

Financial Regulations

OCTOBER 2019

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UNIVERSITY OF SALFORD

Revision History incl. Authorisation: (most recent first)			
Author	Summary of changes	Version	Authorised & Date
E Heathcote	To include the 3 research policies and amend role titles for PVC Academic Development and PVC Research & Enterprise	V2.1	J Charge 24 September 2020
J. Charge & I Dempsey	Fundamental Review to reflect that a new sector regulator OFS.	V2	Council 14 January 2020
J. Charge & I Dempsey	Review	V1.1	Council, 3 December 2015
Policy Management and Responsibilities			
Owner:	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.		
Others with responsibilities (please specify):	All subjects of the Policy will be responsible for engaging with and adhering to this policy.		
Author to complete formal assessment with the following advisory teams:			
Equality Analysis (E&D, HR) Equality Assessment form	1. <i>This is mandatory. Specify date completed and brief outcome. Email the completed EA to Equality@salford.ac.uk</i>		
Legal implications (LPG)	N/A		
Information governance (LPG)	N/A		
Student facing procedures (QEO)	N/A		
UKVI compliance (Student Admin)	N/A		
Consultation:			
Staff Trades Unions via HR Students via USSU Any relevant external bodies (specify)	N/A		

Review:	
Review due:	Every two years by January 2022
Document location:	University policy and procedures pages
http://www.salford.ac.uk/about-us/corporate-information/governance/policies-and-procedures	
The owner and author are responsible for publicising this policy document.	

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A. INTRODUCTION AND GENERAL PROVISIONS

1. Background

- 1.1. The University of Salford is a chartered corporation and received its Royal Charter in 1967 having previously been the Royal College of Advanced Technology, Salford. The University merged with the Northern College of Nursing and Midwifery in April 1996 and with University College Salford in August 1996. Its structure of governance is laid down in the instruments of its incorporation, the Charter and Statutes, which can only be amended by the Privy Council, (now Office for Students). The Charter was last amended in July 2010 and the Statutes in October 2018. The University is accountable through its governing body (Council), which has ultimate responsibility for the University's affairs.
- 1.2. The University of Salford is an exempt charity by the Charities Act 1993 and does not therefore have to register with the Charity Commissioners.
- 1.3. The Office for Students (OFS) requires the University to have in place proper processes that ensure effective accountability and value for money and that earmarked funding is used in accordance with the terms of the grant. The Financial Regulations of the University form part of the overall system of accountability.
- 1.4. **Compliance with the Financial Regulations is compulsory for all staff of the University and its subsidiary [holdings of share capital greater than 50%] undertakings. Staff who fail to comply with the Financial Regulations may be subject to action under the University's policies including the Disciplinary Policy. Contractors to the University and University agents are also expected to comply where relevant; failure may result in termination of contracts or other penalties. Council will be notified of any breaches of Financial Regulations through the Audit and Risk Committee.**

2. Status of Financial Regulations

- 2.1. This document sets out the Financial Regulations of the University of Salford. It translates into practical guidance the University's broad policies relating to financial control. The University Council approved this document in November 2009 to apply to the University and all its subsidiary undertakings ("the University"). These were updated in 2015.
- 2.2. These Financial Regulations are subordinate to the University's Charter and Statutes
- 2.3. The purpose of these Financial Regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and business objectives including:
 - financial viability

- achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring that the University complies with all relevant legislation
 - safeguarding the assets of the University
- 2.4. Throughout this document reference to Pro-Vice Chancellors, Executive Directors, Deans of Schools or other budget holders is deemed to include Directors of Professional Services and others with responsibility for the management of a budget unit. It is the responsibility of all budget holders to ensure that their staff are made aware of the existence and content of the University's Financial Regulations.
- 2.5. The Finance and Resources Committee (FRC) is responsible for maintaining a continuous review of the Financial Regulations, through the Executive Director of Finance, and for advising Council of any material additions or changes necessary. The University's Scheme of Delegation authorises the Executive Director of Finance to approve such minor amendments as are necessary to ensure the Regulations are responsive to operational requirements.
- 2.6. The University's financial procedures set out in more detail how these Regulations will be implemented and are contained in documentation and guidance notes available on the Finance Service website:

<https://testlivesalfordac.sharepoint.com/sites/Finance>

3. Code of Conduct

- 3.1. The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee of Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe.
- 3.2. **SELFLESSNESS:** *Holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their families or their friends.*
- INTEGRITY:** *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.*
- OBJECTIVITY:** *In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.*
- ACCOUNTABILITY:** *Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.*

OPENNESS: *Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.*

B. CORPORATE GOVERNANCE

1. Council

- 1.1. The Financial Regulations are subject to the University's scheme of corporate governance as set out in the Charter, Statutes and supporting Ordinances.
- 1.2. The corporate governance of the University is predicated on a clear distinction between 'governance' and 'management'. In this context, 'governance' is defined as the process of making decisions that define expectations, grant authority and verify performance. 'Management' is the process of directing and controlling an entity for coordinating that entity towards accomplishing a goal including the deployment and direction of human, financial, physical and technological resources.
- 1.3. Under article 9 of the University Charter, the Council is the supreme governing body of the University, responsible for the management and administration of the revenue and property of the University and for the conduct of the affairs of the University, with the power to delegate its powers as provided in the Statutes.
- 1.4. The University's Financial Statements, published annually, contain a Statement of the Primary Responsibilities of Council, the detailed functions and duties of which may further be consulted at:
<http://www.salford.ac.uk/about-us/corporate-information/governance/annual-report-and-financial-statements>
- 1.5. Council's financial responsibilities are:
 - a) **Ensuring the solvency of the University group (University and any subsidiaries) and safeguarding its assets.**
 - b) **Shaping the development of and approving the financial strategy and the overall annual budget and ensuring its congruence with the overall University strategy.**
 - c) **Ensuring that the funds provided by the Office for Students (OFS) and other funding bodies are used in accordance with their respective terms and conditions specified**
 - d) **Considering and approving annual accounts.**
 - e) **Ensuring that, subject to relevant legislation, appropriate arrangements are in place for the management and operation of such companies as are wholly or partly owned by the University.**
 - f) **Acting as a trustee for any property, legacy, endowment, bequest or gift in support of the welfare of the University.**
 - g) **Appointment of Internal and External Auditors.**

In carrying out the above responsibilities Council governs and regulates the finances, accounts, investments, property, business and all affairs of the University. Council exercises the power

afforded to the University under Article 4 of its Charter to invest and borrow money on behalf of the University and to acquire, own, maintain and dispose of real estate and other property.

2. Accountable Officer

- 2.1. The principle academic and administrative officer of the University is the Vice-Chancellor who has a general responsibility to Council for maintaining and promoting the efficiency and good order of the University (Statutes, 3.4). The University Council has designated the Vice-Chancellor as Accountable Officer of the University and may be summoned to appear before the Public Accounts Committee of the House of Commons.
- 2.2. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by Council and for the management of budgets and resources within the estimates approved by Council and ensuring compliance to terms and conditions of funding.
- 2.3. The Vice Chancellor is responsible for notifying of any material changes to the financial position of the institution.
- 2.4. To assist in and advise on the strategic and operational management of the University, the Vice Chancellor has established a Vice Chancellors Executive Team which comprises senior managers which includes the PVC for Student Experience, PVC Academic Development, Registrar, PVC Research & Enterprise, Chief Operating Officer, Executive Director of Finance, Executive Director of Human Resources and Deans of Schools.

3. Committee Structure

The University Council has established the following standing committees:

3.1. ***Audit and Risk Committee (ARC)***

Audit and Risk Committee is responsible to Council for the adequate and effective risk management, control and governance (including ensuring the probity of the financial statements and the effective management and quality assurance of data submitted to funding bodies) and for the economy, efficiency and effectiveness of the Institution's activities. The Committee provides advice and recommendations to Council on the appointment of both external and internal auditors and meets with the University's internal and external auditors in attendance. Senior officers, including the Executive Director of Finance, Director of Strategy and Registrar and Secretary attend meetings but are not members of the Committee. Once a year, members of the Committee meet the internal and external auditors for discussion without officers' present. The Committee considers detailed reports including recommendations regarding the University's internal control systems, and management reports from OFS as they affect the University's business, and monitors adherence to regulatory requirements. The Committee reviews the University's annual financial statements, including accounting policies, on which they are based, prior to consideration by Council

- 3.2. On an annual basis, Audit and Risk Committee submits a report for approval by Council. The report covers risk management, value for money and quality assurance of data. The internal auditors also

submit an annual report for consideration and approval by Audit and Risk Committee. The Committee's role in risk management is explained further in section 2.4 below.

3.3. The terms of reference and membership of Audit and Risk Committee can be found at:

<http://www.salford.ac.uk/about-us/corporate-information/governance/the-council/council-committees/audit-and-risk-committee>

3.4. ***Finance and Resources Committee (FRC)***

Finance and Resources Committee is responsible to Council for considering the effective and efficient use of human and physical resources (estates and information technology), financial performance and sustainability. The Committee ensures compliance with OFS financial requirements and obligations.

3.5. The Committee has the delegated authority to approve:

- Minor changes to policies that do not impact strategy or financial viability. An example would be changes to expenses policy.

3.6. and makes recommendations to Council regarding:

- the Annual Financial Statement and related documents.
- five-year budgets for the University Group including capital budget and associated cash flow.
- the adoption of Financial Regulations.
- approval of new borrowings.
- major projects which are capital in nature of more than £5 million.
- relevant policies for example treasury & management policy.
- creation of subsidiaries or joint ventures.

3.7. Membership of the FRC includes Council's appointed Members with key expertise e.g. Finance and Human Resources who liaise with Executive Directors of key business areas to seek assurance for FRC and Council that decisions arising from the business area are sound and aligned to corporate strategy.

3.8. The terms of reference and membership of Finance and Resources Committee can be found at:

<http://www.salford.ac.uk/about-us/corporate-information/governance/the-council/council-committees/finance-and-resources-committee>

3.9. ***Governance Nominations and Ethics Committee (GNEC)***

Governance Nominations and Ethics Committee advises Council on its membership and representation on other internal and external bodies and the operation and effectiveness of corporate governance arrangements. The terms of reference and membership of the Committee can be found at:

<http://www.salford.ac.uk/about-us/corporate-information/governance/the-council/council-committees/governance,-nominations-and-ethics-committee>

3.10. **Remuneration Committee**

Remuneration Committee determines the remuneration of the senior staff of the University. The terms of reference and membership of the Committee can be found at:

<http://www.salford.ac.uk/about-us/corporate-information/governance/the-council/council-committees/remuneration-committee>

4. Audit and Risk Committee

- 4.1. The University's Audit and Risk Committee (ARC) is made up of independent members and reports to Council. Under the Regulatory Framework for Higher Education in England the governing body is responsible for ensuring 'the provider's compliance with all of its conditions of registration and with the OFS's accounts direction' (Condition E3). ARC undertakes these responsibilities on behalf of Council. Both internal and external audit are essential elements of the University's corporate governance arrangements. The appointment of external auditors is subject to a periodic tendering exercise, but the continued appointment is confirmed annually and is the responsibility of the Council. The Council is advised by the Audit and Risk Committee in this matter. The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance the Financial Reporting Council's statements of auditing standards.
- 4.2. The internal auditors are appointed by the Council on the recommendation of Audit and Risk Committee.
- 4.3. The main responsibility of internal audit is to provide the Council, the Vice-Chancellor and senior management with independent assurances on the adequacy of the internal control system. The internal audit service has direct access to the Council, the Vice Chancellor and Chair of the Audit and Risk Committee. The internal auditors will also comply with guidance issued by the OFS and other funding bodies and with the Chartered Institute of Internal Auditors' Guidance on Risk Based Internal Auditing.
- 4.4. External auditors and internal auditors shall have authority to:
 - access the University's premises at reasonable times.
 - access all assets, records, documents and correspondence relating to any financial and other transactions of the University.
 - require and receive such explanations as are necessary concerning any matter under examination.
 - require any employee of the University to account for cash, stores or any other University property under his or her control.
 - access records belonging to third parties, such as contractors, when required.

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

5. Data quality and assurance

- 5.1. The Audit and Risk Committee is required to give assurance on the management and quality of data provided to OFS, and other public bodies. The principles of good management of data apply to all internal and external management information.
- 5.2. It is the responsibility of the University Registrar and Secretary, supported by the Executive Director of Finance, to ensure that:
- appropriate policies and procedures are in place to secure the quality of financial data recorded and used for reporting.
 - there are systems and processes in place which secure the quality of data as part of the normal business activity of the University.
 - there are arrangements to ensure that staff have the knowledge and competence for their roles in relation to financial data quality.
- 5.3. The Audit and Risk Committee is required to satisfy itself that suitable arrangements are in place for the management and quality assurance of data submitted to funding bodies [including Student Loans Company] and provides an opinion on the adequacy and effectiveness of these arrangements in an annual report to Council and the Vice-Chancellor.
- 5.4. Pro-Vice Chancellors, Executive Directors, Deans of School and other budget holders are responsible for ensuring that University policies, procedures, systems and processes in respect of data management are followed.

6. Value for Money

- 6.1. It is a requirement that the Council of the University is responsible for delivering value for money. It should keep under review its arrangements for managing all the resources under its control, considering guidance on good practice issued from time to time by the OFS, the National Audit Office, the Public Accounts Committee or other relevant bodies.
- 6.2. Value for money processes are incorporated within the planning and budgetary cycles, procurement and general management of resources and the Audit and Risk Committee considers an annual statement on Value for Money. In addition, internal audits and/or specific external or internal studies may be conducted within specific areas.

7. Other Officers and Senior Managers with Financial Responsibility

- 7.1. The Chair of Council is concerned with all the major financial and policy-making decisions of the University and works closely with the Vice-Chancellor on broad issues of strategy and development.
- 7.2. The Registrar and Secretary is responsible to the Vice-Chancellor and the Council for the proper functioning of all aspects of the governance of the University. This includes responsibility for ensuring that timely and accurate information on the University's affairs (especially financial affairs) is placed before Council and its committees.
- 7.3. Reporting to the Vice-Chancellor, the Executive Director of Finance controls day-to-day financial administration and is responsible for:
- the preparation of a Finance Strategy in support of the University's core objectives.
 - maintaining proper accounting records which enable the financial position of the University to be monitored and controlled.
 - preparing annual revenue and capital budgets and financial plans.
 - monitoring and maintaining the liquidity of the University, including the preparation of cash flow forecasts.
 - preparing management accounts and other information required to monitor and control expenditure against budgets and ensure prompt collection of income.
 - preparing the University's annual accounts and other financial statements and accounts which it is required to submit to other authorities.
 - monitoring the progress of capital developments and associated funding and, where required, securing external borrowing.
 - continuing to develop and promulgate the accurate costing of all activities in the University and the determination of prices which result in an adequate return on the resources consumed.
 - ensuring a cost-efficient, value for money approach is taken to procurement throughout the University.
 - providing advice and guidance on taxation related matters.
 - ensuring that proper arrangements are in place to operate and monitor treasury management activities including the use of effective performance measures.
 - ensuring that the University maintains satisfactory financial systems.
 - providing professional advice on all matters relating to financial policies and procedures.
 - in conjunction with the Registrar and Secretary, and the Director of Strategy, the maintenance of internal audit of the University's affairs and the day-to-day liaison with internal and external auditors in order to achieve efficient processes and exemplary systems of internal check and probity, including resolution of technical financial accounting issues.
 - ensuring compliance with all financial covenants.
 - ensuring compliance with all relevant external regulatory requirements.

- ensuring adequate records are maintained to record the performance of investments of the University and that arrangements are made to review such performances with investment managers from time to time.
- 7.4. Pro-Vice Chancellors have strategic responsibility for their portfolios. Where they have direct management of departments, they are responsible to the Vice-Chancellor for financial management and budgetary control for the areas or activities they control (devolved accounting responsibility) and are advised by the Executive Director of Finance in executing their financial duties.
 - 7.5. Deans of School are responsible for financial management and budgetary control for the areas or activities they control (devolved accounting responsibility) and are advised by the Executive Director of Finance in executing their financial duties. The Executive Director of Finance will also advise upon and approve the financial systems operating within schools including the form in which accounts and financial records are kept.
 - 7.6. The Executive Director of Human Resources has responsibility for the development and implementation of policy, procedures and strategic planning for University requirements that cover Human Resources. Similarly, the Director of Estates and Property Services has responsibility for the development of the requirements covering estates and the Chief Information officer for information technology.
 - 7.7. All Directors of Professional Services are responsible for financial management and budgetary control for the areas or activities they control (devolved accounting responsibility). They are similarly advised by the Executive Director of Finance in executing their financial duties. The Executive Director of Finance will also advise upon and approve the financial systems operating within these directorates including the form in which accounts and financial records are kept.
 - 7.8. Accounting procedures will reflect recommended good practice and follow accounting principles determined from time to time by the Executive Director of Finance. Deans of Schools and Directors of Professional Services are responsible for establishing and maintaining clear lines of responsibility within their School/Professional Service etc. for all financial matters. Where resources are devolved within a school or Professional Service to other budget holders, they are accountable to their Deans of Schools or Directors of Professional Services for their own budget.
 - 7.9. Deans of School and Directors of Professional Services shall provide the Executive Director of Finance with all such information as may be required to enable:
 - compilation of the University's financial statements.
 - implementation of financial planning.
 - implementation of audit and financial reviews, projects and value for money studies.
 - any other information that the Executive Director of Finance deems necessary in the discharge of his/her responsibilities.

- 7.10. Such information must be complete, accurate and timely and any issues of interpretation or doubt should be discussed with the Executive Director of Finance.
- 7.11. All members of staff should be aware and have a general responsibility for the security of the University's property [both physical and intellectual], for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required (see detailed financial procedures).
All members of staff shall make available any relevant records or information to the Executive Director of Finance or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.
- 7.12. All members of staff shall provide the Executive Director of Finance with such financial or other information, as he/she may deem necessary, from time to time, to carry out the requirements of Council.
- 7.13. All members of staff shall immediately notify the Executive Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the University or which may be considered to contravene the requirements of the Bribery Act as outlined in the University's Anti Bribery Policy and Criminal Finances Act Policy. The Executive Director of Finance shall take such steps, as he/she considers necessary by way of investigation and report (see section 2.9).

8. Risk Management

- 8.1. The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.
- 8.2. The effective management of risk is a key component of good governance, and the University is required to demonstrate to OFS that it has in place effective procedures for managing risk at all levels. The University Council has the ultimate responsibility for effective performance and risk management.
- 8.3. Overall responsibility for day to day performance and risk management is held by the Vice Chancellor's Executive Team. They are responsible for monitoring institutional performance, through a set of Key Performance Indicators and reports through the Vice-Chancellor to the University Council.
- 8.4. The Vice Chancellors Executive Team is responsible for maintaining the University's register of high-level risks which describes the key institutional risks, identifies who is responsible for managing them, and outlines how they are being managed. It is also responsible for ensuring that effective risk management is embedded at all levels of the University.
- 8.5. The Vice Chancellors Executive Team reviews the risk register quarterly as a standing agenda item.

- 8.6. The Audit and Risk Committee of the University Council reviews the top ten risks at each meeting and receives the full risk register on an annual basis.
- 8.7. The internal audit function sets its annual audit plan in accordance with the University's Strategic Plan and its Risk Register and ensures that part of its work each year includes a review of the risk management arrangements in place, including their effectiveness.
- 8.8. The University Council reviews the top ten University risks quarterly.

9. Theft, fraud, bribery and corruption

- 9.1. Fraud and Bribery continue to pose a real threat to the institution and is most commonly seen through cyber-attacks which occur on a regular basis. It is mandatory to complete Anti Bribery training on joining the University, to keep up to date with training and policies and to ensure that all staff take precautions which on occasions will be instructions by the University to prevent such events.
- 9.2. It is the duty of all members of staff, management and the Chair of Council to notify the Executive Director of Finance or the Registrar and Secretary immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, bribery, corruption or any other impropriety. The Executive Director of Finance/Registrar and Secretary shall immediately invoke the 'Counter Fraud Policy and Response Plan' approved by the Audit and Risk Committee in June 2017.
- 9.3. Any incident involving significant fraud [above £25,000] will be reported without delay to the Vice-Chancellor who shall inform the Chair of Council.
- 9.4. Any significant cases of fraud or irregularity shall be reported to the OFS in accordance with their requirements
- 9.5. If the suspected fraud is thought to involve the Executive Director of Finance and/or the Registrar and Secretary, the member of staff shall notify the Chair of Audit & Risk Committee directly of their concerns regarding irregularities.
- 9.6. The University's policy and response plan can be found on the University website at:
<https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Governance.aspx>

10. Public Interest Disclosure (Whistle blowing)

- 10.1. Whistle blowing in the context of the Public Interest Disclosure Act (1998) is the disclosure by an employee (or other party) about malpractice in the workplace.

- 10.2. The full procedure for whistle blowing is set out in the University's Whistle Blowing Policy, which is published online at

https://www.salford.ac.uk/_data/assets/pdf_file/0009/487989/1425_Whistle-Blowing-Collateral.pdf

11. Receiving of giving gifts or hospitality

- 11.1. It is an offence under the Bribery Act 2010 for members of staff to accept or give any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:
- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
 - the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- 11.2. Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.
- 11.3. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the Executive Director of Finance. For the protection of those involved, the Directorate of Finance maintains on its website a register of gifts received.
For the Vice-Chancellors Executive Team for all gifts irrespective of value and for all other staff where the value is in excess of £25, and of hospitality received where the value is in excess of £100. These limits apply both to single gifts and to the cumulative total of three gifts or more received within a rolling period of 12 months from the same source. The information is regularly cascaded to the appropriate line manager.
- 11.4. Members of staff in receipt of such gifts or hospitality are obliged to register such gifts using the online form at:
- <https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Registration-of-Gifts-and-Hospitality.aspx?csf=1&e=e9NdwM>
- 11.5. The Executive Director of Finance shall be responsible for maintaining a comprehensive list of all such instances of gifts and/or hospitality which shall annually be presented to the Audit and Risk Committee.

- 11.6. The University's policy in respect of anti-bribery and the response plan in respect of theft, fraud, bribery and corruption can be found on the University's website at:

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

12. Compliance with Criminal Finance Act policy

- 12.1. It is an offence under the Criminal Finance Act (CFA) 2017 for members of staff, agents and associates [someone who performs services either for Salford University or on its behalf] to facilitate tax evasion by another party.
- 12.2. The University's policy in respect of ensuring compliance with the Criminal Finance Act can be found on the University website at:

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

C. FINANCIAL MANAGEMENT AND CONTROL

1. Financial Planning

- 1.1. Five-year Budget – The Executive Director of Finance is responsible for preparing annually a rolling five-year financial plan for approval by the University Council on the recommendation of FRC and VCET and for preparing financial forecasts for submission to the OFS. Financial plans should be consistent with the strategic plans approved by the Council.
- 1.2. The University budget will be underpinned by individual budgets from Schools and Professional services.
- 1.3. The University allocates costs and income in line with service delivery. Directors of Professional Services, Deans of Schools and all other budget holders are responsible for the economic, effective and efficient use of all resources.
- 1.4. During the year, the Executive Director of Finance is responsible for submitting revised forecasts to the Vice Chancellor's Executive Team for consideration before submission to the Council for approval.
- 1.5. In the event that the University is no longer a going concern, the delegated authority moves to the management board in place to manage the University through that process.

2. Capital and Infrastructure Planning

- 2.1. The nature of capital and infrastructure planning is that a much longer-term campus strategy and associated plan are necessary. The University's Strategic Plan and Campus Masterplan lay out the priority major developments and capital investments for the University over the next 10 years. As each individual element of the Masterplan is brought forward, it will be subject to its own business case for approval through VCET, Finance and Resources Committee and ultimately Council (in line with the scheme of delegation). Over such an extended timeframe and in such a changing environment, it is noted that other priorities or opportunities may be presented for capital investment that were not envisaged when the Masterplan was created.
- 2.2. The Vice-Chancellor's Executive Team has set up a Strategic Enablers Board (or subsequent replacement group) to oversee the development of the Masterplan which will scrutinize the recommendations for investment for onward approval and take a primary role in monitoring the successful delivery of the Capital projects approved, to budget and time.
- 2.3. Capital and infrastructure income and expenditure plans will be incorporated in the financial planning and monitoring data provided to the Vice Chancellor's Executive Team and Council. These plans will be over the same five-year period as the revenue planning process and their impact on the revenue performance of the University will be incorporated into consolidated income and expenditure account, balance sheet, cash flows, the Schools and Professional Services performance, and University reserves.
- 2.4. The inclusion of a project or programme within the University's budget does not itself necessarily lead to it being authorised, rather it ensures that a financial provision has been made to fund it, subject to it being subsequently authorised with a robust business case or not at all.

3. Overseas Activity

- 3.1. In planning, undertaking and prior to any overseas activity (excluding student field trips) and / or commitment to any party, all staff must ensure that they have liaised with the PVC Academic Development, Legal and Finance departments for review and approval.
- 3.2. In addition, consideration should be given to -
 - whether the activity needs to be submitted to the Ethics committee
 - adhere to the relevant guidelines issued by OFS
 - the potential implications, both to the University and the individual, of overseas and UK tax, including payroll taxes, and regulatory requirements and compliance
 - the potential implications, both to the University and the individual, of the Bribery Act 2010, the Modern Slavery Act 2015 and the Criminal Finances Act 2017, in relation to both domestic and overseas activities.
- 3.3. Where the activity involves delivery of academic provision overseas, approval must be sought through the relevant committees.
- 3.4. Following this review, the authority limits are set out in Section 5 for the Delegated Authority Limits policy.

4. Other Major Developments

- 4.1. The creation of any new legal entity or an acquisition of equity holding in an existing legal entity must be reviewed by the board of University of Salford Enterprises Ltd and then approved by VCET and Council.
- 4.2. The establishment or disestablishment of any academic area is subject to approval by Senate and Council.
- 4.3. Any new business activity with a material impact on the University as defined in and must be approved in line with the Delegated Authority limits policy.
- 4.4. Appendix A sets out the protocols to enable major developments to be considered for approval. Major projects are defined within the Delegated Authority limits policy. The Executive Director of Finance will confirm the specific information that is required for each proposed development as well as the financial criteria that they are required to meet.

5. Financial Control

- 5.1. Budgetary Control – The University operates a system of devolved budgetary control. Deans of School, Directors of Professional Services and other budget holders are responsible for the delivery of agreed financial plans and for implementing an effective system of budgetary control, including the regulation regarding budget virements.
- 5.2. Virements of budgets, forecasts and actuals that involve a transfer to pay from non-pay allocations and vice versa are controlled and monitored by Finance [requiring approval by Executive Director of Finance].
- 5.3. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day to day monitoring is undertaken effectively. The allocation or setting up of a budget is not an authority to spend monies but is merely an appropriation of funds or anticipation of income to a maximum level for any category. All expenditure should only be incurred if it is necessary to meet the agreed targets of the budget holder and should be in accordance with the procurement regulations and expenditure approvals level in force at any time. All expenditure is expected to deliver Value for Money.
- 5.4. Financial Monitoring – Budget holders will be assisted in their duties by financial management information provided by the Finance directorate.
- 5.5. Schools and Professional Service areas will prepare, monthly, a revised forecast outturn for the year, including a commentary on significant variances.
- 5.6. The Executive Director of Finance is responsible for supplying monthly reports on the University's finances to the Vice Chancellors' Executive team.
- 5.7. The Executive Director of Finance is responsible for supplying a quarterly finance report to the Finance & Resources Committee and then University Council, which has overall responsibility for the University's finances.

- 5.8. Changes to the Approved Budget – All such changes to the overall University budget must be approved by the University Council. This will normally be achieved by the receiving and acceptance of the revised year end forecast included in the quarterly finance report from the Executive Director of Finance.
- 5.9. Treatment of Year End Balances – The University is required to prepare its annual report and accounts in accordance with Financial Reporting Standard 102. In addition, it is obliged to follow the principles set out in the latest Statement of Recommended Practice (SORP) Accounting in Further and Higher Education Institutions in preparing its Annual Report and Accounts. Year end balances can only be carried forward in accordance with these standards.

6. Accounting Arrangements

- 6.1. The University's financial year will run from 1 August until 31 July the following year.
- 6.2. The consolidated financial statements are prepared under the historical cost convention, modified by the revaluation of certain fixed assets and investments, in accordance with applicable accounting standards.
- 6.3. The financial statements are prepared for the financial year ending 31 July, in accordance with the Statement of Recommended Practice (SORP) Accounting in Further and Higher Education Institutions.
- 6.4. The Executive Director of Finance will review annually with the Vice Chancellor the University's accounting policies and, in consultation with the external auditors, will make recommendations to the Audit and Risk Committee and Finance and Resources Committee in respect of changes as appropriate.
- 6.5. The Executive Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 6.6. The financial statements will be reviewed by Audit and Risk Committee and Finance and Resources Committee who have the responsibility for recommending them to Council for approval.

7. Document retention

- 7.1. The Executive Director of Finance is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities. The University is required by law to retain prime documents for six years. These include:
 - official purchase orders.
 - paid purchase invoices.
 - sales invoices.
 - bank statements.
 - paid cheques.
 - records documenting receipts.
 - payroll records, including part-time lecturers' contracts.

- 7.2. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.
- 7.3. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as research bodies, regional development agencies and European funding bodies.
- 7.4. Under the terms of the Charities Act 2011 s171(2), Council is required to supply any person with a copy of the University's most recent financial statements within two months of a request. The Act enables Council to levy a reasonable fee and this will be charged at the discretion of the Executive Director of Finance. The University will also allow members of the public to inspect the financial statements during normal working hours and make a copy available on the University's website.

8. Taxation

- 8.1. The Executive Director of Finance is responsible for advising Deans of schools/other budget holders, in the light of guidance issued by the appropriate bodies and relevant legislation, on all taxation issues (except for employee's PAYE and national insurance). Therefore, the Executive Director of Finance will issue instructions to Deans of schools/other budget holders on compliance with statutory requirements including those concerning VAT, corporation tax and import duty.
- 8.2. The Executive Director of Finance is responsible for maintaining the University's tax records, including those that relate to PAYE and national insurance, making all tax payments, receiving tax credits and submitting tax returns by their due dates as appropriate.

9. Treasury Management

- 9.1. The Executive Director of Finance is responsible for maintaining all records in relation to taxation, making all payments, receiving appropriate credits and ensuring all returns are made to the relevant authorities in a timely manner, including returns in respect of PAYE, National Insurance, Corporation Tax, Income Tax and VAT.
- 9.2. Following guidance from appropriate bodies and updated legislation the Executive Director of Finance will issue advice on all taxation matters including VAT, corporation tax and import duty to Deans of Schools / other budget holders except for employees PAYE and National Insurance.
- 9.3. The University of Salford is VAT registered with HMRC and VAT advice is available on the Finance website and from the Financial Accounting team. The University of Salford is an exempt charity and is generally exempt from **UK** corporation tax in respect of educational and grant funded research activity to the extent that such income or gains are applied to exclusively charitable purposes. No such exemption is available for **overseas** activity and tax advice should be sought at an early stage when considering any form of overseas activity including online delivery, delivery of education through the flying faculty model, overseas collaborations and franchise arrangements as well as research in an overseas country and consultancy.

- 9.4. The Executive Director of Finance is responsible for all aspects of employer administration in relation to the Pension Schemes operated by the University.
- 9.5. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Executive Director of Finance with an appropriate reporting system to the Vice-Chancellor's Executive Team and Council. All borrowing shall be undertaken in the name of the University and be within the powers prescribed in the University's Charter.
- 9.6. The Finance and Resources Committee will review on behalf of Council the activities of the treasury management operation.
- 9.7. Treasury management is undertaken in accordance with the University Treasury Management policy as approved by Finance and Resources Committee.
- 9.8. Council is responsible for the appointment of the institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Executive Director of Finance. The appointment shall be for a specified period after which consideration shall be given by the Executive Director of Finance for the competitive tendering of the service.
- 9.9. The Executive Director of Finance is responsible for liaising with the University's bankers in relation to all matters concerning its bank accounts or borrowings.
- 9.10. Only the Executive Director of Finance may open or close a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or one of its subsidiary companies.
- 9.11. All payments, irrespective of type of transaction on behalf of the University, such as BACS or CHAPS, must be authorised in accordance with the policies and processes in place.
- 9.12. The Executive Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.
- 9.13. Details of the University's 'Scheme of delegation' can be found at:
<https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Governance.aspx>
- 9.14. Details of authorised persons and limits outside those covered by the 'Scheme of delegation' shall be provided for in the University's detailed financial procedures.

D. INCOME

1. General

- 1.1. The Executive Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Executive Director of Finance.

- 1.2. Levels of charges for non-regulated academic fees will be approved by the Vice Chancellor's Executive Team.
- 1.3. Other fees and prices must be set with due consideration to the Full Economic Cost (FEC) and/or a business case ensuring a proper system of control and review.
- 1.4. The Executive Director of Finance is responsible for:
 - the prompt collection, security and banking of all income received.
 - ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the University's accounts.
 - ensuring that all claims for funds, including research grants and contracts, are made by the due date.

2. Maximisation of income

- 2.1. It is the responsibility of all staff to ensure that revenue to the University is maximised by the efficient application of agreed procedures for the identification, collection and banking of income the prompt notification to the Finance Directorate of sums due so that collection can be initiated.

3. Receipt of cash, cheques and other negotiable instruments

- 3.1. All monies received within Schools and other budget departments from whatever source must be recorded by the department daily together with the form in which they were received, for example cash, cheques and other negotiable instruments.
- 3.2. All monies received must be banked or paid to the University Income & Treasury function promptly. The custody and transit of all monies received must comply with the requirements of the University's insurers.
- 3.3. All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.
- 3.4. Staff must comply with the requirements of the card handling and processing procedures including Payment Card Industry Data Security Standard (PCI DSS) when accepting debit and credit cards. Any member of staff wishing to arrange for new methods of payment to the University should seek guidance from Head of Income & Treasury to ensure that the University's PCI DSS compliance will not be impacted.
- 3.5. Staff must comply with the requirements of money laundering legislation and comply with specific finance guidance.

4. Collection of debts

- 4.1. The Executive Director of Finance should ensure that:

- Debtors' invoices are raised promptly on official invoices, in respect of all income due to the University.
 - invoices are prepared with care, recorded in the finance system, show the correct amount due and are credited to the appropriate income account.
 - any credits granted are valid, properly authorised and completely recorded.
 - VAT is correctly charged where appropriate and accounted for.
 - monies received are posted to the correct debtors account.
 - swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures.
 - outstanding debts are monitored, and reports prepared for management.
- 4.2. Only the Executive Director of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid.
- 4.3. The Executive Director of Finance has the authority to write off any debt incurred in the ordinary course of business, except for those having a material impact on the University's position. The write off of material debts will be referred to Council through Finance and Resources Committee.
- 4.4. A summary report of all debt write offs will be presented to the Audit and Risk Committee annually.
- 4.5. Requests to write off debts must be referred in writing to the Head of Income and Treasury in the first Instance.

5. Student fees

- 5.1. The procedures for collecting tuition fees must be approved by the Executive Director of Finance. In conjunction with the Registrar and Secretary, they are responsible for ensuring that all student fees due to the University are received.
- 5.2. Any student who has not paid an account for tuition fees owing to the University shall not receive the certificate for any degree, diploma or other qualification awarded by the University until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the institution and from using any of the University's facilities unless appropriate payment arrangements have been made.
- 5.3. Any student who has not paid an account for any other item will be dealt with in accordance with procedures set by the Executive Director of Finance.
- 5.4. The University seeks to minimise the opportunities for money laundering in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds Regulation 2017. Where the University is required to process a refund, refunds will be made to the original payer following the method by which the monies were originally received. Additionally, under the money laundering regulations the University cannot accept cash payments exceeding £8,750 per student per programme.

6. Student loans

- 6.1. Appropriate records will be maintained to support all transactions involving student loans.
- 6.2. The Registrar and Secretary is responsible for approving loans in accordance with the Student Loan scheme. The Finance Directorate is responsible for administering loans that have been approved.

7. Emergency / Hardship Support

- 7.1. The University's scheme for emergency/hardship support must be approved by Vice Chancellor's Executive Team. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.
- 7.2. The Registrar and Secretary is responsible for ensuring the adequacy of the systems in place for:
 - approving loans in accordance with the scheme.
 - paying loans that have been approved.
 - recovering loans that have been paid.

8. Research Bids, Grants and Contracts (Including Expressions of Interest)

- 8.1. Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes. The definition of research is as outlined in the Frascati manual.
- 8.2. The term 'Research Grant' is restricted to research projects undertaken primarily for the wider public benefit, or where the funder does not receive primary benefit in exchange for payment.
- 8.3. All research projects undertaken for the primary benefit of the funder, regardless of the funder type are classified as 'Research Contracts'.
- 8.4. Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Dean of School to ensure that the financial implications have been appraised by the Executive Director of Finance in accordance with Delegated Authority limits. This will include obtaining and agreeing a set of terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
- 8.5. Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the

responsibility of the named supervisor, PI or grant holder to ensure that conditions of funding are met.

- 8.6. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder and will be charged against school funds.
- 8.7. The Executive Director of Finance is responsible for ensuring procedures are in place for examination and approval of every formal application for grant as outlined in the scheme of 'Delegated Financial Authority' with the PVC of Research & Enterprise ensuring that there is adequate provision of resources to meet all commitments. The Executive Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy about indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.
- 8.8. 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.

9. Match funding

- 9.1. Any contract which requires match funding in excess of £5,000 must be approved by the Executive Finance Director. This includes cash or non-cash match. In order to evaluate the submission, a Full Economic Costing (FEC) must be produced and even at expression of interest stage, an estimate (if the actuals are not yet available) must be provided. It should honestly reflect the internal impact of the opportunity and err on the side of prudence if information is limited.
- 9.2. The Research Contracts and Monitoring team shall maintain all financial records relating to research grants and contracts (unless another University agreement has been made with the PVC Research & Enterprise and Executive Director of Finance, for example ERDF projects) and shall validate all claims for reimbursement from sponsoring bodies by the due date.
- 9.3. Each grant or contract will have a named PI and will be assigned to a specific budget holder.
- 9.4. Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a PI, but any overspend, or under-recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on school funds.

10. Transparency Approach to Costing (TRAC)

- 10.1. The University has agreed to adopt the principles on costing and pricing recommended by the Financial Sustainability Steering Group (FSSG). Staff undertaking research activity will maintain the records specified by the Executive Director of Finance to enable compilation of returns to the funding body. All research projects will be costed on a full economic cost basis, whether the

funding arrangements permit full recovery. This enables the full economic costs of projects to be calculated so that any funding shortfalls are identified and approved accordingly.

- 10.2. Full Economic Costing (FEC) overheads will be charged to research activity irrespective of whether the funding arrangements permit full recovery. A full economic costing is required to be completed and approved prior to any submission (including expressions of interest).
- 10.3. The TRAC return is currently a mandatory return requiring governing body approval. The rates calculated through this return will be used for the research recovery rates for the following year and updated on a yearly basis.

11. Other income-generating activity

- 11.1 Other income-generating activities are part of the University's wider enterprise strategy and represent significant income streams organized on a School, cross-School or University basis. Schools seek to maximise income from industry related work, to make productive use of resources including equipment and facilities and to create opportunities at local, national and international levels. As the ICZ strategy is realized, there will be convergence between academic and commercial opportunities as programmes become more aligned to the industries they support. Individual staff or groups of staff from academic, technical and professional services will increasingly be required to develop ideas for income-generating activities and to work with their School's ADE and/or wider University unit to take them forward. All income generating activities which use University facilities and/or refer to the University in their marketing materials must be agreed by the Dean of the School and the Executive Director of Finance.
- 11.2. Income Generating Activities include Continuing Professional Development (CPD), short courses and conferences, services rendered and other trading activities and all must seek to be self-financing or surplus-generating on a contribution basis plus 25% as a minimum unless it is intended that an activity is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Dean of School, and the Executive Director of Finance. In cases, where the activity has not reached a break-even point, the case for delivery will be considered by the Dean of School in consultation with the finance business partner.
 - Continuing Professional Development (CPD) – as a form of systematic training which ensures a workforce in a particular industry is able to work at maximum productivity is closely linked to short course provision and PGT modules. Staff may be engaged in the delivery of these as part of their workload or through other arrangements which may apply locally under the direction of the ADE. In all cases, the running of CPD training will have been authorized by the Dean of School.
 - Short courses – In this context a short course is any course which does not form part of the award-bearing teaching load of the school. Any staff wishing to run a short course must have the permission of their Dean of School. The course organiser will be responsible to the Dean of School for day-to-day management of the course.
 - Services rendered – the term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities to gain additional income.

- Consultancy - Consultancy is the provision of advisory services rendered by the University and may include work carried out for academic or non-academic purposes. Any staff wishing to undertake consultancy must first discuss this with their Dean of School or for non-School based staff with their Head of Department. Further information and advice on consultancy is provided by the Research and Innovation team or the Enterprise and Development team. Staff should also refer to the Personnel policies and procedures for consultancy and outside work and approval must be sought in advance.
 - Conferences, symposia and workshops - may be closely related to the research, practice and teaching activities of Schools or may be undertaken as a form of commercial activity. While different financial models apply to each category, all, as far as possible, will aim to be self-funding and will have been authorised by Deans as part of their School's overall strategy. Income recognised for activities is assessed not only on registration fees paid by participants, but also includes secondary income generation such as university lodging income from visitors who stay in residence, and service fees generated from one internal unit to another.
- 11.3. The University recognises that on occasions a member of staff may wish to undertake consultancy on a private basis. However, before accepting any private consultancy this work must be notified to the employee's Line Manager. The Line Manager must be assured that the private consultancy is outside of normal working hours and involves no use of the University's name, facilities, equipment or intellectual property and the University does not accept any obligations or liabilities, financial or otherwise, for work undertaken privately.

12. Off-site collaborative provision

- 12.1. Any contract or arrangement whereby the University provides education to students away from University premises, or with the assistance of persons other than the University's own staff or with independent contractors (partner organisations), must be subject to the following procedure:
- Delivery of education leading to academic credit of the University must be approved in advance through the relevant Senate committees and procedures.
 - There shall be a signed contract (signed in accordance to the delegated authority schedule) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by VCET. This should specifically address the issues of tax and ethics.
 - The academic form of the contract shall be scrutinised in advance of its operation by the appropriate subcommittee of Senate and approved by VCET except for academic collaboration e.g. franchises.
 - The impact of the contract(s) shall be subject to scrutiny by VCET. The format for regular reports shall be as stated in funding body guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the University's financial forecast.

- Where the partnership would represent a significant departure from the University's strategic plan, it will require Council's approval.

13. European Union (EU) and other matched funding

- 13.1. Any such project requires approval in accordance with the authority levels set out in the Delegated Financial Authority prior to any commitment being entered. Such approval shall be dependent upon the relevant Dean of School being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's costing and pricing policy.
- 13.2. Applications for funds more than £500,000 shall be the subject of a report by the Vice Chancellor to Council which will set out, amongst other things, the potential risks generated by the project.
- 13.3. If the University sub-contracts such work to external providers, the PVC of Research & Enterprise and/or PVC Academic Development shall ensure that:
 - only those 2 roles collectively can give that approval.
 - a written contract that allows for full audit access to detailed records is required.
 - appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality.
 - payments are only made against detailed invoices.

14. Skills Funding Agency

- 14.1. The Executive Director of Finance is responsible for ensuring that procedures are in place so that the University remains eligible for funding.

15. Specific and earmarked accounts

- 15.1. From time to time, the University is awarded grants and funding for specific purposes or programmes. These grants are to be accounted for in separate accounts and the budget holder must ensure that the terms and conditions of these grants are adhered to. Failure to respond to these conditions often means that the University will have to reimburse the sponsors and/or incur financial penalty. The budget holder must also ensure that these accounts are maintained in credit and submit the grant claims on a timely basis.
- 15.2. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder and will be charged against the funds of the Budget Centre.

16. Additional payments to staff

- 16.1. Any proposal that involves additional payments to staff (over and above salary and other contractual allowances) should only be made in accordance with the policy and procedures for:
 - consultancy and outside work.
 - intellectual property.
 - payment for additional teaching/work.
- 16.2. Any additional payments must be authorised by the Dean of School/ Director of Professional Service, and the Executive Director of Human Resources before the additional work is undertaken.
- 16.3. Consideration must be given to compliance with the code of conduct set out in section 1.3 of these Regulations and that the payments to staff do not create suspicion of any conflict between their official duty and their private interest.

17. Intellectual Property Rights and Patents

- 17.1. Certain activities undertaken within the institution including research and consultancy may give rise to intellectual property, such as ideas, designs and inventions.
- 17.2. The PVC of Research & Enterprise is responsible for establishing procedures to manage any such intellectual property accruing to the University
- 17.3. In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures as set out in the University's Intellectual Property Policy.

18. Gifts, benefactions and donations

- 18.1. The Executive Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the institution and initiating claims for recovery of tax where appropriate.
- 18.2. All philanthropic donations received by schools or services must be notified to the Finance Directorate including details of the purpose of the donation.
- 18.3. Conditional donations and gifts with specific terms to maintain the capital sum should be set up as endowment funds. The capital sum will be invested in the University's pooled investment portfolio. Capital gains/losses and income will be allocated on a pro-rata basis.
- 18.4. The Director of Marketing, Recruitment & External Relations (MRER) is responsible for maintaining a record of the requirements for each endowment fund and specific donation while the Executive Director of Finance is responsible for appointing investment fund managers.

19. Voluntary funds

- 19.1. The Executive Director of Finance shall be informed of any fund that is not an official fund of the institution, which is controlled wholly or in part by a member of staff in relation to their function in the University.
- 19.2. The accounts of any such fund shall be maintained as a “third party account” within the University’s account and shall be subject to the University’s standard financial procedures.

E. EXPENDITURE

1. General

- 1.1. The Executive Director of Finance is responsible for making payments to suppliers of goods and services to the University.

2. Segregation of duties

- 2.1. All Budget Holders and those with delegated authority are reminded of the need to ensure that there must be appropriate segregation of duties in making financial commitments. In particular:
 - that all orders must be raised and therefore approved on the Financial Information System. All goods or services must be marked as received on the system after delivery, by a person other than the Purchase Order approver.

3. Scheme of delegation/financial authorities

- 3.1. The Directors of Professional Services, Deans of School and other budget holders are responsible for purchases within their areas. Purchasing authority may be delegated by them to named individuals within their area up to the limit of their own authority level which is determined by VCET and approved by the University Council. In exercising this delegated authority, budget holders are required to observe the University’s purchasing policies and financial procedures set out at:
<https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Procurement.aspx>
- 3.2. The Executive Director of Finance shall maintain the Financial Information System (UBW) with persons authorised to approve non-pay expenditure in line with the Delegated Financial Authority Policy.

- 3.3. Under procedures agreed by the Executive Director of Finance, central control shall be exercised over the creation of requisitioners, buyers and authorisers and their respective financial limits for electronic systems.
- 3.4. The Executive Director of Finance must be notified immediately of any request for changes to the authorities to commit expenditure.
- 3.5. Directors of Professional Services and Deans of Schools and other budget holders are not authorised to commit the University to expenditure which is outside the budget approved by Council. (See also Delegated Financial Authority Policy section 2&3 for non-budgeted expenditure).
- 3.6. Invoices that match the purchase order within tolerance and the goods have been received on the system will be automatically approved for payment. Tolerance is defined as a price increase of 2.5%. Where an invoice exceeds this tolerance and the value of the increase exceeds £25, the invoice must be approved by the appropriate budget holders or those with delegated authority as outlined in the Delegated Financial Authority Policy.

4. Pay Expenditure

- 4.1. All University staff will be appointed to the salary scales approved by either Remuneration Committee or Finances and Resources Committee and in accordance with appropriate conditions of service. All contracts of service shall be concluded in accordance with the University's approved HR practices and procedures and staff may only be appointed in accordance by the University's Human Resources department with letters of appointment.
- 4.2. The Executive Director of Human Resources will, from time to time, review the remuneration package for all staff in relation to the marketplace and sector. Changes to the benefits framework will be submitted to the Remuneration Committee and Finance and Resources Committee as appropriate for review and approval.
- 4.3. Budget holders shall ensure that the Executive Director of Human Resources is provided promptly with all information required in connection with the appointment, resignation or dismissal of employees.
- 4.4. The Executive Director of Finance is responsible for all payments of salaries and all other payments arising from employment, including individuals engaged under a claims basis. All such payments must be paid through the University payroll.
- 4.5. All timesheets and other pay documents, including those relating to fees payable to external examiners, occasional lecturers or researchers, will be in a form prescribed or approved by the Executive Director of Human Resources.
- 4.6. The Executive Director of Human Resources will be responsible for ensuring that the following activities are undertaken effectively, efficiently and in accordance with statutory requirements:

- appointments, resignations, dismissals, secondments and transfers.
 - recording absences from duty for sickness or other reason, apart from approved leave.
 - changes in remuneration.
- 4.7. Engagement and payment of individuals on a self-employed/consultancy (contract for services) basis should be made in accordance with the policy issued by the Executive Director of Human Resources.
- 4.8. The Executive Director of Finance is responsible for the information necessary to maintain records for pensions, income tax, national insurance and other pay-related statutory reasons.
- 4.9. All payments must be made in accordance with procedures issued by Human Resources and comply with HM Revenue and Customs regulations.

5. Pension schemes

- 5.1. Council is responsible for ensuring appropriate pension arrangements for employees.
- 5.2. The Executive Director of Finance is responsible for day-to-day pension matters, including:
- administering eligibility to pension arrangements.
 - arranging when deductions should begin or cease for staff.
 - paying contributions to various authorised pension schemes.
 - preparing the annual return to various pension schemes.
 - liaison with the pension fund administrators.

6. Severance and other non-recurring payments

- 6.1. Severance payments are paid in line with the relevant legislation and University policy. Settlement payments are agreed in line with the CUC Remuneration Code, OFS and Council approved policy.
- 6.2. Any staff settlement or severance payment must be approved in advance by the Executive Director of Finance and the Executive Director of Human Resources.
- 6.3. The University policy on severance payments is contained in policy documents approved by Council at the following Human Resources website:
- <https://testlivesalfordac.sharepoint.com/sites/HumanResources/SitePages/HR-Documents.aspx>

7. Procurement

- 7.1. The University requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible lifecycle cost consistent with quality (the required specification), delivery requirements and sustainability, and in accordance with sound business practice and ethics and legal and regulatory restraints.
- 7.2. The University Head of Procurement is responsible to the Executive Director of Finance for:
- ensuring that the University's purchasing policy is known and observed by all involved in purchasing for the institution.
 - advising on matters of University purchasing policy and practice.
 - advising and assisting schools and support services where required on specific departmental purchases.
 - developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations.
 - vetting all orders above the limit set in the financial management system before they leave the University.
 - the drafting and negotiation, by agreement and in collaboration with the responsible School or other budget unit, of selected high-value purchase contracts (in excess of £25,000) undertaken by the University.
 - ensuring that the University complies with EU regulations and UK legislation on procurement and related matters.
 - approving suppliers for which it is not appropriate to raise a purchase order e.g. Utilities Suppliers.

8. Purchase orders

- 8.1. The ordering of goods and services shall be in accordance with the University's procurement procedures and policies. Any acquisition or purchase, by whatever means (whether by purchase order, contract, purchasing card, letter of intent, or any other means) must only be made by people who are authorised under the relevant procedures.
- 8.2. All goods and services must be ordered on official University orders through the Financial Information System (UBW) or Library Information system (Alma) except those made using purchasing cards, company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day. (e.g. Emergency call outs over a weekend)
- 8.3. Purchases under £200 should be made where possible and where cost effective by purchasing card. Petty cash may be used at the discretion of the Head of Procurement for purchases under £50 where payment by purchasing card is not possible.
- 8.4. The University Head of Procurement is responsible for ensuring that all purchase orders refer to the University's conditions of contract or approved alternative conditions.

9. Purchasing cards and institution credit cards

- 9.1. The operation and control of the University's purchasing cards is the responsibility of the Executive Director of Finance.
- 9.2. Institution credit cards are only issued to members of VCET and nominated senior staff and may not be used for personal expenditure. The Executive Director of Finance is responsible for ensuring compliance with the terms of their issue, including their usage for authorised and approved expenditure and may withdraw them if there is a breach of their terms of issue.
- 9.3. Holders of purchasing cards are wholly responsible for all charges against their cards. Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. **Cards must not be loaned to another person, nor should their use be delegated or assigned to other colleagues.** The Personal Identification Number (PIN) must not be disclosed to any other person, nor should they be used for personal or private purchases.
- 9.4. Cardholders must ensure that budget holders and those with delegated budgetary authority approve all credit card purchases at the month end.
- 9.5. Cardholders must provide the information required by the Purchasing Card Administrator, which is determined by the Executive Director of Finance. Guidance is given in the financial procedures and the purchasing card policy.

<https://testlivesalfordac.sharepoint.com/sites/Finance/Shared%20Documents/Purchase-Card-Policy.pdf?CT=1571820131237&OR=ItemsView>

10. Tenders and quotations

- 10.1. Deans of School and delegated budget holders must comply with the University's tendering procedures described in the University's procurement policies, procedures and guidance set out at <https://testlivesalfordac.sharepoint.com/sites/Finance/SitePages/Procurement.aspx>
- 10.2. The following table sets out the course of action for different threshold levels.

Orders below £750: Purchase cards can be used

Orders below £5000: The budget holder to obtain value for money

Orders between £5000 and £25,000: 3 competitive quotes to be obtained by the department prior to placing the order

Orders between £25,000 and £181,302: Tender (please contact the Purchasing Office)

Orders over £181,302: EU Tender (please contact the Purchasing Office)

- 10.3. The current threshold values are updated by the Procurement Office for legislation changes. Deviation from the University's threshold table above may only be approved by the Executive Director of Finance, following an application to the Head of Procurement. **This does not include orders that are above the European Union threshold.**
- 10.4. Funding bodies may impose additional rules pertaining to procurement which must be followed otherwise there is the potential for clawback of funds e.g. ERDF

11. Capital and Major Refurbishment Contracts

- 11.1. All capital and major refurbishment contracts will be authorised and monitored in accordance with the requirements of the Strategic Enablers Board (or subsequent replacement group) acting on behalf of the Vice Chancellor's Executive Team.
- 11.2. Building procurement is subject to procurement procedures and legislation. The threshold values and the associated procedures are available from the Procurement Office. Care must be taken to ensure that works and associated services that exceed the European Union threshold or which are funded by external grants follow European Union regulations.

12. EU regulations

- 12.1. The University Head of Procurement is responsible for ensuring the University complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value. A breach of these regulations is actionable by a supplier or potential supplier, the EU Commission and possible other parties.
- 12.2. The EU thresholds are available from the Procurement office.
- 12.3. Directors of Professional Services, Deans of School and other budget holders are responsible for ensuring that their members of staff comply with EU regulations by notifying Procurement Services of any purchase that is likely to exceed the thresholds. Enough time is required to permit the application of the EU tender procedure.

13. Receipt of goods or Services

- 13.1. All persons receiving goods or services on behalf of the University must be independent of those who approved the official order.
- 13.2. All goods must be marked as received on the Financial Information System (UBW) prior to an invoice being paid.

14. Payment of invoices

- 14.1. The procedures for making all payments shall be in a form specified by the Executive Director of Finance.
- 14.2. The Executive Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice- normally BACS
- 14.3. Suppliers should be instructed to submit invoices to the central Accounts Payable Team in the Finance Department.
- 14.4. Care must be taken by the budget holder to ensure that discounts receivable are obtained.
- 14.5. Payments will only be made by the Executive Director of Finance against invoices that are:
 - matched to a receipted order on the Financial Information System (UBW) within tolerance
 - approved on the Financial Information System (UBW) where the invoice exceeds tolerance
 - that have been certified for payment by the appropriate Dean of school or delegated signatory (paper-based system) where no Purchase Order was required.
- 14.6. Certification of an invoice or receipting of an electronic order will ensure that:
 - the goods have been received, examined and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory.
 - where appropriate, it is matched to the order.
 - invoice details (quantity, price, discount) are correct.
 - the invoice is arithmetically correct.
 - the invoice has not previously been passed for payment.
 - where appropriate, an entry has been made on a stores record or school inventory.
 - an appropriate account code is quoted; this must be one of the account codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

15. Staff reimbursement

- 15.1. The University's purchasing and payments procedures are in place to enable most non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.
- 15.2. All claims for payment of subsistence allowances, travel and incidental expenses shall be completed in a form approved by the Executive Director of Finance.
- 15.3. Regulations relating to the reimbursement of Expenses are contained in the Staff Travel and Other Expenses and Benefits policy which can be found at:

16. Petty cash

- 16.1. Where a single item is for less than £50 and it cannot be purchased by purchasing card, it can be paid from departmental petty cash. It must be supported by receipts or vouchers where available.
- 16.2. The Executive Director of Finance shall make available to departments such imprest floats as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.
- 16.3. Requisitions for reimbursements must be sent to the Executive Director of Finance's nominated officer, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.
- 16.4. The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the University's insurers when not in use and will be subject to periodic checks by the Dean of School or another person nominated by the Dean of School.
- 16.5. Petty cash records must be maintained in a form prescribed by the Executive Director of Finance and expenditure should be recorded on an imprest accounts basis.
- 16.6. At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Dean of School/Director of service.

17. Other payments

- 17.1. Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Executive Director of Finance, supported by detailed claims approved by the Dean of School or the Registrar.

18. Late payment rules

- 18.1. The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:
 - small businesses can charge interest on overdue invoices.
 - interest is chargeable on sales made after 1 November 1998.

- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England.
- the Act also applies to overseas organisations.
- the institution can be sued for non-payment.

18.2. In view of the penalties in this Act, Council requires that invoices must be passed for payment as soon as they are received.

19. Giving hospitality

19.1. Staff entertaining guests from external companies or individuals (as defined in the Expenses policy) should use the University's catering facilities during the normal working day.

19.2. Further details concerning acceptable expenditure for entertaining guests are set out in the University's [policy](#) on Staff travel and other expenses and benefits.

F. ASSETS

1. General

1.1. The purchase, lease or rent of land, buildings or fixed plant will be undertaken in accordance with procedures set out by the Strategic Enablers Board (or subsequent replacement group) and approved by the Vice Chancellor's Executive team and Council according to the Delegated Authority.

1.2. The Executive Director of Finance is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Directors of Professional Services, Deans of School and other budget holders will provide the Executive Director of Finance with any information needed to maintain the register.

2. Safeguarding assets

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

2.2. Directors of Professional Services, Deans of School and other budget holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible or intangible (such as intellectual property), including electronic data.

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

- 2.4. Directors of Professional Services, Deans of School and other budget holders are responsible for maintaining inventories, in a form prescribed by the Executive Director of Finance, for all plant, equipment, furniture and stores in their departments with a cost more than £1,000. The inventory must include items donated or held on trust.
- 2.5. Inventories must be checked at least annually.
- 2.6. When transferring equipment, etc. between departments, a transfer record must be kept, and the inventories amended accordingly.

3. Stocks and stores

- 3.1. Directors of Professional Services, Deans of School and other budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their schools. Where stocks of consumables or equipment are held, the accounting processes in schools or professional services must be in line with the Universities Accounting Standards directed by the Head of Financial Accounting.
- 3.2. Directors of Professional Services, Heads of School and other budget holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks and health and safety legislation.
- 3.3. Those Directors of Professional Services, Deans of School and other budget holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Executive Director of Finance and that instructions to appropriate staff within their schools/services are issued in accordance with advice contained in the University's detailed financial procedures.

4. Personal use

- 4.1. **Assets owned or leased by the University shall not be subject to personal use without proper authorisation from the Dean of School or Director of Professional Services.**

5. Asset disposal

- 5.1. Disposal of land and buildings can only be approved by Council by written request having already been approved by VCET and Finance and Resources Committee.
- 5.2. Disposal of equipment and furniture must be in accordance with contained in the University's detailed financial procedures.
- 5.3. The disposal of donated assets must have due consideration to the original terms and restrictions of the donation.

G. OTHER

1. Insurance

- 1.1. The Executive Director of Finance is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide enough cover to meet any potential risk to all assets. This portfolio of insurances will be considered as part of dual assurance processes.
- 1.2. The Executive Director of Finance is responsible for effecting insurance cover. The Executive Director of Finance will keep a register of all insurances effected by the University and the property and risks covered. He/she is therefore responsible albeit through delegation for obtaining quotes, negotiating claims and maintaining the necessary records. He/she will also deal with the University's insurers and advisers about specific insurance problems.
- 1.3. Directors of Professional Services, Deans of School and other budget holders must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which the University may be exposed. The Executive Director of Finance's advice should be sought to ensure that this is the case. They must give prompt notification to the Executive Director of Finance of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.
- 1.4. Directors of Professional Services, Deans of School and other budget holders must advise the Executive Director of Finance immediately of any event that may give rise to an insurance claim. The Executive Director of Finance will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Dean of School for transmission to the insurers.
- 1.5. The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 1.6. All staff using their own vehicles on University Business shall maintain appropriate insurance cover for business use.

2. Companies, joint ventures and other legal entities

- 2.1. In certain circumstances it may be advantageous to the institution to establish a company, joint venture or other legal entity to undertake services on behalf of the University. Any member of staff considering the use of a company or a joint venture should first seek the advice of

Commercial Services team and Head of Financial Accounting, who should have due regard to guidance issued by the funding body.

- 2.2. Council is ultimately responsible for approving the establishment of all companies or joint ventures. Under a memorandum between University of Salford Enterprises Ltd (USE which is a wholly owned subsidiary) and University, USE will undertake the necessary due diligence including taking regard of any guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the University's financial procedures.
- 2.3. It is the responsibility of USE to advise VCET and ultimately Council on the appropriate shareholding arrangements and to appoint directors of companies wholly or partly owned by the University.
- 2.4. Unless VCET has agreed any other arrangements, the Directors of Companies where the University is the majority shareholder must submit regular reports to University of Salford Enterprises Limited who are responsible for governance and monitoring of University company and joint venture activity. The University's internal and external auditors shall also be appointed to such companies.
- 2.5. Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

3. Security

- 3.1. Keys to safes or other similar containers holding cash or other financial information are to be held securely. The loss of such keys must be reported to the Executive Director of Finance immediately.
- 3.2. The University through the Legal team is responsible for the safekeeping of official and legal documents relating to the University. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the University Solicitor. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

4. Students' Union

- 4.1. The Students' Union is a separate legal entity from the University.
- 4.2. The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.
- 4.3. Subject to any constraints imposed by the funding body, Council shall determine the level of grant to be paid annually to the Students' Union by approving the overall University annual budget. Council requires the Students' Union to provide, for information, details of its proposed budget.
- 4.4. In accordance with an agreement between the University and Students' Union, the Student's Union will provide periodic financial updates for information purposes only.

- 4.5. At year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to University of Salford Council as part of an annual review.

5. Use of the University's seal

- 5.1. Where a deed or document requires the University's seal or stamp, it must be sealed by the University Legal Counsel and the Executive Director of Finance.
- 5.2. The University Registrar and Secretary is responsible for submitting a report to each meeting of Council detailing the use of the University's seal since the last meeting.

6. Provision of indemnities

- 6.1. Any member of staff asked to give an indemnity, for whatever purpose, should consult the Executive Director of Finance for approval before any such indemnity is given.

APPENDIX A: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS

The proposal should be supported by a business plan for ten years which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by Council and with the University's powers under current legislation.
- details of the market need and the assumptions (based on reference data) of the level of business available.
- details of the business and what product or service will be delivered.
- an outline plan for promoting the business to the identified market and achieving planned levels of business.
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues.
- details of any premises and other resources required.
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions.
- contingency plans for managing adverse sensitivities.
- consideration of taxation and other legislative or regulatory issues.
- a ten-year financial forecast for the proposal including a cash flow forecast and details of the impact on the University's cash flow forecast for the financial years in question.