

- Financial Regulations

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|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------|
| <b>Brief Description &amp; Purpose:</b> | <i>The Financial Regulations set out the context and financial environment in which the university will operate.</i> |                                  |                                                                         |
| <b>Applicable to (list cohorts):</b>    | <b>Staff:</b><br>All staff and Governors                                                                             | <b>Students:</b><br>All students | <b>Third Parties:</b><br>Contractors acting on behalf of the University |
| <b>Effective From:</b>                  | 19 February 2024                                                                                                     | <b>Approved date:</b>            | 1 February 2024<br>(by Employment & Finance Committee)                  |
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| <b>Executive Owner:</b>                 | Chief Financial Officer                                                                                              | <b>Next review date:</b>         | 1 February 2027                                                         |
| <b>Business Owner:</b>                  | Financial Controller                                                                                                 | <b>Publication External Y/N</b>  | Yes                                                                     |

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## 1. Governance

- 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 OfS's annual accounts direction.
- 1.2 To assist and enable the Board to discharge its responsibilities to the 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 the OfS.
- 1.3 The Board also discharges its financial responsibilities by delegating duties to its Committees, particularly the [Finance & Resources Committee \(F&R\)](#), [People Committee](#), [Strategic Performance Committee \(SPC\)](#), and [Audit Committee \(AC\)](#). F&R advises the Board on financial strategy and sustainability and approves financial policies and regulations. SPC advises the Board on the content of the strategy, and its implementation. The Audit Committee is responsible for monitoring the adequacy of the University's internal control environment, including the effectiveness of financial systems and controls, the monitoring of risks including financial risks, and the arrangements for achieving Value for Money (VfM) including for economy, efficiency and effectiveness.
- 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. Purpose, scope and audience

- 2.1 The purpose of the Financial Regulations is to provide a framework within which the financial affairs of the University (and its subsidiary companies, unless a specific policy exists) are managed. The Financial Regulations are designed to provide for control over the totality of the University's (including subsidiary organisations') resources and to provide assurances that resources are being properly applied for the achievement of the University's strategic plans and financial objectives of:
- financial sustainability;
  - achieving value for money;
  - ensuring compliance with relevant legislation and regulations;
  - fulfilling its responsibility for the provision of effective financial control over the use of public funds; and
  - safeguarding assets.
- 2.2 Compliance with the Financial Regulations is mandatory for all colleagues and associated organisations including:
- Major contractors and consultants where they are acting in a role which may be interpreted by internal or external parties as acting on behalf of the University (to the extent their relationship with the University applies);
  - Students, where acting as an employee; and
  - Governors connected with the University.
- All colleagues are required to understand their responsibility under the Financial Regulations.
- 2.3 The Regulations are principles-based and refer to supporting policies and procedures to provide more detailed guidance. Colleagues are required to operate within the principles. Where application is unclear colleagues

should consult with a colleague in Finance. Where there remains uncertainty, Principal Budget Holders should seek clarification on interpretation and application from the Chief Financial Officer (CFO).

- 2.4 The Financial Regulations should be read in conjunction with the [University's Counter Fraud and Bribery Policy](#) which reflects the requirements of the Bribery Act 2010, the Fraud Act 2006, and the Criminal Finance Act 2017; its [Anti-Money Laundering, Terrorist Financing and Sanctions Policy](#) and the other relevant policies, procedures and guidance signposted from each of these Policies.
- 2.5 All colleagues have a responsibility to avoid conflicts of interest, and a responsibility to identify and disclose actual, potential, or perceived conflicts (financial or otherwise), between their personal, family, academic, or business interests and their professional responsibilities to the University. These Financial Regulations assume that, in normal circumstances where financial transactions are undertaken, no conflict exists. Where a conflict is identified, this should be disclosed and mitigated as set out in the [Disclosure and Management of Conflict of Interest Policy](#). Colleagues should also consult the [Gifts and Hospitality Policy](#).
- 2.6 Any colleague who fails to comply with the Financial Regulations and the supporting policies and procedures may be subject to action under the University's Disciplinary Procedure. It is the responsibility of all colleagues to report breaches of the Financial Regulations to Principal Budget Holders or the CFO where the breach is at Principal Budget Holder level. The CFO is responsible for reporting significant or persistent breaches of the Financial Regulations to the Audit Committee-

### **3. Regulations ownership and review**

- 3.1 The Financial Regulations will be reviewed at least annually by the Chief Financial Officer. 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 CFO. Examples of such changes are those of titles, roles and links.
  - Operational changes can be approved by the Vice-Chancellor and will be subsequently reported to Finance and Resources Committee. Examples of such changes would be those required due to changes in University structure and processes.
  - Fundamental changes will be proposed to F&R 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.
- 3.2 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 policy document and in the University's Scheme of Delegated Authority. Where this is not the case, the Vice-Chancellor has delegated authority to the CFO to amend the supporting policies and procedures.

### **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 Chief Financial Officer acting on advice from relevant colleagues, with the advance authorisation from the Vice-Chancellor, or the Vice-Chancellor with advance authorisation from the Chair of the Board.
- 4.3 Any decision to deviate from the Financial Regulations must be subsequently reported to both the Finance and Resources 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. Responsible Business**

*Consideration of the appropriateness of transactions*

When acting on behalf of the University colleagues must have due regard to the need to act in a responsible and ethical manner. Specific requirements for any transaction are set out in this document and the supporting policies and procedures, but consideration should also be given to:

- Whether a decision aligns with the University's Values and Behaviours and to the [University Risk Policy and risk appetite statement](#)
- Whether a transaction supports wider business aims around:
  - The University's social purpose and widening participation in education;
  - Sustainability and environment concerns as set out in the [Environmental Sustainability Policy](#), including reducing carbon emissions, and the University's commitment to supporting the United Nations' Sustainable Development Goals and the concept of protecting people, planet and place;
  - Support for local businesses.
- The reputation of suppliers and partners, including the supplier's business ethics, regulations and policies, and the requirements of the [University's Modern Slavery Statement and the Modern Slavery Policy](#) and the [University's Health and Safety Policy and Operating Arrangements](#).
- The source of goods, services, or income streams where these may relate to a sanctioned country.
- Value for Money, including:
  - Whole life costs (acquiring, owning, maintaining, operating and disposing of goods, works and services);
  - The balance of costs and benefits and how these meet the requirements of the University through obtaining economies, efficiencies, or more effective services;
  - The interests of the whole University as opposed to a specific area or individual.

## **6. Financial Management and Control**

### **6.1 Accounting and record-keeping arrangements**

- 6.1.1 The University's financial year starts on 1 August and runs until 31 July the following year.
- 6.1.2 The Annual Report and Financial Statements are prepared in accordance with applicable accounting standards subject to any specific requirements of the funding body or legislation.
- 6.1.3 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.
- 6.1.4 The Chief Financial Officer is responsible for ensuring that appropriate arrangements are in place for the retention of financial records. 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, evidence of procurement processes, copies of receipts and payroll records. Colleagues should ensure that they comply with this retention requirement and that local arrangements comply with any specific additional requirements where relevant, for example from funding organisations such as Research Councils. The retention of records is covered by the [records retention schedule](#).

### **6.2 Financial planning**

- 6.2.1 The CFO is responsible for preparing, annually, a rolling five-year forward financial plan in line with the University Strategy and financial objectives for consideration and approval by the University Executive, the Finance and Resources Committee, and the Board, before submission to OfS.
- 6.2.2 The CFO is responsible for preparing, annually, the University's budget income and expenditure account, balance sheet, cashflow statement and capital investment plan for approval by the Board. The University's annual budget will incorporate a budget for each Faculty and Service and the CFO must ensure communication of these to the Principal Budget Holders following approval by the Board.
- 6.2.3 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 CFO.
- 6.2.4 The CFO 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 projection will be presented to the University Executive, the F&R Committee and the Board in a pattern agreed by the F&R Committee.

### 6.3 Financial control and delegated financial approvals

- 6.3.1 The control of income and expenditure within an agreed budget is the responsibility of the Principal Budget Holder, who must ensure that routine monitoring is undertaken effectively. Principal Budget Holders may delegate responsibility for budgetary control up to the limits set out in the table in Appendix 1; 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 CFO, who will advise on the appropriate action.
- 6.3.2 The University's delegated approvals are set out in:
- The [Scheme of Delegated Authority](#) which sets out how the Board of Governors delegates roles and responsibilities.
  - The table in Appendix 1 which sets out the approval limits for different transactions by grade, subject to 6.3.3 below.
  - A register of delegated authority levels which is maintained by Finance and which is available [here](#) (*staff access only*).
- 6.3.3 Budgetary approval is not required from the F&R Committee or Board of Governors for expenditure (non-staff or capital) where the spend is 100% funded from an external grant funding or philanthropic source.
- 6.3.4 Delegation may be made to a nominated deputy by the Principal Budget Holder by exception and with prior agreement with a member of the Finance Senior Management Team (grade 9 or above). The delegator must ensure that the nominated person has the appropriate knowledge and understanding to make an informed decision on behalf of the delegator, and a clear rationale (which may include, but not be limited to, an extended absence from University) for the delegation must be made.
- 6.3.5 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 approved by the CFO, or by the VC in the case of the CFO's delegated authority limits.
- 6.3.6 All colleagues are responsible for ensuring the University maintains 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).
- 6.3.7 The CFO is responsible for ensuring the supply of regular, comprehensive financial management reports to Principal Budget Holders, the University Executive and the F&R Committee. Relevant extracts from these reports will be presented to the Board, which has overall responsibility for the University's financial position and performance.
- 6.3.8 In-year control of expenditure within an agreed budget for University-funded activities is the responsibility of the designated Principal Budget Holder who is responsible for:
- Ensuring the economic, effective and efficient use of resources allocated to them.
  - Expending the funds on the purposes for which they were given.
  - Ensuring that expenditure does not lead to overspending, unless previously authorised.
- 6.3.9 The three areas of Principal Budget Holder responsibility set out in 6.3.8 also apply to externally- / grant-funded activities. Additionally, for externally- / grant-funded activities, Principal Budget Holders are responsible for ensuring that expenditure remains in line with approved bids and subsequent awards contracted.
- 6.3.10 Where a faculty or service is projected to recognise income above or below the level assumed in the budget this should not be assumed to result in a change to the total delegated expenditure budget. In particular, where income is greater than projected the delegated expenditure budget will remain unchanged. Where the additional income is considered to result in additional expenditure either contractually (e.g. through the winning of additional grant-funded activity) or as a result of variable costs (e.g. to support a growth in underlying activity) this should be included in the next updated financial projection and material changes should be approved by the CFO.

- 6.3.11 Principal Budget Holders are permitted to vire expenditure from one expenditure 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 CFO as part of the monthly financial management reporting.

## 6.4 Tax planning and compliance

- 6.4.1 The CFO and Chief People Officer are responsible for ensuring effective management of the University's tax liabilities to mitigate the risks of non-compliance.
- 6.4.2 The CPO is responsible for ensuring the maintenance of the University's employment related tax records, making all tax payments, receiving tax credits, and submitting tax returns by their due date in the UK and overseas as appropriate, and reporting any taxation issues to the F&R Committee.
- 6.4.3 The CFO is responsible for ensuring the maintenance of all non-employment related tax records, returns and payments, such as VAT and Corporate Taxes, in the UK and overseas as required, and reporting any taxation issues to the F&R Committee.
- 6.4.4 Overseas activities can attract tax liabilities for both the individual and the University. Any employee required to work overseas must agree this with Human Resources prior to carrying out their duties overseas, to ensure all contractual and tax implications are considered. Finance must be consulted at the earliest opportunity to provide advice on the tax implications of overseas business opportunities, for consideration within the business case, and prior to the signing and commencement of any contract.

## 7. Expenditure

### 7.1 Staff expenditure

#### 7.1.1 *Remuneration policy and salary scales*

The Chief People Officer is responsible for maintaining appropriate salary scales for staff on grades 1-9. Any changes to these scales must be approved:

- By the CPO, in conjunction with the CFO and VC, where the change is the result of a nationally agreed amendment to the salary scales;
- By the VC, in conjunction with the Finance and Resources Committee, where the change is outside of any nationally agreed changes.

Remuneration and any other benefits for senior colleagues at Grade 10 and above will be determined by the VC, approved by the Remuneration Committee, and assessed against agreed performance criteria. The remuneration and other benefits of the VC, and of the Secretary to the Board, will be set by the Board, on the recommendation of the Remuneration Committee.

Any remuneration of Governors is set by the Board of Governors in accordance with Instrument of Government 8.2, Governance Regulation 4 and the Governor/Trustee Remuneration Policy approved by Board of Governors.

All colleagues must be appointed to the salary scales determined as above, and in accordance with appropriate conditions of service which must be approved by the CPO.

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

Any requests to recruit employees must be approved in line with the [Recruitment, Selection and Appointment Policy](#) (*staff access only*).

The hiring manager is responsible for determining the correct route to engage individuals to carry out work for the University per the guidance in the [NU Contractual Framework](#) (*staff access only*) and in accordance with section 7.2.9.2.

The CPO 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.

### 7.1.3 *Payment of salaries and wages*

The Chief People Officer is responsible for all aspects of payroll and is responsible for informing the Chief Financial Officer of any significant pay related matters which have a financial impact.

The CPO is responsible for ensuring that appropriate systems and processes are in place to capture the data required for producing a timely, accurate and complete payroll.

The CPO is responsible for the accuracy of the calculation 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.

The CPO is responsible for calculation of statutory employee and employer deductions and employer (e.g., National Insurance) and all associated returns associated with these deductions.

Line managers are responsible for ensuring that any change to employee circumstances, including those with an impact on employee pay, are notified and / or amended in a timely manner to ensure the accuracy of payments made to employees.

Individuals are responsible for ensuring that their personal details, including bank details, are accurately recorded in the HR system.

The CPO is responsible for retaining all records relating to payroll, including those of a statutory nature in line with the University records retention schedule.

### 7.1.4 *One-off payments including ex gratia and settlement payments*

The CPO is responsible for ensuring appropriate policies and processes are in place for the agreement of any one-off payments. The CPO is also responsible for determining where external professional advice is required.

Severance payments must only be made in accordance with relevant legislation, funding bodies' guidance, and HR policies. All severance payments must be approved by the CFO and CPO.

### 7.1.5 *Pension schemes*

The CPO is responsible for administering eligibility to pension arrangements, ensuring that deductions are accurate and commence and cease at the right time.

The CPO is responsible for the day-to-day pension matters, including, as required:

- paying contributions to various authorised schemes; and
- preparing the annual return to various superannuation schemes.

### 7.1.6 *Other employee benefits*

The CPO is responsible for determining an appropriate offer and the University Executive is responsible for approving the offer.

The CPO is responsible for ensuring that all employee benefit plans are compliant with legislative required from both an individual and University tax position.

The University reserves the right to amend or withdraw the benefit if business needs dictate and/or if relevant legislation is amended.

### 7.1.7 *Payment of advances and loans*

The CPO is responsible for ensuring that there are appropriate systems and processes in place in respect of:

- Pay advances / loans to staff in respect of unexpected hardship; and
- In accordance with the [University Relocation Assistance Policy](#).

All claims for payment, advances or loans must be reimbursed via the payroll system.

### 7.1.8 *Travel, subsistence and other allowances*

Travel, subsistence and other allowances are paid as outlined in the [Travel and Expenses Policy](#) (staff access only).

### 7.1.9 *Payment of expenses to Governors*

Governors may claim reasonable expenses in connection with their attendance at meetings of the Board and other functions on behalf of the Board.

Claims by members of the Board must be approved by the Secretary to the Board and reimbursed via Finance. As an exempt charity, the expenses of the Governors, as the Trustees of the University, must be published each year in the Annual Report and Financial Statements.

## 7.2 **Non-staff expenditure**

### 7.2.1 *Delegated authority*

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 in Appendix 1.

Delegation may be made to a nominated deputy at a lower grade where the budget holder is unable to perform their duties for a prolonged period. This is by exception and with prior agreement from a member of the Finance Senior Management Team. The delegator must ensure that the nominated person has the appropriate knowledge and understanding to make an informed decision on behalf of delegator. In most circumstances delegation is expected to be either upwards or to a peer rather than to a lower grade and does not require additional approval from a member of the Finance Senior Management Team.

The CFO is responsible for monitoring and auditing non-staff expenditure to ensure that all requests to buy are made in a compliant manner and has the right to audit all expenditure.

### 7.2.2 *Purchase orders*

Commitment to expenditure on behalf of the University must be made through the generation of an official purchase order unless an alternative procedure is approved by the CFO.

Colleagues must not make commitments to suppliers without the prior issue of an official purchase order.

A request to buy, which shows the total value of the commitment, must be created by Faculties/Services and submitted for approval. Approved requests will result in the issue of a purchase order.

In consultation with Finance (Procurement Services), limit orders may be raised for high volume, low value procurements, with a specific supplier, subject to the appropriate procurement process and a request to buy being completed which clearly indicates the period of cover and the anticipated level of expenditure.

### 7.2.3 *Appointment of new suppliers*

Finance is responsible for undertaking appropriate levels of due diligence for all new suppliers, to ensure potential suppliers are financially sustainable and the University is not at risk from fraudulent activity, breaches of the Bribery Act or reputable damage as a result of engaging with its suppliers.

### 7.2.4 *Determining the value of a request to buy*

When determining the potential value of a request to buy (including lease and hire arrangements), consideration should be given to the total estimated expenditure for the duration of the use of the goods and/or service including any possible extension periods, or additional costs such as shipment cost, import duties, training, maintenance, consumables and consultancy expenses.

It is not permitted to split a request to buy into smaller requests, or to disaggregate linked purchases, in order to avoid the requirement to follow the appropriate procurement process or to change the approval level in Appendix 1.

If additional goods and/or services are needed under an existing contract or an extension of such contract is required, the appropriate procurement process should be adhered to, including the approvals as listed in Appendix 1.

It is the agreement/service owner's (i.e. the member of staff with day-to-day responsibility for the agreement or service) responsibility to ensure that the maximum projected spend under the contract is not exceeded beyond a tolerance of 10% or £0.5m, whichever is lower. In the event that it becomes apparent that this threshold will be exceeded, the contract/service owner must work with Finance (Procurement Services) to seek approval to increase this maximum spend.

### 7.2.5 *Funding source*

It is the responsibility of the Principal Budget Holder to confirm the funding source for their request to buy, including whether the source is (in part or in full) public money and/or from another external source, or whether it consists solely of University funding. It is also the Principal Budget Holder's responsibility to comply with the relevant procurement process for the funding source.

### 7.2.6 *Procurement with Public Money and Grant Funds*

The University is required to follow the Public Contracts Regulations 2015 (and when formalised into law, its successor the Procurement Act) (PCRs) where public money is being used for a request to buy. Where public money or other grant funds are received from a funding body, the University is further required to comply with any additional conditions, including purchasing conditions, set out by such funding body.

It is the responsibility of the Principal Budget Holder (or, for a grant, the named grant holder) to ensure that all conditions of funding, including PCRs, are met and to obtain appropriate advice from Finance (Procurement Services) and Legal Services prior to any procurement process being initiated or any commitment being made to a supplier. Naming suppliers or individual consultants (including collaborators and partners where they are providing a service rather than, for example, acting as a co-investigator) in grant bid documents does not negate the need to follow these procedures when engaging a supplier.

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.

### 7.2.7 *Procurement with University Funds*

It is the responsibility of the Principal Budget Holder to ensure that all requests to buy, irrespective of value, follow the internal procurement process and supporting non-staff expenditure policy. Principal Budget Holders must also ensure a responsible approach to business in line with section 5 can be demonstrated.

For any approved request to buy the University's pre-negotiated supplier contract must be used unless a clear business rationale exists for why an alternative supplier is to be sourced, and this must be agreed by Finance (Procurement Services). It may also be possible to use an accessible Framework Agreement rather than a direct procurement process. It is the responsibility of the requester to obtain approval from Finance (Procurement Services) prior to raising any request to buy using such a Framework Agreement, leaving sufficient time to meet the Framework Agreement requirements or to undertake an alternative procurement process.

Where the value of a request to buy, taking the full lifetime value of this request to buy into consideration, remains under £15,000, it is the requester's responsibility to ensure Value for Money. Provided this is demonstrated, only a single quote is required.

Where the value of a request to buy exceeds £15,000, taking the full lifetime value of this request to buy into consideration, the following procurement process should be adhered to:

| <b>Value</b>       | <b>Procurement Process</b>                                                                                                                                                                                                                                                                                       |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| £15,000 to £75,000 | It is the responsibility of the requester to obtain 3 quotations for the goods/services and to submit a request to buy for the supplier who provides best value for money to Finance (Procurement Services) before any commitment to a supplier is made.                                                         |
| Over £75,000       | It is the responsibility of the requester to engage Finance (Procurement Services), who will advise on and agree the appropriate procurement process in line with extant policies and national legal frameworks. Procurement services must be approached allowing sufficient time to run an appropriate process. |

These values represent financial approval limits and other controls, such as commodity approvals, may also exist in other policies and must be followed.

In certain cases, where the appropriate procurement process cannot be undertaken (e.g. a requirement to maintain equipment by the manufacturer of such equipment, or a genuinely unexpected new requirement identified at short notice), or a clear case for there being greater Value for Money from not running a process), an exemption may be requested. Such an exemption request shall include a full justification and must be approved by the Assistant Director Procurement prior to raising a request to buy or making any commitment

to the supplier. Sufficient time should be left for an alternative procurement process to be undertaken in the event that the exemption request is rejected.

An approved exemption does not remove the obligation of the requester to ensure that value for money and consideration for social and environmental sustainability can be demonstrated.

#### **7.2.8 *Non-standard procurement***

Where the completion of an appropriate procurement process is not possible in the normal course of business (e.g. emergency works for safety reasons) or where such process has not been completed and constitutes a breach of the standard Regulations (for example where there is insufficient time left to complete the appropriate process) a non-standard procurement request must be submitted by the requester for the approval of the Assistant Director Procurement.

Finance (Procurement Services) is responsible for regular reporting of non-standard procurement requests and other non-compliant requests to purchase (e.g. artificially split requests to buy) to the CFO who must consider reporting requirements where the reason(s) for a non-standard approach meet the reporting requirements in section 4.

#### **7.2.9 *Specific procurement requirements***

##### **7.2.9.1 *Risk and (legislative) requirements***

Where the procurement of goods and/or services carries additional risks or (legislative) requirements (e.g. access to personal data, network connectivity, legal advice), Faculties and Services are responsible for managing such risks and compliance with legislative requirements.

##### **7.2.9.2 *Hiring consultants***

The engagement of an external consultant (where such a consultant is not paid via payroll) must follow the procurement processes set out in these Regulations. The Chief People Officer is responsible for ensuring there is an appropriate approval mechanism in place, to ensure compliance with relevant tax and employment legislation – sections 7.1.2 and 7.1.3 refer. Any extension of an external consultant beyond the agreed term must be approved by the CPO and the Principal Budget Holder (within their delegated authority), and in line with relevant procurement and legal processes.

##### **7.2.9.3 *Procurement of travel services***

Colleagues are responsible for seeking approval from Finance prior to the procurement of travel services outside of the arrangements set out in the Travel and Expenses Policy. Such approval does not negate the requirement to follow the procurement processes set out in these regulations.

##### **7.2.9.4 *Loans or financial commitments***

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 from the Chief Financial Officer.

##### **7.2.9.5 *Mandatory purchases and non-influenceable spend***

Where a request to buy is for an item which is mandatory for the University to procure (e.g. certain memberships and subscriptions), or where it is agreed by the Assistant Director Procurement that the spend is uninfluenceable (e.g. business rates), the request to buy is exempt from the procurement processes. Records must be retained of all purchases which fall into this category.

##### **7.2.9.6 *Partnership payments***

Where a grant award includes payment to a collaborator or partner (and where the payment is not for a service but is clearly, for example, for a co-investigator) there is no requirement to follow a procurement process, and no requirement for the payment to be approved in line with Appendix 1.

#### **7.2.10 *Receipting of goods and services***

It is the responsibility of the requester to ensure that purchase orders are receipted. Goods shall be receipted in the finance system at the point they are received unless the contractual terms are different. Services shall be receipted upon completion of the services and/or in line with the contractually agreed terms.

### 7.2.11 *Payment methods*

The University has a number of routes to make payment for expenditure incurred for goods and services. The CFO is responsible for determining the appropriate procedures and methods for payment. In all cases proof of purchase must be obtained and recorded.

The University standard payment terms are 30 days from the date of invoice which is issued on receipt of goods or completion of services, unless otherwise authorised through a route determined by the CFO.

Payments will only be made against invoices that can be matched to a receipted purchase order, or where a member of the Finance SMT has determined this is not required. Payments must be made in accordance with the relevant bank mandate.

### 7.2.12 *Student hardship and similar support to students*

The University's schemes for financial support to students including but not limited to Student Access to Learning Funds (ALF) and Reasonable Adjustments Learning Fund (RALF) must be approved by the University Executive annually.

The Academic Registrar and Director of Student, Library and Academic Services is responsible for ensuring the adequacy of the systems are in place for assessing appropriate access to funds, approving and making payments in accordance with the schemes.

## 7.3 **Capital expenditure**

7.3.1 Capital expenditure is spend on land, buildings, equipment, furniture, laboratory and IT equipment including software and other intangible assets, which meets the capitalisation requirements set out in the [Capital Expenditure Policy](#) (*staff access only*). Items are capitalised when the capitalisation requirements are met, whether or not they are funded from capital grants.

7.3.2 The [Capital Expenditure Policy](#) (*staff access only*) covers capital investment budgeting, approval, recording and monitoring. The Finance and Resources Committee is responsible for this Policy and ensuring its implementation, monitoring and review.

## 8. **Income**

### 8.1 **Income recognition and invoicing**

The CFO is responsible for ensuring that processes are in place to ensure all invoices are raised promptly and accurately, paid in a timely manner and, where timely payment is not made, followed up.

8.2 The CFO, in conjunction with the Executive Director of RIS, is responsible for initiating all claims for reimbursement from funders by the due date. Billing for other activity should be invoiced in line with the [Revenue Recognition, Credit Control and Billing Policy](#) (*staff access only*).

8.3 All colleagues are responsible for ensuring that income-generating activities are identified, and processes initiated to ensure that invoices are raised.

8.4 Where a new customer or new income source is identified due diligence procedures must be carried out in accordance with relevant sections of:

- the [University Due Diligence Framework](#) (*staff access only*),
- the [Revenue Recognition, Credit Control and Billing Policy](#) (*staff access only*), and/or
- the [Policy and Guidelines for the Acceptance and Refusal of Donations](#).

### 8.5 **Income contracts and pricing approvals**

Income contracts must be approved in line with the delegated authorities in Appendix 1 and the provisions in section 9. Colleagues approving income contracts or bids must ensure that the activity fits with the strategic objectives of the University, that any contractual agreement maximises the University position, and that the factors in 8.12 are considered.

Approval must be obtained prior to research or knowledge exchange applications being submitted, or work commencing. This includes research grants, consultancy, economic development and workforce development

programmes (which includes Continuous Professional Development (CPD) and Degree Apprenticeships (DA)). It is the responsibility of the lead Faculty/Service to ensure that the correct and timely approval is received.

The total contract value must be calculated on the basis of all income receivable by the University, even where a proportion is to be paid out to another party as part of delivery of the services. Where such services are to be provided by a third party, colleagues must consult with Procurement Services to ensure compliance with all relevant requirements (see section 7.2).

Colleagues must ensure completion of an analysis of the full costs and financial returns of initiatives, using standard University costing tools that are the responsibility of Finance and RIS to maintain. Such costing must include any planned extension periods as envisaged at the outset of the contract, even where such extension is optional.

8.6 Where a contract relates to income which will not be billed to / receipted from the other contracting party (e.g. as the contract effectively provides a licence to operate income-generating courses), the approvals should operate in line with the total associated income rather than the income from the other contracting party.

8.7 Pricing and contracting arrangements vary between income streams and should be agreed in line with the table below and the provisions set out in 8.8 – 8.12.

| Type of income                                                        | Governance framework and pricing determination                                                    | Contracting                                                                                                 |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Tuition Fees (credit bearing)                                         | Proposed by Pricing Group, considered annually by UE & approved by F&R                            | Student Handbook                                                                                            |
| Funding body grants                                                   | Not applicable – awarded by core funders                                                          | Section 9                                                                                                   |
| Grant income (bid for)                                                | Determined by funder rules                                                                        | Section 9                                                                                                   |
| Investment income                                                     | Investments made in line with <a href="#">Treasury Management &amp; Ethical Investment policy</a> | Not applicable                                                                                              |
| Philanthropic donations                                               | <a href="#">Policy and Guidelines for the Acceptance and Refusal of Donations</a>                 | Section 9 (where a contract is required either by the funder or following consultation with Legal Services) |
| Accommodation                                                         | Considered annually by UE & approved by F&R                                                       | Standard accommodations terms and conditions                                                                |
| Other income including commercial, TNE and non-credit bearing tuition | Pricing policy                                                                                    | Section 9                                                                                                   |

8.8 Where an exception to the Pricing Policy is sought, this must be reviewed and approved by the CFO, Deputy CFO, or Commercial Director, in consultation with the relevant faculty or service.

8.9 Employees providing consultancy services on behalf of the University or using University resources must engage with the Sales and Business Development team in GM&B to progress any opportunities. An appropriate contract must be put in place prior to delivering any services.

8.10 Private consultancy or other paid work outside the contract of employment must only be accepted by colleagues where approval in line with the [Managing External Work policy \(staff access only\)](#) has been given in advance.

#### 8.11 **Applications for external funding and development of major income opportunities**

Colleagues completing applications for external funding must ensure they are properly costed and priced, and compliant with University and Funder policies.

8.12 Approval to proceed with development of an income opportunity must be based on consideration of, and consultation as appropriate on, at least the following matters:

- Alignment to University Strategy and/or faculty and service plans;
- Level of financial returns to the University (aligned to the University Pricing Policy);
- Need for any estates development;
- Need for IT and digital development or investment;

- Need for investment in new equipment;
- Activity overseas, including staff, equipment or other activity;
- Value of the opportunity (see below);
- Requirement for match funding, whether that is a contractual requirement or a result of the nature of the activity;
- Nature and complexity of any associated regulatory or legislative requirements;
- Appropriate due diligence for the activity being undertaken (including both financial and reputational implications) and for any third parties used for delivery;
- Reputational alignment with the University's values, ethics and risk appetite.

Opportunities of less than £1m total estimated revenue should be reviewed and approved by the relevant University Executive member responsible for the faculty or service.

Where the total estimated revenue of the opportunity exceeds £5m for research / research-aligned bids and £1m for other bids, or where the review of the matters above identifies a significant risk or requirement, the initiative must be flagged to the Research and Knowledge Exchange Committee (RAKE) or to the Commercial Performance Committee (CPC), before subsequent approvals in line with Appendix 1. RAKE and CPC should consider whether there is a need for review and approval beyond the requirements of Appendix 1.

Where opportunities are discussed with third parties, colleagues must not bind the University to terms of a contract without support from Legal Services; all discussions must be clearly communicated to the third party as 'subject to contract', and the contract must be agreed in line with section 9.

## **9. Approval and execution of contracts**

### **9.1 Approval of contractual terms**

Every contract to be entered into by the University (including those by electronic submission) must be approved in advance of execution and signed in accordance with section 9.2 below. The Principal Budget Holder (or PI for research grants) is responsible for compliance with procedures associated with entering into the contract and the proper and timely submission to Legal Services.

The Head of Legal is responsible for ensuring that appropriate terms of business are defined and appropriate guidance and controls are in place for determining the appropriate terms for use in different activities.

Colleagues must use the University's defined terms of business unless agreed with Legal Services that a departure from these terms is acceptable. The Head of Legal is responsible for ensuring an appropriate framework exists for agreeing such departures, including where the terms and conditions of the other contracting party can be used in place of the University's terms and conditions.

A list of 'core funders' must be maintained and kept updated by Research and Innovation Services, for whom 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.

The Head of Governance is responsible for establishing a suitable [Due Diligence Framework](#) (financial and reputational) (*this link is for staff access only*). Colleagues must ensure that they complete all necessary due diligence checks in accordance with this guidance prior to any contract terms being finalised.

#### *Memorandums of Understanding (MOUs)*

An MOU must not contain any binding terms or conditions unless agreed with Legal Services, who must be consulted in the preparation of all such documents. The nature of an MOU is likely such that it will have no clear financial value attached to it, however it will still require the Employee to consider issues as set out in 8.12 due to the likely long-term nature of any relationship with the counterparty. Due to the lack of financial value, the MOU must be signed by a member of the Senior Management Group or above.

#### **9.1.1 Non Disclosure Agreements (NDAs)**

Colleagues must consult with Legal Services when drafting an NDA with any external third party. The Head of Legal may delegate responsibility to a Head of Department or wider team based on the provision of specific

training where such colleagues undertake NDAs on a regular basis. Signing of the NDA should be undertaken in line with Appendix 1.

NDAs in respect of staff exiting the organisation may only be approved by the Chief People Officer or Vice Chancellor and Chief Executive. Any NDA approved with wording which could be construed as a 'gagging clause' must be reported to the Remuneration Committee.

## 9.2 **Execution of contracts**

Following approval of a contract, the signing of the contract may be executed by any member of staff at the same grade at which the contract terms and conditions were approved in line with Appendix 1, provided that:

- No contracts are signed by members of staff below grade 9
- There is no requirement within the contract terms and conditions for alternative arrangements.

Where contract terms have been approved by the Board of Governors or Finance & Resources Committee, in line with Appendix 1, the contract may be signed by a member of the University Executive unless the contract is to be executed as a deed or via use of the University's corporation seal in line with section 9.9.

## 9.3 **Reporting requirements**

The Head of Legal shall be required to provide a written assurance and recommendation in respect of all contracts to be signed, which are to be approved by the Finance and Resources Committee.

The Head of Legal will provide details of all executed contracts and extensions with an aggregate value in excess of £750k or more, but below the F&R Committee threshold, via a summary report at each following F&R meeting. This report should also cover any other analogous approvals which commit the University but which are not formal contracts.

## 9.4 **Ongoing monitoring**

Budget holders are responsible for the ongoing monitoring of financial and other performance criteria of their live contracts and must implement adequate and proportionate oversight mechanisms in place to ensure that the contract performance is satisfactory or take action where this is not the case.

Where an income contract exceeds the original estimated revenue values, the Budget holder must consider implications for additional investment (such as people, equipment, estates) in line with 8.12.

## 9.5 **Extensions, renewals and amendments – income contracts**

An existing income contract may only be extended, renewed, or amended, where one of the following conditions is met:

1. The original approved contract included an option to extend the contract and this option is being exercised.
2. The original contract has not expired and Legal Services advise that amendments being made are non-material.
3. For education partnership contracts, where the amendment to the contract is solely to add additional courses or intakes at an existing partner, and there is no change to the underlying contractual relationship or to the risk profile of the contract in line with 8.12.
4. For research or research-aligned grants, where the amendment is a non-cost extension.
5. The contract is being novated to a new counterparty.

The Principal Budget Holder is responsible for ensuring that they allow sufficient time to undertake a full review of the contract in order to determine whether to recommend an extension, including time to secure negotiation and approval of any new terms of the extension itself.

### *Approval of contracts*

All approvals of extensions or renewals of contracts should be treated as if they were new contracts, and therefore subject to the same approval requirements in Appendix 1 as for a new income contract but with the value calculated based on the total value across the full (existing and extended) contract period. The exceptions to this are:

- Where the extension is short-term (defined as the lesser of 2 years or 25% of contract length) and the extension is being offered on materially the same terms and conditions in which case there is no need

for approval in line with Appendix 1, although approval must still be obtained from Legal Services in line with arrangements to be agreed by the CFO.

- Where the extension is to an education partnership contract or research contract in line with points 3 and 4 in the list above, in which case there is no requirement for re-approval of the contract.

## 9.6 **Extensions, amendments, renewals, and additional spend – expenditure contracts**

### *Extensions / amendments and renewals*

An existing expenditure contract may only be extended / amended where:

1. the original approved contract included an option to extend the contract and this option is being exercised; or
2. where the original contract has not expired and
  - a. Legal Services advise that any amendments being made are non-material; and
  - b. The Principal Budget Holder, in consultation with a Finance Business Partner and Category Manager, and subject to approval by the CFO or Assistant Director, Procurement, is able to evidence that greater Value for Money or other benefits can be achieved through an extension when compared to a new contract; and
  - c. where the contract in question is not subject to external funding or other requirements which require a specific procurement route to have been followed

An existing expenditure contract may only be renewed where:

- a. The Principal Budget Holder, in consultation with a Finance Business Partner and Category Manager, and subject to approval by the CFO or Assistant Director, Procurement, is able to evidence that greater Value for Money or other benefits can be achieved through a renewal when compared to a new contract; and
- b. where the contract in question is not subject to external funding or other requirements which require a specific procurement route to have been followed

An existing expenditure contract may be novated to a new counterparty where Legal Services advise that any amendments being made are non-material.

The Principal Budget Holder is responsible for ensuring that they allow sufficient time to undertake a full review of the contract in order to determine whether to recommend an extension or renewal, including time to secure negotiation and approval of any new terms of the extension or renewal itself.

Where it is agreed that a contract may be extended or renewed, the financial approvals must be obtained as if they were for a new contract and must be approved in line with Appendix 1, with the value of the approval being based on the total of the original and extended contract. The exception to this is where the extension is short-term (defined as the lesser of 1 year or 25% of contract length) and the extension is being offered on materially the same terms and conditions. Where this is the case approval must be obtained from Legal Services and Procurement in line with arrangements to be implemented by these Services and agreed by the CFO, and this approval of the extended term will not override the need for approval of the additional spend as set out below.

### *Additional spend*

Where a contract is extended or renewed or where the originally approved spend under a contract will be exceeded during the contract term, approval for the additional spend must be sought in line with Appendix 1, noting the provisions in 7.2.4 of these regulations, unless the additional cost is no more than the lower of 10% of the original contract value or £0.5m (although separate budget approval will still be required).

It is the responsibility of the Assistant Director Procurement to ensure appropriate processes are in place to support the approval of this spend in line with procurement guidance, and the responsibility of the Principal Budget Holder to seek this approval.

An existing expenditure contract may be novated to a new counterparty where Legal Services advise that any amendments being made are non-material.

## 9.7 **Contract terminations**

Legal services must be consulted for any contract terminations. Where the contract performs significantly below expectations, the Principal Budget Holder must consult with Legal Services before discussing termination of the contract with the third party.

Legal Services will be responsible for determining if the grounds for termination are appropriate and applicable and will advise as to how any termination must be enacted.

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

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.

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.

Student, Library and Academic Services (SLAS) is responsible for maintaining an appropriate framework for the review and approval of new and continuing third party academic partnerships. SLAS is also responsible for defining and implementing appropriate partnership approval processes in line with academic regulations.

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

The corporation seal must be held under secure arrangements by the Head of Legal Services. 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 Finance and Resources Committee.

# 10. **Assets including intellectual property and data**

10.1 When purchasing assets, the procurement regulations as set out in section 7.2 must be followed. In addition, the following considerations apply according to the classification of the asset being transacted.

## 10.2 **Safeguarding assets**

10.2.1 Principal Budget Holders are responsible for ensuring there are adequate arrangements for the custody and control of all assets owned by the University, whether tangible (such as buildings, stock, stores, furniture, cash) or intangible (such as intellectual property), including electronic data.

10.2.2 The Chief Information Officer is responsible for maintaining appropriately secure systems to manage information assets held on the University's computer network and for ensuring that appropriate policies and procedures are in place to ensure this.

10.2.3 The University must appoint a Senior Information Risk Owner (SIRO) who is responsible for ensuring that appropriate policies and procedures are in place to ensure information and data is appropriately managed within the University.

10.2.4 Principal Budget Holders are responsible for ensuring that information and data relevant to the faculty / service operations are held in line with the specified policies and procedures.

## 10.3 **Tangible assets**

### 10.3.1 *Land and buildings*

Prior to the purchase or disposal of any land and buildings a full business case must be considered and approved by F&R. The business case should include as a minimum but not be limited to:

- Assessment of strategic purpose and / or business need

- Full cost of bringing the asset into use or removing it from use
- Value for money assessment considering both the financial and non-financial impacts and risks of the decision, including of whole life operating costs after the decision.

### 10.3.2 *Plant and equipment*

Purchase of plant and equipment must follow the financial delegations specified in Appendix 1 where budget has been approved and delegated by Planning Committee through the annual planning round.

Disposal of plant and equipment must be done in compliance with prevailing, relevant legislation (including environmental and health and safety requirements) and with due consideration of value for money and whether the asset has any residual value. Disposal should happen in accordance with procedures agreed by the CFO.

## 10.4 **Intangible assets**

### 10.4.1 *Intangible assets other than internally generated intellectual property*

Purchase of intangible assets other than internally generated intellectual property must follow the financial delegations specified in Appendix 1 where budget has been approved and delegated by Planning Committee through the annual planning round.

### 10.4.2 *Intellectual property rights*

Intellectual property rights (which may include ideas, designs, inventions and know how) owned by the University shall be managed in line with the [University's Intellectual Property Policy](#) and, where relevant, the [Commercialisation Process & Guidance](#) (*staff access only*).

Disposal of all intangible assets must be done in compliance with prevailing, relevant legislation (including environmental and health and safety requirements) and with due consideration of value for money and whether the asset has any residual value. Disposal should happen in accordance with procedures agreed by the CFO.

## 10.5 **Current Assets**

### 10.5.1 *Inventory*

Principal Budget Holders are responsible for establishing adequate arrangements for the custody and control of inventory under their control. Where inventories have a significant value, and therefore require valuation on the University's balance sheet as reporting in the Annual Report and Financial Statements, the Principal Budget Holder must notify the CFO and ensure that appropriate stock-taking procedures are in place.

### 10.5.2 *Cash and Treasury Management*

Cash at bank balances must be managed in line with the [Treasury Management and Ethical Investment Policy](#) requirements.

The use of petty cash is not permitted other than in exceptional circumstances where there is a clear business need which must be approved by the CFO who will also agree appropriate control arrangements.

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 F&R Committee is responsible for this Policy and ensuring its implementation, monitoring and review.

## 11. **Alternative operating vehicles and locations**

11.1 These financial regulations are primarily focused on the University's activities through the main University entity and when operating within the UK. The following sections set out arrangements for alternative operating vehicles (subsidiary companies, joint ventures, or similar) and when operating outside of the UK.

### 11.1.1 *Establishing and / or dissolving alternative operating vehicles*

The University may wish 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 where this is considered to be advantageous. Colleagues considering whether to establish and / or dissolve a company or a joint venture should do so in line with the requirements of the [University Subsidiary Companies Policy and Procedure](#).

### 11.1.2 *Activity overseas*

Where colleagues are considering establishing or amending operations in overseas locations including establishing overseas offices, partnerships, collaborations, due consideration must be given to the implications of:

- Personal tax implications (as detailed in 6.4)
- Corporate tax and other statutory liabilities
- Wider operating risks

11.2 University Executive and F&R Committee endorsement, followed by Board approval, is required to establish or amend overseas operations and consideration must be given to whether regulator approval is required.

## **12. Risk management and Insurance arrangements**

12.1 The University Executive and Audit Committee are responsible for ensuring that an appropriate and effective framework for risk management is defined and in place. The risk owner (as defined in the [Risk Policy](#)) for a specific activity is responsible for ensuring that the risk of undertaking a business activity is in accordance with the defined framework. Where, during the identification of risks per the defined framework, a significant financial risk is identified based on a combination of quantification of both the potential impact and likelihood of occurrence, which may include insurance implications (noting specific points below on insurance), this should be notified to the CFO as soon as identified.

12.2 The CFO is responsible for ensuring the University has appropriate insurance cover and insurance arrangements including supporting documentation. The portfolio of insurances will be recommended to and approved by the CFO. The cover in place will be reported to Audit Committee on an annual basis.

12.3 FPVCs 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.

12.4 Equipment inventories must be maintained by faculties and services to support insurance claims and facilitate any disaster recovery situations.

## **13. Students' Union**

13.1 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 and in accordance with [Article of Government](#) 8.1, 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.

13.2 The level of grant to be paid annually to the Students' Union including any associated grant terms and conditions, 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 Finance and Resources Committee. The Students' Union will provide monthly statements of income and expenditure to the University CFO.

13.3 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 the Finance and Resources Committee of the University for information.

13.4 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.

## Key Definitions

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Approval</i>                | To confirm that an action can be undertaken. An approver is agreeing that the decision is acceptable.                                                                                                                                                                                                                                                                                                                                               |
| <i>Commitment</i>              | 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. Commitments can be made both orally and in writing.     |
| <i>Contract</i>                | 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.                                                                                                                                                                          |
| <i>Principal Budget Holder</i> | Principal Budget Holders are the Vice-Chancellor, Deputy-Vice Chancellor, Pro Vice-Chancellors and Service Directors which make up the Senior Management Group. Principal Budget Holders are responsible to their line manager and the CFO for the financial management of the areas and activities they control.<br><br>Where grant funding is received, the Principal Investigator / Project Lead is considered to be the Principal Budget Holder |
| <i>Requester</i>               | The member of staff responsible for initiating a financial process, with the knowledge and experience of the relevant area required in order to make or recommend decisions to the Principal Budget Holder. For clarity, the requester is not necessarily the member of staff who initiates the on-system request.                                                                                                                                  |

## Related Policies, Procedures, Guidance and Other Resources

[Travel and Expenses](#) (staff access only)  
[Revenue Recognition, Credit Control and Billing Policy](#) (staff access only)  
[Anti-Money Laundering, Terrorist Financing and Sanctions Policy](#)  
[Counter Fraud and Bribery Policy](#)  
[PCI / DSS](#) (staff access only)  
[Pricing Policy](#) (staff access only)  
[General Expenses](#) (staff access only)  
[Risk Management Policy and Risk Appetite Statement](#)  
[University Subsidiary Companies Policy and Procedure](#)  
[Gifts and Hospitality](#)  
[Due Diligence Framework](#) (staff access only)  
[Environmental Sustainability Policy](#)  
[University Records Management Guidance](#)  
[Capital Policy](#) (will be replaced as above) (staff access only)  
[Anti-Slavery and Human Trafficking Policy](#)  
[Disclosure and Management of Conflicts of Interest Policy](#)  
[Managing External Work Policy](#) (staff access only)  
[Resilience Policy](#) (staff access only)

## Version

| Version No. | Reviewer (s)   | Date          | Changes                                                                                                                                                   |
|-------------|----------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.0         | Simon Newitt   | June 2020     | <i>Pre-2022 guidance version</i>                                                                                                                          |
| 2.0         | Multiple       | Summer 2023   | <i>Major policy changes, substantial change to content</i>                                                                                                |
| 2.1         | Simon Newitt   | March 2024    | <i>Update to links and numbering</i>                                                                                                                      |
| 2.2         | Phil MacDonald | August 2024   | <i>Technical revision reflecting committee change from Employment &amp; Finance Committee into Finance &amp; Resources Committee and People Committee</i> |
| 2.3         | Tessa Assadian | November 2025 | <i>Amendment to Procurement Levels and Limits and removal of need for SMG member to approve expenses above £2k</i>                                        |

## 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 must be cumulative: i.e. where approval is sought from a colleague with a higher approval limit the request for approval must include confirmation that the requester would have approved this had it been within their approval limit. The primary approval chain must be via the CFO rather than the DVC, with the DVC replacing the CFO in the approval chain only where the CFO is unavailable for a prolonged period.
- Where the CFO is the Principal Budget Holder, they must obtain approval from the Vice-Chancellor, for spend up to £1m.
- 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 | SMG member      | Chief Financial Officer               | Deputy Vice-Chancellor | Vice-Chancellor  | Finance and Resources | Board of Governors |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------|-------------------|------------------------------------|-----------------|---------------------------------------|------------------------|------------------|-----------------------|--------------------|
| Income                            | Funding grant bids to grant giving organisation included in core funders list (see 9.1)                                             | Nil              | Nil                                                                                                       | £100k             | £500k                              | £5m             | £7.5m                                 | £7.5m                  | £10m             | £15m                  | £15m +             |
|                                   | Funding grant bids to grant giving organisation not included in core funders list (see 9.1)                                         | Nil              | Nil                                                                                                       | £100k             | £500k                              | £1m             | £2.5m                                 | £2.5m                  | £5m              | £7.5m                 | £7.5m+             |
|                                   | Other income generating bids or responses to tenders                                                                                | Nil              | £25k                                                                                                      | £100k             | £500k                              | £1m             | £2.5m                                 | £2.5m                  | £5m              | £7.5m                 | £7.5m+             |
|                                   | Approval of income contract terms and conditions <sup>2</sup>                                                                       | Nil              | £25k                                                                                                      | £100k             | £500k                              | £1m             | £2.5m                                 | £2.5m                  | £5m              | £7.5m                 | £7.5m+             |
|                                   | Acceptance of philanthropic gifts                                                                                                   | £1k <sup>3</sup> | £10k <sup>3</sup>                                                                                         | £25k <sup>3</sup> | £50k                               | £100k           | £500k individually or any 2 up to £2m |                        |                  | £3m                   | £3m+               |
| Staff Expenditure                 | Recruitment to posts (casual, fixed term or permanent) where the expected financial commitment spans multiple financial years       | No               | No                                                                                                        | No                | No                                 | Yes – up to G10 |                                       |                        | Yes – up to G11+ |                       |                    |
|                                   | Recruitment to posts (casual, fixed term or permanent) where the expected financial commitment is limited to current financial year | No               | No                                                                                                        | No                | Yes – up to G9                     | Yes – up to G10 |                                       |                        | Yes – up to G11+ |                       |                    |
|                                   | Approval of staff claims for actual hours worked <sup>4</sup>                                                                       | Line Manager     |                                                                                                           |                   |                                    |                 |                                       |                        |                  |                       |                    |
| Non-staff and Capital Expenditure | Purchase of land and buildings                                                                                                      | Nil              | Nil                                                                                                       | Nil               | Nil                                | Nil             | Nil                                   | Nil                    | Nil              | £2m                   | £2m+               |
|                                   | Approval of expenditure contract terms and conditions <sup>2</sup>                                                                  | Nil              | £10k                                                                                                      | £25k              | £50k                               | £150k           | £1m                                   | £1m                    | £3m              | £7.5m                 | £7.5m+             |
|                                   | Approval to order goods, equipment and services <sup>5</sup>                                                                        | £1k              | £10k                                                                                                      | £25k              | £50k                               | £150k           | £1m                                   | £1m                    | £3m              | £7.5m                 | £7.5m+             |
|                                   | Expenditure other than ordering of goods, equipment and services                                                                    | £1k              | £10k                                                                                                      | £25k              | £50k                               | £150k           | £1m                                   | £1m                    | £3m              | £7.5m                 | £7.5m+             |
|                                   | Out of pocket expense claims <sup>5</sup>                                                                                           | Line Manager     |                                                                                                           |                   |                                    |                 |                                       |                        |                  |                       |                    |
| Other                             | Signature of Non-Disclosure Agreements (NDA)                                                                                        | Nil              | Signed by grade 7 upward on basis of NDA pre-approved/checked by Legal subject to the provisions in 9.1.1 |                   |                                    |                 |                                       |                        |                  |                       |                    |

| # | Notes                                                                                                                                                                                                                                                                                                         |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Including Deputy Head of Department                                                                                                                                                                                                                                                                           |
| 2 | Once approved, contracts must be signed in accordance with section 9.2.                                                                                                                                                                                                                                       |
| 3 | These limits are available to G5 to G9s if expressly granted by Principal Budget Holder, see Section 6.3.2 Delegated authorities.                                                                                                                                                                             |
| 4 | Line managers provide approval that claims are in line with hours worked and those agreed by the budget holder.                                                                                                                                                                                               |
| 5 | Purchases under £500 and expenses claims under £200 do not require any systematic approval, but colleagues should still ensure the expenditure is necessary and that there is sufficient budget. This expenditure will still be subject to post-purchase / post-claim audit and review procedures by Finance. |

**Delegations** - Delegation may be made to a nominated deputy where the budget holder is unable to perform their duties for a prolonged period. This is by exception and with prior agreement from a member of the Finance Senior Management Team. The delegator must ensure that the nominated person has the appropriate knowledge and understanding to make an informed decision on behalf of delegator. In most circumstances delegation is expected to be either upwards or to a peer.