



Financial Regulations & Financial Procedures

2019/20 Edition

University of St Mark & St John

FINANCIAL REGULATIONS

Date of Issue August 2019

INTRODUCTION

The following Financial Regulations have been developed to assist in control of the University's financial affairs in order to ensure adherence to the various Regulations and Legislation under which the University operates.

The main aims of these regulations are to assign responsibilities, to outline some of the main financial controls and procedures and, in a separate section, to give further details on University financial procedures. The Finance & Resources Committee is responsible for maintaining a continuous review of these financial regulations and advising the University Board of Governors of any additions or changes that may be necessary. The Audit Committee will highlight any potential changes if issues are identified as part of their work.

These regulations are issued at the start of the Academic Year **2019/20** and as such are the definitive document from **1 August 2019** (superseding all earlier versions, which should be destroyed). The regulations will be subject to an annual review by the Director of Finance but are likely to change as the University develops as a corporate entity. The Vice Chancellor and Chief Executive will ensure that significant changes are appropriately publicised.

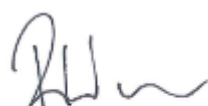
Any comments or suggestions on the document or on ways of improving it should be directed to the Director of Finance.

Authorisation of Financial Regulations



Mr Graham Raikes

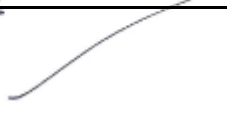
Chair of the
Governing Body



Professor Robert Warner

Date 12 July 2019

Vice Chancellor and Chief
Executive



Date 12 July 2019

Distribution of Financial Regulations:

Members of the University Board of Governors

Members of the Audit Committee

Members of the Senior Management Team

Vice Chancellor's Office

Clerk to the University Board of Governors

The Financial Regulations will be placed on the University website for further reference.

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1. CONSTITUTION AND ACTIVITIES

The object of the University of St. Mark & St John Foundation (the 'University') is to promote the advancement of education and for that purpose to acquire, maintain and carry on the work of the Church of England University known as University of St. Mark & St. John, trading as Plymouth Marjon University.

The University is a company limited by guarantee and is the trustee of the registered charitable trust known as the University of St Mark & St John (the 'Trust').

Where relevant and practicable, the Financial Regulations apply equally to any subsidiary undertakings of the University. The Directors of these undertakings will be responsible for ensuring that this is achieved.

2. PURPOSE OF THIS DOCUMENT

These Regulations:

- Identify the responsibilities of the University Board of Governors and its Committees, and of staff.
- Require that decisions are given appropriate consideration before they are taken, and are also reviewed later if appropriate.
- Require that standards are complied with.
- Promote propriety, integrity and fairness.

These regulations set out a minimum level of good financial practice which must be adopted by all Committees and staff of the University. Compliance with the financial regulations is compulsory for all University staff. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University's disciplinary policy. Any significant breach will be notified to the University Board of Governors through the Audit Committee. It is the responsibility of Deans and Managers to ensure that staff in their teams are made aware of the existence and content of the University's financial regulations. Ignorance of the content of the financial regulations shall be no defence against disciplinary action for breach of the regulations.

The regulations are split into two sections:

- Section 1 details the financial regulations of the University
- Section 2 amplifies University financial regulations by detailing actual operating practices by means of a series of financial procedures

SECTION 1 - FINANCIAL REGULATIONS

3. FINANCIAL RESPONSIBILITIES

3.1 Financial Management

The University aims to operate within the guidelines offered by the Office for Student – formerly HEFCE (OfS) on effective Financial Management; these guidelines offer the following indicators of good financial management practices:

- The University Board of Governors is responsible for the direction of, and for the key decisions taken within, the University.
- The University Board of Governors is responsible for the financial health of the University.
- Roles and responsibilities of the governing body, all committees, the Vice Chancellor of the University and senior managers should be defined, understood, accepted and reviewed regularly.
- The competencies of the governing body, all committees, the Vice Chancellor of the University and senior managers should satisfy the University's needs and should be reviewed regularly.
- The University should plan strategically.
- There should be a corporate plan which includes a financial strategy as one of its major components.
- Opportunities and risks should be recognised, assessed and managed.
- All information to governors, the Vice Chancellor and Chief Executive of the University and senior managers should be relevant, reliable and timely.
- Communication should be effective throughout the institution.
- Structures, processes and systems should be in place which is robust and fit for purpose.

3.2 University Board of Governors

3.2.1 Authority

The responsibilities of the University Board of Governors are defined in paragraph 53 of the Articles of Association and the Memorandum of Assurance and Accountability (MAA) between the OfS. Any reference to the OfS within this document also covers other funding bodies such as the National College for Teaching & Leadership (NCTL). The MAA is detailed in HEFCE Publication 2014/12. Under the terms of the MAA, the Council's (HEFCE) prior written consent is required if the University wishes to:

- Transfer its title to, or grant an interest in, an Exchequer funded asset.
- Allow its negative net cash or cash equivalents to exceed a threshold of 5% for more than 35 consecutive days.
- Agree new financial commitments that increase total commitments to greater than five times its average EBITDA surplus

3.2.2 Risk Management

The University Board of Governors is required to monitor the effectiveness of the University's risk management strategy, specifically they are required to:

- approve the risk management policy
- determine, as part of the University's strategic aims and objectives, the risk appetite of the University - this relates to the level of risk that is acceptable in relation to identifiable activities of the University
- ensure the identification of all risks facing the institution

Monitor the risk register of the University which should include:

- Areas of risk.
- The specific risk identified.
- The likelihood of an event identified as a risk occurring.
- The implications for the University if the event occurred.
- Prioritisation of the risks into high, medium or low.

The monitoring should also include details, from University Management of issues:

- Relating to insurance and the residual cost of risks after control measures have been implemented.
- Relating to review of the annual report on Risk Management.
- Relating to the Approval of the annual Corporate Governance statement in the annual accounts of the University.

3.2.3 Stewardship

The financial responsibilities of the University Board of Governors are to:

- Ensure the solvency of the University.
- Safeguard the institutions assets.
- Ensure the effective and efficient use of resources.
- Monitor, on a regular basis, the effectiveness of the identification and management of risks facing the University.
- Ensure that the funds provided by the funding council are used in accordance with the terms and conditions specified in the institutions financial memorandum with the funding council.
- Ensure that financial control systems are in place and are working effectively.
- Ensure that the University complies with the funding council's audit code of practice.
- Approve the institutions strategic plan.
- Approve annual estimates of income and expenditure and to approve the annual financial statements.
- Make appointments to the University's University Board of Governors through the nominations committee.

3.2.4 Financial Constraints

The University Board of Governors is expected to set budgets that enable the institution to meet the following requirements of the MAA:

- Stay solvent.
- Not incur deficits, unless these are covered by discretionary reserves. Any deficits not covered by these reserves must be recovered within three years or within a period agreed with the OfS. Pension scheme deficits included on an institution's balance sheet (as detailed under FRS17 and FRS102) should be excluded from the calculation of reserves. However, institutions should still work towards improving any pension scheme deficits.

3.2.5. Value for Money

The University Board of Governors is responsible for delivering value for money from public funds. The Audit Committee has adopted the reporting format outlined in the OfS value for money guide.

3.2.6 Provision of Information

The University shall provide the OfS and other duly constituted regulatory bodies with such information as may be required to exercise their functions. This information must be approved for transmission and of satisfactory quality, it must be supplied by the specified time and in the requested format.

3.3 Designated Officer

As required by the OfS, the University Board of Governors shall designate a certain officer (in the case of the University this is the Vice Chancellor and Chief Executive) and notify the OfS whenever it does so. The designated officer has the following responsibilities:

- He/she must satisfy themselves that the conditions in the Financial Memorandum between the OfS and the University are complied with, and be prepared to appear before the Public Accounts Committee on request.
- Advise the University Board of Governors if, at any time, any action or policy under consideration appears to be incompatible with the terms of the Memorandum. Should the University Board of Governors decide nevertheless to proceed, the Designated Officer shall inform the Chief Officer of the OfS in writing forthwith.
- He/she is accountable to the OfS for ensuring that the uses to which the University puts funds received from the OfS and the NCTL are consistent with the purposes for which those funds were given and comply with the conditions attached to them. There is also a personal responsibility for propriety and regularity in the use of funds received and a duty to ensure that such funds are properly, prudently and economically managed.

- To inform the chair of the Audit Committee, the chair of the University Board of Governors and the Accounting Officer of the OfS of any serious weaknesses, significant frauds or any major accounting breakdown reported to the Designated Officer by external or internal auditors, or which come to light by any other means.

3.4 Audit Committee

The Audit Committee is appointed in accordance with the MAA and the Audit Code of Practice adopted by the OfS. The audit requirements of the institution are set out in the MAA (HEFCE Publication 2014/12). The Chair of the Audit Committee shall have unrestricted access to the Vice Chancellor and Chief Executive, the Director of Finance and Facilities and the University Board of Governors.

The Audit Committee is independent, advisory and reports to the governing body. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. The Audit Committee is the lead committee on all aspects of risk management and makes recommendations to the University Board of Governors on risk policy, the risk register and any other issues relating to the management or monitoring of institutional risk.

The terms of reference and responsibilities of the Audit Committee are available from the Vice Chancellor's Office.

3.5 Finance & Resources Committee

The Finance & Resources Committee of the University Board of Governors is responsible for the monitoring of the University's financial position and financial control systems. The committee will examine annual estimates and accounts and recommend their approval to the governing body. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed.

The Finance & Resources Committee considers the University's medium term and strategic plans and is responsible for ensuring that all financial implications of such plans are taken into account before their approval by the governing body. In addition, it is responsible for considering the University's capital programme before it can be recommended to the University Board of Governors for approval. It will consider any other matters relevant to the resourcing duties of the University Board of Governors and senior management, making recommendations accordingly. The committee will also ensure that the University Board of Governors has adequate information to enable it to discharge its financial responsibilities.

The terms of reference and responsibilities of the Finance & Resources Committee are available from the Vice Chancellor's Office.

3.6 Remuneration Committee

The remuneration committee:

- Determines salaries in line with the agreed Senior Staff Policy.
- Determines the extent of target achievement for any performance related pay agreements involving the personnel within the terms of reference of the committee.
- Reviews and agrees the contractual terms on termination and any proposed payments made to personnel in scope of the committee before these are agreed with individuals.
- Is advised on the process and procedure used for reviewing the salaries of those employees not in scope of the committee.

Terms of reference for the Remuneration Committee are available from the Vice Chancellor's Office.

3.7 Vice Chancellor

The responsibilities of the Vice Chancellor and Chief Executive are as determined in the Articles of Association and also in the MAA between the OfS and the University.

The Vice Chancellor and Chief Executive are responsible to the University Board of Governors for the management of the budget, within the estimates approved by the University Board of Governors.

3.8 Director of Finance

The Director of Finance is responsible to the Vice Chancellor and Chief Executive for advising on the financial aspects of the University's policy, for the financial administration of the University, and for ensuring that the University has satisfactory systems of financial control and management.

The Director of Finance is responsible to the Vice Chancellor and Chief Executive for:

- Determining the form of accounts and supporting records of the University.
- Determining the standards to be met by financial services and systems.
- Reporting to Committees on financial and capital matters.
- Ensuring compliance with the standards.
- Determining and issuing any accounting and financial instructions considered necessary to supplement these regulations. Any such instructions will then form part of these regulations.
- Ensuring that a continuous internal audit and examination of accounting, financial and other related operations of the University is carried out.

The Director of Finance is approved as a delegate signatory and has other financial approval duties.

3.9 Senior Management Team and other Managers with financial responsibility

Senior Management Team consists of:

- Vice Chancellor and Chief Executive
- Deputy Vice Chancellor
- Executive Dean
- Pro-Vice Chancellor (Student Success)
- Registrar
- Director of Finance
- Director of Human Resources
- Director of Estates and IT Infrastructure

- The term 'Senior Management Team' in these regulations apply equally to Senior Management Team, individually and collectively, alongside other managers to whom Senior Management Team have delegated budgetary responsibility. This therefore encompasses all parts of the university and includes other budget setters, budget managers and managers involved in aspects of financial management that are not specifically referred to by their title within this document.

In order to ensure that the financial affairs of their faculty are met, Senior Management Team (SMT) will:

- Be responsible for the security of all resources and assets purchased by, or held within, their area.
- Account for, monitor and control revenue activity.
- be responsible for budgets and specifically:
 - Ensure that all sums allocated for a particular period are spent within that timeframe i.e. there is no provision for budgetary roll over to a later financial year without prior involvement of the Director of Finance.
 - Plan to ensure that all requisitions are placed in sufficient time so that goods can be received and invoices approved and paid within the financial year.
- Ensure that any services or items used are purchased only after appropriate authorisation has been obtained and only through the correct central purchasing system.
- Ensure that all invoices approved for payment are a correct charge on University funds, with accurate tax treatment detailed.
- Maintain any accounts and records to the required standard for audit purposes and to avoid any financial penalty.
- Ensure that their staff are aware of these Regulations and are directed to the electronic copies as necessary.
- Ensure that budgets for which they are responsible are correctly allocated, and not overspent.

- When approving purchase requisition forms, be satisfied that authority exists for the purchase and that expenditure can be met from within the delegated budget.
- Supply the finance office with sufficient information at the earliest opportunity to raise invoices. As soon as SMT become aware that monies are due to the University or that work is being carried out for customers, the finance office must be informed.
- Ensure that all monies received, cash or cheque, are immediately presented to the finance office.
- Ensure that official University receipts (till or otherwise) are issued to all students and clients who make payment to the University.
- Take responsibility for stocks.
- Not enter into any contract which binds the University (or could be interpreted as so doing) with any other institution, company, body or person without appropriate approval. The appropriate channel which may be the Director of Human Resources (HR) for staff only, the Vice Chancellor, the Director of Finance, or from the University Board of Governors through its committee structure.
- Ensure that no staffing posts (academic, support, full or part time) are filled without the individual concerned having been issued with a written contract of employment from HR, which will not unreasonably be delayed, in advance of the start of any period of employment.

If SMT are unclear about any aspect of these Regulations or their interpretation, they should seek clarification from the Director of Finance who may, from time to time, issue additional written guidance.

SMT is advised to consider whether any action they wish to take on behalf of their own service may conflict with the interests of another service. If this is the case, the manager should advise the Vice Chancellor and the other affected managers, in advance.

SMT and other managers may, when absent, delegate responsibility for financial matters to an approved deputy albeit the limits of authority will be dependent on the deputy's own signatory limit. Transactions above the deputy's authorised limit should be passed to the Director of Finance.

4. BUDGETS, ACCOUNTS AND AUTHORITY TO SPEND MONEY

4.1 General

The University plans and conducts its financial and academic affairs in accordance with the rules and procedures laid down in section 3.1. The annual capital and revenue budget must be consistent with the aims and objectives stated in the University's strategic plan.

The Director of Finance will scrutinise capital and revenue budgets, after consultation with the Vice Chancellor, both of which must be considered by the

Finance & Resources Committee and approved by the University Board of Governors. With the sanction of the University Board of Governors, the Director of Finance is responsible for communicating all aspects of budget information.

The Director of Finance will ensure effective budgetary control, including assurance to the University Board of Governors through the provision of quarterly management reports and the investigation of variances.

The Director of Finance will review the cash flow forecast, ensuring that it reconciles with the overall budget. Operational delivery of cash flow forecasts will be the responsibility of the Finance Office, delegated appropriately.

4.2 Capital

Capital expenditure relates to items costing in excess of £5,000 and will normally fall into one of the following categories:

- Land & buildings
- Construction works
- Plant
- Equipment
- Furniture
- Professional fees connected with the above

Expenditure may only be incurred on a capital scheme or purchase that has been properly approved by the University Board of Governors and is included within the University's agreed capital budget that is:

- The expenditure has been properly approved through the University structure as an individual item (e.g. where approval is given to purchase a specific machine).
- The scheme falls as part of a 'global' faculty capital budget (e.g. a faculty being allocated £x for the purchase of unspecified capital items).

Every scheme or item of expenditure must initially be supported by documentation, in a form required by the Director of Finance, and must be appropriately approved before expenditure is committed. No scheme or purchase may be overspent without the joint approval of the Director of Finance and the Vice Chancellor.

The Vice Chancellor, Director of Finance or Finance & Resources Committee may review any scheme or item of expenditure to assess the final costs, achievement of objectives and timeliness. They may also look at how the expenditure matches the needs of the University and examine the cost effectiveness of any capital expenditure. This will be taken into account when assessing future faculty submissions for capital purchases.

Any capital scheme or purchase that exceeds budget by the higher of £10,000 or 5% must be reported to the Finance & Resources Committee and University Board of Governors.

4.3 Capital or Revenue expenditure

There is often conjecture regarding what may be considered as capital asset expenditure and what is revenue expenditure. Advice should be sought from the Director of Finance during the business planning process to ensure appropriate categorisation. The accounting rules are contained in Financial Reporting Standard 15 (FRS15), which provides some very detailed guidance. The following definition from FRS15 may help clarify what constitutes a tangible capital costs:

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in the reporting entity's activities.

Expenditure should therefore be capitalised in **three** circumstances:

1. Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance.
2. Where a component of the tangible fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful economic life is replaced or restored.
3. Where the subsequent expenditure relates to a major inspection or overhaul of a tangible fixed asset that restores the economic benefits of the asset.

4.4 Depreciation

The depreciation period for assets will be determined using agreed accounting conventions although it is accepted that, in some areas, judgements will need to be made based on deemed economic life of the asset; these will normally be made by the Director of Finance who will, in the event of doubt, agree the appropriate period the asset is to be depreciated in consultation with the immediate sponsor of the project. The following are the institutional norms held within the finance system for assets, and has been agreed with our audit partners:

Freehold buildings	50 years or 2% per annum
Building refurbishment	20 years or 5% per annum
Fixture and Fittings	10 years or 10% per annum
ICT equipment (>£50k)	7 years or 14.3% per annum
ICT equipment (<£50k)	3 years or 33.3% per annum
Vehicles/Sport equipment	5 years or 20% per annum
Other equipment	5 to 10 years – 10% to 20%

4.5 Investment Appraisal

Certain decisions require not only considerable funding but an assessment of the alternatives and the costs of such options. The OfS have offered guidance on

Appraising Investment Decisions (HEFCE Publication 2003/17) and these regulations require an investment appraisal decision if the project involves borrowing. The recommended assessment exercise will underpin the future Marjon Estates Strategy, as well as a whole range of other potential undertakings such as starting a new course, providing contracted out services and bidding for new business contracts. The University costing tools should be used to assess such investment opportunities. The Vice Chancellor will advise on specific occasions when an investment appraisal exercise is required by regulation or recommended to provide evidence of Value for Money.

4.6 Financial Planning

The Vice Chancellor has overall responsibility for submission of the financial forecasts and, in conjunction with the Director of Finance, preparing annually the financial forecasts for the institution for approval by the University Board of Governors on the recommendation of the Finance & Resources Committee. The forecasts cover the current financial year plus three years, for example, the forecasts considered by the University Board of Governors in June 2018 cover the period to 31st July 2021. These financial plans will be built from the plan information provided by Deans, and should be consistent with the strategic plans and other strategy documents approved by the governing body.

4.7 Revenue

A revenue budget of income and expenditure must be prepared by every member of SMT and the consolidated budget must be approved by the University Board of Governors.

Whilst SMT will be encouraged to profile their expenditure needs they may expend duly authorised funds on items at any time within the financial year, mindful that the University operates under the accruals, rather than cash, accounting model. SMT as budget holder is responsible for monitoring and controlling their budget. SMT budget should not be overspent. To support cash flow management, exceptional/irregular spend items should be highlighted to the Finance Office and should not wait for the monthly budget monitoring / forecasting cycle.

If the Vice Chancellor and Chief Executive becomes aware of any possible net overspend for the University as a whole, it must be reported to the Finance & Resources Committee and the University Board of Governors at the earliest opportunity.

4.8 Virement

SMT may vire funds between agreed revenue budget lines subject to remaining within their overall non-staffing budget allocations. No virement is permitted between revenue and capital items. No virement is permitted between non staffing related resources and additional staffing or between the sub-headings of non-

staffing resources (student related costs, staff related costs etc.) without the prior written approval of the Director of Finance.

4.9 Budget Monitoring

Effective financial management requires regular and thorough monitoring, forecasting and analysis of the financial wellbeing of the University and in particular the revenue budget. In addition, to the budget preparation exercise, the following reporting cycle is designed to assist those tasked with managing and reviewing the University's financial position:

- Management accounts and in year reviews, with explanatory notes, issued to:
 - Finance & Resources Committee – every meeting (minimum of 3 times per annum).
 - University Board of Governors – every meeting (4 times per annum).
 - The Senior Management Team as a leadership group, review Monthly Management Accounts prior to submission to the Governance Committee and the bank.
 - SMT as a leadership group, Finance & Resources Committee and University Board of Governors, receive mid-year and spring review information to support requests to alter in year forecasts.

4.10 End of Year Accounts

The financial accounts for the University are to be prepared on an annual basis and laid before the University Board of Governors at the Annual General Meeting. The financial statements must be signed by the Vice Chancellor and Chief Executive Officer and the Chair, or one other member of the Governing Body.

5. ACCOUNTING

5.1 Basis of Accounting

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The University adopts the FRS102 Statement of Recommended Practice (SORP) for Accounting for Further and Higher Education as its guide to the preparation of its accounts and application of accounting regulations and conventions.

5.2 Format of the Accounts

The accounts are prepared for the financial year ending 31 July, in the format required by the funding council and in accordance with the provisions of the Companies Act 2006.

5.3 Accounting Records

The Director of Finance has delegated responsibility for ensuring the retention of financial documents. The following prime documents are required to be retained by the finance office for six years:

- official orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- part time lecturers contracts
- access to recorded transactions for each year from the computerised accounting system

Additionally, for auditing and other purposes, other financial documents should be retained for three years. In exceptional cases, some projects require data retention beyond typical timeframes, these should be marked as such when lodged with the finance office in advance and full guidelines laid down as part of the contractual agreement. Documents required outside the provisions of financial audit trails shall remain the responsibility of the faculty.

6. SUPPLIES AND CONTRACTS - PURCHASING OFFICER'S PROCEDURES

6.1 Introduction

The Vice Chancellor and Chief Executive carries sole responsibility for ensuring that 3 person approval is robustly upheld in relation to how:

- Specifications are prepared.
- Invitations to tender are drawn up.
- Tenders are fully evaluated.
- Contracts are properly evaluated.
- Lists of approved potential contractors are maintained.

The Vice Chancellor and Chief Executive may provide agreement that other parties, such as the Director of Finance, assume delegated authority for all or individual contracts. Only the Director of Finance, on behalf of the Vice Chancellor and Chief Executive, has authority to sign contracts. Examples of these types of contracts are:

- Purchase or lease contracts for equipment and/or maintenance appliances etc.
- Contracts for provision of services; either supplied to, or by, the University.
- Arrangements with regular monthly, quarterly or other periodic payments, examples are vending machines or photocopying equipment.

6.2 Entering into Large Contracts

Large contracts, these are defined as being for £100,000 or more, must come under the formal procedures which are detailed in Section 2 of these regulations. Any contract over this value must be signed by the Vice Chancellor and Chief Executive and the Director of Finance and legal advice sought where appropriate. Contracts with a value in excess of £500,000 will only be approved after consultation with, and agreement of, the Chair of the University Board of Governors.

6.3 EU Regulations

The University is subject to prevailing EU procurement regulations relating to public supply, works and service contracts. The thresholds for these rules vary every year, the latest published data can be found via the website of the Office of Government Commerce (OGC). In the event the UK leaves the EU, then the prevailing contract and procurement regulations the UK Government puts in place will apply.

6.4 Extensions to Existing Contracts

The Vice Chancellor and Chief Executive, or their delegated officer, may negotiate to extend an existing contract, but only where this provides better value for money than re tendering and he/she should be prepared to justify this. The length and value of the contract cannot be extended without the prior approval of the above.

6.5 Select Lists

The list of contractors allowed to tender for the contract must be approved by the Vice Chancellor, or designated delegate, with enquiries to ensure ability and financial stability of providers to be undertaken by the purchasing officer as required.

6.6 Credit References

Credit checks and other Financial Evaluation, as approved by the Director of Finance, should be carried out on companies successful in a tendering process and to whom the University is considering awarding a contract with a value of £100,000 or more. Credit checks and any associated Financial Evaluation would normally only be sought for expenditure above this level involving Capital expenditure, however, any major purchases in which the University lets a contract for £100,000 or more and which involves 'phased payments' by the University or a significant after sales service should be treated as a contract requiring a credit check and associated Financial Evaluation if applicable.

No contract should be agreed before a satisfactory credit checks and where appropriate, Financial Evaluation, have been made. All documentation received from the credit checking agency should be attached, together with applicable Financial Evaluation, to the contract paperwork for consideration by the person(s) authorising the contract. Purchasing staff using the agreed reference agency will normally seek credit reference checks.

6.7 Official Order

All orders will be placed using official order materials, quoting references, terms and conditions. For every contract, all contracting matters must be recorded in writing, and full supporting documentation must be kept, including a clear statement of:

- The purpose of the contract.
- When the work is to be performed and the cost.
- For all information relating to the successful contractor, six years from the end of the contract or from first notice of any cause of dispute or damage (whichever is the later).
- For all other information, three years after the start of the contract or if earlier, the start of the replacement contract.

Contracts for goods and services must seek to secure the appropriate quality and be checked to ensure that what is received meets the requirements. Where an agent is employed to enter into contracts on the University's behalf, buyers must be satisfied as to the fairness and propriety of the agent's procedures.

6.8 Placing of Other Orders

All orders must be placed in writing by approved purchasing staff (unless the Vice Chancellor or Director of Finance has agreed to an alternative procedure in specific instances), using the detailed procedures outlined in Section 2, financial procedures.

SMT are responsible for completing and submitting a list of authorised signatories and keeping the Finance office informed of any changes to this list.

REGULATIONS

7. PURCHASE INVOICES

SMT are responsible for the authenticity and eligibility of all purchase invoices authorised for payment in their area. SMT should additionally ensure that procedures are in place in their area of responsibility to check that:

- The invoices are arithmetically correct.
- The invoice relates to goods or services which have been received and meet the order specification - this is done by agreeing against delivery or service documentation.
- The invoice has not already been paid - this is done by noting on the delivery documentation or elsewhere that the invoice for that specific purchase has already been processed.
- The price and tax charged by the supplier is correct.

The Director of Finance will ensure that only duly authorised invoices are paid to suppliers, escalating to the Vice Chancellor as appropriate.

8. FUNDS MANAGEMENT AND BORROWING

8.1 General

The Director of Finance will take overall control of borrowing funds for the University. The Vice Chancellor will recommend all decisions on terms of borrowing, investment and financing in accordance with the MAA between the University and the OfS, the Trustee Investment Act 1961 (as amended by the Trustees Act 2000), the Charity Commissioners rules and the requirements of the University Board of Governors.

All decisions will be made jointly by the Vice Chancellor and the Director of Finance and must be reported to the Finance & Resources Committee. The Director of Finance must report at least annually on treasury and investment management activities to the University Board of Governors, ensuring decisions are consistent with the wider activities of the University.

8.2 Borrowing

With borrowing, the University Board of Governors, through the Director of Finance, must ensure that the:

- University will be able to repay the sum borrowed, and pay interest thereon without recourse to additional grants.
- Borrowing meets the requirements of the MAA.
- Ability of the University to maintain financial and academic viability will not be impaired as a result.
- University can demonstrate the value to be generated by the transaction, if it involves refinancing, and of any new investments to be financed by the borrowing.
- Plans for any new investment are in accordance with the University's strategy.
- University notifies the OfS, or similar Council, in writing of the use of any Exchequer funded assets as security for any borrowing within 15 working days of the signing of the borrowing agreement.

The University may borrow money, subject to the above rules, with the approval of the University Board of Governors as evidenced by a Governing Body Minute.

8.3 Approved methods of raising capital finance

The Director of Finance leads borrowing undertaking activities on behalf of the University. The Director of Finance cannot commit to any particular borrowing without obtaining the specific authority of the University Board of Governors, or the Finance & Resources Committee for figures in excess of £100,000.

The Director of Finance will prepare a report for each borrowing including at least:

- Proposed lender.
- Index rate structure i.e. Fixed, variable, capped etc.
- Interest rate - base plus lenders margin.
- Arrangement and other fees.
- Security arrangements.
- Purpose with cash flows.
- Comparison with alternatives.
- Full business plan with investment appraisal (where appropriate).

The plan must also detail the implications for the University borrowing strategy as defined in this document and the limits set in the MAA.

8.4 Funds Management and Investments

The Director of Finance will recommend options for the investment of funds not immediately required for University purposes on such investments, securities or properties as thought fit.

The investment strategy must comply with the Trustee Investment Act of 1961, as amended by the Trustees Act 2000. The University has specific Investment and Treasury policies to manage funds, and they include a policy on ethical investments which should be followed. These policies are reviewed annually for appropriateness, and provided to agents managing funds on our behalf to guide their actions.

The University must comply with the Charity Commissioners rules and requirements with respect to investments in that their permission must be sought, in the form of a Charity Commissioners order, when utilising any permanent endowments.

The Director of Finance must ensure that external managers of funds are provided with sufficient terms of reference against which to act. Any such arrangements made must have the prior approval of the University Board of Governors as evidenced by a Governing Body minute.

9. INCOME

9.1 General

The Director of Finance has overall responsibility for ensuring that appropriate procedures are in operation to enable the institution to receive all income to which it is entitled. In conjunction with the Finance office, the Director of Finance will provide formal approval for all receipt forms, invoices, tickets or other official documents.

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

9.2 SMT Responsibilities

SMT are responsible for complying with any procedures and standards laid down for the collection of money due to the University. In particular with respect to:

- Rendering of accounts.
- Information to support the pursuit of debt.
- Use of official receipts.
- Paying in.
- Record keeping.
- Sale of equipment, stock and assets.

Procedure notes should be prepared and followed. Invoices are to be raised at the earliest opportunity in the Finance office. SMT are responsible for supplying the Finance office with sufficient information, generally in the form of an invoice requisition form. Where monies are paid direct, the Finance office should be informed as bank details are released. As soon as they are aware that monies are due to the University or that work is being carried out for customers, the Finance office must be informed.

9.3 Student Records

The Registrar is responsible for keeping an accurate record of students registered; the prevailing course, dates and fees, supplying this information in the appropriate form to the Finance office to enable invoicing and income management to take place with appropriate synopsis information.

9.4 Determination of Charges

Charges for work done and goods supplied by the University such as consultancy and rents shall be determined in conjunction with the Director of Finance. The Director of Finance shall lead regular reviews of charges and fees and report the findings to the Finance & Resources Committee.

10. FINANCE ARRANGEMENTS, CHEQUES AND PETTY CASH

10.1 Appointment of Bankers

The University Board of Governors is responsible for the appointment of the University's bankers on the recommendation of the Finance & Resources Committee. The appointment shall be for a fixed period after which consideration shall be given by the Finance & Resources Committee to competitively tendering the service.

10.2 Banking Arrangements

Banking arrangements and the handling of cheques and cash must be in accordance with any standards and procedures issued. The following specific provisions apply to the operation of bank accounts:

- Faculties may not set up bank accounts.
- Individuals may not receive, or pay in, University funds in to their personal, private or other non-public bank account.
- Any requests for bank accounts must be made through the Finance office.
- Hand written cheques must have an authorised signature.
- Payments must not be made against any University bank account unless properly authorised and supported by adequate documentation.

10.3 Authorised Signatories

The authorised signatories (signatories include electronic approvers) on banking documents (cheques, bank transfers, BACs payments and other financial instruments) are:

- Vice Chancellor.
- Director of Finance.
- Finance Manager.

10.4 Cash Receipts

The following regulations relate to cash receipts:

- All monies received within faculties from whatever source must be recorded by the faculty on a daily basis together with the form in which they were received.
- SMT must ensure that all monies received, cash or cheque, are promptly presented to the Finance office and that no deductions are made from any cash collected prior to paying into the cashier.
- SMT must ensure that official university receipts (till receipt or otherwise) are issued to all students and customers who make payment to the university.
- Personal or other cheques must not be cashed out of money received on behalf of the university.

10.5 Petty Cash

Petty cash payments may only be paid where approved by the Finance office (they cannot be deducted from income received) and may be paid in cash for sums up to £60. Unless agreed otherwise in advance, all other claims for reimbursement will be paid by BACS transfer.

11. DEBTS AND WRITE-OFFS

11.1 The Collection of Debts

The Director of Finance has overall responsibility for the collection of debt. The Finance office should ensure that:

- Debtor invoices are raised promptly in respect of income due to the University.
- Debtor charges are raised on University invoices.
- Swift and effective action is taken to collect overdue debts.
- Outstanding debts are monitored and regular reports held of communication to recover monies, with issues flagged to the appropriate manager.

11.2 Student Fees

Students have the option of taking out a tuition loan with the Student Finance England (formerly SLC), however, they may, if they wish, settle their own fees directly with the University. The Director of Finance is responsible for ensuring that student fees uploaded as due to the University are collected in full. Students who, having opted to pay their own tuition fees, have payments outstanding, or who owe the University for accommodation or other fees shall not be allowed to reregister until all outstanding debts have been cleared. The names of such students shall not be included on any pass lists until all outstanding actions have been settled in full. All staff share responsibility to prevent debtors benefitting from University facilities until debts are cleared.

11.3 Write Offs

The authority for writing off debt is:

- Debt write offs will be considered quarterly, with a list of proposed write offs submitted by the Finance Manager to the Director of Finance. Individual write-offs in excess of £5,000 must be considered individually by the Director of Finance.
- In the case of tangible assets, items with a residual value below £5,000 must be written-off only with the approval of the Director of Finance. Write-offs in excess of £5,000 must be jointly approved by the Vice Chancellor and Chief Executive
- Write-offs and the level of debt outstanding must be reported at least annually to the Finance & Resources Committee.

11.4 Debt retrieval

The University makes every effort to retrieve all debts. It reserves the right to pass debt to collection agents, or seek legal redress where debtors refuse to pay or abide by payment plans.

12. STORES

Stocks may be maintained for stationery, consumables etc. and are the responsibility of the relevant SMT lead. Stocks should be kept to a minimum, commensurate with avoiding emergency or stopgap purchases.

Stock records should be kept, and any stock adjustments must be fully documented and approved by SMT. Details of stock record procedures are contained in section 2; financial procedures.

When disposing of surplus stock or any other items, the member of staff given this responsibility on behalf of the Vice Chancellor and Chief Executive must ensure that they have obtained a reasonable valuation, and that the item is not required elsewhere within the University. They must not be improperly influenced in the choice of buyer. Notification of the intended disposal (for consideration or otherwise) should be made formally to the Director of Finance.

Full documentation of all elements of the disposal must be maintained, receipts obtained and payment, normally in the form of a cheque made out to the University, must be immediately presented to the Finance office.

13. SALARIES AND WAGES

13.1 Appointment of Staff

The Vice Chancellor, or their representative, shall appoint only those permanent staff, either full time or part time, for whom financial provision has been made in the approved budget. The Vice Chancellor and Chief Executive, or their representative may also appoint temporary staff where budgetary provision is available to meet the cost. All appointments must be made through the Human Resources office, following scrutiny and approval by the SMT, or delegated sub-committee, where required. Similarly, all proposals for the transfer of staff between posts must be agreed with the Human Resources office before any offer is made to a member of staff.

13.2 Appointment of Senior Staff

The recruitment, termination of contract and pay levels of staff beyond HERA spine point 51 is to be dealt with by the University Board of Governors through its Remuneration Committee as appropriate.

13.3 Payroll

The preparation of payrolls and the payments of salaries, wages and other emoluments to employees of the University will be carried out under the direction of the Director of Human Resources. Salary related payments on behalf of staff for pensions, NI and other commitments will also be made under the direction of the Director of Human Resources. Time records or other pay documents must be in the approved form and certified by authorised officers of the University. All necessary

information shall be made available to the Finance office prior to finalising the payroll payment to enable appropriate review and authorisation.

All University employees must be issued with a contract of employment by the Human Resources office. Part time lecturers may not be employed unless (and until) a contract has been issued.

13.4 Pay Increases

All permanent pay increases will be administered by the Human Resources office and notified to the relevant staff member in writing.

14. GENERAL STAFF EXPENSES

14.1 General

Claims for expenses incurred by University staff carrying out their official duties will be paid at the authorised rates. Allowable expenses are detailed in the following procedure notes.

All claims must be certified by an authorised officer, and should, other than in exceptional circumstances, be claimed in the month to which they relate.

Claims for subsistence and other non-mileage expenditure must be supported by the valid receipts where physically possible. Expenditure will only be reimbursed up to a maximum of the specified limits, and only to the value of valid, original, itemised supporting documentation.

14.2 Overseas Travel

14.2.1 Justification

All overseas travel must be justified and approved by the Vice Chancellor and Chief Executive. All journeys should be authorised by the appropriate Dean. The Vice Chancellor and Chief Executive will discuss their plans for overseas trips with the Chair of the Governing Body. Overseas travel involving a member of the University Board of Governors will normally be subject to approval by the University Board of Governors with a note approving the trip being recorded in the minutes of the relevant meeting at which the issue was discussed.

All journeys must be considered against the following criteria:

- That the journey fits with the strategy of the University.
- That alternative arrangements such as video conferencing are inappropriate.
- That the most economic and effective travel and accommodation arrangements have been made.

- Repeat journeys to a location take into account the benefits to be derived from a second or subsequent visit bearing in mind the success of the initial or previous visits. The repeat journey should be judged on the benefits it will bring the University when considered against the costs incurred on a follow-up visit.

Whenever possible a report should be prepared giving the outcomes of the visit and the need for any further visits

14.2.2 Air Travel

The normal method of overseas travel is by air and the following are the rules regarding air travel:

- The journey should be undertaken after a price comparison exercise.
- The journey should be undertaken on an economy class ticket for short journeys particularly within Europe.
- For international travel, outside of Europe, air travel will normally be at economy rates, except where this has been formally agreed with the Vice Chancellor or included in the client contract. Examples of exceptional cases where economy travel may be upgraded include where an upgrade enables staff to work during travel, or where staff are undertaking formal engagements for which they must arrive refreshed.

Regular travellers may qualify for one of the air miles schemes of the major airlines. Individuals are not permitted to benefit from such awards relating to University business journeys'. Such awards should be used to off-set other official University approved journeys.

14.3 Hotel Accommodation and Subsistence

Overseas hotel accommodation and meals will be reimbursed to actual levels of expenditure subject to the production of receipts and in line with the following guidance:

- Hotel accommodation should be fit for purpose i.e. comfortable without being opulent and it should be safe. Typically staff should be booked into 3 star hotels.
- Beverage costs will be reimbursed but alcoholic drink expenditure will not be refunded.
- Business related communication charges (telephone, facsimile etc.) will be reimbursed on production of receipts and subject to certification that calls are 'duty calls'.

14.4 Insurance

Queries over insurance matters relating to overseas travel should be directed to the Vice Chancellor's office.

15. ASSETS

15.1 General

The purchase, lease or rent of land and buildings or fixed plant can only be undertaken with authority from the Vice Chancellor and Chief Executive, having been approved by the Board of Governors as part of the capital plan and with reference to funding council requirements where exchequer funds are involved.

15.2 Security of Assets

The Director of Finance has responsibility for ensuring that assets are listed on an inventory or register. This register should be checked at least annually on a rolling programme and any irregularities investigated. The assets should be identified by mark or unique identifier. SMT are responsible for the security of all assets in their areas.

15.3 Asset Acquisition

The purchase, lease or rent of land and buildings may only be undertaken following approval of the University Board of Governors as evidenced by a Governing Body minute.

15.4 Asset Disposal

The Director of Finance has the authority to dispose of any plant, equipment or furniture which is surplus to requirements. If the item is of no use, then it will be sold as scrap or discarded. Other items will be offered for sale, initially to University staff or students and if not sold, must be advertised externally and sold for the highest price obtainable. Full documentation relating to all aspects of the disposal should be maintained, using the appropriate forms, and the inventory or asset register should be updated accordingly.

No asset may be disposed of without the prior approval of the Director of Finance. There are detailed arrangements for the disposal of assets and these are comprehensively detailed in Section 2 of these regulations, financial procedures.

Full documentation of all elements of the disposal must be maintained, receipts obtained and payment must be immediately presented to the finance office.

15.5 Insurance of Assets

The Director of Finance undertakes arrangements for the insurance of University assets; however, it is essential that if any item is lost (or appears to be missing) this is reported immediately, in writing, to the Director of Finance.

16. RESEARCH GRANTS, CONTRACTS AND OTHER INCOME GENERATING ACTIVITIES

16.1 Definitions

Frascati defines research as follows;

Research and experimental development (R&D) comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.

R&D is a term covering three activities: basic research, applied research, and experimental development. Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts, without any particular application or use in view. Applied research is also original investigation undertaken to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective.

Experimental development is systematic work, drawing on existing knowledge gained from research and/or practical experience that is directed to producing new materials, products or devices, to installing new processes, systems and services, or to improving substantially those already produced or installed.

A research grant is restricted to research projects funded by UK research councils, charities and the higher education funding councils. All other externally financed research projects are classified as 'research contracts'.

16.2 Operational Control

Staff intending to submit any applications for funding to sponsors or other external bodies should liaise with the relevant support functions, and must discuss the proposal in detail with Dean responsible for leading on Research. The financial implications of the research undertaking must also be provided using the Marjon costing tool and agreed by the SMT lead, Director of Finance and Research lead in advance of any application submission or contract being signed. SMT are ultimately responsible for any such project within their Faculty.

Written agreement to the level of work and fee must be obtained from the customer before the University undertakes the activity.

Where a member of University staff has a personal or business connection in any customer, supplier or funder it must be immediately disclosed to the Vice Chancellor and Chief Executive. Relationships of any kind with representatives of suppliers or funders should be likewise disclosed in advance. The University maintains a record of interests within the Vice Chancellor's office.

16.3 Payments to Staff

Any proposal which involves additional payment to members of staff should be supported by a schedule of names and values and must be approved by the SMT

lead and in the case of an academic SMT Lead by the Vice Chancellor and Chief Executive at application stage. The Human Resources Office must prepare official contracts to acknowledge additional payments resultant from project awards.

16.4 Intellectual Property Rights and Patents

Certain activities undertaken within the institution including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

The University Research lead will inform Finance & Resources Committee where this occurs, the Finance & Resources Committee are responsible for establishing procedures to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their work.

16.5 Private Work

The rules governing private work undertaken by University staff are set out where necessary in the appropriate Contracts of Employment and/or Conditions of Service. The written approval of the SMT lead and Vice Chancellor and Chief Executive is required for private work, which is done during University working hours or using University resources.

GENERATING ACTIVITIES

17. HOSPITALITY, INDUCEMENTS AND GIFTS

17.1 General Vice Chancellors

The University may provide hospitality in connection with its business, at the discretion of the Vice Chancellor and Chief Executive, or their representative to:

- Committee members.
- University staff.
- Representatives visiting the University's premises on business.

The hospitality provided will not normally exceed the provision of tea/coffee/meals. Hospitality provided outside the University premises must have the authorisation of the Vice Chancellor or Director of Finance.

17.2 Acceptance of Hospitality

Modest hospitality can be accepted out of courtesy. Personal gifts, other than those of a small intrinsic value (this is taken as being for £20 or less), should not be accepted. Invitations for a meal, theatre tickets or tickets to a sporting event are considered acceptable, whilst money, air travel, holidays or other benefits in kind are not. Where gifts are offered to the University, these may be accepted, on approval

by the Vice Chancellor and Chief Executive and used as prizes for fund raising activities.

As a general guide, hospitality, of whatever nature, should be accepted a maximum of twice in any one year from one party. Where gifts (above the threshold) or hospitality is accepted this should be declared by recording the nature and value of the gift or hospitality in the register which is held in the Vice Chancellor's office. Where an employee is uncertain whether it would be appropriate to accept an offer of a gift or hospitality, the offer should be declined or advice sought from the Vice Chancellor and Chief Executive. Personal inducement in any form from suppliers of goods and services must never be accepted. Non-compliance with the Regulations for hospitality and inducements is a disciplinary offence

17.3 Gifts to Third Parties

Gifts to third parties, if considered appropriate and approved by the Vice Chancellor and Chief Executive in advance, should be of recognised University merchandise. Public funds should not normally be used to purchase gifts. Where, exceptionally, the provision of a gift to an individual with whom University does business is considered to be justified, the following rules and procedures are to be used:

- A request to spend public funds on a gift should be made in advance.
- No gifts should be provided to other UK public employees or officials such as staff in faculties, other HEIs, other government departments or local authority elected representatives or officers.
- Where approved, a gift should be of nominal value with a maximum cost of no more than £20. As 17.2 gifts of alcohol or money are not appropriate.
- Consideration should be given to presenting the individual or organisation with a piece of University promotional merchandise (advice on this matter can be obtained from the Director of Marketing & Student Experience). Gifts should seek to reflect the objectives, heritage and moral compass of the University.
- Gifts should not be provided to more than one individual unless special circumstances apply. These special circumstances should be discussed (in advance) and approved by the Vice Chancellor and Chief Executive.

Particular care should be made in providing gifts as, although they may be offered and intended as tokens of goodwill and partnership, they can be misinterpreted particularly when contracts or business may be involved.

If prior approval for the purchase of a gift has been made, the claim for reimbursement should be made on a University petty cash claim form, which should be signed by the SMT Lead or budget holder. The petty cash form should be supported by a full itemised receipt (not credit or debit card voucher and statement) and a copy of the prior approval from the Vice Chancellor included.

Gift vouchers may, on occasions, be purchased as a prize i.e. for a student as a reward. In some cases, more than one certificate may be purchased and not

subsequently used. In this eventuality, a refund should, if possible, be sought. If this is not possible, the unused gift voucher should be held, as if it were cash in a safe location, and used at the first appropriate occasion for a similar purpose. Where more than one gift voucher is used, a list of the prizes, by value, should be prepared with the name of the individual receiving the voucher being detailed.

18. MANAGEMENT OF FINANCIAL COMPUTERISED DATA

The Director of Finance will:

- Be responsible for the accuracy and security of the financial data of the University, and, in liaison with appropriate leads, for complying with the provisions of the General Data Protection Regulations.
- Implement any necessary procedures to protect the University and individuals from inappropriate use or misuse of any financial or other information held on computer files in the finance office.
- Ensure that adequate application controls exist to provide completeness and accuracy of data processing on the University's equipment, and that adequate checks are made on the output from any external agency.
- Be responsible for ensuring that copies of all data are kept for the relevant length of time to meet operational and legal requirements and that back-up copies of live data are made and stored securely, preferably off site.
- Be responsible for setting up contingency arrangements and appropriate insurance cover in the event of computer breakdown.

19. UNIVERSITY COMPANIES

No company shall be established without the specific approval of the University Board of Governors as evidenced by a Governing Body minute.

The accounts and financial statements of any subsidiary company must be laid before the University Board of Governors at the Annual General Meeting.

20. AUDIT

The University Board of Governors is required to appoint internal and external auditors. No firm will provide both internal and external audit. The auditors are reappointed annually and both internal and external audit services should be market tested at least every seven years.

Mandatory audit requirements are detailed in HEFCE Publication 2004/27.

The University auditors are;

External Auditors:
Bishop Fleming
Salt Quay House
4 NE Quay
Plymouth

Internal Auditors:
PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
SE1 2RD

21. FRAUD AND IRREGULARITIES

Anyone with concerns regarding the University, financial or otherwise, should contact any of the following:

- Vice Chancellor and Chief Executive.
- Director of Finance.
- Chair of the University Audit Committee (c/o Clerk to the Governing Body).
- University External Auditors.
- University Internal Auditors.

The contact details of both sets of auditors are given in Section 20 above. Contact with any of the above should include written correspondence where possible, and may be anonymous.

The procedure for investigating allegations of fraud is contained in the Fraud Response Plan. The aim of this procedure is to ensure staff against which an allegation has been made, are treated fairly, whilst also ensuring the investigation is conducted in an appropriate manner which complies with legal and procedural requirements.

In the event of an allegation of fraud the process for informing the Internal Auditors, Governors and the OfS is contained in the Fraud Response Plan.

22. FRAUDULENT CLAIMS

A fraudulent claim for travel expenses, the falsification of other accounting documents or records or the payment of University funds into a private bank account are all regarded as gross acts of misconduct in accordance with the University's disciplinary procedure (see Staff Handbook, section 5).

23. WHISTLE BLOWING

The University has a policy for whistle blowing following the publication of the Public Interest Disclosure Act 1998, which is designed to allow staff to raise concerns over suspected malpractice; this is of relevance to potential financial irregularities. The University's whistle blowing policy is detailed in the Staff Hand book in Sub Section C16.

24. DATA PROTECTION AND FREEDOM OF INFORMATION

All issues relating to Data Protection and Freedom of Information can be addressed to the following contact dataprotection@marjon.ac.uk

25. STUDENT UNION

The students' union is an independent body but shares mutual obligations with the University's University Board of Governors under the Education Act 1994. Subject to the constraints imposed by the funding councils, the University Board of Governors shall determine the level of grant to be paid annually to the students union.

The students' union is responsible for maintaining its own bank account and financial records and preparing its own accounts. At year end the students' union accounts will be audited by an approved firm of accountants and a copy will be provided for the University Board of Governors inspection. The Students Union will also provide the Finance & Resources Committee of the University Board of Governors a copy, by 31st July, of its revenue budget for the following financial (and academic) year i.e. 31st July 2018 for the financial year 2018/19.

Section 2 – FINANCIAL PROCEDURES

INTRODUCTION

The following financial procedures are designed to assist University staff, who are involved in any aspect of the University's work that involves transacting on behalf of the University. The procedures are designed to assist staff in following correct systems, however, they cannot foresee every eventuality and it is therefore important that they are seen as offering general guidance and advice.

In the event of doubt, please speak with the University Accountant or members of the Finance office. Try whenever possible to clarify issues in advance i.e. before trying to purchase equipment, going on a journey on University business or incurring expense on behalf of the University. Many problems that arise after an event could have been prevented if the query had been discussed with Finance office staff.

1. ORDERING OF GOODS

1.1 Placing of Orders

An order placed by the University is a legal agreement that in return for the supply of properly requested goods and services we will pay the supplier an agreed sum. Orders placed by individuals acting outside of the guidelines detailed below will not be considered as being formal University orders and may leave individuals open to legal action being taken against them by suppliers and may also lead, in exceptional circumstances or in the case of repeated breaches of University procedures, to disciplinary action being taken against the member of staff concerned.

Purchase requisitions can only be converted to orders via Purchasing staff or an approved alternate, for subsequent approval by authorised University signatories. Under no circumstances may any other member of staff place orders themselves orally or otherwise. Exceptions to this rule can only be made following written approval, in advance, from the Vice Chancellor's Office, and these exceptions must be subsequently reported to the Audit Committee. Under no circumstances will the University purchase items for the private use of individuals.

1.2 Raising a Purchase Requisition for Goods or Services

Budget holders must ensure purchase requisitions are raised for all goods and/or services to be supplied to the University. The simple rule is that if you are asking someone to provide the University with goods or services (this includes staff development and consultancy) then a purchase requisition should be raised. If it is not required for some reason you will be advised. However, failure to raise a purchase requisition may result in the authority to do so being withdrawn.

All goods or services should be ordered using the following guidelines:

- Requisitions should be prepared to allow goods to be received and payment made in the relevant financial year.
- The goods or services should be requested by completion of a purchase requisition form through the E-Bis system.
- the purchase requisition form should contain as much information as including:
 - A description of the item(s) required including catalogue number(s), colours and quantities required (if appropriate).
 - The account code to which the item(s) should be charged.
 - Any critical date by which the goods are required to be delivered.
 - The name/ address of any suggested supplier.
 - The name of a required supplier (if appropriate), and the reason for using this supplier - this will apply in the cases of sole or preferred supplier. To comply with the value for money strategy, checks will be made to ensure that the goods cannot be obtained from an alternate supplier.
 - The name of the person and faculty to whom the goods should be delivered.
 - The completed purchase requisition form must be approved by the budget holder as authorisation that the purchase can be made and funded from the budget and account code shown.
 - The requisition should be forwarded to purchasing as soon as the demand has been established.

1.3 Services which do not require a purchase requisition

Some services do not require a purchase requisition either because they are part of an on-going trading relationship (provision of gas, electricity and water), due to the nature of the relationship i.e. statutory obligations (VAT, Rates of postage) or due to other contractual documentation being held (accreditation fee, sub-contractor or examining body). The following services do not therefore require a purchase requisition:

- Bank charges.
- Audit fee.
- Bodies specifically supporting Higher Education.
- Placement costs (accommodation and T&S.)
- Travel and subsistence claims (other requests for train and air tickets and/or hire car/car lease).
- Examination fee payments.
- Insurance.
- Rates.
- Utilities.
- Security Services.
- Legal fees.
- Payroll fees.
- Postal charges.
- Grants and donations i.e. student union grant.

- Vehicle or other contractual leases.
- Petty cash purchases (but prior budget holder approval is required).
- Staffing contracts – these must however be arranged, in advance, through a contract of employment.
- Agents Fees.

There will be occasions when the institution opts to use agents, particularly for recruitment of full fee paying international students, or external consultants. Both agents and consultants are providers of services and, as such, should be treated in the same manner as other suppliers. Specifically, where possible, they should be subjected to a tender or other benchmarking exercise and there should be transparency of their costs and fees. All contracts with agents or consultants should be approved by the Vice Chancellor.

All new regulatory subscriptions, maintenance agreements and licences should be requested using a University purchase requisition. All maintenance agreements and licences should be forwarded to the Director of Finance for signature in accordance with procedure 2.3. Once created, most of these types of transaction will see the supplier forwarding an invoice to seek renewal of the service being offered. In these circumstances it is not necessary to raise a new purchase requisition, approval of the invoice in the normal manner is sufficient. However, budget holders or other authorised signatories should check that the:

- Subscription, maintenance agreement or license is still appropriate and required.
- Service being billed is actually being delivered, for example we still take advantage of the benefits of a subscription including receipt of publications, that the piece of equipment to which the maintenance agreement relates is still held and is being serviced in accordance with the terms of the contract and, in the case of licences, we still retain and use the item for which the licence is held.
- Charges are in line with the original requirement and in accordance with agreed terms of the agreement such as price increases linked to a formula such as the retail price index.

Whilst no purchase order is required for renewals of this type, all transactions of this type will be subject to the same checks as if they were purchase orders. Specifically, they will be checked to ensure they are a correct charge to the University, meet the criteria for satisfying value for money and are properly coded, authorised and that funding is available.

1.4 How not to order goods

The correct method of securing goods and services is detailed above. However, it may be helpful to indicate practices that are incorrect or inappropriate. Personnel requiring goods should not:

- Pay for goods by cash, cheque and credit card and seek reimbursement (separate rules apply to expense claims).

- Order goods by telephone, facsimile or e-mail or through the internet without prior consent to do so.
- Indicate that the university will accept liability for goods ordered or implied contracts which do not comply with the procedures outlined above.

University orders must not be used for making private purchases. Similarly, private goods should not be ordered to arrive via the University's goods inward system. The University accepts no responsibility for any private (personal) goods which are lost, damaged or returned (to the originator)

1.5 Processing Purchase Requisitions

For goods or services under £5,000, no quotes are necessary, but the University expects to achieve best value supply.

For goods or services with an estimated value between £5,000 and £50,000, three documented like-for-like quotes (email being sufficient) are required.

For good or services with an estimated value of greater than £50,000, a formal tendering process will be conducted in line with the terms of the Purchasing Policy.

NB Staff should err on the side of caution, consulting with the Director of Finance, or delegate as necessary to ensure that the necessary quotes are gathered or formal tendering undertaken.

In certain circumstances (single specialist supplier, or where works need to be undertaken at short notice), these financial procedures may be waived. This will be subject to the Director of Finance authorising written justification for the action.

Where necessary purchasing staff will require time to identify suppliers, seek quotes and then compare prices. The procedures for tenders are more complex and time consuming. Personnel requesting goods are therefore asked to ensure they provide as much time and detail (see above) as possible. Once forwarded by central staff, requisitions will still need to be received, processed and delivered by the supplier; the purchasing office cannot control the time this takes however they will try to keep budget holders informed of progress in the processing of orders.

Orders, once raised, will be forwarded to the appropriate supplier and will not require a separate signature. However, orders for the following will still be subject to review, and approval, by the Director of Financial & Facilities as indicated in this guidance:

- Orders for over £5,000 – this requirement also covers the purchase of capital equipment.
- Any orders which purchasing staff feel should be escalated. This check is designed to support all staff from actions which may conflict with these regulations and/or do not support the requirement to seek value for money.

All tenders are subject to three person approval before being sent to potential suppliers.

1.6 Requests for Travel Bookings

There are preferred supplier frameworks for business travel and accommodation overseas and within the UK. Travel enquiries and bookings should be made through the approved processes and can be booked directly with the preferred suppliers, subject to the normal budget approval system. All staff requiring access to the travel booking systems, and budget holders requiring accounts with preferred suppliers should contact purchasing staff for assistance and account set up.

The University has a corporate rail account with the Train line and this should be the preferred route for rail travel other than in exceptional circumstances. Log in and user ID information is available from central purchasing. This account requires company credit card payment. The central office has the facility to book this on your behalf if you do not have access to a purchasing credit card.

Use of company credit cards must be supported by written (email) approval from the budget holder responsible for the spend request and attached to credit card statement log with the correct code.

Alternatively travel within the UK via road and rail may be booked by individuals and reclaimed via expenses.

Purchasing staff can assist and procure travel for individuals following the standard purchasing routes. To ensure bookings are not delayed and best value for money is obtained the following details are the minimum required to enable a booking for travel:

- Date of outward travel.
- Earliest time available to travel from the terminal airport i.e. Heathrow.
- The latest time of departure from the terminal airport.
- Details of any travel requirements to and from the terminal airport.
- If appropriate, say through contractual obligations with an overseas partner, the preferred or mandatory airline.
- Any preferred route i.e. via another country.
- Name of the traveller as it appears on their passport
- If appropriate, any special information relevant to the booking i.e. Medical conditions, dietary arrangements.
- Date of the return journey.
- Earliest and latest time of departure from the overseas location.

If these details are provided then a timely, cost effective booking should be possible. However, members of staff who will be absent from University after their purchase

request has been submitted should, ideally, annotate a contact number on the purchase requisition.

1.7 Dispensations

The Vice Chancellor and Chief Executive has sanctioned the following departments/areas to place orders without using the normal University purchasing procedures:

Library	-	Placing orders for books
Food & Beverages	-	Stock purchases
Campus Services	-	Parcels & Travel vouchers

1.8 Payment at the Time of Ordering

Typically there are two areas where payment is requested at the time an order is placed; either because the provider requests it or, increasingly, because a supplier is identified following a search of Internet suppliers. Payments in advance of the receipt of goods are dangerous for the following reasons:

- we may not actually receive the goods or services
- disputes are more difficult to resolve if payment has already been made for example:
 - If the wrong type or quantity of a product is delivered or The goods are delivered in damaged condition.
 - In the case of internet purchases it may be difficult or impossible to seek legal redress through the lack of clear information on the trader i.e. Address or telephone number.
 - There may be no, or insufficient, paperwork to support the purchase transaction i.e. Invoice, receipt or vat registration details.

Therefore, the practice of paying for goods or services in advance should be seen as a last resort and subject to:

- The goods not being available from an alternate supplier who is able to process the purchase through our accepted procedures i.e. Purchase order and then payment on production of the suppliers invoice.
- If there is no alternative supplier, confirmation being received from the supplier that they will not accept payment other than at the time the order is submitted, either by cheque or e-purchase.

Where, in exceptional circumstances, there is no alternative to payment at the time of ordering details of the procedures to be followed are detailed in Section 1.9 for payments by cheque and section 1.12 for payments by procurement card.

1.9 BACS/Cheque with Order

The practice of paying by cheque is actively discouraged whenever possible; BACS offers greater flexibility and security in almost all cases.

If a BACS transfer has been paid to the supplier at the time of the order, the faculty is responsible for ensuring that under no circumstances is the following invoice processed for payments. Many suppliers, despite the fact that the goods have been paid for, still send an invoice to the University. The invoice should be marked as 'already paid' and passed to the Finance office for filing.

1.10 Purchase of Books

All University books and related orders, whether for inclusion in the library stock or held in the department, must be ordered on the official library book order forms and forwarded to the Library Acquisitions Department. It will be the responsibility of the Library management to determine the most appropriate supplier.

1.11 Books on Approval

There are occasions when a publisher or wholesaler will send books to the University or an individual member of staff in the hope that we will wish to retain the book and, possibly, ask for further copies. There is no problem in retaining these books as long as there is a clear payment system.

If the book comes with an invoice then this should be passed to Finance with a completed payments slip (showing the faculty/departmental codes and signed by the authorised signatory). In this situation no purchase order is required for the original copy; however, orders for additional copies must be sought using the official library book order form.

If the book comes without an invoice, it is essential that the details of the book be notified, by e-mail, to the Finance office via the relevant administrator. This will ensure that when the invoice is received, it is quickly sent for processing to the relevant faculty or department.

It is important to note that failure to send unwanted publications back may lead to the University being charged for the book. Therefore, if books are not required they should be returned as soon as possible using the appropriate returns instructions contained in the accompanying paperwork. It is recommended that the faculty or department keeps a note of any returns made so that the matter can be clarified in any subsequent dispute.

This procedure relates only to those unsolicited books received direct from publishers and suppliers and does not apply to orders placed by telephone, via the internet or to order forms contained in magazines and catalogues.

1.12 Purchases Using Corporate/FX Procurement Cards

The University has access to government approved procurement cards using corporate cards supplied by Barclaycard; this system is nationally accepted as an appropriate and cost effective procurement process.

The procurement cards will be in the name of the University with the name of the individual card holder in faculties and departments. The limit for individual transactions is currently £500. Certain transactions are 'barred', using the mercantile categories and these include purchase of IT hardware, food shopping, purchase of furniture and some other centrally managed resources. These constraints are not designed to limit the opportunity for goods and services to be obtained in any easy and prompt manner, but rather to ensure that these items are compatible with other institutional and departmental policies (IT hardware compatibility), furniture (very significant savings are available when purchased in bulk), where a policy is required to ensure resources are not duplicated and are available to all potential users.

Whilst the cards are predominately used by faculty and departmental administrators, they will also be issued to those members of staff whose duties involve frequent travel in this country or abroad.

Alternatively FX cards are cards pre-loaded with currency and alleviate the need to carry large sums of cash. They can be ordered for recurring foreign travel. Requests for FX cards should be lodged with Finance at least 4 weeks prior to the commencement of travel.

At no time should cash withdrawals or personal purchases be debited to a University Card. If this happens in error the University must be reimbursed immediately.

Reasonable precautions should be taken to prevent fraudulent use of a card. For example, PIN numbers should not be written down or disclosed to third parties and cards should not be used by anyone other than the designated Cardholder. Cardholder details may, as an exception, be disclosed to Hotels etc. in cases, where the procedures insist on having card details to facilitate a booking.

Once per month Finance will provide the cardholder with details of their transactions. These should be coded (using the appropriate expenditure and budget codes) authorised and countersigned by the Dean. All receipts relating to the transaction should be attached to the statement. If any particular transaction is for the entertainment of visiting staff, then full details of those who attended, the organisations they represent and the purpose of the entertainment must be provided. Guidance on the process for completing monthly statements is available on the Finance web pages.

The finance office must receive approved statements, complete with all receipts, within 10 days of the notification of the statement being available.

In the event of the cardholder leaving the University, the cardholder must return the card along with the final statement fully approved and receipted. Any transactions that do not comply with the above, then the University is entitled to recover these costs via a deduction from card holder's final salary. The card holder will be notified prior to any such deductions being made. Repeated or extreme misuse of any card will result in the card being suspended or terminated.

Particular care must be taken that when goods are purchased by procurement card, that the department does not subsequently approve a duplicate invoice for payment. All invoices for goods previously paid, by procurement card, should be annotated accordingly and returned to Finance. The onus for avoiding duplicate payments lies with the ordering faculty, unit or department and not with the finance or purchasing departments.

1.13 Purchase of Downloadable Software

Many companies offering specialist software requires immediate payment and assumes the software will be downloaded by the purchaser with none of the conventional elements of a 'normal' business transaction; an order form, dispatch of goods, invoice and payment. To assist members of staff who are seeking to obtain software 'on-line' the following rules apply:

- A purchase requisition should be raised in the normal manner detailing the supplier, goods being acquired etc.
- The requisition should be approved by the Dean showing the budget and expense codes.
- The completed requisition, duly authorised, should be forwarded to the Director of Library & Learning, who should initial the requisition showing that the item:
 - Is compatible with the university ICT network.
 - Is not already held by the university.
 - Will not infringe any relevant licensing laws or requirements.
- The requisition will be review by ICT staff and a purchase order will be forwarded for approval by one of the University authorised signatories.
- Once approved, the original of the purchase order will be returned to the originator who may then purchase the goods on line. The member of staff purchasing the item should:
 - Pay for the item.
 - Obtain and print the proforma receipt.
 - Ensure the relevant licence number and/or authorisation code is shown on the proforma receipt.
 - Submit a petty cash claim to the Finance office for payment. This form should be signed by the Dean and will be forwarded via the Library admin office for the licence details to be recorded on the university licence database.

- The Finance office will arrange payment subject to the correct payment evidence (proforma receipt from the supplier) being provided.

1.14 Use of Sole Suppliers

There will be occasions when only one supplier is available, possibly due to a monopoly of access or as provider of support or maintenance agreements to existing equipment. On these occasions staff requesting goods may indicate that the items are from a 'sole supplier'. However, purchasing staff are obliged to check if goods are available from another source and auditors will often test that goods are indeed only available from one supplier. In the event that goods are requested from a sole supplier who turns out not to be the only agency able to supply the goods the person completing the requisition form may be asked to explain their assertion on the purchase requisition form to the Director of Finance or the Audit Committee.

1.15 Use of New Suppliers

New suppliers take time to register with the University; staff should ensure sufficient time to administer a relationship with the new supplier before the goods/services are required. Before requesting a new supplier is set up, staff should liaise with the central team to confirm whether the organisation is already set up.

Requestors should provide sufficient information to the team to enable them to contact the relevant supplier for complete administration information.

1.16 Cancelling an Order

If before the goods arrive, they are no longer required for any reason, purchasing staff should be immediately informed. Where possible the order will be cancelled and purchasing will inform the originator of the situation and inform the Finance office. The copy of the order retained within the faculty should be updated accordingly.

The cancellation of an order usually leads to a restocking charge made by the supplier to the customer. This, together with any carriage charge will need to be paid by the budget holder.

1.17 Delivery of goods

Goods should be delivered to the University designated central delivery point. The Facilities team will subsequently deliver the goods to the faculty, though prior warning to avoid 'stacking up' deliveries is appreciated. Faculties are responsible for checking the goods. Items should be ticked off against the good received notes thus ensuring that the delivery documentation is an accurate record of goods received. The goods received note should then be signed. If the supplier does not provide any

delivery documentation, then a dummy note should be created. This should be utilised to complete the electronic goods received note (GRN) in the Finance system.

The signed and checked delivery note should be attached to the purchase requisition and copy order, and filed awaiting the invoice.

1.18 Damaged Goods

If goods received by a faculty are damaged, or not in a satisfactory condition, purchasing staff should be immediately informed of the situation. All original packaging should be retained (especially with furniture and office equipment). Brief written documentation about the situation should be filed in the faculty with the purchase requisition and copy order, with a copy sent to purchasing.

Please note that if goods, which aren't faulty or damaged, are returned for whatever reason, then most suppliers will charge the carriage cost and the cost of restocking the item. This is standard procedure.

2. AUTHORISATION OF INVOICES

2.1 Approving an Invoice

All invoices should be sent direct to Finance for recording of receipt. Where the invoice relates to an order that has a complete GRN in the system, the Finance office will arrange payment using those filed details. Where the GRN is not complete, the invoice will then be returned to the originator for the following checks;

- That the invoice relates to goods which have been delivered. If you are approving an invoice always check that goods have actually been received, if you take someone's word that they have, but they have not been received you will be liable for the payment of the goods.
- That the prices charged on the invoice are correct. This can be done by agreeing the price on the invoice is the same as that quoted on the order.
- That the additions on the invoice are correct and that, if applicable VAT has been correctly charged. VAT guidance is provided separately on the Finance web pages.
- The coding information on the order remains correct
- The approval is transmitted for approval through the faculty E-Bis hierarchy to the finance office

If goods have to be returned, for example three items have been ordered but one is sent back (for whatever reason), it is important that the invoice is retained by the faculty until the credit note has been received. The credit note should then be sent together with the invoice to the Finance office; it is important the credit note can clearly be seen as a separate document. It is incorrect to (a) assume companies will automatically issue a credit note (b) that we will trade with a company again to make use of an earlier credit note and (c) that we will pay for goods, which we have not accepted i.e. we cannot complete the section stating that goods and services have been provided. Invoices should not be accepted, manually or electronically, as being

approvable for payment until all actions are complete and any credit notes have been received.

The faculties systems for checking the invoice and ensuring that processes ensure invoices can only be paid once. Faculties should beware of proforma invoices, and mark them up accordingly, to avoid any risk of duplicate payment associated with a proforma invoice.

2.2 Actioning Invoices

A number of companies offer discounts for early payment whilst others impose penalties if invoices are not paid within an agreed time. The University supports, wherever possible, local traders and many of these smaller firms rely on prompt payment of their accounts. Invoices that are delayed in departments can cost the University money (loss of discounts and/or penalties), cause distress to small traders and, in some cases, tarnish to reputation of the University.

If there is a particular reason why an invoice cannot be approved and returned to the Finance office, for example if there is a dispute over the quantity or quality of the goods supplied, the Finance office should be alerted. They will then be able to advise the supplier's accounts department of the reason for non-payment in the case of hasteners and, if appropriate, argue for the waiver of any penalties or the retention of any discounts that may have been offered. In cases where invoices are not actioned promptly without good reason, the department concerned may be asked to provide details to the Director of Finance. Budget holders should seek to action invoices as quickly as possible and make contingency arrangements such as an approved (and notified) deputy to cover for them during periods of absence.

2.3 Signing Contracts

All University contracts and maintenance agreements must be signed in accordance with the rules detailed in Financial Regulations Section 6.1.

3. INVOICES FOR WHICH NO ORDER HAS BEEN RAISED

There should be very few occasions where an order is not raised for purchases. However, raising a purchase requisition to regularise an order is potentially dangerous - **retrospective orders are not to be used**. The danger here is that the supplier could send in more than one invoice for the same item (e.g. a copy invoice) and that both invoices could be authorised for payment and possibly both paid. This is a very real problem within the University and it is the faculties' responsibility to ensure that this does not happen.

If an invoice for goods or supplies is received and there has been no purchase order, the Finance office will seek an explanation from the person who placed the order for any reason why an order was not placed. Finance will seek reassurance that any

deemed breach of regulations will not be repeated. In the event of repeated breaches of this requirement authority to place orders may be rescinded.

4. CAPITAL PURCHASES

Budget holders are not authorised to reallocate revenue budgets to capital items. The purchase of items must be through the capital budget and their purchase must be of a previously approved sum within the Capital budget. The overall envelope is approved the previous year by the Finance & Resources Committee during the budget round, where the envelope does not indicate specific items; these are approved via SMT on an individual basis.

Faculties who have received approval for capital purchases, or have a capital allocation, must still follow the University purchasing rules (see above).

5. SALES INVOICES

5.1 Raising of Sales Invoices

Faculties may wish to raise charges against 'customers' for services they have provided, these services may be for fees, lost property, accommodation etc. The faculty is responsible for supplying the Finance office with information to enable the customer to be invoiced. This is done by the completion of an invoice requisition form, which requires the following information:

- The name of the organisation or individual to be invoiced together with any contact name for the invoice where appropriate.
- The address of the organisation. If the customer is a new one with whom the University has had no prior dealings, the complete address must be filled in. If the customer is a regular one, only a basic note of the address needs to be inserted.
- The invoice description. The wording inserted here will appear on the invoice and needs to be sufficient to allow the customer to be able to check that the invoice is correct. For example, if the invoice is for a training course carried out by the University, the name of the course and the dates it was undertaken should be included as a minimum.
- The value of the invoice. The invoice may be for a sum of £3,000 for example or it may be per day. The invoice may also be made up of several separate amounts (and departmental codes). The VAT details regarding the invoice should be included, with advice sought from the University Accountant as required.
- The date, faculty and the name of the person requesting the invoice should be completed on the requisition form.
- The accounting codes for the income needs to be shown on the form, to ensure that the income is correctly stated against the faculty and budget line.

- Once the invoice is raised by the Finance office staff, the income will be credited to the faculty immediately, regardless of whether the customer has paid their debt.
- When the invoice is raised, a copy of the invoice is sent to the originating faculty, showing that the customer has been invoiced.

It is the faculty's responsibility to ensure that the invoice has been raised. This is easily done by checking that for every invoice requisition form sent to the Finance office, against transaction reports from the finance system. The invoice requisitions should be regularly reviewed to ensure that there are no requisitions outstanding. Faculties are not specifically responsible for hastening outstanding invoices; debt collection is dealt with by the Finance office. However, faculties may be contacted for assistance in providing advice in the event of difficulty in recovering debts or challenges to debt legitimacy.

5.2 Credit Notes

There may be occasions when the amounts Finance have been requested to invoice are found to be incorrect. This may arise because of the cancellation of, say, one booking out of a block booking, because of a change of requirement for a conference (in terms of rooms or the number of participants) or because an incorrect rate was quoted. In these situations the area raising the original invoice should send a note to the finance office detailing the request for a credit note to be raised. The request should include full details of the debtor, the reference of the original invoice and its amount, the reason the credit is being raised and the amount to be credited. Additionally, the department should quote the relevant department and cost codes to be used. The authorised budget holder should authorise the request.

Credit notes should not be used to clear debts that are not being paid or are being disputed. Any such circumstances should either be regarded as a request for write off or as a bad debt and should be distinctly notified to the Finance office.

5.3 Accommodation and Catering Income

Whilst the majority of income from accommodation can be billed through the process outlined above, there are some instances in which payment should be sought in advance of the use of accommodation or immediately on arrival.

The most obvious examples of these occasions are:

- Overnight visitors, using University accommodation, who may be leaving early in the morning or at weekends, in these circumstances payment should be sought in advance either when the accommodation booking is made or on arrival of the visitor at the University. It may also be appropriate, in certain situations, to seek references.
- Bookings for catering functions should also ensure the bulk of the cost is paid in advance of the actual event to ensure no bad debts/wastage accrues.

5.4 Student Indebtedness to the University

Students of the University may incur charges for a number of different services including:

- Accommodation costs.
- Dining-in scheme.
- Tuition fees.
- Loss of University resources i.e. library books.
- Enrichment activities.

It is important that staff involved in any aspect of these areas make it clear to students that it is their (the students) responsibility to clear these debts. Some charges may be recovered in instalments via a financial agreement. Once made these agreements should be adhered to or the students faces action including withdrawal of facilities and, in extreme cases, being asked to leave their course and the University.

The key is to ensure that students are made aware that they should seek advice from Finance office staff and seek to make agreements to clear their indebtedness.

6. HANDLING OF CASH AND CHEQUES

6.1 General

The following guidelines are offered to assist University staff who may become involved in handling cash (this term includes cheques)

- All customers of the University who hand over cash must be given a University approved receipt.
- Wherever possible, faculties are encouraged not to deal with cash but to encourage direct payment by card or online.
- Cheques should be made payable to the **University of St Mark & St John**.
- Cheques or cash received by faculties should be presented to the Finance office as soon as practically possible.
- Money paid into the Finance office should be recorded in a paying-in book
 - The paying in book should note the receipt numbers against which the income relates.
 - A full description of the nature of the funds must be recorded in the paying in book.

Receipt books and paying in books are available from the Finance office and once complete should be retained, in the faculty or department.

6.2 Anti-Money Laundering Regulations

Anti-money laundering legislation was introduced on 1st March 2004 (The Money Laundering Regulations 2007). From this date, organisations which wish to accept cash payments for individual transactions in excess of €15,000 are required to register. We, as a University, do not normally receive payments of this size and so will not be registering. Similarly, we are not expecting to receive any large payments for in excess of €15,000 to be paid in cash. However, in the unlikely event of such a situation occurring, the payee is to be requested to settle their debt by cheque or procurement card. Neither of these payment methods are affected by the legislation. Further advice on this matter is available from the University Accountant.

6.3 Handling Cash from Machines

Staff removing or transporting cash to/from machines (vending, parking, etc.) should adhere to the following guidelines:

- Empty the machine with a colleague.
- Ensure that keys to machines are held securely i.e. that one individual does not have access to both safe and machine keys.
- In the event that there is only one key this should be held securely to prevent unauthorised access to the contents of the machine.
- The contents of the machine should be recorded in a book showing:
 - The date emptied.
 - Names of those emptying the machines.
 - The sum removed.
 - If the machine has a meter – the meter reading.
- Where possible meter readings should be reconciled with the contents.
- Takings should be monitored and compared with previous periods to highlight any possible malfunction or fraud. Checks of cash will also indicate usage and possibly the continued value of the machine.

Staff who suspect a machine has been tampered with or who have suspicions about its usage should inform their line manager who should, in turn, inform the Director of Finance.

6.4 Staff Protection

Staff handling cash as part of their duties should take particular care when dealing with public money. Staff, who adhere to the above rules should protect themselves against any claim, including allegations of a frivolous or mischievous nature, of any financial impropriety.

Failure to follow these guidelines may lead to accusations of improper action and these can, if proven, lead to disciplinary action. All staff are therefore encouraged to

ensure they comply with all the guidance offered in these regulations. If staff are approached in an improper manner about any financial issue, or if they are unsure of how to deal with a monetary matter affecting the University, they should report the matter to the Director of Finance.

6.5 Charity income

Individuals wishing to collect monies in the University name on behalf of charities should familiarise themselves with the University policy on charity collections. All collections on-site should be in line with the Charity Commission guidance on collection best practice. All other cash collections should be in accordance with cash management procedures detailed above.

7. TRAVEL AND SUBSISTENCE CLAIMS

If the duties of a member of staff fall outside the premises of the University, then additional expenditure that is wholly, necessarily and exclusively incurred by that member of staff will be reimbursed as follows.

The rates of travel and subsistence allowances described below also apply to members of the University Board of Governors and its committees (executive, audit, nominations and remuneration) who are engaged on University business.

7.1 Subsistence

This can be claimed to cover expenditure incurred on food and non-alcoholic drink items at the following maximum rates. These are indicative rates, in exceptional circumstances with full invoice support the University may honour payments beyond this level on a case-by-case basis.

Minimum travel time of 5 hours	Maximum meal allowance £5.00*
Minimum travel time of 10 hours	Maximum meal allowance of £10.00*
Minimum travel time of 15 hours	Maximum meal allowance of £25.00

*Where an employee is involved in a qualifying journey lasting beyond 8pm a supplementary £10.00 can be claimed.

All claims, whether on the individual meal or daily allowance basis, for subsistence must be supported by valid receipts. Claims can only be made up to the value of the receipt. An original receipt is required and must be fully broken down into constituent elements of the expenditure, see section 7.6. **A credit card voucher will not suffice.**

Please note that for tax purposes, the University is unable to fund the payment for any alcohol. Nor will the University fund payment of any tips or gratuities, unless they are deemed to be the cultural norm in the region where the expense has occurred.

7.2 London Rates

When staff are in London, the University acknowledges a premium charge can apply, therefore an uplift to the basic rate of subsistence of 20% will apply as the maximum claimable amount.

Please note that without full receipts (see section 7.6) nothing can be claimed.

7.3 Hotel Accommodation and Subsistence

Hotel accommodation will be reimbursed to actual levels of expenditure subject to the production of receipts and in line with the following guidance:

- Hotel accommodation should be fit for purpose i.e. comfortable without being opulent and it should be safe.
- Beverage costs will be reimbursed but alcoholic drink expenditure will not be refunded.

Business related communication charges (telephone, facsimile etc.) will be reimbursed on production of receipts and subject to certification that calls are 'duty calls'.

Staying with friends/family is not a chargeable allowance, but qualifying expenditure to facilitate staying with friends/family may be reclaimed. Please liaise with the University Accountant if you are unsure as to what is allowable.

7.4 Entertaining

Reasonable entertaining costs for staff and guests may be claimed on production of receipts where visitor(s) are present for a professional purpose and their attendance is judged likely to be beneficial to the University and the expenditure is considered to be the only way in which the University's business interests may be moved forward.

The general guidelines, detailed below, relating to entertaining visitors should be followed:

- The ratio of staff to visitors should normally be no greater than one member of staff for each visitor.
- Claims for the reimbursement of entertainment costs of another member of the university staff are not permitted.
- Wherever possible university catering facilities should be used, there should be no need for 'off site' entertaining at lunchtimes.
- The normal maximum costs of entertainment, including wine, vat and taxis to and from the restaurant is to be limited to a maximum of £30 per head, subject to the production of full receipts. Gratuities will not be reimbursed, without the

express approval of the Director of Finance. Where this sum is likely to be exceeded authority is to be sought, in advance, from the Director of Finance.

Claims for reimbursement of entertainment expenditure should include the following details:

- The names of those attending (visitors and hosts).
- The organisation the visitors represent.
- The purpose of the entertainment.
- The split between the various types of expenditure.

7.5 Staff Events

Periodically senior managers may authorise their staff to attend team development events. These should be approved by their line manager before arranging. In the case of the Vice Chancellor, they event should be authorised by the Chair of the Governing Body. Costs of the food, drink, travel, hire of premises may be charged in these instances. No costs relating to a Christmas party or equivalent annual function may be charged to the University.

Some overseas students pay (or have paid for them by their sponsor) the costs of what is called a 'social programme'. In such cases, expenditure incurred in providing entertainment to these students either through excursions, travel, evening social events etc., may be reimbursed. It would not normally be expected that expenditure would include the purchase of alcohol. Such expenditure should be made in line with University procedures (purchase requisitions, purchase orders, petty cash etc.) whenever possible. If doubts exist about the procedures relating to expenditure on social programmes, including admissible expenditure, these should be discussed with the University Accountant, in advance of any activity or event.

Claims for petty cash, supported by itemised receipts, should be accompanied by details of the amount of social funding provided (by the student or their sponsor), sums already spent or allocated (for other activities). This programme should have an individual cost centre code to enable a full reconciliation of income and expenditure. All petty cash claims for payments for social programme expenses should be signed by the Dean.

7.6 University Forms to be completed

The following procedure is to be adopted for claiming travel and subsistence payments;

- A standard University claim form must be completed – memos or letters are not acceptable.
- All receipts must accompany claims. Regrettably no reimbursements will be made without a receipt. Receipts should contain full details of the service provided and include, the following:

- Suppliers name and address i.e. Hotel.
 - Date of the transactions.
 - Full itemised details of service being provided i.e. Room, breakfast, phone calls etc.
 - Wherever possible, a proper vat receipt should be provided.
 - Credit card vouchers and statements are insufficient and will not be accepted as a receipt. Similarly a receipt with no details of the supplier will not be accepted.
- Claims for expenses will be paid on actual receipts for meals purchased and no reimbursement will be made for 'food in lieu' i.e. supermarket bills.
 - Individuals should claim their own expenses. In exceptional cases claims for other individuals should be accompanied by full details of their name, what was purchased and the reason they are not claiming their own expenses.
 - Travel claims should relate to one person only, joint claims should not be submitted. In exceptional circumstances where joint claims are unavoidable both claimants should sign the one claim being submitted.
 - Allowances should not be claimed for individuals from other institutions or for 'private' individuals.
 - The accounts code at the bottom of the form should be filled in to allow the claim to be charged against the correct budget.
 - The form must be completed and signed by the claimant to state that the expenses have been claimed in accordance with the University rates, are supported by valid receipts, and relate to valid University business.
 - Completed claims should be checked and authorised by the Dean and should be evidenced by their signature. Claims for the Vice Chancellor and Chief Executive are normally signed by the Chair of Governing Body. Claims for members of the University Board of Governors are approved for payment by the Secretary to the University Board of Governors .
 - Claims should be submitted as soon as practicable after the trip and no later than the end of the month in which the journey took place
 - The claim form should be passed to finance for processing.

Claims of less than £5 should be claimed via petty cash at the finance office. Claims up to £60 may be paid in cash; sums in excess of this limit will normally be paid by direct credit to supplied bank details.

The travel and subsistence claim form should only be used to claim these types of costs. Other purchases such as books, stationery and resources (which fall within the petty cash purchase procedures described in Section 13 below) should be claimed through the petty cash system. No reimbursement for these costs will be paid on the travel and subsistence claim form.

7.7 If Receipts are not available

Increasingly receipts are not available as a matter of course. It is the responsibility of staff to request a receipt to support their claim. Where automation prevents retaining a receipt the Finance office will honour claims if it can be reasoned as part of the wider claim. Generally if a member of staff cannot, for any reason, provide receipts to substantiate expenditure, the claims over £100 will need to be approved by the Vice Chancellor's Office, below that approval by the Director of Finance. The request seeking approval should be made in writing, using the appropriate Finance office proforma, which should be signed by the Dean. No payment will be made until the matter has the required approval and payment without receipts will only be approved in exceptional circumstances.

8. ADVANCES

Before a member of staff embarks on an approved business trip where out of pocket expenditure will be incurred, they may claim a cash advance which aims to cover, or partly cover, likely expenditure. Receipts are still required as evidence of subsequent expenditure.

The advance form must be completed, approved by the Dean and passed to the Finance office before the cash sum is required. A minimum of one week's notice of the requirement for cash should be given. This notice will ensure that sufficient funds are available at the required time.

Once the trip is completed, the travel and subsistence form must be completed in the normal manner with all relevant receipts attached. If the claim is greater than the value of the advance, any balance will be paid. Conversely, any amount of the advance which is unused or unsupported by receipts must be repaid to the University.

Individuals are expected to submit a claim to clear their advance within 14 days of their return to duty following the duty journey. Advances not cleared within one month will be reported to the appropriate line manager. The University has the right to obtain repayment on demand of any advance, and could if necessary deduct expenses owed from a salary payment. A second advance will not be issued whilst a first issue of funds is overdue.

9. OVERSEAS TRAVEL

Prior to any overseas travel the safety of all destinations and transit stops must be assessed.

The rules relating to overseas travel are detailed in the financial regulations, Section 14.2. The following procedures apply to overseas journeys and assume the necessary authorities have been obtained for the journey:

- accommodation and subsistence claims will be refunded against actual expenditure subject to production of receipts
- Claimants should use the standard University expenses claim. However, a supporting schedule is also required to provide additional information including:
 - A list of dates and itinerary.
 - Amounts claimed for each day broken down by type of expense i.e. Meals, accommodation etc.
 - An explanation of the item including, where appropriate, a translation of the item shown on a bill.
- The expenses form must be signed by the individual as proof that the sums claimed are valid business expenses incurred, and must be authorised by the appropriate Dean.

10. TRAVEL BY HIRE CAR

The University **expects** staff, whenever possible, to use public transport for duty journey's. However, the University accepts this can sometimes be impracticable for operational reasons i.e. excess absence from the University, cost or other practical issues i.e. no public transport. Typically most staff will then use their private vehicle, operating under 10.3 below. Outside these options the University may 'hire in' vehicles. Please discuss this matter with the Campus Services Manager if you have any doubts.

10.1 Requesting a Hire Vehicle

To request a vehicle, an application for use of vehicle form should be completed, approved by the budget holder and passed to Reception at least three working days before the vehicle is required. Campus Services may recommend alternative arrangements (such as taxi's) where the economic viability of hire is not justified.

Campus Services staff will make the booking using their online booking systems. They will then arrange for an appropriate vehicle to be delivered and ready at the appropriate time. For car hire, a copy of the booking confirmation will be sent, via email, to the requester and the budget holder. It is their responsibility to ensure the booking is correct.

10.2 Using the Vehicle

- An allocated supplier for cars and minibuses will be used to hire the vehicles; all bookings/amendments will be completed by the Campus Services team.
- In preparation for the required time a transport folder will be prepared, this will include the keys, the booking form and car hire/first aid information.
- Once the driver collects the transport board, a fuel card will be issued to the driver. Prior to taking the vehicle the driver must check the vehicle for damage, full fuel tank, etc. immediately reporting issues to Campus Services staff, who will inform the Campus Services Manager and the hiring company.

- All receipts for the purchase of fuel must be kept and returned to Campus Services at the end of the hire. The vehicle must be returned with a full tank of fuel. The fuel card, keys and transport board are to be returned to reception for processing.
- If the hiree fails to perform the check of vehicle damage before use, or return the vehicle correctly fuelled, for which the University is subsequently charged, the University may transfer the cost to the individual involved.
- The driver must understand that vehicles hired by the University are for business use only. The vehicles are not insured for non-business activities. They are insured, however, at the homes of staff members thus covering the occasions when the vehicle cannot be easily delivered or collected to the University premises following the business use.

10.3 Use of Private Vehicles

Whilst all staff are expected to use public transport or a University vehicle, there may be occasions when the use of private car may provide greater flexibility and/or savings of time. Members of staff using their private car, at their own choice, will be reimbursed as follows:

For the first 150 miles (75 miles each way) of a duty Journey	45 pence per mile
For all remaining miles over the first 150	25 pence per mile

Members of staff seeking payment of the higher rate for more than the first 150 miles will have to make a request, in advance, to the Director of Finance stating the reasons. Payments at the higher rate for more than the first 150 miles will only be made in exceptional circumstances.

Staff whose contracted base is not the University main campus are encouraged to use public transport for required attendance. If suitable public transport is not available, they will be reimbursed at the rate of 45 pence per mile.

The rates for motorcycles and bicycles are:

Motorcycles	- up to 50 miles return trip	24 pence per mile
	- Over 50 miles return trip	24 pence per mile
Bicycles	- up to 50 miles return trip	20 pence per mile
	- Over 50 miles return trip	20 pence per mile

Passengers travelling on authorised University business will attract an allowance of 5 pence per mile. This sum is paid to the driver of the vehicle.

There are two other points which relate to the use of private cars:

- All members of staff using their private vehicle for business use must ensure that their vehicle is roadworthy, taxed and tested and that their insurance is

valid for business use. Any additional costs of obtaining this insurance cover will be the responsibility of the member of staff; the University will not reimburse these costs. Vehicles should hold basic first aid items in the event of a minor accident. Random checks will be undertaken

- The work base for all staff is the University and there is an expectation that payment for journeys started from home will take account of the normal mileage to and from the University which does not attract payment. To help individuals decide whether they are able to claim, the following illustrations are offered for guidance:
 - A member of staff lives in Exeter and undertakes a visit to Taunton a return trip of 68 miles. They could use their private car but would not be able to claim as they would normally be expected to pay for the first 88 miles per day; their hypothetical home to duty journey from Exeter to Plymouth.
 - A member of staff living in Bodmin undertakes a series of faculty visits in Cornwall before returning to the University in the afternoon. He/she would be able to claim the total mileage less the theoretical trip from Bodmin to Plymouth and return, their normal daily journey to University.

10.4 Payments to Students

In certain circumstances the University will pay 'contributions towards' the cost of student travel on recognised University activities. The exact details of what trips qualify for assistance will be agreed with students by their respective Deans. For those occasions when a contribution is being made, mileage will be reimbursed at the rate of 20 pence per mile plus a passenger allowance of 5 pence per passenger. Student using their own bicycles for recognised University business will be paid at the rate of 10 pence per mile. If a contribution to accommodation is made whilst on official placements, under agreed faculty rules, this will be at the rate of £8.50 per night.

It is important that staff organising trips for which they are seeking to reimburse students for using their private cars for a University activity ensure:

- The Dean of Faculty approves the payment.
- Payment can be met from the faculty budget.
- Students are aware of the requirements above that would still apply.

No reimbursements will be made without the prior approval of the Dean.

11. RAIL TRAVEL

The normal UK class of rail travel is standard class. Authority to travel First Class should be sought, in writing, from the Vice Chancellor's Office.

Requests for train travel should be submitted to the Purchasing Officer using the normal University purchase requisition procedures. The following information is required:

- The name of the individual requiring the ticket.
- The times and dates required.
- The destinations.
- The type of ticket.
- Any other relevant information.

Alternatively members of staff may purchase a rail ticket and claim, subject to production of their ticket, a refund via a travel and subsistence claim form. Staff using this route are expected to seek the most economic terms available and should ensure they travel at the appropriate class of travel (see details above)

12. FIELD TRIPS

There are occasions when staff will take students on field trips either within the UK or overseas. Whilst these trips can be both enjoyable and educationally rewarding, they do require a high degree of planning and careful administration. These notes are not designed to be exhaustive but they do provide guidance on key areas to be considered.

- A. Approval. It is important the trip is authorised in advance, in writing, through the normal University channels. No trip will be approved unless it meets the requirements of the University off site safety management procedures. Advice on these procedures is available from the Compliance Manager within Estates Resources.
- B. Financial Planning. The costs of the trip must be covered by the income (from students) and any contribution being made from faculty or department resources. It is essential that students are asked, in advance, for their contributions and that these prove adequate for the total costs likely to be incurred. Students may be justified in refusing to pay a post trip surcharge to cover costs. If the trip ends with a financial surplus the sum remaining must be reimbursed to the students who participated and not, for example, retained for trips by other students in subsequent years.
- C. Collecting payments from students. It is essential that funds collected from students are properly accounted for. Students should be aware of the total cost of the trip and, ideally, pay a non-returnable deposit for the unrecoverable cost of the trip (this would normally relate to non-returnable costs such as hotel deposits, ferry fares or vehicle hire). Thereafter payments from students should be taken so that full payment is made before the trip

actually starts; this is likely to be necessary to allow for final invoices to be paid before the journey i.e. hotel bills. The following are important points in ensuring accountability for students funds:

- Students should pay their contributions to a member of the faculty administration staff, wherever possible, so providing an independent check on sums paid in for the trip.
- Receipts should be issued to students for each payment they make.
- Whenever possible students should be encouraged to pay through on-line mechanisms or by card.
- Funds paid in by students should be presented to the Finance office as soon as practically possible.
- Money paid into the Finance office should be recorded in a paying-in book (showing the name of the student and amount paid).

D. Identification of costs. The following costs are likely in most trips and need to be costed in advance:

- Travel costs – coach, train or plane including costs such as ferry, tunnel or transfers (to/from airport).
- Students should not be charged for minibus usage, this changes the terms of the university permit for use of this type of vehicle.
- Accommodation costs – at the destination and in transit.
- Meal costs – if these are included in the plan, including meals on route.
- Funds for petrol, road tolls and parking fees.
- Allowance for currency fluctuations.
- Insurance – the university can arrange insurance cover for field trips, however details should be provided in advance of the trip to the Vice Chancellor's Office. It is important that the terms of the cover are checked so that additional requirements can be provided to members of the field trip i.e. Limitations on cover relating to personal cash or belongings. In addition to insurance cover, organisers should also consider other paperwork such as the European Health Insurance Card.

E. Payment for Goods and Services. The University rules for paying for goods and services apply equally to trips of this nature. Purchase requisitions for costs such as ferries, vehicle hire, and hotel accommodation can be made in advance and, subject to the availability of the correct paperwork, such as invoices, paid in accordance with the supplier's terms

F. Funds for costs incurred on the Field Trip. Some funds will be required to pay for costs on route or at the destination and these may include meals,

entrance fees, fuel uplifts, tolls etc. An advance of funds may be obtained from the Finance office subject to the following:

- That there are sufficient funds available to issue an advance i.e. an advance of £1,000 will only be provided if that level of funds is available (no issues will be made on the basis of sums due from students).
- Advances may be made in foreign currency subject to sufficient notice being given to the University Accountant of the amount and the currency being sought.
- That an advance is issued to the trip organiser and that he/she is personally responsible for sums issued
- The advance must be cleared within 14 days of the end of the trip by:
 - The return of unused funds.
 - Itemised receipts for all expenditure and these must: comply with normal financial regulations i.e. No alcohol, no private expenses and include translation of overseas receipts for all types of expenditure.
- If receipts for expenditure incurred are not provided or funds to repay the loan are not returned, the organiser will be responsible for repaying the funding shortfall.

As with many activities of this type, problems can be avoided by seeking advice in advance. Early discussions with the appropriate University staff, for example, prior authority (line manager), finance and insurance (Finance office team) and transport (Campus Services Manager) can considerably reduce the worry and administrative burden for trip organisers.

13. GENERAL PETTY CASH/REIMBURSEMENT CLAIMS

13.1 Petty cash claims should be kept to a minimum as purchases should be made through the standard University ordering system. The following procedures apply to claiming petty cash:

- Expenditure which would typically be incurred and then claimed as petty cash includes items such as fuel for University vehicles on longer journeys.
- If written prior approval from the Dean is given, it is possible for individuals to purchase goods through petty cash. These goods should be of a very small cash value (as a guide no more than £20) and the purchases should only be made in exceptional cases i.e. If the University purchasing system cannot meet the required deadline. Repeated use of the petty cash system for such purchases is not permitted.
- If an item (as described in the previous bullet point) is purchased in cash and a refund sought without the prior approval of the Dean or where the sum exceeds the amount suggested above, the individual must obtain the Director of Finance signature for reimbursement.

- Places on courses and conferences should go through the University ordering system. They should not be paid by the participant personally and reclaimed through petty cash.
- Original, fully itemised VAT receipts are required for all claims.
- The money is reclaimed by the completion of a petty cash form. The account code on the form should be completed to allow the claim to be charged against the correct budget.
- The form must be completed by the claimant and then signed to state that the expenses relate to appropriate University expenditure supported by valid receipts.
- The authorisation and checking of expense claims should be carried out by the faculty and should be evidenced by the Dean's signature.
- The expenses are claimed from the Finance office.

13.2 Petty cash has previously been used to reimburse claims for parking permit refunds (the car park permit refund proforma should be used rather than the petty cash proforma). Refunds are made to staff and students who return a pass which has at least 1 months to run and they will be paid at the rates published for any remaining full months. The refund will be raised by the Campus Services Manager and approved by the Director of Finance who will check, in the case of staff, the sum to be refunded relative to the amount paid at the time the permit was issued. Refunds will only be authorised once the permit has been returned to Reception. There can be no refunds for sums paid through the parking machines, other than the Sports Centre user approved scheme.

13.3 The University will, in certain circumstances, reimburse the cost of eye tests and make a contribution to spectacles. The rules relating to '*Eyesight Tests for Users of Display Screen Equipment*' are contained in the staff handbook and guidance on the criteria and the assistance the university may be able to offer is available from the Human Resources office. Please check your entitlement, the procedure and the help on offer before you have any tests or commit to any expense.

14. WORK FOR OUTSIDE BODIES

14.1 Pricing of the Work

For income in excess of £10,000, the Director of Finance should be involved in pricing decisions. Before any price can be negotiated with the customer, or any level of work agreed within a fixed sum, the Director of Finance must be involved to:

- Ensure that the price more than covers the projected costs of the undertaking, including consideration of all relevant overheads.
- Conduct credit checks on the proposed customer as required.

Deans must formally approve works to confirm their agreement to release staff time and other resources. If the price, or proposed price, does not more than cover the cost of the activity and the overhead, the Dean must be prepared explain the faculty's rationale to subsidise the work.

This guidance applies to all work including home and international contracts as well as research and teaching agreements.

14.2 Income Notification

There are an increasing number of occasions in which individual members of staff may be involved in generating income to the University outside of our normal core activities. These sources of income often result from bids to external agencies. It is essential that all sources of income are notified to the Director of Finance as soon as they are secured. Expenses will not be processed until appropriate contractual information to manage the funds has been made available to the Finance office and bespoke cost centres created.

The receipt of income should not be a surprise as bids to, or in response to a request from, an outside agency will have been subject to internal financial scrutiny per 14.1. In most cases, the bid will have been signed by the Dean and Director of Finance at the negotiation stage. However, regardless of the process, it is essential that details of the income are notified to the Finance office on award, together with the plan for the use of the funds, this should contain:

- Details of direct costs
- Academic staffing
- Support staffing
- Curriculum resources
- Travel and subsistence
- Other costs:
 - The contribution towards institutional overheads.
 - Payments to partner organisations.
 - The timing of income and payments.

14.3 Income Available to Faculty

All externally generated project income will normally be subject to an institutional top-slice to cover the full economic costs that have been incorporated into the bid. Any surplus will be used, in the first instance, to off-set projects within the faculty that fail to cover their own full economic cost. Distribution of surplus income to the faculty will be used to support strategic investment and development taking account of:

- The faculty staffing situation.
- The overall university budgetary situation.
- The faculty budget situation.

Whenever possible funds will be provided to faculties as an incentive to take on new work and ideally to pump prime development projects, at the discretion of the Vice Chancellor.

14.4 Faculty use of additional funds

Faculties awarded additional funds for work will be notified of their entitlement once a decision on the level of funding has been agreed. The use of these funds may be to:

- Increase the amount available on a revenue budget line(s).
- Convert the sum to non-baseline staff hours.

15. PRINTING/INTERNAL TRANSFER REQUIREMENTS

Wherever possible printing and photocopying should be carried out in the Copy Shop. The only photocopiers in the University which are built for a high volume of copies are those situated in the Copy Shop and there are members of staff who are trained in carrying out a wide range of photocopying and printing tasks. All members of staff are therefore encouraged to use the Copy Shop.

Requisition forms should be completed with the relevant information about the job (or an email containing the requisite information). This must be coded and authorised by the budget holder. Any requests for paper should also be made through the Copy Shop, again via a duly authorised photocopy requisition form.

Under no circumstances should printing or other internally available services be sourced externally without the express permission of the Director of Finance. External options that 'appear' more cost effective than internal services often overlook the benefit of retaining funds within the University.

16. FORWARDING OF PARCELS

There are occasions in which parcels need to be sent to external agencies, these may include; returned goods, exam papers or bulk publicity material. The following guidelines are offered in ensuring the goods are dispatched in the most appropriate and efficient manner:

- Before returning goods to a supplier, it is important to check that the costs cannot be claimed from the person who actually delivered the items. This is particularly relevant in relation to incorrect or faulty goods. Before sending them check with Purchasing staff whether the costs can be reclaimed from the supplier or whether they, the supplier, will issue a pre-paid returns label.
- Items being forwarded should be properly packed with details of the University's return address being displayed on the outside of the packaging.

- The parcel or package should be taken or sent to Campus Services with any special delivery requirements being clearly identified i.e. Next day delivery required.
- Campus Services staff will seek to dispatch the parcel by the most appropriate and cheapest method and this may be via Royal Mail or via commercial carrier. No order is required to obtain the services of a commercial carrier.
- Campus Services will keep a log of all parcels dispatched and the individual cost of each item.
- On receipt of the bill from the carrier the invoice will be sent to Purchasing staff who will compare it with the items dispatched and code the charges. The bill will then be passed to the Director of Finance for approval before transfer to the Finance office for processing.

16.1 Private postage

Under no circumstances should private postage be undertaken at the University's expense. The Campus Services team reserves the right to pass postage they suspect is being charged to the University fraudulently to the Director of Finance. Such items may be opened, and misuse of postage, or other similar services, may lead to disciplinary action being taken.

17. ELECTRONICS – USAGE AND OTHER COSTS

17.1 University Telephone System

The University telephone system (and any mobile phone provided) is designed to provide access to and from the University for University staff who are undertaking official University business. Business calls may be made on the University telephone system and the following guidelines are provided to ensure we seek to achieve value for money:

- Calls overseas locations should be kept to a minimum and be as short, in duration, as possible.
- The most cost effective method of national and international contact should be preferred at all times.
- No calls should be made to premium service numbers.
- Telephones that are capable of making outside calls out of normal hours should be protected from unauthorised use i.e. by standard good security practice of locking doors.

Usage is monitored centrally and serious or repeated breaches of these rules may lead to disciplinary action being taken.

17.2 Private Telephone and other usage

The University accepts that the odd, short, local call of a personal nature (for example to notify a family member of lateness) may be necessary. However, telephone calls, or printing of a purely personal nature i.e. in connection with a private business or purely social/personal communication should not be made other than on a repayment basis. This system relies on the individual concerned to make a judgement on the nature of their call; if they suspect the University has suffered costs that should not be charged to the University they should supply the following details to the Director of Finance, in writing:

- Their name and department.
- The date and time of the call.
- The number called.

An invoice will be raised, when the itemised bill is received from the supplier, for the cost of the call plus VAT. Details of activities and by whom will not be disclosed to third parties.

The University usage of telephones and printers will be monitored and in cases of high cost or frequency, the Dean will be notified to seek explanation and, where breaches have occurred, take action.

17.3 University Owned Telephones and equipment

Where an individual leaves the University with equipment, phones, etc. signed out in their name, or when reasonably requested to return equipment, they must return all items to the requisite department. Failure to surrender items means the University is entitled to recover these costs via a deduction from an individual's salary. The individual will be notified by the HR department prior to any such deductions being made.

17.4 Use of Private Telephones

Calls made on private telephones, land line or mobile, will not normally be reimbursed unless they are supported by an itemised bill upon which the nature of the call is specified i.e. the person or organisation being called and the reason. The bill should certify that the calls are official and the claim should be countersigned by the appropriate line manager.

17.5 Broadband and Internet Connections

Employees who have an explicit contractual requirement to access the internet for work purposes using their own computer or laptop may claim reimbursement of call costs only. The University will not bear the cost of any part of the subscription to an Internet Service Provider (ISP). Similarly, the University will not fund, in full or in part, any costs of internet connections or amendments to land lines required to provide an ISP in an employee's home.

18. SALARY INCREASES AND INCREMENTS

Increments are applicable annually as detailed in the contract provided to each member of staff. If a member of staff's grade allows an increment, under the rules described in the staff handbook, then it is awarded automatically.

Any increase on the incremental system of more than one increment must go through the organisational change process and accord with the relevant HR guidance. The annual pay award in 2018/19 is payable from 1 August 2018

19. HOURLY PAID ACADEMIC STAFF

19.1 Employing Hourly Paid Academic Staffing

Faculties may, through the University's business planning process, generate sufficient income to be entitled to employ part time hourly paid staff because of special needs or understaffing in the faculty. The following procedures apply to part time hour utilisation:

- A budget will be established through the business planning process, agreed by the Board of Governors, and devolved to Deans as a lump sum entitlement.
- The Human Resources office will be informed of a faculty's hourly paid staffing entitlement. They can advise of the individual impact of appointments on that balance. The entitlement will be reviewed periodically throughout the year with Finance staff.
- The faculty may, where need is identified and sufficient hours are available, issue a proposal form for part time hours. This should be completed in advance, signed by the Dean and sent to the Human Resources office.
- The Dean must assure themselves that budget exists to support the part time hours. The Director of Finance will need to countersign requests that involve virement between baseline and non-baseline staff budgets.
- The Dean is responsible for liaising with the lecturer regarding exact details of when and where he/she will be working.
- Once all or some of the hours have been worked, the lecturer should submit the claim for payment showing all the details including the hours worked and amount claimed. The form which can be obtained from the Human Resources office or the faculty must be signed by the Dean and passed to the Human Resources office for payment.
- The lecturer should claim for the hours worked monthly in arrears. It must be remembered, however, that in order for the payroll details to be processed, authorised claim forms must reach the Human Resources office by the publicised date.
- Deans should check the accuracy of claims and approve them for payment having ensured;
 - That the claim for part time hours is in accordance with the contracted hours requested from personnel.
 - The correct amount of hours, hourly rate and sum claimed are correct

- Incorrect claims should be returned to the claimant.
- in respect of travel claims that the claimant;
 - Was on official duty for periods for which the allowances have been claimed.
 - The charges are a legitimate charge to the (line managers) budget.
 - The rates claimed are in line with current university allowances.
 - The claim is arithmetically correct.
- If the claim is incorrect or incomplete then the form should be returned to the claimant for amendment.
- Any errors noticed by central staff will be returned to the claimant via the respective Dean's office.
- There are no circumstances whereby hourly paid lecturers can be used without them first being offered a letter of employment from the human resources office. Staffs who breach these rules by engaging teaching assistance without prior approval (and the issuing of a contract of employment) may be subject to disciplinary action.

19.2 Self Employed Staff

Typically staff working for the University will be employed. Some staff may claim to be self-employed or to be consultants and therefore expect to be paid without the deduction of tax and National Insurance. Guidance on employment status checks is available via <http://staffnews/mod/page/view.php?id=1240> alternatively staff should contact the Human Resources department.

20. VISITING LECTURERS

The following procedures apply to the use of visiting lectures:

- Visiting lecturers are those who are utilised by the University for six hours or less over the academic year. If individuals are used for more than 8 hours per year they cannot be classed as visiting lecturers.
- A letter of employment is not required in order to use the services of a visiting lecturer.
- If a lecturer is employed on an hourly paid contract anywhere within the University, the same lecturer cannot be classed as a visiting lecturer.
- Once the hours have been worked, a visiting lecturer should complete a claim form which should be authorised by the Dean and passed to the Finance office for payment.
- The cost of employing a visiting lecturer is met from the faculties' revenue budget and not the part time hour's allocation.
- Visiting lecturers are paid at the prevailing University mileage rate when they use their own cars to travel to and from the University. Other payments, for example accommodation may be made in exceptional circumstances as agreed by HR and detailed in the letter of temporary appointment.

21. INTERNALLY FUNDED PROJECTS

Project funds releases are authorised by the Vice Chancellor. Projects will be notified to the Director of Finance in writing, indicating amount and start/end date. Funds are issued against the following rules:

- If a specific project is authorised, the individual will be informed. The individual then is able to start the project and spend in accordance with the bid.
- A cost centre for the project will be identified by the Finance office.
- If, for any reason, the individual wishes to change any element of the project, including how the money will be spent, they must obtain the approval of the approving sponsor in order to do so. The Finance office needs to be informed of any approved changes in the amount of expenditure which will be incurred.
- It is the budget holder's responsibility to ensure that there is no overspend on their budget or allocation and to ensure that the funds are spent in the year of their approved bid. Any overspend becomes the responsibility of the faculty.
- The grant may include an entitlement to additional part time hours depending on the faculties overall staffing situation, advice on this can be obtained from Human Resources. If any additional staff are to be employed from the project funds, the normal Human Resources office systems must be adhered to.
- Any goods or purchases required must be obtained through the normal University ordering procedures.

22. ASSET DISPOSAL

There will be occasions when a University asset, normally an item of equipment, will no longer be required by the faculty or department who purchased the item or in whose area it is based. There is a need to ensure that this public asset is disposed of correctly and that its transfer to a new owner is fairly transacted.

The following general points apply:

- All IT equipment (monitors, hard drives, keyboards etc.) should notify to the Director of Library & Learning who will examine alternate uses within the University.
- Special guidance relating to the disposal of equipment with potentially sensitive data or information should be sought from the Director of Library & Learning.
- All surplus furniture should be notified to the Director of Finance who will examine alternate uses within the University.
- All surplus equipment should be reutilised in other faculties/departments within the University where possible. If appropriate faculties may negotiate a transfer price, on notification of agreed transfer pricing the Finance office will prepare the required journal..
- Capital items disposed of under the guidelines contained in this section should also be removed from the University asset registers. The asset register should have the date and method of disposal recorded against the item, having ensured

serial numbers agrees. Details of the asset disposal should be passed, in writing, to the Finance office.

Items that are not required in a faculty and which cannot be made use of elsewhere within the University may be evidenced by the 'Fixed Asset disposal form' and may be disposed of in accordance with the most appropriate methods described below:

- If the item has no residual value and is effectively scrap by disposing of it as waste.
- If the item has no residual value to the University but may be of benefit to a partner organisation i.e. a faculty – by gift (this will of course assume that the item is safe and carries no continuing liability to the University).
- An item with a significant residual value i.e. £150 or more, or a number of items which collectively would amount to this total i.e. 10 PCs – by offering the item to external interested parties by:
 - Tender for items worth £1,000 or more
 - By sealed bid for items up to £1000

These items should be advertised through the press or by direct approach to interested parties:

- Individual items with a low residual (£100 or less) by offering them to interested internal personnel (staff or students) by sealed bid.

Items being offered to external agencies should be offered to 3 or more companies whilst internal disposals should ensure that all potential purchasers have equal access i.e. advertised so that it is visible to all.

The procedures for disposing of assets which involve the University receiving a payment should follow the procedure set out below:

- No internal use identified (see above).
- Offer to external/internal interested parties.
- Allow potential purchasers to view the items.
- Detail the process for bidding.
- Bids must be for a specific amount i.e. £85 and not in terms such as '£5 more than the highest bid'.
- Bids must be in writing.
- All bids in a sealed envelope.
- A place, date and time at which the bids must be delivered.
- A procedure for opening bids – in the presence of an independent witness.
- Recording all bids by name, price offered and indicating the successful bid(s).
- In the event of bids of equal value where only one item is available the successful bid is to be decided by the drawing of lots (in the presence of the bidders).
- The procedure for payment.
- In cash or by cheque (the latter must clear before the asset is removed by an external contractor i.e. 3 working days).
- Payment to be made before the equipment is removed.

- The person acquiring the asset to remove it from the University at their cost and under their arrangements with insurance liability passing to the new owner as soon as the item is collected.

Any queries on this procedure should be referred to the Director of Finance as should any actual, or potential, breaches of these requirements.

23. STOCK CHECKS

The University holds stocks in a number of areas including catering, the Estates Resources department, Copy Shop, Food & Beverages. Approved staff conducts at least an end of year check of all such stocks. Additionally, managers of these areas are required to have procedures in place which ensure the safety and security of these stocks in year.

The end of year stock checks uses the following procedures:

- An agreed time is stated, mutually convenient to all participants.
- Stock is presented to allow the checker easy access, for example all the drinks cabinets are emptied.
- The checker asks for the stock list, and then picks, at random, a number of items they wish to see and then view the items by, where necessary;
 - Opening boxes to check their contents.
 - Checking that containers were full.
 - Reading the labels to check the descriptions matched the stock list.
- The checker then points to an item, checks the quantity and asks the member of staff responsible for the items to highlight it on the list.
- Each item checked is initialled with details of individual holdings where stock was held in different locations.
- About 10% of stock items are checked with a healthy bias towards valuable and attractive, high cost or large stock holding items.

The checks are intended to be well planned, random in the items selected, thorough and taken seriously by all those involved.

Managers responsible for stocks should use these guidelines for their own checks with the aim of conducting periodic surprise checks of stocks. The use of the term 'surprise' check is intended to prevent any possible prior notification being used to 'make good' shortfalls and to increase the likelihood of detection of any possible fraud or poor stock control practices.

In addition to the rules on stock checks, managers responsible for stock should also ensure:

- Staffs responsible for stock are aware of their stock holding limits.
- Adequate arrangements exist for the secure storage of all stock items.

- Changes in stock levels are, where necessary, notified to the office of the deputy vice chancellor to ensure that adequate additional insurance cover is obtained.

24. BUDGETARY CARRY FORWARD AT THE END OF A FINANCIAL YEAR

Budgets are allocated for a known period of time, 1 August until 31 July of the following year and Deans are expected to manage their budgets to ensure that all expenditure is made within these dates.

Expenditure awarded by an external body for work spanning two or more accounting years may be carried forward, subject to written confirmation by the awarding body.

Internal funds may be carried forward in exceptional circumstance when small sums of money (£1,000 or less) allocated for a specific project, for example an internally funded project cannot be spent by the end of the financial year i.e. 31 July (spent in this context means that we have actually received the goods and services, therefore raising a purchase requisition is not spending the sum involved). In such exceptional occasions the following methods may help to overcome this difficulty:

- Funds allocated as part of the budget process and which will not be spent by the end of the year:
 - Inform the Director of Finance of the potential underspend.
 - Seek an equal sum through the Faculty budget in the subsequent year.

GUIDE TO TERMINOLOGY

APT&C	Administrative, Professional, Technical & Clerical
EU	European Union
Financial Year	1 August to 31 July
FTE	Full time equivalent
Board of Governors	Members of the University Board of Governors
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
HERA	Higher Education Role Analysis
LRC	Learning Resources Centre
OfS	Office for Students
RAM	Resource Allocation Model
SLC	Student Loan Company (<i>now Student Finance England</i>)
SMT	Senior Management Team
SORP	Statement of Recommended Practice
SUPC	Southern Universities Purchasing Consortium
NCTL	National College for Teaching and Leadership (<i>formerly the Training and Development Agency</i>)
T&S	Travel and Subsistence
VAT	Value Added Tax
VFM	Value for Money