

# Delegated Financial Authority Policy

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<b>Revision History incl. Authorisation: (most recent first)</b>			
<b>Author</b>	<b>Summary of changes</b>	<b>Version</b>	<b>Authorised &amp; Date</b>
E Heathcote	To include the 3 research policies and amend role titles for PVC Academic Development and PVC Research & Enterprise	V2.1	24 September 2020
J. Charge & I Dempsey	Review in line with updated Financial Regulations.	V2	Council 14 January 2020
J. Charge & I Dempsey	Revision following the departure of the Chief Operating Officer.	V1.2	6 March 2017
J. Charge & I Dempsey	Review	V1.1	September 2015
<b>Policy Management and Responsibilities</b>			
<b>Owner:</b>	This Policy is issued by the Executive Director of Finance who has the authority to issue and communicate policy on financial matters of the University. The Executive Director has delegated day to day management and communication of the policy to the Head of Financial Accounts.		
<b>Others with responsibilities (please specify):</b>	All subjects of the Policy will be responsible for engaging with and adhering to this policy.		
<b>Author to complete formal assessment with the following advisory teams:</b>			
Equality Analysis (E&D, HR) <a href="#">Equality Assessment form</a>	1. <i>This is mandatory. Specify date completed and brief outcome. Email the completed EA to <a href="mailto:Equality@salford.ac.uk">Equality@salford.ac.uk</a></i>		
Legal implications (LPG)	N/A		
Information governance (LPG)	N/A		
Student facing procedures (QEO)	N/A		
UKVI compliance (Student Admin)	N/A		
<b>Consultation:</b>			
Staff Trades Unions via HR	N/A		

Students via USSU Any relevant external bodies (specify)	
<b>Review:</b>	
<b>Review due:</b>	Every two years by January 2022
<b>Document location:</b>	University policy and procedures pages
<a href="http://www.salford.ac.uk/about-us/corporate-information/governance/policies-and-procedures">http://www.salford.ac.uk/about-us/corporate-information/governance/policies-and-procedures</a>	
<b>The owner and author are responsible for publicising this policy document.</b>	

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# INTRODUCTION

## 1. Background

In accordance with the Financial Regulations of the University, the University Council must approve all financial authority levels that commits the University to incur cost, whether Capital Expenditure, Revenue Expenditure or Contract Expenditure regardless of source of funding. This includes the powers to sign any Expression of Interests, Research contracts, Enterprise contracts, Consultancy agreements and other contracts.

The financial limits that apply are to the project/contract as a whole, even though the contract/procurement may be in phases and over a period of time. In other words, splitting of orders or contract commitments to avoid approval at a higher level is strictly prohibited and will be considered a breach of Financial Regulations. Research bids are specifically covered separately below and in the Research Grants & Contracts Approval Policy.

Letters of intent or Heads of Terms, whilst not necessarily having the same legal basis as a contract, nevertheless are to be considered as a contract for the purpose of these authority levels.

All procurement must be undertaken in accordance with the Purchasing Policy and Procedures set out in the Finance website:

<https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Procurement.aspx>

## 2. Capital Expenditure

The University Council approves each year, the five-year Capital Budget.

Individual projects identified separately in the Capital budget that are below £5m, inclusive of VAT, may be contracted by management without any further reference to Council, who shall receive a report at each meeting of Council on the status of each contracted project. All such expenditure above £500k must include a complete business plan.

Major projects are defined as spend in excess of £100k

Major projects in excess for £5 million will require a formal submission through VCET, Finance and Resources Committee and Council and include a complete business plan.

The approval of major projects is delegated as follows:

Role	<£100K	<£1m	<£5m	>£5m
Deans of Schools or Director of Professional Service or Pro Vice-Chancellor	Y	Y	Y	Y
Head of Procurement	Y	Y	Y	Y
Exec Director of Finance		Y	Y	Y
Vice-Chancellor's Executive Team			Y	Y
Council				Y

The Vice Chancellor's Executive is responsible for approving the Major projects that are included in the Capital budget and delegates the prioritisation and monitoring of all such expenditure to the Strategic Enablers Board and subcommittees (or subsequent replacement group).

Each year, as part of the budget cycle, areas will be asked to submit Major projects for consideration. These will follow the prescribed format available on the Finance website.

All contracts for Major projects must be procured in accordance with the University's Purchasing Policies and Procedures, referred to above.

For the specific areas covered below, the values require Council approval:

1. Unbudgeted major projects over £1m
2. Extension to lease arrangements where the value of the extension is in excess of £1m
3. Land acquisition or disposal where the value of the transaction exceeds £1m
4. Procurement of external consultancy services that exceeds £1m
5. Write off of an individual bad debt in excess of £200k

The following authorisation limits are in place and are reflected in workflow in the University's Financial Information System (UBW).

Role	>50k and <£100K	>£100K
Deans of Schools or Director of Professional Service or Pro Vice-Chancellor	Y	Y
Head of Procurement	Y	Y
Exec Director of Finance		Y

### 3. Recurrent Expenditure / Contract Expenditure

The University policy on contracting can be found on the Purchasing section of the finance website: <https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Procurement.aspx>

The following authorisation limits are in place and are reflected in workflow in the University's Financial Information System (UBW) for Recurrent Expenditure:

Role	<£2K	>£2K <£20K	>£20K <£100K	>£100K
Local Delegated Budget Holder	Y			
Manager within School or Professional Services		Y	Y	Y
Deans of School or Director of Professional Service or Pro-Vice-Chancellor			Y	Y
Head of Procurement			Y	Y
Exec Director of Finance				Y

All non-budgeted expenditure must be approved by the appropriate Dean or Director of Service. Where this will also result in a material negative variance to the forecast results for the School or Professional Services area, this must be also approved by the Executive Director of Finance who will seek agreement of the Vice-Chancellor.

The Dean of School or Director of Professional Services may delegate items as appropriate but must inform finance of any such delegation so that the Financial Information System (UBW) can be updated for workflow approval purposes.

All staff recruitment must be in accordance with the Human Resources policy and utilise the e-procurement system with the establishment post appropriately approved.

#### 4. Research (including overseas research) and Enterprise contracts, Consultancy agreements, Commercial Contracts and Agreements and Non-Disclosure Agreements. (excluding overseas for all non-research activity, covered in section 5)

All such bids, expressions of interest and contracts must be subject to due diligence reviews by either the Research Contracts & Monitoring Team, Research and Knowledge Exchange Team, the Enterprise support team or the Commercial financial team, who will liaise with the University solicitor for a review of the terms and conditions and with the appropriate professional services such as Human Resources for compliance with University policies on staffing as appropriate.

All bids, expressions of interest and contracts in excess of £100k must have a risk assessment done as part of any approval process.

All bids, expressions of interest and contracts that require any matched funding element in excess of £5,000 must be referred to the Executive Director of Finance for approval and signature.

All bids, expressions of Interest and contracts that contain unusual terms and conditions or onerous responsibilities must be referred to the Executive Director of Finance for approval or signature.

All ERDF (or substituted funding post Brexit) bids, expressions of interest and contracts must be referred to the Executive Director of Finance for approval and signature.

**Subject to the above processes, all research expressions of interest, bids and contracts [including Knowledge Transfer Partnerships] and/or contractual agreements** must have a fully economic costing (fEC) template completed and approved in advance through the fEC process and in addition, be authorised as follows:

- Total value up to £500k Deans of Schools **and** PVC of Research & Enterprise.
- Total value above £500k Deans of School and PVC of Research & Enterprise **and** the Executive Director of Finance.
- Total value above £1m Executive Director of Finance and any of the following: Vice Chancellor or the Chief Operating Officer.
- Total value above £5m Chair or Deputy Chair of Council.

**The allowable research contract recovery rates, conditions and processes to be followed are defined within the below 3 documents –**

- **Research Funding Approval Policy.**
- **Research Bidding Code of Practice.**
- **Research Bidding Guidelines.**

**Subject to the above processes, all enterprise expressions of interest, bids and contracts and/or contractual agreements** must have a fully costed template completed and approved in advance through the relevant approval process and in addition, be authorised as follows:

- Total value up to £200k Dean of School or Director of Professional Services.
- Total value up to £500k Dean or Director **and** PVC Academic Development or PVC Research & Enterprise.
- Total value above £500k Dean or Director **and** PVC Academic Development or PVC Research & Enterprise **and** the Exec Director of Finance.
- Total value above £1m The Exec Director of Finance and any of the following: Vice Chancellor, or the Chief Operating Officer.
- Total value above £5m the Chair or the Deputy Chair of Council.

**No contracts that do not cover their direct costs will be considered.**

Details of all Research contracts, whether or not signed by the Executive Director of Finance under the delegated powers above, must be processed via the Research Contracts & Monitoring Team to enable appropriate budgeting and accounting for income and expenditure.

## 5. Overseas enterprise contracts, consultancy agreements, commercial contracts & agreements and non- disclosure agreements (excluding research, covered in section 4)

All such bids & contracts must be reviewed by the Legal, International and Finance Departments prior to any commitment to progress.

**No contracts that do not cover their direct costs will be considered.**

Arrangements may be referred to the Ethics committee for consideration.

All contracts are subject to the authority sign off as detailed below. Please note that due to the governance considerations for overseas arrangements, the authority levels are lower.

Role	Total value <£100K	Total value >£100k
Deans of School or Director of Professional Service	Y	Y
PVC Academic Development	Y	Y
Exec Director of Finance		Y
VC or Chief Operating Officer		Y

## 6. Donations to other Charities

The University of Salford as a registered charity can work with other charities to carry out its aims. The joint working could take the form of fundraising, donating or making a grant to the other charity or collaborating to deliver a project or contract or share facilities. Before commencing any of these activities Council / VCET must be satisfied that:

- it will be an effective way of using our resources to further our charitable purposes.
- it will be in University best interests.
- our Charter/Statutes do not prevent us from doing it.

All such activities must be considered by Finance **prior** to any commitment to progress looking at:

- how similar the other organisation's aims are to our purposes.
- the nature of the activity we intend to support.
- the value, duration and nature of the support.