apply in a collaborative research relationship. Unlike research work, consultancy work does not have as its prime purpose the generation of new knowledge. Consultancy work for an external organisation might involve the provision of advice, problem-solving or teaching.

The basic processes by which such activities are established are as follows:

- i. Completion of Intention to Bid Form. Full details of costs are provided by the department for Research Development and Support and the income envisaged.
- ii. The majority of Short Courses and consultancy will be CAF exempt where they are offered to individual applicants on pre-approved standard University terms. However, if there are contractual issues, then these must be raised with the University's Legal Services team, and dealt with in accordance with the [Contract Signing Policy and Procedures](#).
- iii. Short Courses and consultancy are approved via Early Bid stage through the electronic Activity Proposal Form by the following individuals:
  - a. For courses and consultancy where the full economic cost is up to £50,000, the Executive Dean or Director of Professional Service or their other designated authority;
  - b. For courses and consultancy where the full economic cost is more than £50,000 and is up to £500,000, the Executive Dean or Director of Professional Service;
  - c. For courses where the full economic cost is more than £500,000, the Executive Dean or Director of Professional Service along with two members of UET.
- iv. Short Courses and consultancy are approved via Final approval stage through the electronic Activity Proposal Form when the full economic cost is more than £500,000 and a CAF is required. This is approved by the Executive Dean or Director of Professional Service along with two members of UET, along with a member of the University Board authorised under the [Financial Authority Limits](#).

Until the proper approval is in place, no action can be taken to make any form of commitment to outside agencies or to incur expenditure. Authority to sign contracts binding the University to any financial transaction or potential financial commitment, including income generating contracts, is as set out in the [Financial Authority Limits](#) and the [Contract Signing Policy and Procedures](#).

The course or consultancy organiser will be responsible to the Executive Dean for the actual budget setting, planning and day-to-day management of the course or consultancy.

Provision must be made for charging both direct and indirect costs in accordance with the University's policies and procedures. All courses and consultancy must be self-financing or surplus generating unless it is intended that a new course/consultancy is to be launched as a loss leader. If a loss-leader is to be piloted it must be specified and agreed in advance of any marketing or commitment by the University Executive Team.

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information. The costing and pricing of such services must be in accordance with the University's costing and pricing procedures. Any deficits on education contracts or services rendered accounts will be a charge on departmental funds.

## **6.5 INTELLECTUAL PROPERTY RIGHTS**

Certain activities undertaken within the University, including research and consultancy, may give rise to material, including designs or inventions, which may be capable of protection. These are collectively known as Intellectual Property and shall be dealt with in accordance with the University's [Intellectual Property Policy and Procedures](#) document.

Ownership of Intellectual Property is set out in the Policy and Procedures, and, under normal circumstances, all external work will be accounted for through the University or its related companies. In certain circumstances upon the commercial exploitation of Intellectual Property, revenue sharing is offered in the form of distribution of surplus income after the costs of exploitation have been met. The sliding scale for revenue sharing is described in appendix 1 of the University's Intellectual Property Policy and Procedures document. If there is more than one originator, they will share the relevant proportion of the surplus income.

[Back to Contents Page](#)

## **7. EXPENDITURE**

### **7.1 PROCUREMENT MANUAL**

All purchasing by the University is governed by the University's Procurement Manual (see [Procurement Manual](#)). Staff must comply with the Procurement Manual.

The Procurement team is available to advise and assist staff with any purchasing requirements.

### **7.2 CONTRACTS**

Authority to authorise financial transactions and to sign contracts binding the University relating to any financial transaction or potential financial commitment, including contracts relating to the procurement of goods and services, is as set out in the [Financial Authority Limits](#) and the [Contract Signing Policy and Procedures](#).

Budget holders are only authorised to operate within the budgets allocated for the current financial period and thus cannot make commitments which go beyond the period of the agreed budget. Where Executive Deans, Directors or Heads of Professional Services are satisfied that the interest of the University is best served by entering into a longer-term contract they should establish the potential cost of the service required (from several suppliers if possible) and forward the results to the Head of Procurement with their recommendations.

Agreed contractual and project spend must be overlaid in the budget cycle as early as possible to ensure appropriate planning and time for financing requirements to be put in place. All contracts for the purchase of goods and services will attempt to ensure best value for money for the University, and be in accordance with the [Procurement Manual](#).

### **7.3 ESTATES CONTRACTS**

The University's Estates Strategy is the responsibility of the University Board and contracts made pursuant to the Estates Development Framework (EDF) are the responsibility of the Chief Operating Officer (in conjunction with the Director of Estates and the Head of Procurement where such contracts fall within the [Procurement Manual](#)).

Major proposals will normally be initiated by the Director of Estates in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments. Major proposals will go through the approval process as determined by UET, in line with the [Financial Authority Limits](#).

Agreed contractual and project spend must be overlaid in the budget cycle as early as possible to ensure appropriate planning and time for financing requirements to be put in place

Authority to initiate financial transactions and to sign contracts binding the University relating to any financial transaction or potential financial commitment, including contracts made pursuant to the Estates Development Framework, is as set out in the [Financial Authority Limits](#) and the [Contract Signing Policy and Procedures](#).

#### **7.4 AUTHORISATION OF APPROVED LEASE AGREEMENTS AND CONTRACTS**

Where Board level approval has already been received for a lease agreement or contract, subject to the invoice value matching the level defined in the lease/contract, further Board level approval will not be required for payments above £500,000.

All spend, including major items, must be overlaid in the budget cycle as early as possible to ensure appropriate planning and time for financing requirements to be put in place.

All contracts to be approved must be fully costed to include all years covered by them.

#### **7.5 PAYMENT OF INVOICES**

The procedures for making all payments shall be in a form specified by the Finance Director.

The Finance Director is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will be made by BACS wherever possible.

The budget holder should instruct suppliers to submit invoices for goods or services to the Finance department.

Executive Deans, Directors and Heads of Professional Services are responsible for ensuring that expenditure within their department does not exceed funds available.

Payments will only be made by the Finance Director against invoices that have been matched to a receipted order. Receipting of an order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory;
- it is matched to the order;
- invoice details (quantity, price, discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a store's record or departmental inventory; and
- appropriate cost centre and project code are quoted. This must be one of the cost centre codes included in the budget holder's area of responsibility and must correspond with the types of goods or service described on the invoice.

The University will endeavour to take any settlement discounts offered by a supplier, providing the discounts offer value for money.

#### **7.6 PAYMENT TIMESCALES**

The University is committed to paying suppliers in accordance with the terms and conditions of payment agreed between the University and the supplier. The standard payment terms are 30 days; shorter periods can be agreed only in exceptional circumstances by prior arrangement with the Head of Procurement or the Director of Finance.

[Back to Contents Page](#)

## **8. PAY EXPENDITURE**

### **8.1 REMUNERATION POLICY**

All University staff will be appointed to the salary scales approved by the Finance and Resources Committee of the University Board and in accordance with appropriate terms and conditions of service. All letters of appointment must be issued in a form approved by the member of UET with responsibility for HR (Chief Operating Officer).

The Remuneration Committee determines the pay and conditions of the holders of senior posts.

Pay and conditions of service of all other staff are determined by the member of UET with responsibility for HR (Chief Operating Officer) (delegated to this post holder by the Vice-Chancellor) within a framework set by the Finance and Resources Committee.

### **8.2 APPOINTMENT OF STAFF**

Posts can only be advertised and consequent appointments made (including hourly paid, fixed term appointments and engagement of workers through employment agencies) if they are within the agreed establishment and associated work force plan (in accordance with the [Workforce Planning and Recruitment Controls](#)), and also agreed in advance with Human Resources and Finance. Variations on the agreed establishment schedule can only be made with the approval of the member of UET with responsibility for Human Resources (Chief Operating Officer) and the Finance Director.

All contracts of employment shall be issued in accordance with the University's approved HR practices and procedures.

All offers of employment with the University will be made in writing by an authorised signatory in the Human Resources department; this will include hourly paid staff. Budget holders shall ensure that the Finance Director and the member of UET with responsibility for Human Resources (Chief Operating Officer) are provided promptly with all the information they may require in connection with the appointment, resignation or other termination of employment of employees.

### **8.3 SALARIES AND WAGES**

The Finance Director is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Payroll Manager.

The member of UET with responsibility for Human Resources (Chief Operating Officer) will be responsible for all matters relating to staff.

In particular these include:

- appointments, resignations, dismissals, variations to terms and conditions, suspensions, secondments and transfers;
- absences from work due to sickness or other reasons, apart from approved leave;
- changes in remuneration.

The Finance Director is responsible for information necessary to maintain records of service for superannuation, income tax and national insurance.

The Finance Director is responsible for payments to non-employees and for informing the appropriate authorities of such payments. Payments to non-employees require a contract and CAF to be in place in accordance with the [Contract Signing Policy and Procedures](#). All casual and part-time employees will normally be included on the payroll unless HMRC confirms that alternative payment arrangements are permitted in individual cases. Workers working through personal services companies or other intermediaries are subject to the Off-Payroll Workers Legislation. Payments to workers working through personal services companies or other intermediaries should be included on the payroll if the appropriate Off-Payroll Workers Legislation conditions are met.

Salaries are normally paid by bank transfer. The payroll office is part of the Finance department and acts in conjunction with the Human Resources department. Queries from staff regarding their own salaries should be initially addressed to the payroll office but may be referred on to the Human Resources department. The payroll runs on a monthly cycle and the final date for input each month is normally the 15<sup>th</sup> (earlier in December) and earlier for part-time lecturers. Any changes made after that date will impact on the following month's payment. Where staff are part-time, working additional hours or external

personnel recruited for specific specialist input, payment can only be made following receipt of a properly completed and certified claim form in addition to having all the necessary pre-employment checks in place. If a new member of staff starts too late for the current month's payroll, the payroll team can normally arrange for a manual advance.

All payments must be made in accordance with the University's detailed payroll procedures and comply with HMRC regulations. The University will not provide personal taxation advice, and it is the responsibility of the individual member of staff to manage their taxation affairs. Payments from the University payroll will deduct income tax and national insurance contributions at the appropriate rate, in accordance with the current rates of tax or contribution prevailing, and the personal tax allowance of the recipient member of staff.

The University, through the Finance Director, is responsible, for compliance with Off-Payroll Workers (Intermediary regulations) (IR35) legislation for deciding whether the off-payroll rules apply to a contract with, or payment, to an individual. The assessment decision may result in the University being liable and responsible for operating payroll and paying the correct taxes to HMRC, or that the contract is deemed either outside or out-of-scope of IR35 and normal procurement. The regulations apply to individuals that provide their services either personally via their own limited company, known as a personal service company (PSC), or through another intermediary such as a partnership or sole trader. This will include, but not limited to, specialist lecturers engaged on an occasional basis, IT consultants, project managers, business analysts and other suppliers of professional services, including staff provided through agencies.

University staff must follow the [Off-Payroll Works \(OPW\) procedures](#), in full, before contracting or commissioning with external personnel providing one-off specialist sessions, consultancy or, technical, scientific or professional services, i.e., not agree to any gross fees or payments for same.

## **8.4 PENSION SCHEMES**

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

The Finance Director is responsible for day-to-day pension matters including:

- payment of contributions to various authorised superannuation schemes;
- preparing the monthly or annual returns to various superannuation schemes
- the auto enrolment of specified members of the workforce into a pension scheme, a requirement of the Pension Act of 2008.

The member of UET with responsibility for Human Resources (Chief Operating Officer) is responsible for administering eligibility to pension arrangements and for ensuring appropriate amendments to payroll records are made when deductions begin or cease for staff.

## **8.5 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES**

Each Faculty and Professional Service has its own separate budget to cover staff travel and subsistence costs deemed necessary for its operation. Thus, all staff must obtain the approval of their Executive Dean, Director, Head or other authorised person for incurring costs of this nature. Repayment of costs incurred is made in accordance with the current Expense Rates in the University [Staff and Visitors Expenses Policy](#). If for any reason costs cannot be contained within those rates, then approval should be obtained from the Executive Dean, Director or Head in advance. Repayment is made by the Finance department on receipt of a University staff expense claim form properly completed and certified in accordance with the instructions on the form. Claim forms should normally be submitted monthly. Payment is made by BACS with a BACS remittance distributed within two weeks of the claim's submission. Claims which are under £30 and do not include mileage reimbursement may alternatively be paid in cash via the petty cash process.

In the case of the University Executive Team, the Vice-Chancellor must certify claims and in the case of the Vice-Chancellor, the Chair of the University Board must approve claims. The certification by the appropriate signatory shall be taken to mean that any journeys were authorised, the expenses properly and necessarily incurred, that the allowances are properly payable by the University and, in all cases, supported by valid receipts and that consideration has been given to value for money in choosing the mode of transport.

Reimbursement of members of staff for professional subscriptions, membership fees and other personal expenses is not permitted unless these are necessary for the performance of the staff member's role.

All arrangements for overseas travel must be in accordance with the University's [Business Travel Policy](#). Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.

Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. Agreement to the reimbursement of the expected costs should be obtained in advance of travel.

## **8.6 ALLOWANCES FOR MEMBERS OF THE UNIVERSITY BOARD**

The “[Guide to Members of Governing Bodies of Universities and Colleges of England Wales and Northern Ireland](#)”... states that the governing body has no power to remunerate its members, but it may pay such travelling, subsistence, and other allowances as it may determine..”

At the University, Board members may claim such reasonable expenses, but no members of the Board receive any payment for the work they do as Board members. All claims require the authorisation of the Clerk to the University Board before payment.

## **8.7 SEVERANCE AND OTHER NON-RECURRING PAYMENTS**

Severance payments shall only be made in accordance with the relevant legislation. All such payments, other than those for holders of senior posts, shall be authorised by the Chief Operating Officer and calculations checked by the Director of Human Resources. Any payments to holders of senior posts require the approval of the Remuneration Committee. Amounts paid should be declared as required in the financial statements.

All matters referred to an Employment Tribunal shall be notified initially to the member of UET with responsibility for Human Resources (Chief Operating Officer) and then to the Finance and Resources Committee at the earliest opportunity in order that budget provision may be made, as necessary. All determinations of tribunals must be similarly notified.

[Back to Contents Page](#)

# **9. ASSETS**

## **9.1 LAND, BUILDINGS, FIXED PLANT AND MACHINERY**

The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the University Board and with reference to the OFS requirements where exchequer funded assets or exchequer funds are involved.

The Finance Director is responsible for maintaining the University’s register of land, buildings, fixed plant, machinery and equipment. Executive Deans, Directors and Heads of Professional Services will provide the Finance Director with any information he or she may need to maintain the register. These assets are capitalised on the balance sheet and depreciated in line with the University’s approved accounting policies.

Where a third party or University subsidiary company is allowed to occupy part of the University’s estate, a formal lease or licence should be entered into in accordance with the [Contract Signing Policy and Procedures](#).

## **9.2 FIXED ASSET REGISTER AND INVENTORY**

The Finance directorate maintains a Fixed Asset Register of all capitalised equipment (see [Financial Authority Limits](#)).

In addition, all computer equipment will be kept on an inventory maintained by the Director of IT Services.

Executive Deans, Directors and Heads of Professional Services will be responsible for maintaining an inventory of non-IT equipment with a value above the inventory threshold but below the capitalisation threshold (see [Financial Authority Limits](#)).

## **9.3 STOCKS AND STORES**

Executive Deans, Directors and Heads of Professional Services are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Finance Director.

Executive Deans, Directors and Heads of Professional Services are responsible for ensuring that regular inspections of stock checks are conducted. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Executive Deans, Directors and Heads of Professional Services whose stocks require valuation at the balance sheet date must ensure that their stock-taking procedures and instructions to staff have the approval of the Finance Director.

## **9.4 SAFEGUARDING ASSETS**



Executive Deans, Directors and Heads of Professional Services are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Finance Director in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

In addition, IT Services has produced a specific IT Asset & Configuration Management Policy and Procedures relating to all IT equipment and software, which is available on the [Staff Intranet](#) (see [IT Asset & Configuration Management Policy & Procedures](#)).

Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

## **9.5 ASSET DISPOSAL**

Disposals of equipment, furniture ([Furniture Procurement and Disposal Guidance and Procedures](#)) and other assets must be in accordance with the University's disposal procedures.

Disposal of land and buildings must only take place with the authorisation of the University Board. OFS consent may also be required if exchequer funds were involved in the acquisition of the asset.

## **9.6 TREASURY MANAGEMENT**

The University has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the TM Code) 2021.

The Finance and Resources Committee is responsible for approving a [Treasury Management Policy](#) statement setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with OFS rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the OfS Terms & Conditions of Funding for Higher Education Institution (see Appendix 1). The Finance and Resources Committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Finance Director and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to any relevant OFS requirements. The Finance Director and his or her staff are required to act in accordance with the TM code.

The Finance Director will report to the Finance and Resources Committee at each meeting on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

Further detail is set out in the University's [Treasury Management Policy \(link to be updated\)](#)..

The Finance and Resources Committee is responsible for approving the [Reserves Policy](#) (link to be updated) annually. The Reserves Policy presents information in support of the requirement for the University to maintain adequate financial reserves. The Reserves Policy and procedures are subordinate to the Treasury Management Policy.

## **9.7 PETTY CASH**

From time to time it may be necessary or reasonable for a member of staff to personally fund the cost of a small supply of goods or services (see [Financial Authority Limits](#)) and be reimbursed by the University. This is only acceptable for one-off situations. Regular or frequent small value supplies should be dealt with using the University's supplier arrangements or Corporate Barclaycard. Any member of staff proposing to incur costs personally should first obtain the approval of his or her Executive Dean, Director or Head of Service. To obtain reimbursement, he or she must produce a petty cash voucher signed and coded in accordance with normal ordering procedures, plus evidence of the cost incurred.

[Back to Contents Page](#)

## **10. OTHER MATTERS**

### **10.1 COMPANIES**

In certain circumstances, it may be advantageous to the University to establish or invest in a company.

Any member of staff considering the use of a company must follow the University's [Related Companies Policies and Procedures](#).

### **10.2 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 arrangements, 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 Finance Director is responsible for effecting insurance cover as determined by the Finance and Resources Committee. He or she is, therefore, responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Insurance Officer will keep a register of all insurances affected by the University and the property and risks covered. He or she will also deal with the University's insurers and advisers about specific insurance problems.

Executive Deans, Directors and Heads of Professional Services must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the University may be exposed. The Finance Director's advice should be sought to ensure that this is the case. Executive Deans, Directors and Heads of Professional Services must give prompt notification to the Finance Director of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.

Executive Deans, Directors and Heads of Professional Services must advise the Finance Director, immediately, of any event that may give rise to an insurance claim. The Finance Director will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Executive Deans, Directors and Heads of Professional Services for submission to the insurers.

The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is conducted in the periods prescribed.

The buildings, other premises, equipment, furniture, fixtures and fittings and all other property of the University are insured against all risks. In most cases there is an excess payable by the University in the event of a claim being made. Where a claim relates to equipment 'belonging' to a particular Faculty or Professional Service the appropriate excess will normally be charged to the funds of that Faculty or Professional Service. Currently, there is an excess of (see [Financial Authority Limits](#)) on each claim under the Property and Contents policy. It is a responsibility of all staff to ensure that University property is kept secure and under proper conditions. Property on loan to, or hired to, the University is covered automatically provided that the Finance department is advised of the situation in advance.

Unless special arrangement has been made in advance by Finance, equipment belonging to staff who have brought it in to their workplace is not insured by the University.

University equipment may be taken off the premises by staff or students under approved circumstances and will remain covered. Each Faculty is required to maintain, for basic security purposes, records of equipment held and registers indicating what equipment has been taken off site and by whom. Providing these procedures are adhered to, no problems should arise. Exceptional circumstances, for example equipment taken abroad, should be reported to the Finance department in advance. Equipment sent off site for repair is covered to the extent that costs involved cannot be met by either the carrier or the repairer, or their respective insurers. As a general rule, if any member of staff has any concern whatsoever concerning the insurance aspects of a proposed action or situation, he or she should contact the Insurance Officer in the Finance department to discuss the position in time to make special arrangements if necessary.

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



## **10.2 SECURITY**

Keys to safes or other similar containers are to be stored appropriately at all times. The loss of such keys must be reported to the Finance Director immediately.

Legal Services is responsible for the safekeeping of contracts and other legal documents, including share certificates and leases, relating to the University. All such documents must, therefore, be forwarded to Legal Services. Legal Services is responsible for holding all such documents in an appropriately secure, fireproof location, with copies held at a separate location.

## **10.3 FUNDS HELD ON TRUST**

### **10.3.1 Gifts, Benefactions and donations**

The Finance Director is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax where appropriate.

### **10.3.2 Student welfare and access funds**

The Finance Director will prescribe the format for recording the use of student welfare funds.

Records of access funds will be maintained according to OFS requirements.

### **10.3.3 Voluntary funds**

The Finance Director shall be informed of any fund that is not an official fund of the University which is controlled wholly or in part by a member of staff in relation to their function in the University.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Finance Director shall be entitled to verify that this has been done.

## **10.4 STUDENTS' UNION**

The Students' Union (the "Union") is a separate legal entity from the University but is recognised to fulfil a valuable role in relation to the University's students.

Subject to any constraints imposed by the OFS, the University Board shall determine the level of grant to be paid annually to the Union. The University Board requires the Union to provide, for information, details of its proposed budget to assist in determining the appropriate level of grant.

The Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.

The University Board will approve the Union's budgets and monitor its expenditure. Annual scrutiny of the Union's budgets and audited financial reports shall be delegated to the Finance and Resources Committee and the Audit, Risk and Governance Committee, respectively.

## **10.5 USE OF THE UNIVERSITY'S SEAL**

Use of the university's seal shall be in accordance with the relevant provisions of the University's Instrument of Government. Members of staff may contact Legal Services for advice on use of the seal.

The Clerk to the University Board is responsible for submitting a report to each meeting of the University Board detailing the use of the University's seal since the last meeting.

## **10.6 PROVISION OF INDEMNITIES**

Any member of staff who receives a request for the University to give an indemnity, for whatever purpose, must follow the [Contract Signing Policy and Procedures](#).

[Back to Contents Page](#)

Link	Section
<a href="#">Academic Regulations Policies &amp; Procedures (May 22)</a>	4.5
<a href="#">Anti-Fraud Policy &amp; Procedures (March 22)</a>	3.4.3, 4.8.3
<a href="#">Banking Authorisation (May 22)</a>	5.3
<a href="#">Business Travel Policy (Oct 19)</a>	8.5
<a href="#">BU Website</a>	3.3, 3.8, 3.9, 5.7
<a href="#">Cash Handling and Anti-Money Laundering Policy</a>	5.5
<a href="#">Committee Structure</a>	3.3
<a href="#">Conflicts of Interest Policy &amp; Procedures (Mar 22)</a>	3.8
<a href="#">Contract Signing Policy &amp; Procedures (Sep 21)</a>	6.1, 6.4, 7.2, 7.3, 8.3, 9.1, 10.7
<a href="#">Credit Control &amp; Debt Management Policy (Sep 21)</a>	5.6
<a href="#">CUC Higher Education Audit Committees Code of Practice</a>	1, 3.1, 4.8, 4.8.2
<a href="#">Financial Authority Limits (July 20)</a>	3.4.3, 4.4, 4.7.4, 5.6, 6.1, 6.4, 7.2, 7.3, 9.2, 9.7, 10.2
<a href="#">Financial Policies &amp; Procedures</a>	2
<a href="#">Financial Statements on BU Website</a>	4.7
<a href="#">Freedom of Information Act 2000</a>	3.10
<a href="#">Furniture Procurement and Disposal Guidance and Procedures</a>	9.5
<a href="#">General Conduct Policy (Sep 21)</a>	3.7
<a href="#">Intellectual Property Policy (Feb 20)</a>	6.5
<a href="#">IT Asset &amp; Configuration Management Policy &amp; Procedures</a>	9.4
<a href="#">OfS Terms &amp; Conditions of Funding for Higher Education Institutions</a>	1, 2, 3.1, 3.2, 4.8, 4.8.2, 4.8.4, 9.6
<a href="#">Partnership Approval Policy and Procedure (Aug 18)</a>	4.5
<a href="#">Procurement Manual (Apr 22)</a>	3.4.3, 4.4, 7.1, 7.2, 7.3
<a href="#">Related Companies Policy &amp; Procedures (July 19)</a>	4.5, 10.1
<a href="#">Reserves Policy</a>	9.6
<a href="#">Staff Disciplinary Procedure (May 16)</a>	2
<a href="#">Staff and Visitors Expenses Policy (Sep 20)</a>	8.5
<a href="#">Staff Handbook</a>	6.5
<a href="#">Staff Intranet</a>	3.7, 3.8, 3.9, 4.5, 4.8.3, 6.1, 6.5, 9.4, 10.1
<a href="#">Treasury Management Policy</a>	9.6
<a href="#">"Whistleblowing" (Disclosure in the Public Interest) Policy &amp; Procedures (Oct 21)</a>	3.6, 4.8.3
<a href="#">Workforce Planning and Recruitment Controls (Jan 19)</a>	8.2