

**GOVERNING DOCUMENTS: FINANCIAL REGULATIONS**

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**A GENERAL PROVISIONS**

**1. Governing Legislation**

1.1 Bath Spa University (BSU) is a Higher Education Corporation (HEC) created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. Its structure of governance is in the Instrument and Articles of Government. Legislation and the Articles of Government by the Privy Council can only amend the Instrument of Government.

1.2 The Charities Act 2011 exempts the BSU as a charity from Charities Commission regulation.

1.3 The Office for Students (OfS) regulates BSU. BSU must comply with the OfS “Terms and conditions of funding.” Also, BSU must comply with Research England’s “Terms and Conditions of Funding.” The Board of Governors comply with the conditions of funding grants.

**2.0** **Governance and Financial Regulations**

2.1 Board of Governors is responsible for the effective and efficient use of resources, the solvency of the University and for the safeguarding of assets. The Financial Regulations of the University form part of the overall system of accountability and fiscal management and control in support of these responsibilities.

2.2 These Financial Regulations are subordinate to the~~.~~ Governing legislation described in paragraph 1.

**All staff must comply**

2.2 These Financial Regulations are BSU’s rules for controlling resources and providingassurance of regularity and propriety. All staff must comply.

**A Breach could lead to disciplinary action**

2.3 A member of staff who breaches the Financial Regulations may be disciplined, where a breach occurs the manager must notify the CFO. Heads of Department must make sure their staff are aware of their need to comply with University’s Financial Regulations.

**The Chief Financial Officer**

2.4 The Chief Financial Officer (CFO) continually reviews and updates the Financial Regulations advising the Board of Governors of any additions or changes.

2.5 The Chief Financial Officer may authorise a departure from the regulations. At the earliest opportunity, the CFO must report a departure to the Vice-Chancellor, and the Board of Governors

**The Vice Chancellor**

2.6 The Vice-Chancellor on recommendation of the Chief Financial Officer may make minor amendments to these regulations~~.~~

**B FINANCIAL GOVERNANCE**

**3. The Board of Governors Accountabilities and responsibilities**

3.1 The Board of Governors oversee management and administration of the University. The Instrument and Articles of Government define the Board’s overall responsibilities and remit, the Financial Regulations describe the Board’s financial responsibilities.

3.2 The Board may appoint and delegate specific responsibilities and accountabilities to committees or individuals.

3.3 The Board of Governors shall not, however (per clause 4.1 of the Instrument and Articles of Government), delegate the following:

* the determination of the character and mission of the University;
* the responsibility for ensuring the solvency of the University and for safeguarding its assets, including but not limited to the approval of the annual budget and accounts of the University;
* the making of, alteration, amendment or addition to this Instrument and Articles, subject to the prior approval of the Privy Council Office if such approval is required by law
* the approval of procedures for the suspension and dismissal of staff and the suspension and expulsion of students.

**4. Scheme of Delegation**

The authority to commit expenditure on behalf of the university is governed by the Scheme of Delegation (Appendix A)

* 1. **Vice-Chancellor – Accountable Officer**

The Vice-Chancellor (VC) is the University’s Accountable Officer and reports to the Board of Governors forthefinancial administration of the University’s affairs, Office for Students’ conditions of registration; and for the University’s use of public funds.

**The Public Accounts Committee at the House of Commons.**

The Public Accounts Committee may require the Vice-Chancellor to justify any of the university’s financial matters.

**Actions in Conflict with the University’s Instrument and Articles of Government**

The Vice-Chancellor must advise the Board of Governors if, at any time, any action, policy or proposals under consideration appear to conflict with the University’s Instrument and Articles of Government.

The Board of Governors decides the matter. If the Board decides to proceed and the conflict is unresolved, the Vice-Chancellor must immediately write to inform the Office for Students

**Budgets and Resources**

The Board of Governors approve the annual estimates and budgets.

The Vice-Chancellor must prepare annual estimates of income and expenditure for the Board of Governors approval.

* + 1. **Financial Strategy**

The Finance and Infrastructure Committee reports to the Board of Governors on financial matters and is responsible for recommending to the Board of Governors the financial strategy to underpin the overall university strategy.

The CFO is responsible for leading the development of the financial strategy which should as a minimum cover:

The university’s 5 year plan as the financially sustainable expression of the overall university strategy. Covering:

* + Balance sheet
	+ Cash flow forecasts
	+ Income and Expenditure
	+ Capital plan
	+ Borrowing and Liquidity analysis

A financial strategy should also further articulate how different activities in the university are required to contribute to achieve the overall desired (financial) performance and goals of the organisation.

What enablers are required to underpin those activities – accommodation ratio to UG L4, staff to student relationship, capital

**4.4** **Budget & Financial Management**

The Chief Financial Officer (CFO) reports to the Accountable Finance Officer (the Vice Chancellor) and is responsible for providing the Board of Governors:

* financial information to support decision making at executive and non-executive level including acquisitions, disposals and business cases for investment.
* financial planning and options appraisal to support decision making
* Oversight of treasury management policy and borrowing facilities.
* Smooth running of all financial operations (payables, receivables, payroll)
* Preparation and submission of all statutory financial returns including annual financial statements, submission to OfS, TRAC, DoE.
* Continuous improvement of all finance and accounting systems
* Liaison with professional advisors where required to support financial decision making.
* Ensuring the finance team is appropriately resourced, qualified and skilled to carry out its duties.

Budget Owners (as defined in Appendix A) are responsible for budgets in their areas of responsibility and must account to the Vice Chancellor for the performance of their financial envelope. Budget Owners must ensure proper use of funds for staff and non-staff budgets.

Key Budget Owners are:

* Provost & CFO
* Pro Vice Chancellors
* University Secretary
* Associate PVCs
* Heads of School, Directors / Heads of Professional Services
* CIO, Director of Estates and Services, Library etc

4.4.1 Budget owners shall provide the Chief Financial Officer with such information to enable:

* Preparation of the University’s annual statutory financial statements
* Meaningful and robust financial planning including cash flow and borrowing management.
* Understanding of any significant variances between plan and actual to allow reallocation of resources if required to meet changing priorities and financial needs.
* evidence of value for money achieved in procuring goods and services

4.4.2 Budget owners are responsible for establishing and maintaining clear lines of accountability and responsibility for all financial matters within their School or Service.

4.4.4 Working in partnership with Budget Owners the Chief Financial Officer (CFO) and delegated Finance Team members advise Budget Owners in a collaborative manner.

**5. Risk Management**

5.1 Robust governance takes a risk based approach and the Board of Governors has overall responsibility for the risk management strategy which is owned and managed by the University Secretary.

5.3 The Board of Governorsrequire that the risk management strategy and supporting procedures include:

* the adoption of a common approach to risk management
* detailed regular review at department or support function level to identify, assess and monitor significant risks
* development of risk management and contingency plans for all significant risks
* regular reporting to the Board of Governors of all risks above established tolerance levels
* an annual review of the implementation of risk management arrangements
* the capability for independent verification

The Audit Committee provides the Board of Governors assurance on risk processes.

**6. Financial Code of Conduct**

6.1 Governors expect all members of staff at all levels to observe highest standards of openness, integrity, and accountability, having regard to the principles established by the Nolan Committee on Standards in Public Life. These principles are appropriate to the Financial Regulations and cover:

* integrity and accountability
* objectivity and honesty
* transparency and leadership

6.2 **Whistleblowing: Public Interest Disclosure Act (2013)**

The full procedure for whistleblowing is set out in the University’s Whistleblowing Policy. The Public Interest Disclosure Act 2013 provides further details.

A whistle blower can ‘blow the whistle’ about a crime, civil offences (including negligence, breach of contract, injustice, danger to health and safety or the environment, or breach of the Financial Regulations, and the cover-up of any of these.

6.3 **Disclosure of potential conflict interests**

All Governors, Budget Owners and officers who regularly attend meetings of the Board of Governors, or its committees disclose interests in the University’s register of interests, by completion of an annual declaration. The University requires that Board and Officers record their relatives’ interests in the register.

Any member of the Board or any Committee having a personal interest in any matters (whether recorded in the Register of Interests) shall declare that interest, and such declaration shall be recorded. Unless waived by the Chair of the Board or Committee, the member shall withdraw from the meeting in question.

The Register of Interests is maintained by the University’s Secretary.

6.4  **Preventing the risk of fraud**

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. All university staff should comply with our Anti-Fraud, Bribery and Corruption Policy (see website and SULIS)

6.5 **Register of Gifts**

All university staff should comply with our Gifts and Hospitality Policy (see website and SULIS).

The Finance Office maintains a register of gifts and hospitality where the value is more than £50. Members of staff offered or in receipt of gifts or hospitality must notify the Chief Financial Officer’s delegated nominee promptly.

 **C FINANCIAL MANAGEMENT AND CONTROL**

**7. Financial Planning and Budgetary Control**

7.1 The Chief Financial Officer is responsible for:

* Preparing annually a five-year financial plan for approval by the Board of Governors, and for preparing financial forecasts for submission to the Office for Students (OfS)
* Preparing each year an annual budget for consideration and approval by the Board of Governors.
* Submitting updated forecasts to the Board of Governors for consideration
* Ensuring proper procedures exist for the control of income and expenditure against approved budgets

**Budget Owners**

7.2 It is the responsibility of Budget Owners to control allocated expenditure within an agreed budget limit. Budget Owners manage expenditure throughout the year so that they can investigate and provide explanations of differences in planned and actual income expenditure (with support from Finance business partners).

7.3 **Revenue and Capital Budgets**

With approval from the Vice-Chancellor, the Chief Financial Officer (CFO) may authorise Budget Owners to carry forward unspent capital up to an aggregate total balance of £1.0m provided:

* there are reasonable explanations, and/or
* to enable completion of capital projects~~.~~

The Vice-Chancellor shall seek approval of the Board of Governors., where the proposed capital carry- forward exceed £1.0m in aggregate,

If Budget Owners wish to move funds from one departmental budget to another they are able to do so via the annual budgeting or forecasting process.

Operational expenditure and income is accounted for in the year in which the activity occurs not necessarily when the cash flow arises (accruals based accounting). Budget Owners cannot therefore carry forward unspent revenue budgets or income generated in one financial year into the next financial year.

**8. Accounting Arrangements**

8.1 **Financial Year**

The University’s financial year runs from 1 August until 31 July the following year.

8.2 **Basis of accounting**

The consolidated accounts are prepared on the going concern and historical cost bases of accounting and in accordance with applicable accounting standards.

8.3 **Format of the Financial Statements**

The financial statements are prepared in accordance with the OfS accounts direction and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015.

8.4 **Accounting records**

The Chief Financial Officer is responsible for the retention of financial and related documents. The law requires the University o retain prime documents for six years. These include:

* purchase requisitions, orders and invoices
* sales requisitions, orders and invoices
* bank statements and cash/card receipts
* expenses claims
* payroll records

8.5 Public access

The Board of Governors approve the University’s Annual Report and Financial statements. Once audited and approved by the Board they are published on the University’s website.

8.5 Taxation

The Chief Financial Officer provides staff and students with advice on all taxation issues, to the University and its subsidiary companies. The Finance team provide advice and guidance on compliance with statutory requirements regarding VAT, corporation tax and payroll taxes.

 The Chief Financial Officer will consult with external advisors in taxation matters to ensure compliance with tax regulations

**9. Audit Requirements**

**9.1 General**

Internal and external auditors shall have authority to:

* access University 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 concerning any matter under examination
* require any employee of the University to account for cash, stocks held or any other University property under their control
* access records belonging to third parties, such as contractors, when required

**9.2 External audit**

On the recommendation of the audit committee the Board of Governors annually appoint the external auditors.

External audit report on the University’s financial statements and conduct such examination of the statements, underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use funds.

**9.3 Internal audit**

The University Secretary governs the appointment and management of the internal audit function. On the recommendation of the audit committee, the Board of Governors annually appoint the internal auditor

The main responsibility of internal audit is to provide assurances on the adequacy of the system of internal control risk management, governance.

The internal audit service has direct access to the Board of Governors, the Vice-Chancellor, and the Chair of the Audit Committee.

9.4  **Value for money**

Value-for money is the economic, efficient, and effective use of resources to achieve the University’ aims and objectives.

The Board of Governors is responsible for delivering value for money however, all staff, especially Budget Owners must endeavour always to deliver value-for-money products and services for students and the University.

**9.5 Other auditors**

The University may, from time to time, be subject to audit or investigation by external bodies such as the Office for Students (OfS), the National Audit Office, the European Court of Auditors, and HM Revenue and Customs.

**10. Treasury Management**

**10.1 Treasury management policy**

The Board of Governors, approves and monitors the implementation of the University treasury management policy statement. The policy describes the strategy and policies for cash management, long-term investment, and borrowings.

ll University borrowing decisions, undertaken in the University’s name must conform to the Office for Students (OfS) requirements The Office for Students requires the University to report to them any increased gearing.

The Chief Financial Officer reports at least twice in the budget year to the Board of Governors on treasury management operations.

10.2 **Banking arrangements**

The Chief Financial Officer makes all bankingarrangements.

The Chief Financial Officer opens and closes university (and its subsidiaries) bank accounts and credits all cheques or financial instruments payable to the University to the University account.

10.3 **Responsible Investment Policy**

Bath Spa University is fully committed to acting in a socially responsible manner. The Responsible Investment Policy maintained by the University Secretary sets out the principles for responsible investing that includes consideration of environmental, social and governance issues relating to all decisions regarding the University’s investment portfolio.

This policy recognises the following:

a) the fiduciary responsibility of the University’s Board of Governors, as trustees of the University as an exempt charity, to maximise returns from the University’s investments; and

b) the University’s commitment to academic freedom and, in this context, does not define the parameters for its research and business partnerships.

**11. Income**

**11.1 General Points**

The Chief Financial Officer ensures that appropriate operational procedures enable the University to receive all due income.

11.1.1 **The Executive**

The CFO, working in collaboration with the Executive team and specifically the PVC Student Experience, advises The Board of Governors on:

* the level of Tuition fees across non-regulated courses (eg fees for Overseas students).
* the level of rent for students in university owned accommodation.
* the level of nomination agreements committed to each year.

11.1.2 The Chief Financial Officer is responsible for records for:

* collection, security, and banking of all income received.
* all grants in the University’s accounts.
* all claims for funds, including research grants and contracts,

**11.2. Receipt of cash, cheques, and other negotiable instruments**

All staff must follow the Cash Handling Policy

Schools and Services must record monies received daily in the form received, for example cash, cheques, and other negotiable instruments.

 Staff must pay to the cashier promptly any money received following the timetable in the financial procedures.

The custody and transit of all monies received must comply with the requirements of the University’s insurers.

The Chief Financial Officer approves procedures for receiving payments by debit or credit card. All procedures must comply with PCI DSS regulations and the Consumer Rights Act.

## 11.3. Sales invoicing, collection of debts and write-offs

The Chief Financial Officer is responsible for ensuring that:

* Outstanding debts are managed in line with the credit control policy and the debt is actively managed to maximise the amount of debt collected.
* There is an appropriate credit control cycle in place to ensure student debt from self-funding students is proactively managed.
* Ensure different credit control cycles exist where different types of student or debt exists (accommodation/partnership student)
* Outstanding debts are managed in line with the credit control policy and the debt is actively managed to maximise the amount of debt collected.
* Aged debt reports are produced monthly and shared with appropriate senior leaders of the organisation to ensure issues can be flagged an proactively managed.
* Credit reports are produced monthly which show which debts have reached the point at which they may need to be written off – in line with the credit control policy.
* Oversee the provision for bad debts at year end using the aged debt report and historic trends as the basis for that provision.
* Ensure students are aware of hardship / access funding in place to assist in the case of financial hardship.
* sales invoices are raised in a timely and accurate way on the finance system
* the sales ledger is updated to show the correct amount due and they credit the amount to the appropriate income account
* any credits granted are valid, properly authorized, and completely recorded
* VAT is correctly charged where appropriate

The authority to write off any debt the university has incurred in the ordinary course of business (ie payments to suppliers) is the same as the expenditure thresholds at Appendix C.

The authority to write off any tuition fees or other revenue (ie receipts from students) which is not considered recoverable is the same as the expenditure thresholds at Appendix C.

**11.4 Unpaid Student fees**

The BSU debt policy covers the process for collecting students tuition fees both those in receipt of student loans and those not. Controls, sanctions and deadlines are in place and defined by the debt policy in order to ensure tuition fees are collected efficiently but also that students’ welfare and circumstances are taken into consideration.

The policy recognises there are different needs for different types of student:

* Those recruited via the UCAS cycle
* Those recruited via agents (BSU London)
* Those recruited by commercial educational partners
* Those recruited by FE educational partners

**12. Research Grants and Contracts**

**12.1 Acceptance of research grants and contracts**

All bids for research grants and funding by academic staff need approval from the Head of School, the Pro Vice Chancellor for Research & Enterprise and the CFO.

The bid (and the grant if awarded) should be prepared and managed using the full economic costs methodology and apply the appropriate TRAC overhead charge out rate to determine the value of the bid and the amount of overhead to be recovered on the grant.

The process for costing bids for research grants is covered by each funders methodology. Overheads can be charged to the bid in line with funder rules and as defined by the TRAC process managed by the Finance Office and governed by the TRAC Oversight Group (on behalf of Audit Committee).

The Research Support Office (comprising pre & post award financial administration) shall provide support to all academic staff in applying for research grants and funding. The financial records relating to research grants are held on the accounting system overseen by the CFO. The management of the grants and initiation of claims for reimbursement from sponsoring bodies is carried out by the Research Support Office.

**12.2 Grant and contract conditions**

The named supervisor or grant holder (often principal investigator) must follow grant-awarding bodies and contracting organisations conditions and procedures. The Research Support Office is responsible for supporting grant holders with ensuring their claims for funding are compliant with funders eligibility criteria.

**12.3 Research overheads and Recovery of Academic staff costs**

Unless The Chief Financial Officer and the Provost specifically agreed in advance at the bid stage

* the research grant overheads will be charged per the Funder’s agreed methodology (which may be different for different funders)
* The University will fully recover the award of funds to cover existing Research active academic staff.
* Where a PI or CI have time funded by a grant, any backfill of teaching duties will need to be agreed with the Head of School and signed off as part of the bid by the CFO.

**13. Other Income-generating Activity**

**13.1 Other services rendered and consultancy on behalf of BSU**

The term ‘services rendered’ includes any University consultancy work performed for external customers

The Chief Financial Officer approves all other services rendered, and consultancies. Services must be costed using the University’s costing and pricing policy before making any commitments.

Before undertaking any consultancy, staff must obtain written permission to do so from the Head of School, Vice-Provost, or Provost. Staff can find guidelines in the University’s Consultancy Policy.

**13.2 Short Courses – Short Course Unit**

Short courses are part of the normal teaching duties covered by the academic contract. Therefore no additional remuneration is anticipated and that work is not governed by the university consultancy policy.

**13.3 Private consultancies and other private work**

Staff must request permission from the appropriate budget owner before commencing private consultancy work. If the work involves the use of university resources, the approver must agree with the applicant to pay on agreed terms to the University a fair and economic fee.

The University accepts no responsibility for any work done, advice given, or activity undertaken by staff in their private capacity.

The University’s Consultancy Policy describes the procedures for the staff undertaking private consultancy work. Staff undertaking private work must:

* ensure that their private work does not impair the performance of their university duties.
* not hold themselves out as acting on behalf of the University, or use University headed stationery.

**14. Intellectual Property Rights and Patents**

14.1 **General**

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

14.2 **Patents**

The Research Support Office issues procedures to deal with any patents from staff inventions and discoveries accruing to the University

14.3 **University’s Code of Practice - Intellectual property rights**

If the University decides to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the procedures on Intellectual Property governed by the Research Support Office with approval from the Chief Finance Officer.

14.4 **Commercial exploitation of Intellectual property**

The Academic Board approve staff proposals to commercially exploit inventions.

 The Research Support Office aim to assist staff in maximising commercial research within the University.

 Any capital funds to develop these ideas need to follow the capital approval process.

**Disposal of Intellectual Property**

The Academic Board approve all disposals of intangible assets working with the Finance Office.

**15. Expenditure and Procurement**

15.1 **General**

The Chief Financial Officer is responsible for the University’s payment processes for suppliers.

15.2 **Financial Authorities – Appendix B**

The Board defines the financial authority that is delegated to the Vice Chancellor.

The Vice Chancellor delegates financial responsibility for approving purchases as shown in Appendix B Below £25k budget owners can specify who they want to sign off purchase requisitions on their behalf.

The list of authorities is maintained by the Systems Accounting team within Finance, with oversight from the Head of Financial Planning, Reporting & Analysis. Above £25k threshold changes need to be agreed with the CFO.

Limits are non-transferable ie cannot be combined with others.

**Conflict of Interest**

Staff may not authorise payments to any organisation with which they, their family or relatives have a direct connection or permit any member of their staff to do so.

15.3 **Procurement – Appendix C Procurement Policy**

The Chief Financial Officer is responsible for ensuring that the University’s Procurement Policy aligns with the University’s strategic objectives, minimises risks and delivers a positive impact for the University.

The Chief Financial Officer’s Procurement Team support budget Owners in order to achieve value for money by ensuring options, risks and procedures are communicated.

However, it is the responsibility of budget owners to ensure that value for money ~~to~~ is prioritised when procuring goods and services on behalf of the university and that processes and regulations are adhered to.

All Budget Owners must familiarise themselves with the University’s procurement policy and procedures ensuring they use the appropriate process as defined by the thresholds set out in the Procurement Policy. which ensure compliance with Public Contract Regulations.

 15.4 **Purchase Orders**

The Chief Financial Officer is responsible for the framework for the creation and purchase order approval. All purchases of goods, services and works require a properly authorised purchase order. The University is contractually committed to third parties once a purchase order has issued to the third party.

It is the budget owner’s responsibility to ensure that purchase requisitions are raised in a timely way in order to allow purchase orders to be approved before expenditure is committed to. It is also encumbent on the budget owner to ensure that invoices quote a valid purchase order number. Invoices will not be paid if they do not have a valid purchase order number quoted.

15.5 **Purchasing cards**

The Chief Financial Officer is responsible for the operation and control of the University’s purchasing cards. Cardholders must follow the University’s financial procedures.

Cardholders

* Applications need to be approved by a senior finance manager.
* mustobtain prior approval to purchase from the relevant budget holder
* Budget Owners must ensure there is sufficient budget available for the proposed purchase and is value-for-money
* must use them only for the purposes for which they have been issued and within the authorised purchase limits
* must not use the card for personal or private purchases.
* The Chief Financial Officer may remove the purchasing card at any time

15.7 **Expenses Policy (Appendix D). - Reimbursement of expenses**

On occasions, staff, students, or visitors may incur expenses, which ~~to~~ will later be~~.~~ reimbursed via payment of travel and subsistence claims.

Those individuals claiming expenses must use the University’s expense claim system, and the claim must be in accordance with the University’s financial procedures and Expenses Policy **(Appendix D).**

**15.8 Advances**

Staff and students may seek advances for trips/projects.

Where a member of staff or student has a potential large expenditure over an extended period is known prior to incurring an expense, Budget Owners may approve an advance allowance typically for staff travelling overseas.

The expense claim against an advance

When submitting an expense claim against an advance, the staff member or student must use the University’s expense claim system to complete

* an “Identification of expenses incurred against a previous staff advance” within 14 days of completion of the trip/project to which the advance relates,
* an expense claim form giving a final account to demonstrate how the individual used the advance and any unspent balance repaid.
* Advances will not be for amounts less than £100
* A second advance will not made to the same staff member/student until such time as the first advance has not been fully expensed and any unspent funds repaid to the University using the expense system.

**15.9 Capital expenditure**

A Capital expenditure plan is created every year as part of the planning round with budgets allocated where appropriate – eg to Estates or IT - or kept centrally for large scale projects. The plan is agreed by the board of governors as part of the annual budget sign off process.

Capital expenditure falls into three categories:

1. maintenance and renewal – largely infrastructure work to keep the digital and physical estate functioning. Managed by Estates and IT departments and budget awarded annually no requirement to bid or report back on individual projects.
2. Improvement works – largely business led projects with funds allocated via business case approval, often implemented by Estates or IT Services although business led.
3. Large scale projects often needing input from multiple departments and an iterative approach to developing a business case. Often takes several years to implement.

Budget Owners for B & C type expenditure must

* Submit bids for capital expenditure via a business case to the Strategic Resources Group for approval.
* Report back to appropriate subcommittee on spend against budget (with support from Finance business partner) and highlight during the year if any variances to plan. Any forecast overspends greater than 5% or budget granted will need further approval from SRG.
* Ensure appropriate consultation in reaching business case sign off stage, through engagement with appropriate subcommittee eg Estates & Spaces or Digital Oversight Group. NB Subcommittees do not have budget awarding powers.
* Proactively consult with the Procurement team in a timely way in order to obtain value for money and comply with tendering thresholds and Public contract Regulations. .

The maximum project budget which can be awarded without recourse to the Board of Governors is £1m (ex VAT)

**15.10 Leasing – Procurement thresholds**

 Budget Owners must seek the CFO approval before agreeing a hire purchase, contract hire, or leasing agreement which is greater than £30k excluding VAT per annum.

Budget Owners must follow the process defined in the in the Procurement policy and adhere to the procurement route thresholds contained therein.

**16. Pay Expenditure**

**16.1 Role of Director of HR**

The Board of Governors approve salary scales and Human Resources approve grading of posts against these salary scales in line with HERA. Recruiting managers recruit staff and recommend the salary spine point based on the candidate’s particular experience and skills levels. All contracts of service shall in accordance with the University’s approved practices and procedures.

HR issue each new employee with a contract or letter of appointment~~.~~

The Director of Human Resources will determine what other benefits are to be available, the basis of their provision and the staff to whom they are to be available.

The 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, suspensions, secondment, and transfers
* Recording absences from duty for sickness or other reason, apart from approved leave
* Changes in remuneration including re-grading other than normal increments and pay awards and agreements of general application

Engagement and payment of individuals on a self-employed/consultancy (contract for services) basis should be made in accordance with guidance issued by the Director of Human Resources.

**16.2 Role of CFO**

The Chief Financial Officer is responsible for all payments of salaries and all other payments arising from employment. All such payments must be madethrough the University payrolls.

The Chief Financial Officer will be responsible for ensuring that the necessary records are maintained for pensions, income tax, national insurance, and other pay-related statutory reasons, and shall make available all of this, and other relevant information, to the appropriate government agency in a format prescribed by that body.

All payments must be made in accordance with HM Revenue and Customs regulations.

Unless otherwise agreed by The Chief Financial Officer all employees shall be paid by bank credit transfer.

**16.3 Role of Budget owner**

Make recommendation on the salary/ spine point when making an offer of contract of employment.

Budget owners should approve all timesheets and other ad hoc pay documents, including those relating to fees payable to external examiners, occasional lecturers, or researchers. In order to ensure ad hoc payments are made in a timely way they need to be submitted to payroll in line with their monthly timetable which can be obtained from the Payroll & Pensions Manager.

**16.4 The Board of Governors & Remuneration Committee.**

Will decide the salary and benefits for senior management.

**17. Assets**

**17.1 Land and buildings**

The Board of Governors and with the support of the Vice-Chancellor authorize the purchase, lease, rental or disposal of land or buildings from. The Board or relevant Committee will record such decisions in full in the and in the minutes of the Board and or Committee making the decision.

**17.2 Fixed assets**

The threshold for ~~as~~ a fixed asset is £10,000. The purpose of the expenditure also determines whether it will be deemed to be an asset, i.e., not all expenditure over this threshold is a fixed asset.

The Chief Financial Officer is responsible for holding the University’s assets register recording all the land, buildings, fixed plant and machinery and other assets which it owns.

Budget owners are responsible for informing finance via their finance business partner of changes to assets in the form of disposals, acquisitions, or impairments in value. Finance will seek information annually from budget owners as part of the year end review that assets are still in existence on a sample basis.

All costs in bringing an asset into being can be considered as part of the asset cost, e.g., where an IT installation or building project is being implemented, all the costs of delivering the project can be considered including professional fees, demolition, decant, storage costs, etc. even if in isolation some of these costs are less than £10,000.

 *Training costs cannot be considered as capital items, other than training the trainer costs.*

**17.3 Inventories**

The Information Technology Services Department will maintain an inventory of personal electronic devices, particularly mobile phones and related items, purchased for the use of staff. This is separate to the fixed asset register.

**17.4 Stocks of Goods and Consumables**

Budget owners are responsible for establishing adequate arrangements for the custody and control of stock held within their Schools and Service. The systems used for stock accounting must have the approval of The Chief Financial Officer.

Budget Owners are responsible for ensuring they conduct regular inspections and stock checks. Stock of a hazardous nature should be subject to appropriate security checks.

Those Budget Owners whose stock requires valuation in the University’s balance sheet at the year-end must ensure that the Chief Financial Officer has approved the stock-taking procedures, following the University’s Financial procedures.

**17.5 Safeguarding assets**

Budget owners are responsible for the care, custody and security of the buildings, stock, stores, furniture, and cash. Under their control. They will consult the Director of Estates and Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

No university property (excluding laptops or IT equipment for use at home but which remain university property) shall be removed from university premises without prior permission of the appropriate budget owner.

**17.6 Personal use**

Employees or Students shall not use University assets for personal use unless authorized to do so by line managers and the explanation should be recorded by the line manager. If there is a risk to the safeguarding of the asset this must be raised with the Budget Holder and with the Head of Financial Operations who may determine ‘reasonable personal use’.

University owned vehicles may only be used by authorized personnel on university business. They should not normally be used for travel to and from work and they shall be left on university premises overnight.

**17.7 Asset disposal**

Disposal of fixed assets and their removal from the fixed asset register must be in accordance with the University’s fixed asset disposal procedure.

All disposals of land and buildings must only take place with the authorisation of the Board of Governors, and with the support of the Vice-Chancellor. Confirmation from the Office for Students (OfS) that any Exchequer interest (where applicable) has been protected must also be obtained.

**17.8 All other assets**

Budget owners are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stocks or inventoried items) or intangible (such as intellectual property), including electronic data.

**17.9 Loss of assets or damage to property**

Budget owners must advise The Chief Financial Officer or delegated officers immediately of any event that may give rise to an insurance claim. The claimant will notify the University’s insurers and, if appropriate, prepare a claim in conjunction with the University’s insurance team for transmission to the insurers.

**17.10 Leasing property**

All lease agreements or licenses for third parties to occupy University property shall be signed in accordance with the University’s Delegated Signature Authorities which can be found at Appendix A.

**18. Funds Held on Trust**

**18.1 Gifts, benefactions, and donations**

The Reporting to the Chief Financial officer, the Head of Financial Operations is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax where appropriate.

**18.2 Grant and contract and voluntary funds**

The Chief Financial Officer shall be informed of any fund, not being an official fund of the University, which is controlled wholly or in part by a member of staff in relation to the function in the University.

Where funding is conditional it is the responsibility of The Chief Financial Officer to obtain a full set of the terms and conditions and to ensure that proper stewardship is exercised over each individual fund, thereby enabling appropriate monitoring and compliance. Failure to respond to these conditions could mean that the University will suffer a financial penalty or loss.

**18.3 Student Loans**

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

**18.4 Emergency/hardship loans**

The University scheme for emergency/hardship loans must be approved by Board of Governors. This will include the maximum assistance that can be given in an individual case.

The Finance team 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

**18.5 Student Welfare and Access Funds**

The Chief Financial Officer will prescribe the format for recording the use of student welfare funds. Records of welfare funds will be maintained according to the funding body requirements.

**19. Other**

**19.1 Insurance**

The Chief Financial Officer 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 (managed by the University Secretary) all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Chief Financial Officer (or delegated authority) is responsible for obtaining quotes, claims and maintaining the necessary records. A register of all insurances effected by the University and the property and risks covered shall be maintained. The Chief Financial Officer also is responsible for dealing with the University’s insurers and advisers about specific insurance problems.

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

Budget owners must ensure that any agreements with external bodies include cover for any legal liabilities

The CFO and the University Secretary should be consulted about any legal liability and insurance cover.

Budget owners are responsible for ensuring that The Chief Financial Officer & University Secretary is immediately notified of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

**19.2 Travel Insurance**

Staff and students travelling on university business are covered under the University’s travel insurance policy and will not normally be reimbursed for any expenditure covered by a personal travel insurance policy. Travelers should however check the policy details to ensure the University’s policy offers an appropriate level of cover for any personal possessions taken on each trip.

**19.3 Companies, joint ventures, and consortium arrangements**

No University company, associate or branch shall be formed for any purpose without the specific approval of the Board of Governors.

Where a university subsidiary company is established or the University takes a shareholding in a third-party company, the appointment of university representative directors to these companies is a matter for the Vice-Chancellor.

University subsidiary companies shall enter and keep under review a memorandum of understanding with the University. Each company shall operate in accordance with such memorandum and within the framework provided by these Financial Regulations, and any additional procedural requirement imposed by their Boards of Directors.

Any permitted departures from these Financial Regulations will be encompassed in the memorandum of understanding.

The directors of companies where the University is the majority shareholder must submit an annual report to the Board of Governors. They will also submit business plans or budgets as requested to enable the Board to assess the risk to the University. The University’s internal and external auditors shall also be appointed to such companies.

**19.4 Security over Data and Information**

BSU is committed to adhering to Data Protection law and associated Regulations as part of working practices and this is governed by the BSU Data Protection Policy.

The Information Governance Policy establishes security over data and information through an Information Governance Programme intended to ensure compliance with the General Data Protection Regulations (GDPR).

Senior managers and line managers are responsible for ensuring all employees’ conduct is consistent with the protocols and subsequent practices and procedures, published by the Information Governance Programme Board and the BSU Data Protection Policy.

**19.5 Safeguarding funds against misuse**

Budget owners are responsible for the proper application of funds at the disposal of their School or Service. In exercising their responsibility Heads of School, or Heads/Directors of Professional Services must have regard to security measures to safeguard University funds and assets against misuse or misappropriation. They must consult with the Chief Financial Officer to see that appropriate insurance is arranged.

**19.6 Safeguarding of legal documents**

The University Secretary has responsibility for the safekeeping of legal documents relating to the University and the Director of Estates has responsibility for the safekeeping of legal documents relating to the University’s property ownership.

**19.7 Students’ Union**

The financial responsibilities of the Students’ Union are set out in the Students’ Union Code of Practice.

The Students’ Union is a separate legal entity from the University. It shall maintain its own bank account and financial records and prepare its own annual accounts.

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

The Chief Financial Officer and the University Secretary have the right of access to the financial records of the Students’ Union in so far as they relate to the payment by the University of the annual Block Grant.

**19.8 Use of the University Seal**

All Deeds and documents requiring to be sealed by the University shall be sealed in accordance with the provisions set out within the University’s Ordinances.

**19.9 Provision of Indemnities and Guarantees**

Any document or contract committing the University to any indemnities or guarantees must be signed in accordance with the University’s Delegated Signature Authorities.

**Appendix A – Scheme of delegation for contract negotiation and decision-making**

All contracts should be signed in accordance with the protocols defined by the University Secretary’s Office. The person signing the contract bears the responsibility for the financial and resource commitments and the risk contained therein. Without exception, if for any reason (particularly in relation to Employment contracts), a signatory is unable to act, because of a conflict of interest, the signatory at the next level above should sign.

|  |  |  |
| --- | --- | --- |
| **Type of document** | **Value** | **Signatory** |
| **Deeds:** |  |  |
| Deeds of any nature  | Any | Vice-Chancellor and any one member of the Board of Governors, or Any two members of the Board of Governors. |
| Affixing of the University Seal | n/a | University Secretary |
| Updating Register of Seals | n/a | University Secretary |
| **Contracts:** |  |  |
| Any contracts (except Deeds) including the purchase or leasing of property, construction of property, purchase, hire or leasing of goods and/or services, tenders for any of the above and UK or international Academic Collaboration Agreements. | Over £1,000,000 | Chair of the Board of Governors or any one Governor specifically authorised by the Chair |
| Up to £1,000,000 | Vice-Chancellor  |
| Up to £600,000 | ProvostCFO |
| Up to £250,000 | Vice-ProvostPro-Vice ChancellorsDirector of HRUniversity SecretaryCIO & Director of Estates and Services |
| Up to £100,000 | Heads of SchoolDeputy / Associate Pro-Vice ChancellorsDirectors / Deputy Directors of Professional Services or their Senior nominated deputies. |
|  |  |
| **Employment:** |  |  |
| Contracts of employment compromise agreements or monetary awards made as a result of an Employment Tribunal ruling | Over £150,000 or any related to a senior post-holder | Chair of the Board of Governors |
| Up to £150,000 | Vice-Chancellor  |
| Up to £120,000 | CFO |
| Up to £95,000 | HR Director  |
| Up to £50,000 | Deputy HR Director |
| **Research Grants:** |  |  |
| Research or consultancy agreements (bids having been reviewed and agreed by Finance) | Over £600,000 | Vice-Chancellor  |
| Up to £600,000 | Provost |
| Up to £250,000 | Vice-ProvostPVC Research and Enterprise |
| **Data protection/FOIA:** |  |  |
| Subject Access Request responses | n/a | Data Protection Officer |
| FOIA responses | n/a | Freedom of Information Officer |

**APPENDIX B: Expenditure approval thresholds**



**APPENDIX C: Procurement thresholds**

