

Delegated Financial Authority Policy

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| Revision History incl. Authorisation: (most recent first) | | | |
|---|---|---|--------------------------|
| Author | Summary of changes | Version | Authorised & Date |
| I Dempsey/ M Ferraby | Changes to delegations regarding roles/committees, unbudgeted < £1m, and capital project variance. | V2.5 | Council, 17 October 2025 |
| I Dempsey | Update following change in structure and job roles. | V 2.5 | |
| J. Charge & I Dempsey | Amendment to Section 3 Recurrent thresholds and Section 4 Research and Enterprise Contracts updated. | V2.4 | FRC March 2023 |
| J. Charge & I Dempsey | Review in line with updated Financial Regulations | V2.3 | FRC March 2022 |
| E Heathcote | To include the 3 research policies and amend role titles for PVC Academic Development and PVC Research & Enterprise | V2.1 | 24 September 2020 |
| J. Charge & I Dempsey | Review in line with updated Financial Regulations. | V2 | Council 14 January 2020 |
| J. Charge & I Dempsey | Revision following the departure of the Chief Operating Officer. | V1.2 | 6 March 2017 |
| J. Charge & I Dempsey | Review | V1.1 | September 2015 |
| Policy Management and Responsibilities | | | |
| Owner: | | This Policy is issued by the Deputy Chief Executive and Chief Finance Officer who has the authority to issue and communicate policy on financial matters of the University. The Deputy Chief Executive and Chief Finance Officer 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 impact assessment | | 1. This is mandatory. Specify date completed and brief outcome. Email the completed EA to equity@salford.ac.uk | |
| 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 three years by July 2027 |
| Document location: | University policy and procedures pages |

<https://www.salford.ac.uk/governance-and-management/finance-policies>

The owner and author are responsible for publicising this policy document.

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INTRODUCTION

1. Background

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

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

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

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

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

2. Capital Expenditure

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

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

Major projects are defined as spend in excess of £100k (but excludes equipment replacement – see section 3 recurrent/contract expenditure).

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

The approval of major projects is delegated as follows:

Where the value exceeds a threshold, approvals need to be made by all those with delegated authority before progressing to the final approvers. Approvals should be made in the order shown, for example for a project between £1m and <£5m the PVC or Director of Service AND Head of Procurement AND Director of Finance AND Strategic Portfolio Board should approve the request before it is presented to Deputy Chief Exec & CFO or Deputy VC & Provost AND University Leadership Team (refer to appended flowchart).

| Role | <£100K | <£1m | <£5m | >£5m |
|---|--------|------|------|------|
| | | | | |
| Pro Vice Chancellors or Director of Professional Service | Y | Y | Y | Y |
| Head of Procurement | Y | Y | Y | Y |
| Director of Finance | | Y | Y | Y |
| Strategic Portfolio Board | | Y | Y | Y |
| Deputy Chief Executive and Chief Finance Office or Deputy Vice Chancellor and Provost | | | Y | Y |
| University Leadership Team | | | Y | Y |
| Finance and Resources Committee | | | | Y |
| Council | | | | Y |

The University Leadership Team (ULT) is responsible for approving the Major projects that are included in the Capital budget and delegates the prioritisation and monitoring of all such expenditure to the Strategic Portfolio Board and subcommittees (or subsequent replacement group).

Each year, as part of the budget cycle, areas will be asked to submit Major projects for consideration. Business cases should go through Estates/DIT and follow guidance available through the Project Management Office.

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

For variances to existing approved projects (*cumulative movements from original approved budget*):

- <10% and/or less than £2.5m
 - <£100k Chief Infrastructure Officer & Director of Finance
 - £100k to <£500k Strategic Portfolio Board
 - £500k to <£2.5m ULT

- Where >10% then approval required by at approval body that previously gave final approval*
- Where >£2.5m Council

*If project total costs move from one threshold to another (see table above), then approval is required at the relevant approval body e.g. >£1m ULT, >£5m Council.

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

- Extension to lease arrangements where the value of the extension is in excess of £1m
- Land acquisition or disposal where the value of the transaction exceeds £1m
- Procurement of external consultancy services that exceeds £1m
- Write off of an individual bad debt in excess of £250k

The following authorisation limits are in place and are reflected in workflow in the University's Financial Information System (Unit4 ERP).

| Role | >50k and <£100K | >£100K | < £1m | > £1m |
|---|--------------------|--------|-------|-------|
| | | | | |
| Pro Vice Chancellors or Director of Professional Service | Y | Y | Y | Y |
| Head of Procurement | Y | Y | Y | Y |
| Director of Finance | | Y | Y | Y |
| Deputy Chief Executive and Chief Finance Office or Deputy Vice Chancellor Provost | | | | Y |

The Pro Vice Chancellors, Director of Professional Service, Head of Procurement, Director of Finance can delegate, but must inform finance of any such delegation so that the Financial information System(unit 4 ERP) can be updated for workflow purposes.

3. Recurrent Expenditure / Contract Expenditure

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

The following authorisation limits are in place and are reflected in workflow in the University's Financial Information System (Unit 4 ERP for Recurrent Expenditure:

| Role | <£5K | >£5K <£20K | >£20K <£100K | >£100K | > £1m |
|---|------|---------------|-----------------|--------|-------|
| Local Delegated Budget Holder | Y | | | | |
| Manager within School or Professional Services | | Y | Y | Y | Y |
| Pro Vice Chancellor Deans of School or Director of Professional Service | | | Y | Y | Y |
| Head of Procurement | | | Y | Y | Y |
| Director of Finance | | | | Y | Y |
| Deputy Chief Executive and Chief Finance Officer | | | | | Y |

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

The Pro Vice Chancellor, Director of Professional Service, Head of Procurement, Director of Finance and Deputy Chief Executive and Chief Finance Officer can delegate but must inform finance of any such delegation so that the Financial Information System (Unit 4 ERP) can be updated for workflow approval purposes.

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

4. Research (including overseas research) and Enterprise applications, expressions of interest and all types of contractual agreements (excluding overseas non-research activity, which is covered in section 5)

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

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

All bids, expressions of interest and contracts that require Match Funding in excess of £25,000 must be referred to the Deputy Chief Executive and Chief Finance Officer for approval and signature, with the exceptions of Match Funding provided from pre-approved Research & Enterprise funds and tuition fee waivers provided at the discretion of the School.

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

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

Research Financial Authority Levels

Subject to the above processes, all research expressions of interest, and Research Applications [including Knowledge Transfer Partnerships] must have a fully costed budget and approved in advance through the Worktribe. All Worktribe records and contractual agreements must be authorised as follows:

- Non-Disclosure agreements – Research Contracts Office
- Total value up to £200k PVC Dean of School
- Total value up to £500k PVC Dean of School **and** PVC of Research & Enterprise.
- Total value above £500k PVC Dean of School and PVC of Research & Enterprise **and** either of Director of Finance or Assistant Director of Finance (Academic Services) or Assistant Director of Finance (Professional Services)
- Total value above £1m as £500k plus Deputy Chief Executive and Chief Finance Officer and any of the following: Vice Chancellor or the Deputy Vice Chancellor and Provost..
- Total value above £5m Chair or Deputy Chair of Council.

For amounts below £500k deputies are authorised to act as substitutes.

The allowable research recovery rates, conditions, and processes to be followed are defined within the Research Funding Approval Policy.

All research contracts, whether or not signed by the Deputy Chief Executive and Chief Finance Officer under the delegated powers above, must be processed via the Research Contracts & Monitoring Team to enable appropriate budgeting and accounting for income and expenditure.

Research contracts will not be considered if all directly incurred costs are not covered

Enterprise Financial Authority Levels

Subject to the above processes, all enterprise expressions of interest, bids and tenders must have a fully economic costing (fEC) template completed and approved in advance through the relevant approval process. All fEC's and **contractual agreements** must be authorised as follows:

- Total value up to £200k Pro **Vice Chancellor for School** or Director of Professional Services.
- Total value up to £500k Pro Vice Chancellor for School or Director **and** PVC Academic Development or PVC Research & Enterprise.
- Total value above £500k Pro Vice Chancellor or Director **and** PVC Academic Development or PVC Research & Enterprise **and either of Director of Finance or Assistant Director of Finance (Academic Services) or Assistant Director of Finance (Professional Services) .**
- Total value above £1m, as £500k plus Deputy Chief Executive and Chief Finance Office and any of the following: Vice Chancellor, or the Deputy Vice Chancellor and Provost.
- Total value above £5m the Chair or the Deputy Chair of Council.

For amounts below £500k deputies are authorised to act as substitutes.

Enterprise contracts will not be considered if all direct costs are not covered

5. Overseas enterprise applications, expressions of interest and all types of contractual agreements (excluding research, which is covered in section 4)

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

No contract that does not cover their direct costs will be considered.

Arrangements may be referred to the Ethics committee for consideration.

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

| Role | Total value <£100K | Total value >£100k |
|--|--------------------|--------------------|
| Pro Vice Chancellor Deans of School or Director of Professional Service | Y | Y |
| PVC Academic Development | Y | Y |
| Director of Finance | | Y |
| Deputy Chief Executive and Chief Finance Officer or Deputy Vice Chancellor and Provost | | Y |

For amounts below £100k deputies are authorised to approve.

6. Donations to other Charities

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

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

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

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

Appendix

