



**Northumbria  
University**  
NEWCASTLE

# **University of Northumbria at Newcastle**

## **Financial Regulations and Delegated Authority Matrix**

**June 2020**

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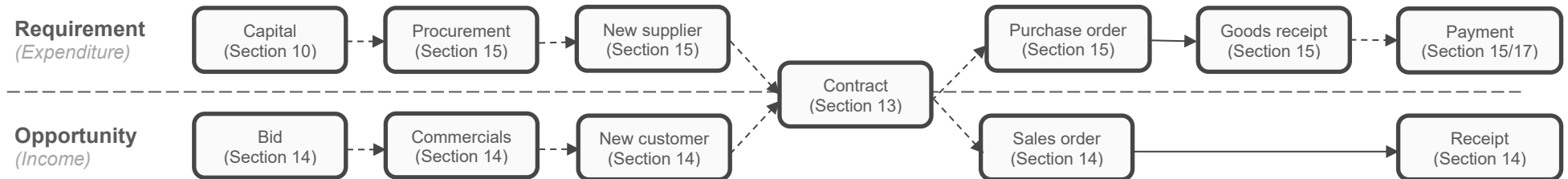
# FINANCIAL REGULATIONS SUMMARY

All colleagues must observe the [Principles of Public Life](#) throughout their work. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These Regulations assume that colleagues will follow these Principles in their own role and raise any concerns where they believe that the Principles or Financial Regulations are not being followed.

The Financial Regulations set out expectations and are not intended to be exhaustive. They set out the context and financial environment within which the University will operate. Where their application is unclear colleagues should consult with their line manager or a colleague in Finance via AskFinance.

As with other University policies, colleagues who fail to comply with the Financial Regulations may be subject to action under the University's Disciplinary Procedure.

Since many colleagues will only infrequently use the Financial Regulations, the diagram below provides an overview of the key financial processes for: purchasing and paying for goods or services, and securing income and receiving payment. The diagram provides the general flow, noting that not all of the sub-processes will be necessary, in all instances as this is dependent on many factors such as value the proposed transaction. The diagram also identifies the sections of the Financial Regulations which should be consulted for the details relating to the sub-process.



## 10 key messages of the Financial Regulations

- 1) They apply to everyone, irrespective of grade, role, department or employment contract.
- 2) They apply to all University activities irrespective of the source of funding. Specific external funding such as research grants are still subject to the Financial Regulations because the funds are awarded to the University as well as any specific funding requirements.
- 3) There are only certain people who can sign documents or agreements/contracts on behalf of the University and approve spend, the delegated matrix can be found on Appendix 1.
- 4) Terms of a contract should not be accepted at the point of negotiation, issuing of an invoice, tendering or on the submission of a purchase order requisition.
- 5) It is vital to act collaboratively, considering the interest of the whole University as opposed to a specific area or individual.
- 6) Colleagues are responsible for ensuring that income-generating activity is identified, and sales orders are raised, or cash is received, through central approved channels.
- 7) When purchasing supplies, works and services value for money and sustainability (social and environmental) must be considered and all procurement requests, irrespective of value, need to follow the internal procurement process
- 8) Travel and business expenses can only be incurred in accordance with the Financial Regulations and Travel and Expense Policy.
- 9) It is every employee's responsibility to report a matter if you suspect something is wrong.
- 10) Any personal interest that may compromise or reasonably be deemed to compromise impartiality, conflict with a duty or result in private benefit must be declared.

# CONTEXT AND DEFINITIONS

## 1 Governance responsibility

- 1.1 The University is a Higher Education Corporation (HEC), in line with the Education Reform Act 1988 (as amended) and Further and Higher Education Act 1992, its legal status is set out in the [University's Instrument and Articles of Government](#). The [Board of Governors](#) ('the Board') sets Northumbria's Vision and Strategy and is responsible to The Office for Students (OfS) for the University's use of public funds. The Board approves the University budget and is responsible for the stewardship and safeguarding of the University's resources, assets and reputation and for financial sustainability. The responsibilities of the Board include, but are not limited to:
- a robust and comprehensive system of risk management, control and corporate governance;
  - the use of regular, reliable, timely and adequate information to monitor performance and make data submissions;
  - the effective and efficient use of resources, and use of all funds including public funds for proper purposes and to achieve value for money;
  - the sustainability and financial viability of the University;
  - the safeguarding of University assets; and
  - compliance with the mandatory requirements relating to audit and financial reporting, set out in the annual accounts direction.
- 1.2 To assist and enable the Board to discharge its responsibilities to OfS and to ensure clear accountability, the Vice-Chancellor and Chief Executive ('the Vice Chancellor') is designated as the University's Accountable Officer. The [Accountable Officer's responsibilities](#) are defined by OfS.
- 1.3 The Board also discharges its financial responsibilities by delegating duties to its Committees, particularly the Employment and Finance Committee and Audit Committee. The [Employment and Finance Committee](#) advises the Board on financial strategy and sustainability and approves financial policies and regulations. The [Audit Committee](#) is responsible for monitoring the adequacy of the University's internal control environment, including the effectiveness of financial systems and controls and arrangements for economy, efficiency and effectiveness (value for money), financial risks and irregularities.
- 1.4 Delegations of authority on financial matters from the Board to its Committees are summarised in the University's [Scheme of Delegated Authority](#). Further information on the remit of the Board and its various Committees can be found on the University's Governance Services webpages.

## 2 Overview and definitions

- 2.1 The financial framework for the University flows from the Board's ultimate responsibility as charity trustees, as implemented by the Vice-Chancellor, and is delivered through these Financial Regulations, representing overarching financial principles which are underpinned by a suite of Financial Policies.
- 2.2 Where funding originates from OfS or Research England (RE) their funding terms and conditions apply in addition to the University's Financial Regulation. OfS is also the University's principal regulator for charity law purposes.
- 2.3 These Financial Regulations are designed to provide a user-friendly guide for colleagues and the following terms shall have the following meanings:

**"Annual Report and Financial Statements"**: the audited report and annual accounts, which set out the consolidated results of the University and its subsidiary companies, prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015), or as superseded.

**"Approval and Authorisation"**: although these words are sometimes used interchangeably, typically the Regulations assume a requirement for approval by an authorised individual.

**"Approval"**: to confirm, commend, accept, sanction an action to be undertaken. An approver is agreeing that the decision is acceptable.

**“Authorisation”**: to empower for the purpose of pursuing what is to be approved in the future. An authorised person is empowered to approve.

**“Commitment”**: a promise or firm decision to spend funds, accept funds, work with or indeed provide goods or services at a future date. The term may refer to either a very-long-term commitment, which involves outflow of resource either financial or non-financial (such as provision of a service), or a one-off payment. A commitment can create an immediate or future liability on the University.

**“Contract”**: A binding agreement between two or more parties with the intention of creating a legal obligation. Contracts may be made in writing but may also be a commitment made orally. Some or all of a contract’s terms may also be implied where they are not expressed in words.

**“Faculties”**: the major academic units of the University, namely: Art, Design and Social Sciences; Business and Law; Engineering and Environment; and Health and Life Sciences.

**“FPVCs”**: Faculty Pro Vice Chancellors.

**“Funding Bodies”**: bodies which provide funding to the University, namely OfS and Research England (RE).

**“Principal Budget Holders”**: Principal Budget Holders are responsible to their line manager and the Finance Director for the financial management of the areas and activities they control. Principal Budget Holders are required to establish and maintain clear lines of responsibility for financial matters within their area. Where responsibility for financial management is delegated, the Principal Budget Holder remains accountable for their overall budget. Principal Budget Holders are the Vice-Chancellor, the Deputy Vice-Chancellor, Pro Vice-Chancellors and the Service Directors.

**“OfS”**: the Office for Students.

**“PVCs”**: Pro Vice Chancellors of the University.

**“Service Directors”**: Directors of the University’s Services and part of the Senior Management Group (SMG) of the University. Finance, HR, Global Marketing and Business and Strategic Planning Service Directors are also part of University Executive.

**“Services”**: the University’s central service functions are as follows or as periodically updated: Student, Library and Academic Services; Estates and Facilities and Commercial Operations (formerly Campus Services); Finance; Human Resources (HR); IT Services; Global Marketing and Business (GMB); Research and Innovation Service (RIS); and the Vice-Chancellor’s Office, including Governance Services, Legal Services, Advancement, Transformation Management and Strategic Planning and Performance Team.

**“Signature”**: For the purpose of these Regulations signatures represent approval or authorisation by the signatory and can be either physical or electronic. In some cases, where agreed processes are in place, signatures may be executed through approval via an automated workflow tool.

**“The Board”**: The Board of Governors of the University, the membership and primary responsibilities of which are available from Governance Service and on the University’s website. The Board is the Trustee Board of the University and its members are the Trustees of the University.

**“The University”**: University of Northumbria at Newcastle (trading as Northumbria University) and its associates, subsidiary companies and joint ventures.

**“University Executive”** or **“UE”**: An advisory group to the Vice-Chancellor, the membership and terms of reference of which is available from the Vice-Chancellor’s Office and posted on the University’s website.

All values quoted within the Financial Regulation and Delegated Authority Matrix are inclusive of VAT, unless stated otherwise.

### **3 Purpose, scope and audience**

- 3.1 The purpose of the Financial Regulations is to provide a framework within which the financial affairs of the University (and its subsidiary companies) are managed. The Regulations are designed to protect the University and the individuals working for the University. The delegated authority matrix (Appendix 1) provides details of the role holders with approval authority.

- 3.2 Compliance with the Financial Regulations is compulsory for all colleagues (including contractors, consultants and governors) connected with the University. All colleagues are required to understand their responsibility under the Financial Regulations.
- 3.3 The Regulations are principles based and not intended to be exhaustive. Colleagues are required to operate within the principles. Where application is unclear colleagues should consult with their line manager or a colleague in Finance via AskFinance. Where there remains uncertainty, Principal Budget Holders should seek clarification on interpretation and application from the Finance Director.
- 3.4 Any colleague who fails to comply with the Financial Regulations may be subject to action under the University's Disciplinary Procedure. Any material or persistent breaches of the Financial Regulations should be notified in writing to the Vice-Chancellor by the Finance Director. Significant breaches of the Financial Regulations should be reported to the Audit Committee and, if necessary, the Board.

#### **4 Approved deviations from the Financial Regulations**

- 4.1 In exceptional circumstances, it may be necessary to deviate from the standard rules as set out within the Financial Regulations. In such a case, it must be determined that failure to deviate would be to the detriment of the University such that (a) business continuity would be significantly compromised; or (b) a significant opportunity that would materially contribute towards the achievement of the University Strategy would be foregone.
- 4.2 Any decision to deviate from Financial Regulations may only be taken by the Finance Director, with the advance authorisation from the Vice-Chancellor, or the Vice-Chancellor with advance authorisation from the Chair of the Board. All reasonable efforts should be made to consult with Chair of the Board, Chair of Employment and Finance Committee or Chair of Audit Committee prior to the deviation.
- 4.3 Any decision to deviate from the Financial Regulations must be subsequently reported to both the Employment and Finance Committee and the Audit Committee. Where the relevant matter for which the deviation was authorised involves a financial value greater than £2M, this should also be reported to the Board.

#### **5 Regulations ownership and review**

- 5.1 The Financial Regulations are owned by Finance. The Finance Director is responsible for making sure that an up to date electronic version is available on the intranet [here](#).
- 5.2 The Financial Regulations will be reviewed at least annually by the Finance Director. Where it is deemed that amendments are required relevant action will be taken based on the significance of the change:
- Technical changes can be approved by the Finance Director. Examples of such changes would be those of titles, roles and links.
  - Operational changes can be approved by the Vice Chancellor and will be subsequently reported to Employment and Finance Committee. Examples of such changes would be those required due to changes in University structure and processes.
  - Fundamental changes will be proposed to Employment and Finance Committee, with Audit Committee consideration where amendments may be deemed to materially impact on the University's financial control environment. An example of such a change would be to the values in the delegated authority matrix.
- 5.3 In some areas the Financial Regulations are supported by policies and procedural notes which should be read in conjunction with the Financial Regulations. Typically, these policies and procedures are agreed by the Board or its sub-committees, as set out in each document. Where this is not the case, the Vice-Chancellor has delegated authority to the Finance Director to amend the supporting policies and procedures where required.

# FINANCIAL MANAGEMENT AND CONTROL

## 6 Financial planning and management

- 6.1 The Finance Director is responsible for preparing, annually, a rolling five-year financial plan for consideration and approval by the University Executive, the Employment and Finance Committee, and the Board. The Finance Director is also responsible for preparing financial forecasts for submission to the OfS. Financial plans must support the delivery of the University Strategy and its strategic objectives, including financial objectives.
- 6.2 The University's annual budget will incorporate a budget for each Faculty and Service and will include, for the University as a whole, the income and expenditure account, balance sheet, cashflow statement and capital projections. The Finance Director must ensure communication of these to the Principal Budget Holders as soon as possible following approval by the Board.
- 6.3 Once agreed, the net annual income and expenditure budget will not be altered, however adjustments between categories of income and expenditure, and between operating areas, may take place subject to approval by the Finance Director. The Finance Director is responsible for the production of in-year projections in consultation with Principal Budget Holders. These projections will reflect the expected income, expenditure, cash and balance sheet outcomes for the financial year based on actual patterns of activity and/or those anticipated. The forecasts will be presented to the University Executive, the Employment and Finance Committee and the Board, not less than quarterly.

## 7 Accounting arrangements

- 7.1 The University's financial year starts on 1 August and runs until 31 July the following year.
- 7.2 The Annual Report and Financial Statements are prepared in accordance with, and include information required under, Statements of Recommended Practice (SORP): Accounting for Further and Higher Education (2015) and other applicable accounting standards. The principal accounting policies adopted by the University are detailed in the Annual Report and Financial Statements, which are published on the University's website.

## 8 Financial control

- 8.1 The Finance Director is responsible for maintaining complete, accurate and effective financial records, which includes transactional information (income and expenditure) as well as account balances (balance sheet accounts such as fixed assets, inventories and cash).
- 8.2 The Finance Director is responsible for supplying regular, comprehensive financial management reports to Principal Budget Holders, the University Executive and the Employment and Finance Committee. The specific content of such reports, is determined by the Finance Director in conjunction with Employment and Finance Committee and any specific requirements of the Funding Bodies. Reports will always include analysis and explanation of large or unusual movements between periods and/or against plan. Relevant extracts from these reports will be presented to the Board, which has overall responsibility for the University's financial position and performance.
- 8.3 The control of income and expenditure within an agreed budget is the responsibility of the Principal Budget Holder, who must ensure that day-to-day monitoring is undertaken effectively. Principal Budget Holders may delegate responsibility for budgetary control, however they remain responsible and accountable for delivering against financial targets. Significant departures (including those which are anticipated) from agreed budgetary targets must be reported immediately to the Finance Director, who will advise on the appropriate action.
- 8.4 Principal Budget Holders are permitted to vire expenditure from one budget area to another provided they do not exceed their total expenditure budget for the year in question. Virement in relation to ring-fenced budgets, such as project budgets, or between staffing expenditure and non-staffing expenditure should be avoided. In exceptional circumstances, where this occurs, they should be explained and reported to the Finance Director as part of the monthly financial management reporting.
- 8.5 The University may, from time to time, be subject to financial audit, inspection or investigation by external

bodies such as the external and internal auditors, funding bodies or HM Revenue and Customs. In addition – subject to prior approval by one of the Vice-Chancellor, Chair of the Board of Governors, or Chair of Audit Committee – the Finance Director has the right to perform audits or reviews of income, expenditure or other financial items at any time. An audit may also be performed by the Vice-Chancellor independently of the Finance Director, subject to prior approval by the Chair of the Board of Governors, or Chair of Audit Committee.

- 8.6 The Finance Director is responsible for ensuring that all balance sheet subsidiary ledgers are reconciled at least quarterly, these include the debtor's ledger, creditors ledger and fixed asset register. Further, all balance sheet general ledger accounts should be subject to regular reconciliation and large or unusual items investigated as appropriate, including for cash and bank, accruals and prepayment general ledger accounts.

## **9 Delegated authority**

- 9.1 Finance shall maintain a register of delegated authority levels, which is available on the intranet [here](#). Principal Budget Holder can delegate authority, in line with delegated authority limits set out in Appendix 1. Changes to the delegated authorities will not come into effect until the Principal Budget Holder has approved the change.
- 9.2 Approval of a higher delegated authority limit than that set out in Appendix 1, on a short term or long term basis, can only be agreed by the Finance Director.

## **10 Capital expenditure**

- 10.1 Capital expenditure is spend on land, buildings, equipment, furniture, IT equipment including software and other intangible assets, which meets the capitalisation requirements set out in the [Capital Expenditure Policy](#). Items are capitalised when the capitalisation requirements are met, whether or not they are funded from capital grants.
- 10.2 The Capital Expenditure Policy covers capital investment budgeting, approval, recording and monitoring. The Employment and Finance Committee is responsible for this Policy and ensuring its implementation, monitoring and review.

## **11 Taxation**

- 11.1 The Finance Director is responsible for the University's management of taxation in order to mitigate the risk of non-compliance. The University's approach will be reviewed periodically in light of emerging and evolving taxation risks, especially regarding the University's international activities. Any emerging and evolving risks and those being mitigated, will be documented within the Finance Risk Register.
- 11.2 The Finance Director is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits, submitting tax returns by their due date as appropriate, and reporting any taxation issues to the Employment and Finance Committee.

## **12 Treasury management**

- 12.1 The University's [Treasury Management and Ethical Investment Policy](#) sets out the strategy, policies and delegated authorities for cash management, long-term investments, borrowings, and interest and exchange rate risks. This complies with Funding Body rules regarding approval of any secured or unsecured loans. The Employment and Finance Committee is responsible for this Policy and ensuring its implementation, monitoring and review.
- 12.2 To ensure compliance with existing loan covenants, no loans or financial commitments, including lease or hire agreements, interest free credit terms or term payments over months or years, can be taken out without prior written authorisation by the Finance Director, who will consider covenant obligations with the support of Legal Services.

## **13 Contracts**

### *Terms of business*

- 13.1 Colleagues should aim to use the University's standard terms of business wherever possible. Where it is



proposed that contract terms are to be a departure or variation from the University's standard pre agreed terms of business, irrespective of value, these are required to be sent to Legal Services for the amended legal terms to be reviewed and approved in advance of being agreed and the contract executed. Terms of a contract should not be accepted at the point of negotiation, issuing of an invoice, tendering or on the submission of a purchase order requisition.

### *Contracting*

- 13.2 All contracts with a value of **over £100,000** (regardless of whether income (Section 14.7) or expenditure (Section 15.10)) must be supported by a duly completed contract checklist. The Principal Budget Holder is responsible for compliance with procedures associated with entering into the contract and the proper and timely completion of the contract checklist, prior to its submission to Legal Services.
- 13.3 Where the contract is to be operated within a framework agreement, the value of the contract should be based on the reasonable expectation of the aggregate expenditure through the life of the framework agreement and must be approved and signed on that basis. The same principle also applies to income-generating framework agreements.
- 13.4 Every contract to be entered into by the University (including those by electronic submission) must be approved in advance of execution and signed according to the delegated authority matrix in Appendix 1.
- 13.5 The Head of Legal will provide details of all contracts and extensions with an aggregate value in excess of £500,000 or more, via a summary report at each Employment and Finance Committee meeting.
- 13.6 Approval by the Employment and Finance Committee may be executed with signatures from two out of the Chair and Deputy Chair of the Board, the Employment and Finance Committee Chair, and the Vice-Chancellor (and any other members of the Employment and Finance Committee nominated in writing by the Employment and Finance Committee Chair). The Head of Legal shall be required to provide a written assurance and recommendation in respect of all contracts to be signed, which have been approved by the Employment and Finance Committee. If contract approval and execution must take place between scheduled meetings of Employment and Finance Committee, the contract must be approved by written resolution (requiring approval from the majority of members of the Committee) accompanied by supporting documentation. Approval by Chair's Action will be sought in exceptional circumstances only, where transaction of a written resolution is not possible due to the schedule and deadline to execute the contract.

### *Contract extension and renewals*

- 13.7 An existing expenditure contract may only be extended where:
- the original approved contract included an option to extend or vary the contract;
  - the original contract has not expired; and
  - where the Principal Budget holder, in consultation with Finance (Procurement Services), agrees that extending the existing contract has greater advantage to the University than not extending the contract.

Budget Holders should allow sufficient time for a tender exercise to be completed in the event that the contract is not approved for extension. Refer to Section 15 for further details on the procurement process.

- 13.8 In addition to Section 13.6 above, Employment and Finance Committee should be notified of all contract extensions and renewals which have been entered into with an aggregate value in excess of £500,000 and will approve all extensions to contracts with an aggregate value in excess of £2M.

### *Contract terminations*

- 13.9 Advice should be sought from Legal Services for all contract to be terminated prior to the expiry date stated in the contract, before communicating with the third party.

### *Retention of contracts and other financial documents*

- 13.10 Principal Budget Holders are responsible for notifying Legal Services of any contractual arrangement of any value prior to execution. Where, in line with these Regulations, Legal Services are not required to negotiate or facilitate the execution of a contract (for example for core funders), the Principal Budget Holder must forward a copy of the executed contract to Legal Services for it to be registered in the contracts register. The

Head of Legal is responsible for maintaining a central University-wide contracts register in which all contracts entered into by the University are recorded.

- 13.11 The Head of Legal is responsible for the safekeeping of official and legal documents relating to the University. Original signed copies of deeds, leases, and other contracts must be forwarded to Legal Services, to be held in a secure and fireproof location.
- 13.12 The Finance Director is responsible for the retention of financial documents in an appropriate form. The University is required by law to retain prime documents for six years. These include purchase orders, paid invoices, debtors/creditors, accounts/invoices raised, bank statements, copies of receipts and payroll records. Colleagues should ensure that local retention arrangements comply with any specific requirements of funding organisations such as the European Commission and Research Councils. The retention of records is covered by the [University's Records Retention Schedule](#).

*Deeds and use of the University's corporation seal*

- 13.13 The corporation seal is held under secure arrangements by the Secretary to the Board. All contracts to be executed as deeds, must be executed under the University's Corporation Seal and signed by two members of the Board. Where a deed or document requires application of the University's corporation seal, it must be sealed on the advice of the Head of Legal or, in their absence, the Secretary to the Board. Execution under the corporation seal should be reported by the Head of Legal to the next meeting of the Employment and Finance Committee.

**14 Income**

- 14.1 Income generating activities generally follow from contracting activity as described in Section 13 (Contracts). The Finance Director is responsible for ensuring that all invoices are raised promptly and accurately, paid in a timely manner, and where timely payment is not made, followed up.
- 14.2 Colleagues are responsible for ensuring that income-generating activity is identified, and sales orders are raised or income is received through approved receipting channels. The Finance Director must approve any new systems, processes or documents relating to income-generating activity
- 14.3 The [Revenue, Billing and Credit Control Policy](#) details new customer due diligence procedures, billing arrangements, VAT implications, accounts receivable maintenance, debt collection and management.

*Commercial terms*

- 14.4 In addition to the Legal Services involvement required for contracting as described in Section 13 (Contracts) all commercial income opportunities such as consultancy arrangements and collaborative partnerships, irrespective of value, must adhere to the University's guidance on pricing.
- 14.5 Pricing principles are set out within the Pricing Policy.
- 14.6 Exceptions to the standard pricing structure must be approved by Pricing Group. Outside of Pricing Group decisions to override the normal pricing principles can be made as follows and subsequently reported to Pricing Group:

Value	Requirement
Under £25,000	Assistant Director, Business Development, Deputy Finance Director, Commercial Director:
£25,000 up to £100,000	One of CMO / Finance Director / PVC B&E / Deputy Vice-Chancellor
Over £100,000	Two of CMO / Finance Director / PVC B&E / Deputy Vice-Chancellor

- 14.7 When determining the potential value of an income contract, consideration should be given to the total estimated aggregate income for the duration of the potential contract, including any possible extension periods. Where the University is the principle / lead agent in any income contract, the full/gross value of the contract should be used to determine the correct level of approval mandate, not simply the net amount that the University will retain following partner payments or similar disbursements for activities sub-contracted to other parties.

### *Student fees*

- 14.6 Levels of tuition fees are considered annually by the University Executive and are recommended to the Employment and Finance Committee for approval.

### *Externally funded research and knowledge exchange*

- 14.7 It is the responsibility of Research and Innovation Services (RIS) and Global Marketing and Business (GMB) to provide expert advice and guidance to Faculties and Services, ensuring applications for funding are of the highest quality, properly costed and priced, and compliant with University and Funder policies.
- 14.8 Approval must be obtained prior to research or knowledge exchange applications being submitted, or work commencing. This includes research grant, consultancy, economic development and workforce development programmes (which includes Continuous Professional Development (CPD) and Degree Apprenticeships (DA). Approval requirements are set out in Appendix 1 and further detail provided in Sections 13 and 15. It is the responsibility of the lead Faculty/Service to ensure that the correct and timely approval is received.
- 14.9 RIS and GMB work with Legal Services to adopt and maintain a list of 'core funders' whose standard terms and conditions of funding will be reviewed and approved on a regular basis by Legal Services and at least every two years. Grants awarded by core funders which are subject to their standard terms and conditions, and which do not include additional special conditions, will not require a further individual legal review, where Legal Services have previously reviewed and approved the terms and conditions. Grants from core funders may be accepted in line with Appendix 1. Any additional contracts flowing from a core funder award, such as a collaboration or consortium agreement will remain subject to Section 13.3.
- 14.10 Approval for any project involving an expectation for matched funding shall be dependent upon the Faculty or Service being able to demonstrate that eligible matching funds are available and that the project is financially viable, and within the Faculty, Service or institutional budget, in line with Section 14.2.
- 14.11 All externally funded research, consultancy and CPD activities should recover the full economic costs associated with the activity, unless it is determined by the relevant authorised signatory (Appendix 1) that the activity is of strategic importance to the University, as determined by UE in line with the Board's approved institutional strategy. The existing University costing model should be used to determine the full economic cost of new activities, to inform the decision-making process.
- 14.12 All surpluses and deficits incurred on income-generating activities will be recognised in the accounts of the Faculties and Services in the year the activities are delivered, and will be pro-rated where activities cross financial years.
- 14.13 The Finance Director, in conjunction with the Director of RIS, is responsible for initiating all claims for reimbursement from funders by the due date.

### *Consultancy arrangements*

- 14.14 Private consultancy or other paid work outside the contract of employment (where the staff member contracts directly with the external client) must not be accepted by colleagues without the consent of the relevant PVC or Service Director (and in the case of a PVC or Service Director, the Finance Director, and in the case of the Finance Director or VC, the VC or Chair of the Board respectively). Private consultancy and other paid work, within the field in which the individual is working at the University, must not be undertaken on University property or using University IT or other resources without prior consent as set out above. Further information can be found within the University's [Code of Conduct](#).
- 14.15 Employees providing consultancy services during University time or using University resources must notify their Head of Department and Principal Budget Holder, engage with RIS and GMB and notify Legal Services. An appropriate contract must be put in place prior to delivering any services, a fully executed copy of which should be submitted to Legal Services in line with Section 13.11 above.

### *Collaborative partnerships*

- 14.16 This includes any contract or arrangement under which the University provides education to students away from University premises (and validation, distance learning and distance delivery), or with the assistance of persons other than the University's own staff, or with independent contractors (partner organisations). Such a contract or arrangement must adhere to applicable due diligence, regulatory, partnership and programme

approval processes.

- 14.17 Contracts must be signed in accordance with Section 13 and on behalf of any partner organisation, which shall comply, as a minimum, with the relevant guidelines of the Quality Assurance Agency. Where the partnership would represent a significant departure from the University Strategy, the University Executive shall approve the departure, and the financial consequences shall be reflected in the financial forecast.

#### *Philanthropic income*

- 14.18 Philanthropic donations from individuals, companies, charitable trusts and foundations must be dealt with in accordance with the [University's Philanthropic Gifts and Donations Policy](#).
- 14.19 Due diligence must be carried out for all donations of over £5,000, in line with the Philanthropic Gifts and Donations Policy.
- 14.20 Gift Agreements signed by internal and external stakeholders must be in place for all donations of over £5,000. Where it has been agreed that donations will be restricted to a specific purpose, funds must be spent according to the donor's wishes.
- 14.21 Philanthropic donations of over £25,000 must be subject to enhanced due diligence checks, as set out in the Philanthropic Gifts and Donations policy.
- 14.22 It is the responsibility of the Advancement team to provide advice and guidance on the acceptance and usage of philanthropic income, to track its expenditure and to provide updates and reports to donors.

## **15 Purchasing**

#### *Delegated authority*

- 15.1 Principal Budget Holders are responsible for purchases in their Faculty or Service. Purchasing authority may be delegated within the Faculty/Service in line with the University's delegated authority matrix provided in Appendix 1.
- 15.2 Irrespective of approvals neither Principal Budget Holders nor their delegates are authorised to commit the University to expenditure unless sufficient funds are available in their budget.

#### *Public Contract Regulations*

- 15.3 The University, having taken advice from the Queen's Counsel, has reviewed its governance and income as stated in previous audited financial statements, and determined that it is not a 'contracting authority' for the purposes of (EU) public procurement regime, as implemented by the Public Contracts Regulations.
- 15.4 As such, the University is not required to follow the Regulations unless specifically required to by a particular funding body. In these cases, the tender must expressly state that the Public Contracts Regulations procedure is being followed. The requester of goods/ services must clearly ascertain the appropriate Procurement route, taking into account the nature and requirements of any funders, with the support of Finance (Procurement Services), who must be engaged in support of any procurement exercise where Public Contracts Regulations must be applied. University procurement procedures will be applied in all other scenarios.
- 15.6 In those instances where the University is required to procure under the Public Contracts Regulations, the Finance Director is responsible for ensuring the University complies with its legal obligations concerning all procurement legislation. Under the Public Contracts Regulations, any procurement over the value of **£25,000** (excluding VAT) will need to be tendered, irrespective of the type of goods or services contract that is required. A full OJEU compliant procurement process will need to be undertaken for purchases with a total value (excluding VAT) exceeding the following threshold values (for 1 January to 31 December 2020) or as subsequently updated:
- Public supply/service contracts           £189,330
  - Public works contracts                   £4,733,252
  - Social, other specific services           £663,540

- 15.7 In addition to following Public Contracts Regulations, certain funding bodies and partnering organisations

may require the University to adhere to procedures regarding the submission of interim or final reports, or the provision of other relevant information. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met and to obtain appropriate advice from Finance (Procurement Services) and Legal Services, as appropriate. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the Principal Budget Holder and will be charged as a cost to that Faculty.

*Procurement*

- 15.8 Colleagues should seek to obtain value for money and support social and environmental sustainability when purchasing supplies, works and services. Value for money is the balance of whole life costs (acquiring, owning, maintaining, operating and disposing of goods, works and services) and benefits that meet the requirements of the University, and may involve obtaining economies, efficiencies, or more effective services. Social and environmental sustainability includes the University's commitment to supporting the United Nation's Sustainable Development Goals and the concept of protecting people, planet and place. It includes reducing carbon emissions, ensuring the efficient use and management of resources, protecting the environment, and supporting social wellbeing regionally, nationally and internationally. The University's sustainability commitments are further outlined in the [Sustainability Policy](#). All purchases must also be made in accordance with the University's [Modern Slavery Statement](#). Expenditure incurred must be in the interest of the whole University as opposed to a specific area or individual.
- 15.9 All procurement requests, irrespective of value, need to follow the internal procurement process. The required procurement route is dependent on the potential value of a procurement contract as follows:

Value	Procurement requirement
Under £5,000	No formal procurement requirement, although Faculties/Service should satisfy themselves that the purchase is value for money and considers sustainability requirements (people, planet and place).
£5,000 to £50,000	Competitive procurement process must be followed, i.e. 3 quotations, for the goods/services must be obtained and submitted to Finance (Procurement Services).
Over £50,000	Finance (Procurement Services) must be engaged, and a formal procurement process completed and approved by the Head of Procurement or escalated to the Commercial Director in their absence.

- 15.10 When determining the potential value of a procurement contract (including lease and hire contracts), consideration should be given to the total estimated expenditure for the duration of any potential contract, including any possible extension periods included in the contract (also see Section 13.7), or additional costs such as training, maintenance, consumables and consultancy expenses.
- 15.11 If additional purchases are needed under an existing agreement or an extension of such agreement is required, the approvals required are as listed in Appendix 1. It is the agreement/service owner's responsibility to ensure that the maximum projected spend under the agreement is not exceeded, beyond a tolerance of 25% or £50,000 whichever is lower. In the event that it becomes apparent that this threshold will be exceeded, the agreement/service owner (as defined at the outset of the contract) will work with Finance (Procurement Services) to seek approval to increase such maximum spend.
- 15.12 The Finance Director will monitor expenditure to ensure that reporting and tendering requirements are being adhered to and report any expenditure which exceeds the thresholds via the appropriate route.
- 15.13 For any purchase where approved, pre-negotiated agreements exist, which are accessible to the wider University, they must be used unless a clear business rationale exists as to why an alternative supplier is to be sourced, to be agreed by the Head of Procurement or Commercial Director in their absence.

*Procurement exemptions*

- 15.14 Where a Faculty/Service believes that the purchase requirement is an exception to the above described procurement processes and the purchase has a value above £5,000, full justification must be approved by Finance (Procurement Services) prior to raising a purchase request, or making any commitment to the supplier. Such approval will be in the form of an appropriate tender exemption which has been signed off by the Head of Procurement.

- 15.15 In certain cases, where a true sole source of supply exists, tender exemptions will be signed off for up to 5 years and/or a higher value, to be agreed in advance with Finance (Procurement Services). Such authorised exemptions to the procurement process are detailed on the [tender exemption list](#). In these cases, no further approval to negate the procurement process is required, provided the exemption remains within the approved period and/or value, and full details of this exemption are included in the purchase requisition.

### *Specific procurement requirements*

- 15.16 For particular areas of expenditure, the University is required to manage and mitigate additional risks when procuring goods, works and services. As such, Faculties and Services are responsible for not only ensuring that the University obtains value for money and sustainability (people, planet and place), but also managing its legislative requirements and duty of care involved in those activities. Principal Budget Holders shall ensure that:
- all estates/works expenditure is directed via Estates and Facilities (formerly Campus Services) through the [CR Helpdesk mailbox](#);
  - all on-site catering expenditure is directed via Commercial Operations (formerly Campus Services) through the [CRHelpdesk@northumbria.ac.uk](mailto:CRHelpdesk@northumbria.ac.uk)
  - all travel expenditure is directed via the [University's selected travel provider](#);
  - all procurement of external legal advice is directed via [Legal Services mailbox](#);
  - all procurement of external financial advice is directed via [AskFinance](#);
  - all IT expenditure is directed via the [IT Services Desk](#); and
  - all consultancy costs (including interim and external consultant appointments) is directed through [Ask HR](#) (Section 16 Staff expenditure).
- 15.17 The initial engagement of an external consultant must follow the same procurement rules as any other standard purchase, after approval has been provided by the Director of HR. Any subsequent extension of an external consultant beyond the agreed term, must be approved by the Director of HR and the Principal Budget Holder (within their delegated authority). It is the responsibility of the budget holder to (i) determine that the ongoing use of a consultancy arrangement is appropriate in the continued delivery of value for money; (ii) engage Finance (Procurement Services) in accordance with the procurement requirements set out within these Financial Regulations; (iii) engage Legal Services where any variation to contract may be necessary.
- 15.18 Where a purchase is funded by a grant funding body, it may be necessary to follow tailored procurement requirements, and therefore Finance (Procurement Services) must be involved prior to any purchase, irrespective of value. See 15.6 for further information.
- 15.19 Where a procurement may be subject to the Public Contracts Regulations and there is the requirement to purchase a single item of value greater than **£25,000** (excluding VAT) then Finance (Procurement Services) must be involved prior to any purchase. See 15.6 for further information.

### *Conflict of interests*

- 15.20 A conflict of interest exists where a colleague has a financial or personal interest, whether direct or indirect, in any contract which has been or is proposed to be entered into, by the University. Notice must be given in writing to the Secretary of the Board of the fact that such a conflict of interest exists, as soon as possible. The Secretary of the Board will notify the Finance Director. No purchase will be made from a supplier in such circumstances without the approval of the Finance Director. Further details are included in Appendix 2.

### *Ordering*

- 15.21 Finance is responsible for undertaking a formal due diligence review for all new suppliers, to ensure potential suppliers are financially sustainable and the University is not at risk from fraudulent activity, or breaches of the Bribery Act.
- 15.22 Commitment to expenditure on behalf of the University for requirements, must be made through the generation of an official purchase order. The only exceptions to this are for low value items below **£1,000**, one off suppliers or ad hoc purchases whereby the use of purchase cards would be the preferred method.
- 15.23 Colleagues must not make commitments with suppliers without either the prior issue of an official purchase order or an authorised purchase or virtual card transaction.

- 15.24 A purchase order requisition, which shows the total value of the commitment, must be created by Faculties/Service and submitted for approval.
- 15.25 Principal Budget Holders must ensure that all purchase orders are subject to the University's terms and conditions of purchase. The only exception to this is where Legal Services have approved bespoke terms, on request of the individual requiring the purchase.
- 15.26 In consultation with Finance (Procurement Services), limit orders may be raised for high volume, low value purchases, with a specific supplier, subject to a purchase order requisition being completed to clearly indicate the period of cover and the anticipated level of expenditure; and approved in-line with Appendix 1.
- 15.27 Expenditure levels should be monitored by the relevant Faculty or Service to ensure maximum authorised contract spends are not exceeded, under the responsibility of the Principal Budget Holder.

#### *Receipt of goods and services*

- 15.28 All goods shall be received at designated receipt and distribution points, where they will be checked for quantity and quality. A delivery note will be obtained from the supplier and/or carrier at the time of delivery. On delivery of goods the individual receiving the goods must record the receipt in the finance system as soon as reasonably possible.
- 15.29 On receipt of services, a timesheet or other proof of service completion will be obtained from the supplier. the individual receiving the services must record the receipt in the finance system as soon as reasonably possible upon completion of such services.

#### *Purchase cards*

- 15.30 The operation and control of the University's purchase card and virtual card schemes are the responsibility of the Finance Director. There is a [user guide](#) and cardholders must acknowledge they have reviewed and agree to the user guide.
- 15.31 Cardholders must use them only for the purposes for which they have been issued. They can be used to purchase services and goods **up to £1,000** per transaction. Card details must be kept secure and not shared with another person, nor should they be used for personal or private purchases. Cardholders are required to provide written agreement to the purchase card rules, prior to the card being issued.
- 15.32 Cardholders must obtain documented approval, to purchase from the relevant Budget Holder, prior to performing the transaction.
- 15.33 Cardholders should ensure that where the University has authorised suppliers for certain goods or services via pre-negotiated contracts, purchases should be sourced from these suppliers.
- 15.34 Proof of purchase must be obtained and recorded.
- 15.35 Cardholders must reconcile the monthly card statement, and receipt all purchases on the financial system, within 10 working days of the statement being issued by the card provider. Any erroneous, and potentially fraudulent, transactions must be alerted to Finance within this period.
- 15.36 Where there is evidence of misuse or abuse, cards will be withdrawn from cardholders and disciplinary action may be taken. The University reserves the right to seek reimbursement for any unauthorised expenditure.

#### *Virtual cards*

- 15.37 Virtual Cards must be used only to purchase the goods or services for which they have been issued, following documented approval from the relevant Budget Holder, prior to performing the transaction.
- 15.38 Card details should not be shared with any third party, purchases should be made promptly upon issue. Virtual Cards will be closed by the card provider following such the authorised purchase for single-use cards or after a set date for multi-use cards. Finance should be informed as soon as a multi-use card is no longer required prior to its end date.
- 15.39 Proof of purchase must be obtained and recorded.

- 15.40 Where there is evidence of misuse or abuse, disciplinary action may be taken. The University reserves the right to seek reimbursement for any unauthorised expenditure.

#### *University credit cards*

- 15.41 Where appropriate, the Finance Director may approve the issue of University credit cards to senior colleagues. These are different to University purchase cards. Such credit cards will be used only for the payment of valid business expenses and must be substantiated with receipts. The Finance Director is responsible for monitoring the use of University credit cards and accounting for expenses charged through them.
- 15.42 Proof of purchase must be obtained and recorded.
- 15.43 Cardholders must ensure the monthly card statement is reconciled, and all purchases are recorded on the financial system, within one month of the statement being issued by the card provider. Any erroneous, and potentially fraudulent, transactions identified must be alerted to Finance within this period.
- 15.44 Where there is evidence of misuse or abuse, cards will be withdrawn from cardholders and disciplinary action may be taken. The University reserves the right to seek reimbursement for any inappropriate expenditure.

#### *Payment of purchasing expenditure*

- 15.45 All payments will be made in accordance with procedures specified by the Finance Director. Finance is responsible for deciding the most appropriate method of payment for invoices.
- 15.46 The University's standard payment terms are 30 days net monthly (last day of the month following the date of valid invoice is received by the University), unless otherwise authorised.
- 15.47 Payments will only be made against invoices that can be matched to a receipted purchase order. Invoices which do not state a purchase order number will be returned to the supplier, unless otherwise agreed by Finance.
- 15.48 Payments made must be approved in accordance with the bank mandate.
- 15.49 Finance is responsible for the prompt processing of creditor invoices. Principal Budget Holders must ensure that invoice queries are resolved promptly, and any invoices received directly are forward on to Finance.

## **16 Staff**

#### *Remuneration policy*

- 16.1 Colleagues are appointed to the salary scales determined by the Vice-Chancellor and in accordance with appropriate conditions of service.
- 16.2 Remuneration and any other benefits for senior colleagues at Grade 10 and above will be determined by the Vice-Chancellor, approved by the Remuneration Committee, and assessed against agreed performance criteria. The remuneration and other benefits of the Vice-Chancellor, and of the Secretary to the Board, will be set by the Board, on the recommendation of the Remuneration Committee.

#### *Appointment of employees, workers and contractors*

- 16.3 Any requests to recruit employees must be approved in line with the [Approval of Recruitment, Staffing Changes and Additional Payments Policy](#).
- 16.4 The hiring manager is responsible for following the correct route of engagement process for the appointment of workers (agency and casual staff) and contractors as detailed on the [Contracting People to Work](#) intranet page.
- 16.5 The Director of HR is responsible for the appointment of employees, workers and contractors. All offers of employment with, and contracts to provide services to, the University will be made in writing.



### *Salaries and wages*

- 16.6 The Director of HR is responsible for all payments of salaries and wages to all employees, workers and contractors that fall within the intermediary's legislation (IR35) and informing the appropriate authorities of such payments.
- 16.7 Line Managers must ensure that staffing changes are made in accordance with the [Approval of Recruitment, Staffing Changes and Additional Payments Policy](#) and notified in a timely manner to HR. The Director of HR will be responsible for keeping the Finance Director informed of all significant payroll matters.
- 16.8 The Director of HR will be responsible for keeping all records relating to payroll, including those of a statutory nature.

### *Pension schemes*

- 16.9 The Finance Director is responsible for day-to-day pension matters, including, as required:
- paying contributions to various authorised schemes; and
  - preparing the annual return to various superannuation schemes.
- 16.10 The Director of HR is responsible for administering eligibility to pension arrangements, ensuring that deductions are accurate and commence and cease at the right time.

### *Other employee benefits*

- 16.11 The University offers a range of [Employee Benefits](#). The Director of HR is responsible for determining an appropriate offer and the University Executive is responsible for approving the offer.
- 16.12 The University reserves the right to amend or withdraw the benefit if business needs dictate and/or if appropriate legislation is amended.

### *Travel, subsistence and other allowances*

- 16.13 The University's purchasing and payments procedures are in place to enable the majority of non-staff supplies to be purchased through the finance system, without colleagues incur any personal expense. Where colleagues incur allowable expenses they are entitled to claim reimbursement.
- 16.14 All claims for payment of expenses or subsistence allowances will be reimbursed via the payroll system and must be completed in accordance with the University [Travel and Expenditure Policy](#). Claims must be approved in line with limits set out in Appendix 1.
- 16.15 All claims for payment, advances or loans in respect of immigration and relocation will be reimbursed via the payroll system and must be completed in accordance with the University [Relocation](#) and [Immigration](#) Policies. Claims must be approved via HR in line with these Policies.
- 16.16 Governors may claim reasonable expenses in connection with their attendance at meetings of the Board and other functions on behalf of the Board. Claims for members of the Board will be approved by the Secretary to the Board and reimbursed via the payroll system. As an exempt charity, the expenses of the Governors, as the Trustees of the University, are published each year in the Annual Report and Financial Statements.

### *Severance and other non-recurring payments*

- 16.16 Severance payments will only be made in accordance with relevant legislation, funding bodies guidance, and HR policies. Professional advice should be obtained where necessary. All such payments must be approved by the Finance Director and Director of HR.

### *Payment of staff expenditure*

- 16.17 All payments must be made in accordance with the University's detailed payroll operating procedures and controls, and comply with HM Revenue and Customs' requirements. The Director of HR is responsible for ensuring adequate checks and controls are in place prior to payment.

- 16.18 Payment must be approved in accordance with the bank mandate.
- 16.19 The standard payment date is the 25<sup>th</sup> of each month, unless otherwise authorised.

## **17 Other expenditure**

- 17.1 Other expenditure includes, but is not limited to, non-staff expenses, research studentships, bursaries, prizes.
- 17.2 Other expenditure must be approved in line with limits set out in Appendix 1.

### *Payment of other expenditure*

- 17.3 All payments will be made in accordance with procedures specified by the Finance Director. Finance is responsible for deciding the most appropriate method of payment for invoices.
- 17.4 Payments made must be approved in accordance with the bank mandate.

## **18 Assets**

### *Intellectual property rights*

- 18.1 Certain activities undertaken within the University, including research and consultancy, may give rise to ideas, designs, inventions, knowhow or other intellectual property which may or may not be registered, but nevertheless benefit from protection under the law of intellectual property.
- 18.2 The intellectual property rights that arises from research, consultancy or other work undertaken by colleagues whilst employed by the University shall, as provided by his or her contract of employment, normally belong to the University. Further information and guidance is available from RIS.

### *Inventories*

- 18.3 Principal Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores under their control. The systems used for stocks and stores accounting, in Faculties and Services, must have the approval of the Finance Director. Those Faculties and Services whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Finance Director. Equipment inventories need to be maintained to support insurance claims and facilitate any disaster recovery situations.

### *Petty cash*

- 18.4 The use of petty cash is not permitted, other than in exceptional circumstances where there is a clear business need, as approved by the Finance Director. Colleagues authorised to use petty cash is personally responsible for its safekeeping and ensuring that, when not in use, the petty cash is kept locked in a secure place in compliance with the requirements of the University's insurers.
- 18.5 Where the use of petty cash has been approved, Finance will undertake a regular, and at least a six monthly, audit of reconciliations and cash balances.

### *Safeguarding assets*

- 18.6 Principal Budget Holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as buildings, stock, stores, furniture, cash) or intangible (such as intellectual property), including electronic data. They will consult the Finance Director in any case where security is thought to be inadequate, or where it is considered that special security arrangements may be needed.
- 18.7 Assets owned by the University will, so far as is practical, be effectively marked to identify them as University property.
- 18.8 The Director of IT is responsible for maintaining proper security and privacy of information held on the University's computer network. Colleagues must comply with the [IT Systems Security Policy](#). The University is committed to safeguarding the confidentiality, integrity and availability of all physical and electronic

information assets and equipment to ensure that legal, regulatory, operational and contractual requirements are fulfilled. Information relating to individuals is subject to the provisions of the Data Protection Act 2018. The Head of Legal will be responsible to ensure compliance with the Act and the safeguarding of personal data.

#### *Asset disposal*

- 18.10 Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance Director and with legal requirements.
- 18.11 Disposal of land and buildings must be pre-approved by the Employment and Finance Committee.

### **19 Other**

#### *Overseas activity and other major developments*

- 19.1 In planning to undertake overseas activity or other major developments, colleagues must have due regard to:
- the relevant guidelines issued by the funding bodies, notably OfS;
  - guidelines issued by the Quality Assurance Agency; and
  - due diligence procedure including consideration of commercial terms, risk appetite and insurability
- 19.2 In certain circumstances it may be advantageous for the University to establish a subsidiary company (partly or wholly owned) or enter into a joint venture arrangement to undertake services, or hold resources and designated activities, on behalf of the University. Colleagues considering whether to establish a company or a joint venture should consult the [Subsidiary Companies Policy and Procedure](#).
- 19.3 Employment and Finance Committee (under delegated authority from the Board) is responsible for approving the establishment and dissolution or winding up of all University subsidiaries, joint ventures and spin-out companies, on the recommendation of the University Executive.

#### *Insurance*

- 19.4 The Finance Director is responsible for ensuring the University has appropriate insurance cover and insurance arrangements, including the provision of advice on the types of cover available. The portfolio of insurances will be considered and approved by the Finance Director and reported to Audit Committee on an annual basis.
- 19.5 Principal Budget Holders must ensure that, for any agreements negotiated with external bodies that cover any legal liabilities to which the University may be exposed, the approval of the Head of Legal is sought. PVCs and Service Directors must give prompt notification to the Insurance Manager of any potential new risks, additional property and equipment that may require insurance, and any alterations affecting existing risks. PVCs and Service Directors must advise the Insurance Manager immediately of any event that may give rise to an insurance claim.
- 19.6 The Assistant Director of Estates and Facilities is responsible for keeping a suitable record of plant which is subject to inspection by an insurance company, and for ensuring that inspection is carried out in the periods prescribed.

#### *Student Access to Learning Funds (ALF) and Reasonable Adjustments Learning Fund (RALF)*

- 19.7 The University's schemes for hardship payments and disability support must be approved by the University Executive. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.
- 19.8 The Director of Student, Library and Academic Services (or a nominated deputy) is responsible for ensuring the adequacy of the systems in place for approving and making payments in accordance with the schemes. Financial records will be maintained to support all transactions involving payments.

#### *Students' Union*

- 19.9 The Students' Union is a separate legal entity from the University and is therefore not a subsidiary company

or body of the University. It is therefore not bound by the University's Financial Regulations and is subject to its own separate governance framework overseen by its own Board of Trustees, as a registered charitable body. However, under the Education Act 1994, the Board of the University must take reasonable steps to ensure the financial affairs of the Students' Union are properly conducted, that it is accountable for its finances and that its audited financial accounts are submitted to the Board annually.

- 19.10 The level of grant to be paid annually to the Students' Union, and its budget for the year, will be determined and approved by the Vice-Chancellor on the advice of the University Executive; taking advice from Employment and Finance Committee as appropriate. The Students' Union will provide monthly statements of income and expenditure to the University Finance Director.
- 19.11 The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual Financial Statements. At the year end, the Students' Union accounts will be audited by a firm of auditors appointed by the Board of Trustees of the Students' Union, and will be reported to Employment and Finance Committee of the University for information.
- 19.12 In accordance with an agreement between the University and the Students' Union, the University's internal auditor will have access to records, assets and personnel within the Students' Union, in the same way as the University's internal auditor has access to areas of the University.

## Appendix 1 – Delegated authority matrix and explanatory notes

- This table details the signing authority/approval limits which can be delegated to colleagues. When items are submitted to an authorised signatory for approval, it should be clear what approval is being sought.
- For higher value approvals, the approval should be cumulative: i.e. where approval is sought from a colleague with a higher approval limit the request for approval should include confirmation that the requestor would have approved this had it been within their approval limit.
- Where the Finance Director is the Principle Budget Holder, they must obtain approval from the Vice Chancellor, for spend up to £2m. The values within this matrix are inclusive of VAT and denote maximum values.

Item	Description	G5/6	G7/8 <sup>1</sup>	G9	Head of Department and Deputy FPVC	Service Directors and UE Member	Finance Director	Vice-Chancellor	Employment and Finance
<b>Expenditure</b>	Signature of new expenditure contracts and contract extensions	Nil	Nil	Nil	Nil	£100k	Up to £500k each or up to £2m with joint approval		£2m +
	Capital expenditure	Nil	Nil	Nil	Nil	£100k			£2m +
	General revenue expenditure where there is an existing contract in place i.e. PO purchases	£500 <sup>3</sup>	£10k <sup>3</sup>	£25k <sup>3</sup>	£50k	£100k			£2m +
	Non-staff expenses, bursaries, scholarships, other non PO payments and refunds	£500 <sup>3</sup>	£10k <sup>3</sup>	£25k <sup>3</sup>	£50k	£100k			£2m +
	Staff expense claim	Nil	£500 <sup>4</sup>	£1k <sup>4</sup>	£5k	£10k	£10k+	£10k+	n/a
<b>Income</b>	Signature of <i>applications</i> for external funding (with binding terms and conditions and/or high risk) and <i>contracts</i> including but not limited to: research consultancy, economic development and workforce development programmes.	Nil	Nil	£100k <sup>3</sup>	£500k	£1m	£2m	£5m	£5m +
	Signature of <i>applications</i> for external funding (with no binding terms and conditions and/or low risk), including but not limited to: research, consultancy, economic development and workforce development programmes.	Nil	Nil	£100k <sup>3</sup>	£2m	£5m	£5m+	n/a	n/a
	Signature of other income contracts	Nil	Nil	Nil	Nil	£1m	£2m	£5m	£5m +
	Philanthropic gifts	£500 <sup>3</sup>	£10k <sup>3</sup>	£25k <sup>3</sup>	£50k	£100k	Up to £500k each or up to £2m with joint approval		£2m +
<b>Recruitment</b>	Recruitment to fixed term posts (including but not limited to Associate Lecturers, Casual Workers and Agency Temps) provided the post has been approved, is in budget, and does not cross into future budget years. Recruitment to posts which are fully externally funded.	No	No	No	Yes – up to grade 9	Yes – up to grade 10	Yes – up to grade 10	Yes – up to grade 11+	Yes – up to grade 11+
	Recruitment to vacancies with a financial impact which spans over multiple financial years (typically substantive posts)	No	No	No	No	Yes – up to grade 10	Yes – up to grade 10	Yes – up to grade 11+	Yes – up to grade 11+
	Approval of additional headcount against approved budgeted headcount	No	No	No	No	Yes	N/A		N/A
<b>Other</b>	Signature of Non-Disclosure Agreements (NDA)	Nil	Signed by grade 7 upward on basis of NDA pre-approved/checked by Legal						

#	Notes
1	Including Deputy Head of Department
3	These limits are available to G5 to G9s if expressly granted by Principle Budget Holder, see Section 9, Delegated authorities.

### Delegation

In most cases delegations are expected to be made through the chain upwards. In exceptional circumstances such as an extended absence Service Directors and PVCs can delegate their signing authority/approval limit to senior leadership teams through the [Delegated Authority SharePoint site](#). Where an individual is formally acting up, the individual will have that signing authority/approval limit via approval from the Finance Director and Vice Chancellor.

## Appendix 2 – Other relevant policies and procedures

This is not an exhaustive list of University policies, but those deemed most relevant to the Financial Regulations. Other policies, such as Payment Card Industry Data Security Standard (PCI DSS) and General Data Protection Regulation (GDPR) are also relevant and should also be considered when reading and interpreting the Regulations. Financial procedures can be found [here](#).

### Code of Conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the Seven Principles of Public Life established by the Committee on Standards in Public Life (formerly known as the Nolan Committee). Colleagues at all levels are expected to observe these terms of selflessness, integrity, objectivity, accountability, openness, honesty and leadership as set out within the University's [Code of Conduct](#).

### Risk Management

The University strives to maintain effective risk management systems and an annual opinion is provided on these arrangements through the Audit Committee Annual Report and Statement on Internal Control in the Financial Statements. The University views the taking of risks as an essential part of the business of higher education. Through the implementation of its Risk Management Framework, the University seeks to identify and manage those risks that present a significant opportunity, threat or other uncertainty around the achievement of its University Strategy objectives or to its compliance with legal and regulatory requirements, its reputation, financial sustainability or ongoing business continuity.

Further guidance on risk management arrangements include the University's [Risk Management Framework](#).

### Public Interest Disclosures (Whistleblowing)

A Public Interest Disclosure, in the context of the Public Interest Disclosure Act 1998 (as amended by the Enterprise and Regulatory Reform Act 2013), is the disclosure by an employee (or other party) about alleged or known malpractice in the workplace. In demonstrating its commitment to the highest standards of openness, honesty, integrity and accountability to the funding bodies and other bodies, the University has in place a [Public Interest Disclosure \(Whistleblowing\) Policy](#).

### Fraud and Bribery and Anti-Money Laundering

The Financial Regulations should be read in conjunction with the University's [Fraud and Bribery Policy](#) which reflects the requirements of the Bribery Act 2010, its [Anti-Money Laundering Policy](#) and the other relevant policies, procedures and guidance signposted from each of these Policies.

### Modern Slavery

The commitments made within the [University's Modern Slavery Statement](#) should be upheld alongside the Financial Regulations.

### Disclosure and Conflicts of Interest

Colleagues are required to disclose, as appropriate, personal and business interests in the Register of Interest and Disclosures. Colleagues making such disclosures are responsible for ensuring that entries are kept up to date regularly and promptly, in line with the University [Policy on the Disclosure and Conflicts of Interest](#). As an Annex to the Disclosure and Conflicts of Interest Policy, the University has also set out guidance in relation to [Related Parties and Related Party Disclosures](#).

### Receiving offers of gifts or hospitality

The exchange of gifts, meals or low level entertainment is common business practice, and is meant to create goodwill and enhance relationships. However, if the receipt of business courtesies becomes excessive, it can create a sense of personal obligation on the part of the recipient. Such a sense of obligation has the potential to interfere with an individual's ability to be impartial in any associated transaction and to lead to perceptions of improper conduct and/or a contravention of the terms of the Bribery Act 2010.

Guidance on acceptable gifts and hospitality is contained in the University's Gifts and Hospitality Policy and [related web guidance](#). Colleagues must always consult with their PVC or Service Director and, where additional clarity is required, the Secretary to the Board and Head of Governance, prior to acceptance of any gifts or hospitality that requires specific approval under the Policy's requirements. Colleagues must record the offer and/or acceptance of gifts and hospitality (including when offers are declined), on the University's [Gifts and Hospitality e-Register](#), maintained by Governance Services. The Finance Director 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 applicable.