

Financial Regulations June 2022

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SECTION A: GENERAL PROVISIONS AND ALL STAFF RESPONSIBILITIES

1. CONTEXT FOR FINANCIAL REGULATIONS

The University is operating in a regulated context and has obligations to conduct its financial and wider affairs appropriately, mindful of its obligations under:

- Office for Students regulation (specifically the ‘Terms and Conditions of funding for higher education institutions’);
- Charity Law;
- Her Majesty’s Revenue and Customs (HMRC) rules;
- The wider corporate context including UK Companies Act compliance, Modern Slavery Act, Bribery Act;
- International regulatory compliance in the jurisdictions in which it operates;
- UK and international sanctions requirements.

These regulations apply to the operations of the University and its group companies.

2. CORPORATE GOVERNANCE FRAMEWORK

2.1 SCHEME OF DELEGATION AND DECISION-MAKING POWERS

The Council is the governing body of the University and is responsible for, amongst other things, the finances and resources of the University. The Council has reserved specific powers to itself and delegated others. There is a separate document, at [Appendix 1](#), which outlines all these delegations (financial and non-financial).

Under delegations from the Council, the Finance and General Purposes Committee approve the Financial Regulations which are updated from time to time. The Regulations set out the fundamental principles that underpin all transactions undertaken by or on behalf of the University and they are supported by operational policies and procedures which are referred to in this document. Should there be an apparent conflict between the Regulations and the Procedures, the Regulations shall take precedence.

All staff **must** ensure that they:

- are conversant with these Financial Regulations and associated policies and adhere to these as relevant to their role;
- conduct themselves and represent the University in line with the guidance set out below;
- seek appropriate guidance prior to engaging in financial areas with which they are not familiar;
- seek appropriate and timely approvals for proposals submitted in the University's name;
- consider and declare any potential conflict of interest and seek advice as necessary;
- co-operate with reasonable requests from internal and external auditors;
- familiarise themselves with how to report suspected fraud, bribery, corruption or other serious matters of concern and to take action if they have such concerns. Quick links are here for both the [Anti-Bribery and Corruption \(ABC\) Policy](#) and [Raising Serious Concerns and Disclosing Public Interest Matters \(Whistle-blowing\) Policy](#) which are outlined in more detail below.

Further details are given below. Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the [Disciplinary Procedure v2 02.07.2021.pdf](#)

3. CONDUCT AND RESPONSIBILITIES OF ALL STAFF

3.1. Over-arching principles

The University is committed to the highest standards of openness, integrity and accountability, and expects that its staff will act in good faith, impartially and in accordance with their positions of trust.

University employees, particularly those with the responsibility for the administration or management of the University, should never use their authority for personal gain and should always seek to uphold and enhance the standing of the University. The University expects staff of all levels to observe the University's code of conduct. This reflects the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

The following sections set out the key areas where staff should be alert and seek professional advice if in any doubt. A full list of the key contacts for further advice is given at the end of this document.

3.2. Declaration of conflicts of interest

All staff have a responsibility to consider whether their actions may give rise to a potential conflict of interest or the appearance of one and to seek advice accordingly. Any members of University Committees should declare any relevant interest, financial or otherwise, in matters under discussion and should, if requested by the Chairperson, withdraw from such discussion.

Budget holders and members of University Committees who have a connection with any outside organisation which sells or buys from/to the University must declare his/her interest on an annual

declaration of interest return administered by Strategic Planning and Governance. Staff authorised to act on the University's behalf in making or influencing purchase decisions who have a potential conflict of interest in a particular situation should not in any circumstances be the person who negotiates and authorises any transaction between the University and that organisation. If there is any other circumstance which might give rise to concern about a potential conflict of interest, further advice should be taken from the contacts listed at the end of this document.

3.3 Commitment to securing value for money

All staff have a responsibility to take steps to avoid unnecessary spend, eliminate waste and discourage extravagance through their personal actions. They also have a responsibility to bring to the attention of their line manager any opportunities that they believe are available to reduce costs within existing procurement regulations. The University requires all budget-holders, irrespective of the source of funds, to obtain best value for money when purchasing supplies, equipment and services and to ensure that the University's reputation is not at risk from actions taken. Members of staff making purchases on behalf of the University should obtain quotes or carry out a tender appropriate to the value of the purchase being made. These steps are set out in section 8.7. If there is any doubt about how to proceed in a particular circumstance, further advice should be sought as necessary from the relevant contacts listed at the end of this document.

3.4 Commitment to prevent fraud and other financial irregularity

The University is committed to ensure the highest ethical standards of business conduct and adopts a zero tolerance approach to financial misconduct, including money laundering.

All staff have a responsibility to prevent fraud or other financial irregularity. The University does not tolerate any form of financial irregularity involving staff or third parties and will take action against the people involved. For completeness, these principles cover temporary workers, agency workers, voluntary staff, agents, contractors, suppliers and any other individuals dealing with or on behalf of the University. Definitions of the types of financial irregularity are set out below:

In line with the University's legal responsibilities under UK law, the Council has approved an [Anti-Bribery and Corruption \(ABC\) Policy](#) to protect both individuals associated with the University and the organisation itself from any accusation of improper or illegal conduct. All staff are required to be alert to issues and to report suspected bribery or other serious matters in line with the [Raising Serious Concerns and Disclosing Public Interest Matters \(Whistle-blowing\) Policy](#).

Nature of irregularity	Definition
Fraud	The intentional distortion of financial statements or other records by persons internal or external to the University, to conceal the misappropriation of assets, or for gain or for some other purpose. It would include offences covered by the Fraud Act 2006, including fraud by false representation, failure to disclose information when under a legal duty to do so and fraud by abuse of position.
Theft	The dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.
Bribery	Requesting, offering or receiving a bribe, or a payment, or other advantage, with the intent to induce improper conduct or performance of a function. This includes the payment of “facilitation” or “grease” payments to officials to ensure they perform or expedite their routine duties. Bribery of foreign public officials is a specific and separate offence where the intent is to influence the official to obtain or retain business or an advantage in the conduct of business. Further advice is given in the Anti-Bribery and Corruption (ABC) Policy .
Corruption	Giving or obtaining advantage through illegal or dishonest behaviour, or through means which are inconsistent with one’s duty or the rights of others. Further advice is given in the Anti-Bribery and Corruption (ABC) Policy .
Money Laundering	Exchanging money or assets that were obtained criminally for money or other assets that are ‘clean’ (i.e. without any obvious link with any criminal activity). See also current university guidance and the reference to sanctions regulations below.
Other Irregularity	The failure to observe the University’s Financial Regulations, policies and procedures, or a breach of the laws of the land.

3.5 Compliance with Her Majesty's Revenue and Customs (HMRC) rules

All staff have a responsibility to help ensure that the University complies with HMRC rules across the range of its activities. These rules cover VAT, corporation tax, UK employee taxes, expense allowances and international tax rules. In particular, the University is a complex organisation for VAT liability purposes; it also has a broad range of diverse activities and the application of VAT legislation to specific situations as they arise at the University can be difficult. This is a complex area and further advice should be sought as necessary from the relevant contacts listed at the end of this document.

3.6 Compliance with International tax rules

All staff have a responsibility to help ensure that the University complies with international taxation rules and requirements. This relates both to the University's main international partnership activities but also to other international teaching, research and other activities that may be planned to take place overseas. This is a complex area and further advice should be sought as necessary from the relevant contacts listed at the end of this document.

3.7 Compliance with Payment Card Industry Data Security Standards (PCIDSS)

As part of wider GDPR requirements, all staff have a responsibility to help ensure that the University complies with banking rules around PCIDSS, which protect cardholders who provide their data for the purpose of making payments to the University. This is a complex area and further advice should be sought as necessary from the relevant contacts listed at the end of this document.

3.8 Compliance with sanctions rules

All staff have a responsibility to help ensure that the University complies with UK and other sanctions rules across all areas of its activities. It mainly relates to the direct transfer of funds to and from sanctioned countries, corporations and individuals but can also be affected by ownership structures of organisations we transact with overseas (e.g. hotel chains). Usage of standard University arrangements (e.g. for travel booking) will help to reduce this risk. This is a complex area and further advice should be sought as necessary from the relevant contacts listed at the end of this document.

The Universities procedures are reviewed on an on-going basis and additional controls may be established, where required, to mitigate increased risk to the University due to economic and/or political change.

3.9 Compliance with export controls

All staff have a responsibility to help ensure that the University complies with Export Control legislation. This applies to the export (by physical or electronic means) of goods, technology or software and/or knowledge (which may capture teaching) from the UK to a destination outside of the UK. This is a complex area and further advice should be sought if an activity includes items or knowhow on the UK's strategic export control list or to a country subject to embargoes or sanctions or where end-use controls apply. The relevant contacts are listed at the end of this document.

SECTION B: FINANCIAL MANAGEMENT AND CONTROL

4. ACCOUNTING ARRANGEMENTS AND COMPLIANCE

4.1. Financial Year

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

4.2. Format of the Financial Statements

The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education and in accordance with Financial Reporting Standard 102 (FRS102). Due regard is given to Accounts Direction guidance issued by the Office for Students from time to time.

4.3. Financial Systems, Record Keeping and Reporting

The University's primary accounting system is Agresso. This has appropriate interfaces to the main corporate systems such as the Student Records system (LUSI), the HR system (Core) and other systems supporting related areas (e.g. residences, alumni, retail systems, on-line payments).

All financial transactions must be properly and accurately recorded in an appropriate timescale. Where appropriate systems must also provide appropriate electronic interfaces to support HMRC Making Tax Digital Requirements and this is the responsibility of the Finance Division, working with Information Systems Services. No new or replacement systems affecting the receipt or payment of funds to or from the University or on its behalf may be established without the prior approval of the Director of Finance.

Staff must act in accordance with the University's [Information Security Policy](#). Those with authority to approve expenditure within delegated limits must ensure that their system credentials are protected at all times and take steps to guard their security and take immediate action to notify ISS if they suspect these credentials may have been compromised. Delegation of powers to other nominated individuals to cover known absence (e.g. annual leave) should be given through the Agresso system. Further advice can be sought from the contacts given at the end of this document below.

Management information is available in real-time on the Agresso financial system and is formally provided on a monthly basis to budget-holders, as well as to the University Planning and Resources Group who provide scrutiny and meet with key budget holders. Further reports on externally funded project codes (7000 codes for research, 8000 codes for ERDF and HEIF related activity, 6000 codes for non-research activities) are also available in real time.

The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance & General Purposes Committee on a basis determined by that Committee but subject to any specific requirements of the regulator. Relevant extracts are regularly presented to the Council, which has overall responsibility for the University's finances.

The Finance Division retain invoices and expenses records (scanned image or hard copy), for a six year period to satisfy Her Majesty's Revenue and Customs and longer for European funded grants.

Heads of Departments must ensure that non-financial records (e.g. timesheets) are retained for all research, consultancy and other externally funded projects according to the contract terms and conditions.

Further advice on any aspect of financial and non-financial record keeping and reporting should be sought from the relevant contacts listed at the end of this document.

4.4 External Audit

The appointment of external auditors is the responsibility of the Council. The Council will be advised by the Audit Committee.

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 with advice set out in OFS's Accounts Directions and the Auditing Practices Board's statements of auditing standards.

External auditors (and also internal auditors) shall have authority to:

- have access to University premises at reasonable times;
- have access to 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 stores or any other University property under his or her control.

The Director of Finance is responsible for drawing up a timetable for final accounts preparation and will advise staff and the external auditors accordingly.

Following consideration by both the Finance & General Purposes Committee and the Audit Committee the financial statements will, on the recommendation of these two bodies, be submitted to the Council for approval.

4.5 Internal Audit

The internal auditor is appointed by the Council on the recommendation of the Audit Committee.

The University's 'Terms and conditions of funding for higher education institutions' with OFS require that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the OFS's audit code of practice. The role of internal audit is to provide governing bodies, audit committees and accountable officers with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money.

The internal audit service provider must comply with the professional standards of the Chartered Institute of Internal Auditors. They must produce an annual report addressed to the governing body and the accountable officer and must be considered by the audit committee.

The annual workplan for internal audit is approved by the audit committee and can cover any aspect of the University's operations. Staff are required to co-operate with any work planned in their area of responsibility.

4.6 Other Auditors

The University may, from time to time, be subject to audit or investigation by external bodies or funders such as OfS, HMRC, the ICO, research councils, grant awarding bodies or other funders. These bodies usually have the same rights of access as external and internal auditors. Staff are required to co-operate with any work planned in their area of responsibility.

5. FINANCIAL PLANNING AND BUDGET ALLOCATION

5.1 The Budget Setting Process – revenue budgets

The University operates an annual academic planning and budget setting process to support the University's Strategic Plan objectives. This is updated from time to time and further details are available from the Strategic Planning and Governance division.

In support of the University's financial planning, annual student recruitment targets and total student population forecasts will be regularly reviewed by a working group with oversight in this area (currently the Target and Tuition Fees setting group) and proposed to the Vice-Chancellor for adoption.

Recommendations arising from the full planning process will be considered by the University Planning & Resources Group in the light of current and projected performance against the University's key financial performance indicator target (Adjusted Net Operating Cashflow) and the wider context as it affects (for example) student recruitment, pay and pensions costs.

University level budgets and financial forecasts are presented at least annually to Finance and General Purposes Committee for consideration, and then proposed to Council for approval.

5.2 Capital Expenditure programme

The University's Capital Expenditure programme is developed in accordance with the University Strategic Plan, finance and estates strategies and is approved by University Council. It is kept under regular review in light of the external context, the University's financial performance and the availability of external funding opportunities.

A Capital Planning Group, advisory to the Vice-Chancellor, monitors capital programme spend and progress and makes recommendations on updates to the programme initially to the University Executive Board (UEB), prior to recommendations being made to Estates Committee, Finance and General Purposes Committee and Council.

Major individual capital projects are overseen by a dedicated, time-limited, Project Executive Group, chaired by a nominee of the Vice-Chancellor. Other projects (e.g. rolling programmes, infrastructure projects) will also be overseen by a Project Executive. In the case of IT projects, these are overseen by the Digital Strategy Advisory Group. Quarterly reports are made to UEB on the full capital

programme, identifying key risks and issues for both Facilities and IT projects. Any other projects not falling within the above would be captured by the framework outlined below in section 5.3.

Authority limits for capital expenditure are contained within the [Schedule of Financial Delegations](#)

5.3 Major Project Development Framework

Any other 'major' project which does not fall within the above descriptions will be managed under an equivalent project management governance framework, including consideration of agreed objectives, timescales, measurable and intangible outcomes and effects, costs and benefits and risk management issues.

The Project Management Framework must be applied in full to major projects and a project is defined as 'major' if, in the judgement of the Vice-Chancellor or, under delegation, the Deputy Chief Executive (Operations) this was identified as one or more of the following:

- a total cost in excess of £1M not already monitored and reported under existing governance structures for capital or IT projects;
- a high risk in relation to the achievement of the University's aims and objectives;
- strategically important at a University-wide level.

Projects which do not meet any of the above criteria may still be deemed 'major' projects if they involve:

- three or more Faculties/Divisions;
- significant time constraints and/or dependencies (e.g. where the project requires joint support from several funding bodies).

Council awareness of such projects would be required to determine whether any additional oversight arrangements may be necessary in addition to routine mechanisms and reporting to the full governing body or its sub-committees. If deemed necessary by the Council, additional relevant delegations would be agreed together with confirmed resourcing implications, measurable targets for reporting and timescales.

6. FINANCIAL CONTROL – responsibilities of budget holders

6.1. Budgetary Control

The delivery of income and control of expenditure, within an agreed budget, is the responsibility of all Budget Holders in accordance with the Schedule of Financial Delegations.

There should be no variations from agreed budgetary plans without prior approval from the University Planning and Resources Group except where permitted by the Schedule of Financial Delegations (e.g. minor virement between expenditure categories). Advice should be taken from designated Finance contacts as necessary. The Vice-Chancellor and/or Director of Finance will bring any items of financial significance, on a cumulative or individual basis, to the attention of University Planning and Resources Group initially and to other Committees of the University as necessary.

Budget Holders should monitor the financial performance of their areas from the management information available via the University's Financial System (currently Agresso). Transactions and the current position at any point can be seen on a daily basis and standard monthly reports are also provided. Any significant variations arising (particularly those which are expected to persist) should be reported immediately to their Dean or Director (or equivalent overall budget manager) and, where adverse impacts are identified, any corrective actions indicated. Any Budget Holder can be asked to attend the University Planning and Resources Group alongside their Dean or Director to discuss issues arising in a particular area or how plans are progressing to meet any applied savings as determined by UPRG or the Council.

Budget Holders are also required to conduct a mid-year review of the anticipated financial out-turn of their areas, with support from assigned Finance colleagues, plus any further review as requested from time to time. Such reviews will be reported to the University Planning and Resources Group in the first instance, which will consider and notify any actions required.

Primary Budget Holders will include the Pro-Vice-Chancellors, the Executive Deans, the Deputy Chief Executive (Operations) and the Director of Finance. These Primary Budget Holders are delegated with specific powers and responsibilities from the Vice-Chancellor as Accountable Officer and Chair of the University Planning and Resources Group for the financial performance of a range of budget areas or budget lines under their line management. They attend meetings of the University Planning and Resources Group regularly to discuss relevant matters. These Primary Budget Holders may be delegated payroll/non-payroll envelopes or other financial performance targets for a group of departments or cost centres and are accountable to the Vice-Chancellor for overall financial performance against these.

7. INCOME – detailed guidance

7.1 General

In respect of income earned by, offered to and/or due for collection by the University, it is essential that this is accounted for in full, promptly and accurately to facilitate accurate reporting and timely tax payment where appropriate. Therefore, all staff must ensure that, as relevant to their role and responsibilities:

- student records are up to date and accurate to allow for appropriate invoicing and query resolution and also to meet the statutory data requirements of the OfS;
- other activities are appropriately costed and priced prior to approval;
- potential donations to the University are considered in accordance with the Ethical Giving Policy;
- only standard University invoices and receipts are issued;
- VAT is accurately accounted for, noting HMRC Making Tax Digital requirements.

7.2 Invoicing – general principles

Where goods and services are supplied by the University an appropriate charge must be made by raising an invoice on the University's finance system. Most income is invoiced directly by the central professional divisions of the University via the key corporate systems (e.g. student tuition fees - LUSI, residences charges – KX system, Agresso – research, project and other commercial income). Whilst some contract research income is invoiced, a proportion is claimed in arrears. This depends on the rules of the funder. It is essential that all invoicing is as up to date as possible and all staff have a responsibility to support the recording of transactions in a timely manner such that this can be achieved.

Invoices must treat VAT appropriately and this interface is required to be automated to support the Making Tax Digital requirements of HMRC. Any applicable VAT must be charged appropriately on invoices raised and reflect the correct tax code to meet Making Tax Digital requirements (also see section 3.5 above).

Only standard University invoices and receipts must be used.

7.3 Granting of Credit and debt collection

The Director of Finance is responsible for monitoring the University's credit management exposure and debt collection arrangements.

If Budget Holders suspect that payment for goods and services already provided shall not be received, or shall be received only after a long delay and much effort on the part of the University, they should consult the Credit Control Section of the Finance Division as soon as possible, and before further goods and services are provided.

Where doubts exist about the creditworthiness of a customer, e.g. with a corporate customer whom no previous experience has been gained, or where an existing customer is requesting a higher than normal level of credit, further enquiries should be made with the Credit Control Section of the Finance Division before the transaction takes place.

The Director of Finance is responsible for the implementation of debt recovery processes as approved by Finance and General Purposes Committee and may approve debt write-offs within approved limits or with further approval from the Vice-Chancellor.

Should legal action be required to recover monies due, any significant costs incurred may be charged to the Department originating the invoice. Similarly, if the invoice becomes uncollectable, the amount owing may be charged to the Department concerned.

7.4 Income Receipts

The University is now operating a cashless campus (see Appendix 8 Income Collection Methods.)

7.5 Donations to the University

Heads of Department are responsible for promptly notifying the Philanthropy, Alumni and Supporter Engagement Office of any donations as income or in kind to be made to the University. The Development & Alumni Relations Office will assess any ethical implications in line with the University's Ethical Giving Policy, obtain consents if necessary and maintain records in respect of

donations and will notify the Finance Division in order for any potential tax implications to be assessed.

The Heads of Department will need to clarify with the Philanthropy, Alumni and Supporter Engagement Office that, with due consideration of Bribery Act provisions and the University's policies including but not limited to both [Anti-Bribery and Corruption \(ABC\) Policy](#) and [Ethical Research](#), all restrictive clauses are considered before any of the University's staff accept any donations. Any potential ethical issues surrounding either the donor or the circumstances of the donation itself must also be considered before acceptance.

Individuals should not mount fundraising campaigns on behalf of the University without gaining the approval of the Vice-Chancellor.

7.6 Costing and pricing – general principles

All staff must ensure that activities are appropriately costed on a full economic costing basis and priced in accordance with guidance issued by the University. One major stream of activity is research and detailed guidance is given in section 9 below. This guidance is also largely applicable to University consultancy and other externally funded projects. In particular, any projects should be fully costed and approved in accordance with the [Schedule of Financial Delegations](#)

before submission to an external sponsor. Further guidance on Definitions and Accounting for Externally Funded Projects is available in the [Research Grant Handbook](#).

8. EXPENDITURE – detailed guidance

8.1 General

The OfS (Office for Students) 'Terms and conditions of funding for higher education institutions' document places a clear obligation on institutions to ensure that funds are used for proper purposes and value for money is achieved. Under delegations, Budget Holders are responsible for ensuring that value for money is obtained on all expenditure. The central Procurement team provide expertise to deliver cost effective and efficient access to goods, services and works, leveraging the purchasing power of the University and making use of collaborative arrangements. Purchasing procedures are attached at Appendix 5.

In respect of expenditure incurred by or committed to by the University, it is essential that this is appropriately authorised and an available budget source is identified. Therefore all staff must ensure that, as relevant to their role and responsibilities:

- staff employment matters follow People, Organisation and Effectiveness (POE) procedures and policy;
- any expenditure incurred can be demonstrated as providing value for money, with due consideration of all options including avoidance of spend (re-use/re-cycle) and appropriate testing of alternative suppliers in line with procurement procedures;
- a minimum of three quotes are sought for spend over £2,500 plus VAT;
- an agreed contract is in place for all expenditure above £25,000 plus VAT;
- tenders are carried out for spend over £50,000 +VAT under Procurement guidance;
- procurement procedures are properly applied at lower levels of expenditure;
- orders are raised and invoices approved in line with delegations and standard University procedures;
- purchasing cards and travel and expenses cards are used strictly in accordance with their terms of issue;
- to ensure duty of care and appropriate insurance cover, the central travel system is promoted for all staff travel arrangements;
- staff expenses are claimed only in accordance with the approved Expenses Policy;
- aside from maintenance or other long-term support agreements, advance payments for goods or services that have not yet been delivered are made only with the permission of the Director of Finance or the Head of Procurement

8.2 Payroll

The Director of People, Organisation and Effectiveness is responsible for the main payroll cost operations including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in an approved form. These are available on the POE website [here](#).

All payments, including to contractors who fall within the intermediaries legislation (IR35), must be made in accordance with HMRC regulations. The University is required by law to inform HMRC of any payment made to an individual for a service performed where there is either an actual or an implied contract of service.

Any additional payment to an employee (e.g. for extra work performed out of hours) must also be paid via payroll. Overtime claim forms are available on the POE website.

Full information regarding employment matters can be found on the POE website [here](#).

Further information on the University's Employment and Recruitment Service for hiring managers looking to fill temporary vacancies can be found [here](#).

8.3 Authorities and Authorised Signatories

Authorisation of expenditure must be in accordance with the Schedule of Financial Delegations and within approved limits.

Budget Holders may further delegate authority to request and approve the purchase of goods or services to other members of staff via the University's financial system.

Staff must ensure that any directly incurred expenditure e.g. expenses claims, do not exceed a specific allocation from a Budget Holder.

All requests for purchase orders should be made using the system laid down by the Director of Finance as detailed in the procurement procedures. Personal purchases from University funds must not be made under any circumstances.

8.4 Procurement

The Procurement Department within the Finance Division has responsibility for advising on and/or directly undertaking procurement of goods and services on behalf of the University. This involves working to support Budget Holders across the University and participating in cross-functional teams on the largest projects (e.g. capital or equipment).

The procurement process will be undertaken in accordance with the Procurement Procedures (Appendix 5 of the Financial Regulations) and other guidance issued by HEPA and CIPS.

All procurement by or on behalf of the University must comply with all applicable UK and European laws and regulations, the laws of other countries as may be appropriate and any agreed contractual obligations.

8.5 Public Contracts Regulations 2015

With effect from 1 August 2018, the University has reviewed its governance and income and determined that it is not a 'contracting authority' for the purposes of the EU public procurement regime (Directives 2014/24/EU and 2014/23/EU as implemented in the UK by the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016). However, in certain circumstances, the University reserves the right to voluntarily (from time to time at its own discretion) undertake some concession and procurement exercises in accordance with the EU public procurement regime (as implemented in the UK by the above-mentioned Regulations).

8.6 Ethical, Social and Environmental Responsibility

The University will not knowingly work with suppliers at home or overseas who exploit child or sweated labour, disregard health and safety, 'pirate' intellectual property or that wilfully damage the environment. The University will comply with the requirements of the Modern Slavery Act. It will consider how procurement activity might improve the social and environmental well-being of the local area in compliance with the Public Services (Social Value) Act 2012.

8.7 Tenders and Quotations

Subject to the special rules imposed by the funding bodies, the University's competitive tendering procedures contained in the procurement procedures will apply to all expenditure on products, services and works with an aggregate spend of over £50,000.

Below £50,000 the following guidelines apply:-

Regardless of the value of the goods or service to be purchased, University contracted suppliers should be used where their scope of services reasonably meets the requirement identified. A list of contracted suppliers can be found on the Procurement website [here](#).

Where there are no appropriate contracted suppliers:

- under £2,500 – the Budget Holder has the discretion to decide whether or not to obtain quotations, but value for money must always be obtained;
- between £2,500 and £50,000 – the Budget Holder should seek at least three written quotations;
- additionally, for expenditure above £25,000, an agreed contract to be in place.

The University has agreed terms and conditions available on the Procurement web pages [here](#). If variations are required to these terms or if suppliers insist on contracting under their own terms and the Budget Holder wishes to proceed on this basis, external legal advice may be required and the costs may be passed to the relevant Division or Faculty.

The above figures exclude VAT.

Guidance with regard to both obtaining quotations and tendering can be found within the [Procurement procedures](#).

Consultancy

Additional requirements apply to the external commitment of expenditure for the procurement of consultancy activities. Further information can be found within the [Procurement procedures](#).

8.8 Purchasing Cards

Purchasing Cards are issued to individuals, nominated by their Head of Department or Manager, and who are authorised to make purchases on behalf of their department. The card is used to place orders for low value goods and services in agreed categories and up to a predetermined spending limit.

8.9 Travel & Expenses (T&E) Cards

The T&E Card is intended for use by frequent travellers, i.e. University personnel who regularly travel and incur expense on University business. There is a monthly card limit stipulated at the time of issue but this may be adjusted on the authority of the Head of Department and the Head of Procurement.

8.10 Advance Payments

Aside from routine maintenance or other long-term support agreements that have been approved in accordance with these regulations, advance payments for goods and services that have not yet been delivered must only be entered into with the prior permission of the Director of Finance. In the first instance any such proposal must be discussed with the Head of Procurement.

8.11 Staff Reimbursement for expenses

The University has an Expenses Policy giving full details of the regulations governing the reimbursement of expenses in the [Staff Expense Policy](#) at Appendix 6.

8.12 Petty Cash Floats

No longer applicable. See Appendix 8 Income Collection Methods for guidance.

8.13 Giving Gifts and Hospitality

Gifts

Offering modest corporate gifts on behalf of the University is a legitimate way to build good relationships providing they do not unduly influence business decision-making or cause others to perceive an undue influence. The strict rules around bribery of foreign public officials should also be considered.

Business Entertaining

The University allows members of staff to entertain external 'customers'. HM Revenue and Customs state that, for their purposes, such expenses will normally be allowable if the purpose was to discuss a particular business project. They may also be allowable if the purpose was to maintain an existing business connection or to form a new one, even though no business was actually done. However, expenses are not allowable if entertaining is really for social and not business reasons, even if some business topic happens to be discussed.

Members of staff should ensure that any hospitality provided is proportionate and could not reasonably be construed as extravagant, wasteful or poor value for money. If in any doubt, prior authorisation from a Dean, Director level or above should be obtained. If these standards are not met, such funds will not be paid or reimbursed by the University. Attendees at any business entertaining event should be properly recorded with sufficient detail on, for example, a University credit card log or via the e- expenses system.

Non-Business Entertaining

Entertaining not involving third parties (i.e. attended by University staff only) should not be charged to University administered funds without prior approval of Dean Equivalent Budget Holders or above. The Finance Division must be notified as, in most cases, a taxation charge will arise which will be charged to the relevant budget. However, expenditure of a proportionate sum per head connected to events such as a retirement may be charged although again, a taxation charge may arise. For further details, please see detailed guidance contained within the [Staff Expense Policy](#) at Appendix 6.

8.14 Accepting Gifts and Hospitality

This section should be read alongside the University's policies in respect of fraud and other financial irregularities including but not limited to [Anti-Bribery and Corruption \(ABC\) Policy](#) which is in place to protect individuals associated with the University and the organisation itself from any accusation of improper conduct. It applies to partners and third parties acting with and/or on the University's behalf. Any member of staff should be aware of the difficulties which may arise from the acceptance of any gift, favour or hospitality which may be intended to influence the recipient or which could be interpreted by a reasonable person in full possession of the facts as likely to have that effect. Subject to this, gifts, favours and hospitality of modest value may be accepted in the conduct of established relationships. Staff when in receipt of corporate hospitality or gifts from students must be careful to avoid the circumstances where it could be seen to impair any objectivity.

Prior to the acceptance of gifts or hospitality with an estimated value in excess of £100, authorisation should be obtained from the Vice-Chancellor, Deputy Chief Executive (Operations) or Dean Equivalent as appropriate. This does not include those occasions when a third party pays for expenses relating to work undertaken (e.g. a meal and overnight accommodation after a member of staff has given a talk.) The Executive Deans, Deputy Chief Executive (Operations) and Vice-Chancellor are required to maintain a register of such gifts or hospitality and to make it available for inspection if requested.

8.15 Gifts and Benefits to Members and Former Members of Staff

University funds shall not be used to purchase gifts or provide benefits in kind to members and former members of staff outside normal remuneration policies.

9. RESEARCH GRANTS AND CONTRACTS

9.1. General

All externally funded projects should be categorised according to the definitions in the Research Grant Handbook (found on [Research Services web pages](#)) and costed on the University costing tool ([ACP](#)).

9.2. Definition

Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge. The [Research Grant Handbook](#) provides a full definition of research and detailed procedures for the research application process and awarded grants/contracts.

9.3. Research Grant or Contract Applications and Approvals

Any application for an externally funded research grant or contract, regardless of value or funder, whether an outline or full proposal, must be costed on the University costing tool (ACP) to determine the full economic cost. Principal Investigators (PIs) should contact the [Research Services pre-award team](#) for advice on costing and pricing to ensure appropriate allowance for VAT is accounted for as the University is not exempt from paying VAT on supplies and services received. There is a limited relief for goods used for certain medical purposes and medical research so further advice should be sought from Research Services.

It is important to involve Research Services as early as possible in the application process to ensure considerations are given to all aspects of the funded research including but not limited to financial, ethical, reputational and compliance with Export Controls and National Security and Investment Acts.

Once fully costed, research applications must be approved in accordance with the University's Schedule of Financial Delegations and in accordance with the list of University delegated authorities detailed in the External Funding Approval Matrix; Appendix 2 of the [Research Grant Handbook](#), prior to submission to the funder. Faculties have notification policies which should be consulted as adequate time must be given for each level of the approval process or such approval may not be given. It is the responsibility of the Principal Investigator to ensure that all relevant documentation is supplied to allow review and approval and that the application is fully approved before it is submitted to the funder.

9.4. Acceptance of Contracts for Research

Formal notification of an award must be forwarded to Research Services as soon as possible including copies of all contracts, agreements, budgets, proposals or other documents relating to the conduct or financing of research. Guidance on [grant setup](#) is provided on the Research Services webpage. The Principal Investigator is responsible for ensuring that research does not start before due diligence, contract negotiation and ethical considerations are all approved.

All Research Contracts shall be signed on behalf of the University in accordance with the Schedule of Financial Delegations (Appendix 2) and in accordance with the list of University delegated authorities which are more fully detailed in the External Funding Approval Matrix which can be found in Appendix 2 of the [Research Grant Handbook](#). This will be done once the contract has been recommended for signature by the Contracts Team or delegated departmental contact who will consider whether the legal terms of the contracts are acceptable according to the University's contract risk framework.

9.5. Managing Grants for Research

Principal Investigators are ultimately responsible for the financial management and integrity of their research projects in accordance with the funder's terms and conditions, University regulations and the Concordat to Support Research Integrity. Support for PIs is provided by Research Services' Post-Award team, departmental staff, and faculty finance teams.

The Research Services post-award team shall maintain the financial records relating to Research Grants and Contracts and shall initiate all claims for reimbursement from awarding bodies by the due date. Post-Award will liaise with the PI to ensure eligibility of expenditure and full use of the available funds. Post-Award also arrange and coordinate any grant audits that may be required either during the lifetime or after the final reporting period. Once all claims are made and final payments have been received they will close the grant, charging any overspends or ineligible expenditure to the appropriate departmental cost centre.

Approval to commit expenditure on a research grant or contract must be in accordance with the agreed schedule of delegations of that grant/contract, and in accordance with the Procurement Procedures (see also section 19). It is the responsibility of the PI to ensure that research grant/contract financing is used only for the purpose for which it was awarded and that expenditure is in accordance with the awarding body's terms and conditions. The University's standard rates for

reimbursement of travel and subsistence expenses should be used, unless stipulated otherwise for a particular grant or contract.

Guidance on financial management, staff recruitment and other aspects of grant management is available on the [Research Services webpages](#).

It is the Principal Investigator's responsibility to notify any changes in the terms of a research grant or contract after its award (e.g. extension of timescale) to rso-postaward@lancaster.ac.uk to facilitate grant claims.

9.6. Final Reports for Research

It is the responsibility of the Principal Investigator and their Head of Department to ensure final reports are delivered to the grant awarder on time. Normally final payments are withheld until the report is submitted and late delivery of a report may result in the final payment being disallowed or other sanctions being applied. The PI is responsible for informing the Research Services Post-Award team of any anticipated delays so that advice can be sought from the funder.

It is the responsibility of the Principal Investigator that expenditure is kept within the limits of the grant awarded. Any overspending that cannot be recovered from the grant awarding body at the end of the grant will be charged to the appropriate Departmental cost centre however, the University would normally handle any exchange differences. Similarly, loss of income that results from late deliverables on the project will be charged to the appropriate Departmental cost centre.

10. OTHER INCOME-GENERATING ACTIVITY

10.1. Non-Research Projects

The principles described above in sections 9.3 to 9.6 are also largely applicable to [University consultancy](#) and other externally funded projects. In particular, projects should be fully costed approved in accordance with the Schedule of Financial Delegations before submission to an external sponsor. Further guidance is available on the [Lancaster University Consultancy website](#) and in the [Research Grant Handbook](#) Definitions and Accounting for Externally Funded Projects document.

Where appropriate, approvers of University consultancies and other externally funded projects are responsible for ensuring compliance with state aid rules and charity regulations. Further advice is available from the contacts listed at the end of this document.

10.2. Consultancies and Other Paid Work

Consultancies and other paid work may be undertaken by staff, with specific approval, in accordance with the Rules Governing Outside Professional Activities – visit details [here](#) and approval form [Outside Professional Activities Approval Form.pdf](#)

10.3. Intellectual Property Rights and Patents

Several activities in the University, including research and consultancy and the provision of post experience courses, give rise to ideas, know-how, software, designs, copyright material and potentially patentable inventions, collectively known as intellectual property (IP).

Intellectual property and commercialisation support can be found [here](#) and the Intellectual Property Policy is available [here](#). Further advice can be sought from the contact listed at the end of this document.

11. ASSET MANAGEMENT

11.1 Land, Buildings and Equipment

The purchase, lease, rent or sale of land and buildings by the University or its subsidiary companies can only be undertaken with the authority of the University Council, either directly or under the approved delegations, and with reference to OfS requirements where exchequer funded assets or exchequer funds are involved.

The Director of Estates, Facilities and Commercial Services is responsible for maintaining the University's register of land and buildings including leases and other documents of title.

11.2. Responsibility for Inventories

Heads of Departments are responsible for completing an annual return confirming details of plant, equipment, furniture etc. held within their department. The pro-forma return will be issued annually by the Head of Procurement and will specify the details to be provided.

11.3. University Property

University property should not be removed from the University premises without the prior written permission of a line manager at least at Head of Department level. However, to facilitate hybrid working, laptops, PCs, monitors, mobile phones and other mobile devices may be removed by the individual to whom the item is assigned but these remain University property.

Any private use of University owned assets (e.g. vehicles or equipment) must be reported by the Head of Department to the Finance Division and may result in a tax liability for the individual concerned.

Any loss of property via theft or other circumstance must be notified immediately to the Security Operations Manager. The Head of Procurement should also be advised so that an insurance claim can be made where appropriate.

On cessation of employment all university property must be returned to the Head of Department prior to leaving. All IT equipment including laptops, tablets and mobile phones must be returned to ISS for re-use, recycling or disposal in line with the Waste Electric and Electronic Equipment (WEEE)

Regulations 2013. For the avoidance of doubt, this includes equipment funded through research grants or other external sources.

11.4. Use of University Buildings or Facilities

Arrangements allowing other organisations or their staff to rent or otherwise occupy any University buildings or facilities can only be made with approval from the Director of Estates, Facilities and Commercial Services. Arrangements for short visits by auditors, regulators and funders would normally be made locally. Further advice can be sought as indicated at the end of this document.

11.5. Stocks and Stores

Heads of Departments are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their control and for ensuring that systems are commensurate with Health and Safety guidelines.

Those Heads of Department whose units of stock require valuation in the University's Accounts must ensure that the stock taking procedures have the approval of the Director of Finance.

11.6 Treasury Management Policy

The Director of Finance is responsible for the development and maintenance of the Treasury Management policy (and its application) which is approved by the Finance and General Purposes Committee from time to time.

11.7 Banking Arrangements

Only the Director of Finance may initiate opening or closing a bank account for dealing with the University's funds, following the bank's mandate procedures. All bank accounts shall be in the name of the University or one of its subsidiary or joint venture companies.

12. INSURANCE AND LEGAL

12.1 Insurance

The Director of Finance, in consultation with the Deputy Chief Executive (Operations) or nominee, is responsible for ensuring that the University has appropriate levels of insurance cover.

Heads of Department must ensure that they advise the Head of Procurement immediately of any event which may give rise to an insurance claim, for example, theft, fire, flood, lightning, malicious damage or any other major incident and the Head of Procurement must notify the University's insurers accordingly. Heads of Department must also inform the Head of Procurement of any new circumstances affecting risk in order that they can be accommodated from an insurance perspective.

Staff Insurance Issues

Travel insurance for members of staff travelling overseas or staying overnight in the UK is automatically covered under the University's insurance arrangements. Policy details are available on the website [here](#). Other than in exceptional circumstances, the University's central travel booking portal must be used to ensure that the University's duty of care obligations to staff travelling abroad can be fulfilled and that appropriate action can be taken to support staff if travel disruption or

medical emergency arises. Dedicated 24 hours emergency support is available to provide active crisis support and fast reaction times to any traveller facing risk or danger whilst on University business. Travel booked independently will not necessarily have such cover and may increase the risks and liabilities of individual staff and/or those making bookings on their behalf.

Motor vehicle insurance is provided for persons on University business using University owned vehicles and hire cars from the University preferred suppliers. Drivers must be over 21 years old and hold a full UK driving license. A Driver Declaration form must be completed before driving these vehicles. Further guidance is available on the website [here](#).

If it is planned that University equipment (other than mobile phones, laptops and other mobile devices) will be taken for use abroad further guidance should be sought from insurance@lancaster.ac.uk

12.2 University Companies

In certain circumstances it may be advantageous to the University to establish a wholly, or partly owned company to undertake services on its behalf. Establishing a University Company requires approval of the University Council.

For the avoidance of doubt, these Regulations apply to all University Companies, although variations to procedures may be agreed by the Director of Finance, with notification to the Vice-Chancellor in accordance with the Schedule of Delegated Authority.

SECTION C: DEFINITIONS

Dean Equivalents include the Pro-Vice-Chancellors, the Executive Deans, the Deputy Chief Executive (Operations) and Directors of Professional Services.

Heads of Department include Heads from academic and non-academic areas, Director of the Health Innovation Campus and Research Institute Directors, other equivalent Directors and College Principals.

Principal Investigators include any member of staff proposing to lead or actually leading research, consultancy or any other externally funded activity.

Budget Holder includes the Vice-Chancellor and all of the above.

Primary Budget Holders will include the Pro-Vice-Chancellors, the Executive Deans, the Deputy Chief Executive (Operations) and the Director of Finance. These Primary Budget Holders are delegated with specific powers and responsibilities from the Vice-Chancellor as Accountable Officer and Chair of the University Planning and Resources Group for the financial performance of a range of budget areas or budget lines under their line management. Further details are given in section 6.1.