



Arts University Bournemouth

Financial Framework and Regulations

Approving Body: Finance Resources Committee

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Financial Framework and Regulations

Background

The University's **Financial Framework** sets out at a high level how the University is structured and how it operates its finances. The primary objective of the Financial Framework is to ensure the proper use of resources and finances in a manner which satisfies the requirements of accountability and financial control.

The Financial Framework sets out the principles by which the University will operate whereas the **Financial Regulations** put the Financial Framework into effect.

Compliance with the Financial Framework and Financial Regulations is a requirement for all employees of the University (irrespective of how their appointment is financed or the source of the funds under their control) and for all those not directly employed by the University but who have responsibility for the management or administration of University funds, including Members of Board where appropriate.

Failure to comply with the Financial Framework or the Financial Regulations could lead to disciplinary action.

Staff should refer to [Limits, Rates and Signatories Appendix](#) to confirm the current approved rates and limits of expenditure and authorised signatories.

Financial Framework

Responsibility for Finance in the University

1. Board

- (a) The Board, as the governing body of the Arts University Bournemouth, is responsible for the oversight of the University and approval of the general strategic direction of the institution. As the governing body, the Board has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives of the institution. This also safeguards public and other funds and assets for which the Board is responsible, in accordance with the requirements assigned to the governing body in the University's Instrument and Articles of Government and the Terms and Conditions of Funding with the Office for Students (OfS) and the Education and Skills Funding Agency (EFSA). It is tasked with ensuring that proper accounts are kept, to approve the annual budget and financial statements and to have overall responsibility for the University's assets, property and estate.
- (b) The Board discharges its financial responsibilities by arranging for the detailed consideration of issues by its Committees – notably the Finance & Resources Committee and the Audit & Risk Committee – and some powers are also delegated to the Principal and Vice-Chancellor. The Board maintains an overview of general financial policy through reporting structures, which ensure that the agreed policies are being implemented and financial sustainability maintained.
- (c) The specific responsibilities of the Board are contained within its [Statement of Primary Responsibilities](#) and the University's [Scheme of Delegation](#).

2. Finance & Resources Committee

The Finance & Resources Committee is a Committee of Board, its constitution can be found [here](#) and its full Terms of Reference are as follows:

- (a) To consider and advise the Board on all aspects of the University's finances, financial policies and controls;
- (b) To consider and make recommendations to the Board on the annual and long term financial plans;
- (c) To consider, review and report on the periodic management accounts of the University and its subsidiary and allied companies;
- (d) To consider capital projects and advise the Board on the financial implications of the same;
- (e) To consider and make recommendations to the Board on the solvency of the University and safeguarding its assets, including insurances;
- (f) To consider advice on any relevant taxation issues;
- (g) To advise the Board on investments and borrowing and to seek appropriate advice from external sources;
- (h) To consider and advise the Board on all matters connected with the cost of staffing of the University, including the funding of current and projected staffing needs and recruitment policy;
- (i) To consider and make recommendations to the Board on the strategic development and cost of management of the University's estate;
- (j) To consider and make recommendations to the Board on any matter concerning carbon management and sustainability policies that ensure legal compliance and which meet organisational needs as directed by the Board;
- (k) To ensure in accordance with the Statement of Primary Responsibilities of the Board that equality and inclusivity, health and safety practices and procedures are observed and that equal opportunities are promoted throughout its estate;
- (l) To consider, monitor and make recommendations on the financial KPIs;

- (m) To ensure in accordance with the Statement of Primary Responsibilities of the Board that equality and inclusivity is promoted in relation to financial matters throughout the institution; and
- (n) To consider any other matters referred to the Committee by the Board.

3. Audit & Risk Committee

The Audit & Risk Committee is a Committee of Board, its constitution can be found [here](#) and its full Terms of Reference are as follows:

- (a) To discuss with the external auditors, before the audit begins, the nature and scope of the audit;
- (b) To advise the Board on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors;
- (c) To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter, incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary);
- (d) To consider and advise the Board on the appointment and terms of engagement of the internal audit service, the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors;
- (e) To review the internal auditors' audit risk assessment, strategy and programme; consider major findings of internal audit investigations and management's response; and promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for Internal Audit are sufficient to meet the institution's needs (or make a recommendation to the governing body as appropriate);
- (f) Keep under review the effectiveness of the risk management, control and governance arrangements, and in particular review the external auditors' management letter, the internal auditors' annual report, and management responses;
- (g) To monitor the implementation of agreed audit-based recommendations, from whatever source;
- (h) To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the OfS, as the higher education regulator, have been informed;
- (i) To oversee the institution's policy on fraud and irregularity, including being notified of any action taken under that policy;
- (j) To satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness;
- (k) To receive any relevant reports from the National Audit Office (NAO) and its equivalents in Scotland, Wales and Northern Ireland, the regulators and other organisations;
- (l) To monitor annually the performance and effectiveness of the external and internal auditors, including any matters affecting their objectivity, and make recommendations to the Board concerning their reappointment, where appropriate;
- (m) To consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with the regulators' accounts directions;
- (n) In the event of the merger or dissolution of the institution, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed;
- (o) To ensure in accordance with the Statement of Primary Responsibilities of the Board that equality and inclusivity, health and safety practices and procedures are observed and that equal opportunities are promoted within the remit of the Committee; and
- (p) To consider any other matters referred to the Committee by the Board.

4. **Principal and Vice-Chancellor**

As Chief Executive of the University, the Principal and Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Principal and Vice-Chancellor and other members of the University Leadership Team all contribute in various ways to these aspects of the work, but the ultimate responsibility for all undertakings rests with the Principal and Vice-Chancellor.

5. **University Leadership Team**

The University Leadership Team (ULT) is the senior management decision-making body of the University. It derives its authority from the executive authority delegated from the Board to the Principal and Vice-Chancellor, as the senior academic and accountable officer of the University. It is not formally constituted within the University's Instrument and Articles of Government and stands as the senior operational group.

The constitution of the ULT currently comprises the Principal and Vice-Chancellor (Chair), Deputy Vice-Chancellor, Chief Operating Officer, Director of Finance, University Secretary, Deans of School, Head of School, Head of Student Services, Head of HR, Head of Campus Services, Head of Digital Services, Head of Recruitment and Marketing; and Head of International and Business Delivery.

On the authority of the Principal and Vice-Chancellor, ULT is managerially responsible for matters of strategic and corporate planning. In addition it has responsibility:

- (a) To determine the structure and management of the University;
- (b) To ensure the effective and efficient operation of the University;
- (c) to advise and recommend to the Academic Board matters relating to policies for academic standards, assurance and student experience;
- (d) To approve all policies which relate to staff employment, or terms and conditions; and
- (e) To approve the annual budget and to advise the Principal and Vice-Chancellor on such matters as he may refer to the Team.

This is achieved through regular monitoring of the higher education policy environment, approval and review of key University policies and projects, and monitoring the University's financial performance and other key performance indicators.

6. **Director of Finance**

The Director of Finance is responsible to the Chief Operating Officer and accountable for the financial administration of the University, including the preparation of annual estimates and financial plans, financial statements and the timely reporting of financial control information. The Director of Finance line manages Finance and Procurement.

7. **Budget Responsibility**

Primary Budget Holders comprise a number of members from the ULT; being the Deputy Vice-Chancellor, the Chief Operating Officer, the Director of Finance, the University Secretary and the Deans of School who are responsible to the Principal and Vice-Chancellor for the proper use of funds under their control, in accordance with this Framework, and to meet the objectives of the University.

A **Budget Holder** is any other individual who has been given delegated authority and responsibility for managing a budget within the University. Examples of Budget Holders include Course Leaders, Heads of Schools/Professional Services, Project Cost Centre managers and research grant Principal Investigators.

The financial responsibilities of Primary Budget Holders and Budget Holders are the same:

- (a) The operation of all accounts and budgets in their School or Professional Service within their remit in accordance with the Financial Framework, Financial Regulations and within current University policies; and
- (b) To ensure that the School or Professional Service remains within budget.

A Primary Budget Holder may delegate some or all of their authority to a Budget Holder but the responsibility for the budget remains with the Primary Budget Holder.

Financial Regulations

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Chapter 1 - Procurement of Goods and Services

Purchasing Procedures - Introduction

1. The Director of Finance has oversight of Purchasing, is responsible for all payments by the University and must approve all changes to the Purchasing Procedures.
2. No expenditure may be incurred by the University unless it is:
 - (a) incurred with the aim of obtaining best value for money;
 - (b) included in the Annual Budget;
 - (c) approved by the University Leadership Team; or
 - (d) covered by specific funding from an external source, accepted formally on behalf of the University by an officer authorised in that context by the Director of Finance.
3. The Board is responsible for all funds of the University from whatever source they are generated, including amounts received from Enterprise activities. The Board delegates authority to purchase from those funds (within budget) to Budget Holders.
4. Budget Holders have authority to purchase goods and services within the specific terms related to the funds made available. Grants are usually governed by specific terms which are legally binding for the University. Budget Holders must ensure that they follow these terms and any special conditions before they commit funds.
5. To maximise competition and obtain best value, a restrictive specification of the goods or service and trade or brand names should, wherever possible, be avoided.
6. Where arrangements for central, group or collaborative purchasing exist, Budget Holders must order from the University's preferred supplier. If for any reason a Budget Holder wishes to purchase from an alternative supplier they must first obtain the permission of the Procurement Manager in writing.
7. All members of staff must adhere to the Purchasing Procedures and utilise to the best advantage any University agreement, contracts or Buyers Guides issued.
8. In any dealings with suppliers or potential suppliers, the University's [Code of Conduct Policy](#) and the [Anti-Fraud Policy and Response Plan](#) must be followed at all times.

Unauthorised purchases are defined as a commitment for goods and services made by anyone other than an approved employee of the University, for that category of spend, whether or not a confirming purchase order is issued:

- (a) University employees who make unauthorised purchases are personally responsible for payments of any costs incurred; and
- (b) the identification of unauthorised purchases at an early stage is important and careful scrutiny is required by all Budget Holders and staff involved in the purchasing and invoicing process to ensure that any unauthorised purchases are halted before payments are made to suppliers.

Purchasing Procedures - Finding a Supplier

Once you have identified your need/requirements and confirmed there is available budget.

Principles

1. Purchasing contracts, agreements or arrangements with the Southern Universities Purchasing Consortium (SUPC), other HE Regional Purchasing Groups, nationally negotiated HE/FE agreements and Government department or agency contracts should be actively supported to ensure best value.
2. Contracted suppliers are mandatory and should be used for all orders to be placed in the contracted supplier's scope of contract.
3. Non-contracted suppliers should only be used when a purchase order cannot be placed with a contracted supplier.
4. Schools and Professional Services should actively work with the Procurement Manager in order to consolidate spend and create specialist purchasing knowledge and expertise.

Approach

5. Details of all national, regional and local contracts and agreements are available on the [Procurement](#) web pages.
6. Collaborative ordering arrangements between Schools and Professional Services are actively encouraged.
7. Capital building or refurbishment contracts must be handled by Campus Services as particular care is needed when deciding whether a contract falls within the definition of a public works contract. There are different thresholds and procedures in place for works contracts.

Process

8. Every effort should be made to utilise the University's existing suppliers. Details of current suppliers associated with the goods and services being purchased are available from the Purchase Ledger Team.
9. Requests for new suppliers or amendments to existing suppliers' details are made via the Purchase Ledger Team and are to be approved by the Procurement Manager.

With regard to all **IT Hardware and Software** purchases, Budget Holders should consult with the Head of Digital Campus Services first in order for account to be taken of any compatibility, licensing, ongoing support and maintenance costs, General Data Protection Regulation (GDPR) or Payment Card Industry Data Security Standard (PCI DSS) issues.

Purchasing Procedures - Quotations and Tendering

Principles

1. The Procurement Manager is ultimately responsible for assessing the supplier suitability, negotiating contracts of a value of £25,000+ and ensuring that the University's procedures for tendering and appointing suppliers are adhered to.
2. All purchases will be evaluated and made in accordance with the most economically advantageous terms, this will include price, quality, whole life costing and terms and conditions.
3. Procurement must be planned and programmed to allow time to obtain quotations or to receive tender responses. This is particularly important when the total cost is likely to exceed the EU threshold.

Approach

4. The **Purchasing Procedures** provide further advice and guidance in regard to seeking Quotations and undertaking Tendering.
5. Current quotation and tendering limits are:

Value excluding VAT	Action	Notes
Less than £5,000	Quote: Obtain quotation from at least <u>one</u> supplier	Advice can be obtained from the Procurement Manager
Between £5,001 and £24,999	Quotations: Obtain written competitive quotations from at least <u>two</u> suppliers	Justification for choice must be documented
Between £25,000 and £181,301	Quotations: Obtain written competitive quotations from at least <u>three</u> suppliers. The Procurement Manager must be involved in the process	Justification for choice must be documented
Over £181,302 (€221,000) on Goods or Services. This threshold figure changes on 1 January 2020 and biennially thereafter	Tendering: Obtain written competitive tenders from at least <u>three</u> suppliers. Publication of the invitation to tender in the Official Journal of the European Union (OJEU) may be required at the discretion of the Director of Finance. The Procurement Manager must be involved in the process	The tender process takes a minimum of three months to complete. Please consult with the Procurement Manager. Note a whole life costing analysis must be conducted
Over £4,551,413 (€5,548,000) on Works (building/construction). This threshold figure changes on 1 January 2020 and biennially thereafter	Tendering: Obtain written competitive tenders from at least <u>three</u> suppliers. Publication of the invitation to tender in the OJEU may be required at the discretion of the Director of Finance. The Procurement Manager must be involved in the process	The tender process takes a minimum of three months to complete. Please consult with the Procurement Manager. Note a whole life costing analysis must be conducted

6. Capital building or refurbishment contracts must be handled by Campus Services as particular care is needed when deciding whether a contract falls within the definition of a public works contract. There are different thresholds and procedures in place for works contracts. The thresholds for works are set out in [Appendix B](#).
7. The separation of goods or services over two or more purchase orders, to avoid the formality of obtaining quotations or inviting tenders, is forbidden.
8. When individual consignments of less than the above limits each represent 'call off' items from a total contract then the decision as to whether to obtain quotations or to invite tenders will be dependent on the value of the total contract.

All procurement activity **above the value of £25,000** should be discussed with the Procurement Manager before entering discussions with suppliers.

Quotations

Process

9. For purchases less than £5,000 a quotation must be obtained from at least one supplier. For purchases between £5,001 and £24,499 written competitive quotations must be obtained from at least two suppliers. For purchases between £25,000 and £181,301 written competitive quotations must be obtained from at least three suppliers and the Procurement Manager must be involved in the process.
10. All requirements with a total value of £25,000 or above must be advertised and have Contract Award Notices placed on Contracts Finder.

Tendering

Process

11. For purchases above the current EU threshold amounts (see table above) written competitive tenders must be obtained from at least three suppliers. All tenders must be conducted electronically through the University's [e-Procurement portal](#).
12. Approval from the Procurement Manager must be sought prior to commencing any tendering exercise and a tender reference number will be allocated. Further guidance is available from the Procurement Manager.
13. A minimum of three tenders should be invited when:
 - (a) The ULT considers the appointment of a supplier of goods or services to be of sufficient importance to warrant tendering; or
 - (b) the purchase is from funds supplied under an award or grant from an outside body and that body requires a tendering procedure to be followed.
14. When goods or services in excess of the current EU Public Procurement Directive thresholds (see table above) are to be purchased, a formal tender process must be followed which may involve publication of the invitation to tender in the OJEU. All tenders above the current EU thresholds must be discussed in advance with the Procurement Manager before proceeding. Further guidance is available from the Procurement Manager.
15. In cases where the University does not wish to advertise or conduct a tender process but wishes to avoid the possibility of the resulting contract being subject to a challenge, a Voluntary Ex Ante Transparency Notice should be published in OJEU which advertises the award of the contract and explains why this has been done without prior advertisement and then wait at least 10 days before signing the contract.
16. The exceptions relating to sole source and emergency as relating to Quotations detailed above will apply to tenders.

Signing of Contracts

Process

17. All contracts with financial implications will be signed in accordance with the procedures approved by the Director of Finance. All contracts requiring payment via a banker's instruction, (i.e. direct debit or standing order) will be authorised by the Director of Finance or delegated representative. All contracts issued by the suppliers that require a signature will be forwarded to the Procurement Manager for review and then passed to the Director of Finance for approval and signature.
18. Where a contract is material in terms of financial value, its term or the nature of activity, approval will be escalated from the Director of Finance to the Principal and Vice-Chancellor. In accordance with the Scheme of Delegation, any Contract up to the value of £500,000 may be signed by the Principal and Vice-Chancellor. Contracts which are valued in excess of £500,000 must receive approval from the Board, ideally this approval should be received in advance of any market testing.
19. Budget Holders and ordinary staff do not hold any authority to sign Contracts over their budget limit.

Single Tender Action

Process

20. Competition is not the only way to demonstrate value for money and there may be situations where it is more appropriate to approach a single supplier through the use of a single tender action, often referred to as 'Single Tender Waiver'. The University recognises such circumstances but is clear that they must be the exception and be carefully monitored.
21. There are specific circumstances where a single tender action is appropriate:
 - (a) A single firm or contractor of a special character is required
 - (b) A proprietary item or service of a special character is required
22. In practice the University will need to see the following before accepting that a single tender action is appropriate:
 - (c) The good or service is follow-up work where a supplier has already undertaken initial work in the same area (and where the initial work was awarded from open competition);
 - (d) There is a compatibility issue which needs to be met e.g. specific equipment required or compliance with a warranty cover clause;
 - (e) There is genuinely only one provider;
 - (f) There is a need to retain a particular contractor for real business continuity issues (not just preferences); and
 - (g) The goods or services can be purchased through an existing University or public sector purchasing agreement which has itself been awarded by competitive methods
23. The following may indicate that a single tender action is inappropriate:
 - (a) The market is competitive;
 - (b) There are no factors suggesting this would secure value for money;
 - (c) The single tender action is driven more by time pressure than value-for-money considerations;
 - (d) There is pressure to spend monies late in the financial year;
 - (e) There is familiarity/a relationship with the supplier;
 - (f) There are ongoing single tender actions with one specific supplier; and
 - (g) The contract value exceeds EU procurement thresholds.
24. If you have an appropriate case for single tender action, please contact the Procurement Manager for further guidance. A Single Tender Action/Quotation Waiver form must be completed in conjunction with the Procurement Manager and approved by either the Director of Finance or Chief Operating Officer before the purchase is made.
25. Quotations must be retained for three months after the end of the financial year in which they were obtained.

Purchasing Procedures - Making a Purchase

Principles

1. Official purchase orders should be prepared for the purchase of all goods and services. Exceptions to the requirement for a purchase order are for purchases made using University purchasing cards or via Petty Cash/Staff Advances.
2. Orders are to be generated electronically via Access Dimensions, the University's Finance system.
3. To improve the efficiency and effectiveness of the University's purchase to pay (P2P) process and ensure that all suppliers are paid quickly within agreed terms, suppliers must ensure that they are provided with a purchase order number when accepting a request for goods and services. No commitment to purchase, verbal or otherwise, will be given to any supplier without first being in possession of a fully-authorized purchase order.

Approach

4. Purchase Requisitions should be raised following the identification of an appropriate supplier and signed and approved by a duly-authorized Budget Holder.
5. Purchase requisitions will be processed to generate orders via Access Dimensions.
6. It is the requisitioner's responsibility to issue purchase orders to the respective supplier and ensure they are received by said supplier.
7. Best practice is to secure an Order Acknowledgement from a supplier. However, it is recognised that these are not always issued.

Process

8. Requisitions entered on Access Dimensions will automatically be routed to the correct level of authorisation:

Authority Band Limits for Purchasing

Limits (excluding VAT)	Authority
Under £50,000	1 x Budget Holder
£50,000 - £249,999	1 x Budget Holder or Secondary Authority plus 1 x VC Group Signatory
£250,000 - £499,999	1 x Budget Holder or Secondary Authority plus 1 x VC Group Signatory plus 1 x Principal and Vice-Chancellor
Over £500,000	This is a matter for Board

9. Purchase orders must clearly indicate the cost, nature and quality of the goods or service required, any cost of delivery and the VAT element if applicable.
10. Any queries regarding VAT on purchases, especially as regards foreign suppliers, should be referred to the Financial Accountant.
11. The University's standard Terms and Conditions of Purchase must be used for all purchases. If a potential supplier issues, during any part of the purchasing process, its own Terms of Sale then the Procurement Manager must be consulted immediately.
12. Invoice discrepancies will be routed automatically to the purchase requisitioner for resolution and monitored weekly by the Purchase Ledger team.
13. Suppliers may provide a pro forma invoice to request payment in advance. Under no circumstances should pro forma invoices be accepted, please contact the Procurement Manager immediately.

Chapter 2 - Travel and Subsistence (including Expense Rates)

Principles

1. In keeping with its **Sustainable Transport and Travel Plan** the University aims to promote a sustainable, integrated approach to transport, which will reduce the impact on the local environment and community, particularly in terms of congestion and traffic pollution, and ensure it is making a contribution to national carbon reduction targets by reducing single occupancy car use and increasing the use of sustainable modes of transport such as walking, cycling and public transport.
2. The Financial Regulations governing Travel and Subsistence are intended to benefit both the University and the claimant by:
 - (a) Explaining what, when and how claims can be made to avoid unnecessary income tax and national insurance contribution complications with HMRC;
 - (b) Clarifying expectations of what cannot be claimed (Chapter 6, Non-allowable Expenditure);
 - (c) Encouraging value for money; and
 - (d) Facilitating a quick and cost-effective claims process.
3. 'Business' travel and subsistence occurs when an employee is required to travel in the performance of the duties of their employment or to attend training courses or conferences necessary for the performance of those duties. Specifically 'University business' refers to the following activities on behalf of the University:
 - (a) Training courses, conferences or meetings;
 - (b) Networking opportunities;
 - (c) Shows; and
 - (d) When performing the role of a University representative.
4. The motivation and requirement for travel and the time spent away from the University must be agreed in advance with the claimants Line Manager, particularly international travel.
5. The mode of travel should be based on availability, timing and cost and the most cost-efficient and safest manner, which meets the business needs, should be used. All travel should normally be booked in advance through one of the University's travel agents unless exceptional circumstances dictate otherwise. Such exceptional circumstances include genuine emergency situations, but exclude any travel which could, and should, have been planned in advance. Where direct payment by the University is not possible, staff will be reimbursed for reasonable travel and subsistence expenses incurred on authorised University business.
6. All journeys between home and the normal place of work, either within or outside of normal working hours (e.g. call-outs and open days) are regarded by HMRC as private. Claims for business journeys that start or end at home should be for the lesser of:
 - (a) The distance actually travelled; or
 - (b) The distance that would have been travelled if the journey had started or ended at the employee's normal place of work.
7. University staff should obtain approval in advance from their Line Manager where they want to be accompanied by partners, relatives or others who are not members or employees of the University at functions or on visits at the University's expense. If invited with a guest to a University function no prior approval is required.
8. University staff should obtain approval in advance from their Line Manager where they are to be accompanied by partners, relatives or others who are not members or employees of the University at functions or on visits at their own expense. In such cases travel arrangements may be made jointly through the University but the cost of the guest must be paid directly. Any additional costs incurred as a result of the guest being present must be met by the employee.
9. The University reserves the right to refuse to process and pay expense claims that are incorrectly prepared or insufficiently supported by receipts. Claims for unreasonable expenses, or expenses which could have been avoided if a journey had been better planned, may be refused.
10. The employee making a claim is responsible for ensuring all claims are accurate and valid. Submission of an inaccurate expense form could lead to disciplinary action.

Rail Travel

Approach

The use of public transport is encouraged, with all employees ensuring that the most economical class of rail travel is used.

11. Advantage must be taken of any cheap day or reduced fares where possible. As a general rule, the earlier the booking is made, the cheaper the fare.
12. The cost of a rail card may be reimbursed if the rail card plus the discounted travel represents a saving to the University.
13. Train tickets may be requested using the [Train Ticket Request Form](#).

Air Travel

Approach

Staff may use air travel having undertaken a cost-benefit analysis against other forms of transport which should be authorised by their Line Manager. Air travel should normally be economy class.

14. Air travel must be booked through one of the University's travel agents, taking advantage of any cheap or reduced fares. As a general rule, the earlier the booking is made, the cheaper the fare. Details of the University's nominated travel agents are available from the Procurement Manager.
15. Unless economically advantageous, upgrades from economy class air travel must be pre-approved by the ULT. Upgrades for members of the ULT must be pre-approved by their Line Manager.
16. As all flight bookings are normally made through the University, any corporate air miles belong to the University and will be used to offset the cost of future travel.
17. Any refund for a delayed/cancelled flight paid to the traveller in the form of vouchers or credit must be used towards the cost of a future flight for business purposes. Any refund in the form of cash (including cheques, bank transfers to the traveller's personal account) must be reimbursed to the University.

University Cars, Hire Cars and Privately-Owned Vehicles

Approach

If a car does need to be used, it is expected that staff will book one of the University vehicle fleet, for which the University's [Drivers' Guide](#) sets out the Terms and Conditions for the use.

18. No student, apart from Student Union sabbatical officers, may use the University vehicles unless they are being employed by the University, for example as Student Ambassadors.
19. If no suitable University vehicle is available, it may be possible to use an external hire car or, in exceptional circumstances, a privately-owned vehicle. Details are included within the [Drivers' Guide](#).

Taxis

Approach

20. A taxi may be the most effective use of transport if equipment or heavy baggage is being carried, if the claimant is pregnant or has a disability, if personal or financial security is an issue, if it is important to save time and if it is an unfamiliar area and the claimant is uncertain about the use of public transport.
21. Taxis should be kept to a minimum and should not be used for long journeys.
22. Claimants should obtain a receipt and will be reimbursed via a [Staff Expenses](#) claim form.

Cash Advances

23. Cash advances against the cost of University travel and subsistence may be claimed subject to the following conditions:
 - (a) The claimant must complete an [Advance Claim](#) form;
 - (b) The advance should be limited to the amount of anticipated expenditure and be appropriately authorised;
 - (c) The advance claim must reach Finance at least one week before the date of travel;
 - (d) Once agreed, the advance will be paid in either pounds sterling into the claimant's bank account or in the relevant foreign currency in cash;
 - (e) Claims must be supported by receipts and any excess funds returned to Finance;
 - (f) Further advances will not be made whilst a previous advance is outstanding; and
 - (g) The University reserves the right to recover any uncleared advances from any monies owed to the claimant.
24. Where the cash advance is sizeable Finance may provide a pre-paid Caxton card that can be used to withdraw cash or pay for goods and services. All the conditions above apply equally to the pre-paid card.

Process

25. Claims for up to £100 (excluding Advances) may be paid via Finance by presenting an authorised claim form during normal opening hours through petty cash.
26. The University recognises six types of claim form:
 - (a) [Staff Expenses](#) - for employees **general** claims;
 - (b) [CPD](#) - for employees **Continuous Professional Development** claims (managed by HR);
 - (c) [Governors Expenses](#);
 - (d) [Students Expenses](#);
 - (e) Expenses Claim - for **non-staff** claims available direct from Finance; and
 - (f) [Interview and Relocation Expenses](#) - for potential and new staff claims (managed by HR).
27. Copies of all expense claims together with original receipts are retained in Finance for the relevant time period.

28. Authorisation of expenses:

Incurring by	Primary Authority	Secondary Authority
Board member	Secretary	DoF
Principal and Vice-Chancellor	DoF	COO and periodically reviewed by the Chair of Board
Deputy Vice-Chancellor (DVC)	Principal and Vice-Chancellor	DoF
Chief Operating Officer (COO)	Principal and Vice-Chancellor	DVC
Deans	DVC	DoF
Director of Finance (DoF)	COO	Principal and Vice-Chancellor
Secretary	DVC	Principal and Vice-Chancellor
Course Leaders	Dean	DVC
Heads of Schools/Professional Services	Line Manager	Relevant Senior Manager
Other staff	Line Manager	Relevant Senior Manager

29. Relocation expenses and Professional Subscriptions are to be approved by the Head of Human Resources.
30. Reimbursement for payments made by employees in a foreign currency will normally be made in £ sterling, translated at the exchange rate quoted at www.XE.com at the time the advance was remitted or the expense was incurred. If different exchange rates are to be used in the claim, proof of conversion must be submitted e.g. redacted credit card statements. Reasonable bank charges for currency conversion may be claimed.

Claims for Mileage, Hotels and Subsistence

31. All claims for mileage, hotels and subsistence will be paid in accordance with approved Expense Rates. Any charges exceeding these must be pre-approved by the Dean, Head of School/Professional Service or for members of the ULT their Line Manager.
32. All expense claims must be submitted within three months of incurring the expense, or within three weeks of the financial year end of 31 July, whichever is the sooner.

Expense Rates for Mileage

Cars for staff, governors and external examiners:	45p per mile
Cars for staff CPD, interviews and students:	25p per mile
Motorcycles: 24p per mile	Bicycles: 20p per mile

33. For longer car journeys in any one day, it is more economical to use a University car or a hire car from an approved supplier and, therefore, the rate reduces to 25p per mile for distances over 150 miles.

Expense Rates for Hotel Accommodation

London:	Up to £195 per night including breakfast and VAT
Outside of London, in the UK:	Up to £150 per night including breakfast and VAT
Overseas:	Up to £150 per night including breakfast and local taxes

(discretionary higher rate may be agreed for overseas depending upon the location and the specific purpose of the visit, if pre-approved by the ULT or, for members of ULT, their Line Manager)

34. Hotels must be booked through the University or be supported by receipts.
35. HMRC no longer recognise a 'family or friends' dispensation. Provided you are on University business the University will, however, allow reasonable subsistence claims if staying with family or friends.
36. Hotel accommodation should be booked via Finance using a University purchasing card. However, where a better rate can be achieved and this can be proven, it is permissible to reclaim the cost of hotel accommodation against receipts.
37. As Airbnb or equivalent accommodation is not subject to the same stringent fire and safety regulations as hotels, it is prohibited and expense claims for it will be declined.

Expense Rates for Subsistence

The University will reimburse up to £35 per day for subsistence.

38. Employees who are expected to travel in the course of their work are entitled to claim the actual, reasonable cost of food. Itemised receipts must be provided and details must be included on the claim.
39. This is explicitly not a per diem rate and must be supported by receipts. This subsistence rate excludes local travel and taxis, the cost of which may be claimed separately.
40. Gratuities will be reimbursed up to a limit of 10% (15% USA). If service charges are included in the bill then any gratuities over and above the service charge will not be reimbursed.
41. Subsistence cannot be claimed in respect of conferences or visits where meals are provided.
42. When visiting other University sites, namely halls of residences, associate colleges and venues, the member of staff is expected to provide or pay for their own food.

Chapter 3 - Meeting Refreshment Costs

Principles

1. Refreshments may only be ordered where there is a clear business need and it is to the benefit of the University that the meeting takes place without interruption for breaks or across normal meal times.
2. Employees must use the University's catering supplier to provide refreshments for a meeting, unless the meeting is held off site and it is impractical to do so.

Approach

3. Where the member of staff arranging the meeting is not the Budget Holder, the authorisation of the Budget Holder must be obtained before refreshments are booked.
4. A record of the refreshments provided, the reason for the event, and the names of the attendees must be retained by the person requesting the refreshments.

Process

5. Refreshments and catering can be booked online through the [AUB hospitality booking system](#).

Chapter 4 - Courses and Conferences

Principles

1. Provided there is a sound research, pedagogic or business reason, the University may agree to meet the cost of a course or conference attendance and may pay all or part of the fees.
2. Where it is necessary to travel to attend a course or conference, all travel arrangements must be made in accordance with the Financial Regulations on [Travel and Subsistence](#).

Approach

3. Attendance on a course or conference must be approved in advance, costs should not be incurred without the prior approval of the Budget Holder and time spent away from the University must be agreed with the employee's Line Manager.

Process

4. An employee's request to attend a course or conference must include full details of the nature of the event, the cost and the estimated travel expenses.
5. Wherever possible, the course or conference should be paid for using a University purchase order. As certain courses or conferences will only accept payment by credit or debit card, it is appropriate to use a University purchase card. In the unlikely event of a personal credit or debit card having to be used, the cost should be reclaimed against receipts using a [Staff Expenses](#) claim form.
6. Subsistence cannot be claimed in respect of courses or conferences where meals are already provided.

Chapter 5 - Business Hospitality

Principles

1. Business hospitality must be for the furtherance of the business of the University and in accordance with the aims and objectives of the University's Strategic Plan.
2. The level of hospitality provided should be commensurate with the need for the entertainment of the individuals or the organisations they represent.
3. The employee arranging or authorising the hospitality must be prepared to justify the expense to the Director of Finance.

Approach

4. Where the member of staff arranging the hospitality is not the Budget Holder, the authorisation of the Budget Holder must be obtained in advance.
5. All hospitality expenses must be reasonable and reflect prudence, good judgment, due diligence and be defensible to an impartial observer.
6. The number of visitors being hosted and the number of members of staff attending should be kept to the minimum number appropriate to the purpose of the hospitality. In general the number of staff should not exceed the number of visitors.
7. If there is any doubt as to the level of reasonable expenses or the numbers of staff and guests, please consult with your Line Manager.
8. Hospitality costs will only be reimbursed for external visitors and members of staff. Hospitality costs will not be reimbursed for partners, relatives or others who are not visitors or employees of the University, unless it can be shown there was a clear business need.

Process

9. Gratuities will be reimbursed up to a limit of 10% (15% USA). If service charges are included in the bill then any gratuities over and above the service charge will not be reimbursed.
10. Business entertainment costs may be reclaimed against itemised receipts (not credit card receipts) and the expense claim must be authorised by the appropriate signatories.
11. The following information must be supplied with the expense claim:
 - (a) the names of all attendees;
 - (b) the organisations they represent; and
 - (c) the purpose of the business hospitality.

Chapter 6 - Non-allowable expenditure

Principles

1. Non-allowable expenditure may not be claimed, charged to the University or reimbursed to employees in any circumstances or by any method, including:
 - (a) Any membership or annual subscriptions in respect of clubs or other organisations irrespective of whether membership is used in the furtherance of University business unless the organisation is on [HMRC list 3](#). Otherwise, this is deemed a taxable benefit by HMRC;
 - (b) Leisure clubs or spa treatments;
 - (c) Mini bar drinks;
 - (d) Film or game rental charges;
 - (e) Luggage;
 - (f) Speeding fines or court fees for traffic offences;
 - (g) Childcare;
 - (h) Cost of caring for animals;
 - (i) Books, magazines or music for personal use;
 - (j) Clothing;
 - (k) Gifts for staff;
 - (l) Privately purchased insurance, other than for car hire abroad;
 - (m) Airbnb or equivalent accommodation;
 - (n) Non-receipted expenditure above £30 per transaction.

Chapter 7 - Petty Cash

Principles

1. Under normal circumstances, the University's petty cash account is maintained by Finance.
2. Petty cash floats should not normally be maintained in Schools or Professional Services. Under exceptional circumstances, petty cash floats may be maintained on the authority of the Director of Finance to meet minor payments and disbursements.

Approach

3. Petty cash floats are the responsibility of the member of staff (account holder) to whom they are entrusted.
4. Petty cash floats must be reconciled monthly or sooner and authorised by an accountant in the Finance Team.
5. The Finance Team accountant must not be involved in any day to day petty cash transactions.

Process

6. All receipts for expenditure must be retained.
7. At the financial year end, the account holder should confirm that the original balance is still being held within the School/Professional Service.
8. The petty cash float should be kept in a safe and secure place and the account holder should keep the money in a place approved by the Campus Services Facilities Manager.
9. The following types of expenditure are expressly forbidden:
 - (a) Any item materially over £100 unless prior permission is obtained from the Head of Finance and the request is authorised by the relevant Budget Holder.
 - (b) Payment of wages, call-out payments, overtime payments, staff expenses or other ad hoc remuneration.
 - (c) Gifts to members of staff or ex-members of staff.
 - (d) Gifts, gratuities or donations of any nature to external bodies.
 - (e) Payments for non-business use of goods or services.
 - (f) Personal expenditure, loans or advances to employees or students, or the cashing of personal cheques.

Chapter 8 - Mobile Phones and Communication Devices

Principles

1. Mobile phones and communication devices ('mobile devices') are governed by the [Acceptable Use Policy \(AUP\)](#) managed by Digital Campus Services, which is a combination of key documents that identify and promote the appropriate use of IT resources, data, information and systems in the interest of learning, teaching, research and management.
2. Staff may be provided with a mobile device by the University where a specific and on-going operational need arises.
3. Staff who need a mobile device infrequently for trips or international duties may borrow one from Digital Campus Services.

Approach

4. Purchases of any mobile device must be initially requested by the Head of Digital Campus Services so that the full costs of ownership and the associated contract obligations are known, this will then be approved through the Line Manager and Dean/Head of School/Head of Service.
5. Most mobile devices have unlimited calls and text contracts within the UK, but staff are reminded that calls made for personal reasons should be kept to a reasonable limit. Calls outside of the UK or premium rate will be outside this contract agreement and should be as brief as possible.
6. Mobile contracts will also have a monthly limit on 4G Data. Staff should be aware that, whilst on 4G networks, they need to exercise caution when streaming video or music and reserve 4G data for University business only.
7. The University will not reimburse individuals for the purchase, hiring or leasing of mobile devices outside of these Financial Regulations.

Process

8. To obtain a mobile device, please contact Digital Campus Services so that the device and contract costs can be confirmed. A purchase requisition approved by the Line Manager and Dean/Head of School /Head of Service should then be raised and routed back through Digital Campus Services who will place the order with an appropriate supplier.
9. Mobile devices purchased with University funds must be returned to Digital Campus Services should the employee leave or if the device is no longer required. Digital Campus Services will conduct a review of contracts and costs over the term of agreement.
10. Many hotels and business venues now offer free or low-cost Wi-Fi usage. Staff are urged to use any available Wi-Fi provision where appropriate in order to reduce data usage/costs on any 4G networks.
11. Whilst abroad, data roaming should be turned off to reduce out-of-contract 4G data usage. If data roaming is required Digital Campus Services should be contacted, a week prior to the trip, so that an appropriate data roaming 'bolt-on' can be added to the contract to minimise costs.

Chapter 9 - Home Phones and Broadband

Principles

1. On rare occasions, staff may be required to make business calls using their private home phone. In such cases they may claim reimbursement.
2. The University will not meet any part of the rental costs, or pay for any private calls.
3. On the rare occasions that employees may be required to use their own private broadband services, the University again would not normally pay any proportion of home broadband costs.

Approach

4. In cases where the cost of calls is included within the rental package, the cost of business calls cannot be separately identified and therefore are not reclaimable.
5. The University will not reimburse individuals for the purchase, hiring or leasing of home phones or computers or other devices used to connect to the internet.

Process

6. Employees required to make business calls using their private home phone should claim reimbursement for such calls using a [Staff Expenses](#) claim form. Evidence of the cost of these calls, such as statements, must be provided.

Chapter 10 - Payroll

Principles

1. The default form of employment by the University is a formal contract of employment with tax and national insurance deducted at source. The employment status of an individual, whether employed or self-employed, is not a matter of choice for the individual and depends upon the terms and conditions of the relevant engagement.
2. A contract of employment must be in place before any individual is allowed to carry out work on behalf of the University unless they are to be paid as a temporary worker via the Freelancer system.
3. HR are responsible for issuing all contracts of employment and contracts for services, such contracts to include full-time staff, part-time staff, fixed-term staff and occasional workers. A contract should be set up by HR before any work is performed. No one else has the authority to contract with individuals.
4. The Human Resources Monitoring Meeting (HRMM) has full financial responsibility within the University for authorising spend on staffing, within budgets, in respect of:
 - (a) new and replacement posts; and
 - (b) extensions or amendments to existing posts.
5. All payments of salaries will be made through the outsourced payroll provider, Dorset County Council (DCC).

Approach

6. The Principal and Vice-Chancellor has overall responsibility for the recruitment and appointment (via HR) and payment (via Finance) of all employees. ULT may only seek to appoint a new member of staff if the:
 - (a) request is reviewed and agreed at a HRMM; and
 - (b) the Chief Operating Officer has confirmed that there are sufficient funds within the area budget, to cover the appointment.
7. All contracts of employment and contracts for services will be prepared in accordance with the University's standard practice and all offers of employment with the University will be made in writing by HR on behalf of the Principal and Vice-Chancellor or the Head of HR.
8. HR are responsible for the maintenance of HR records and for determining the contractual arrangements relating to the payments of salaries.
9. HR are responsible for notifying Payroll, within the Finance Team, of employees with contracts of employment issued to ensure they are paid through DCC.

Process

10. The prior authorisation of HR must be obtained before any commitments are made to individuals or work undertaken on behalf of the University.
11. The individual's right to work in the UK must be confirmed in accordance with UK Visas and Immigration (UKVI) guidelines.
12. Remuneration offered will be in accordance with the existing pay spine points on the University's pay scale. Any deviation from this approach must be approved by the Head of HR.
13. The Freelancer form, only to be used after consulting with the Schools Operations Managers, HR or Payroll, is available for workers doing one-off engagements that is classified as employment.
14. DCC is responsible for making payments and for the maintenance of the related records, including those of a statutory nature.
14. Guidance notes, procedures and documentation for the selection and recruitment of staff are available on the HR section of the intranet.

Chapter 11 - Income from Card Payments

Principles

1. The Payment Card Industry Data Security Standard (PCI DSS) is a worldwide information security standard defined and published by the Payment Card Industry Security Standards Council. The standard was created to help payment card industry organisations, that process card payments, prevent payment card fraud through increased controls around data and its exposure to compromise. The standard applies to all organisations that hold, process or exchange cardholder information. Enforcement of compliance is done by the organisation's card provider. Organisations that fail to meet the compliance requirement risk losing their ability to process payment card payments and being audited and/or fined.
2. This chapter on Card Payments represents a 'PCI DSS policy' applicable to all staff involved in payment card processing and all payment card processing arrangements across the University, whether processed manually or electronically.

Approach

3. All University card processing activities and related technologies must comply with PCI DSS.
4. The PCI DSS policy forms part of the University's Financial Framework and Regulations and directly meets the PCI DSS requirement to 'maintain a policy that addresses information security for all personnel'.
5. Card processing activities must be conducted as described in the PCI DSS policy and the associated guidelines and in accordance with the PCI DSS. No activity may be conducted nor any technology employed that might obstruct compliance with the PCI DSS.
6. All relevant staff must be made aware of the importance of cardholder data security and must be aware of the requirements stated in the PCI DSS policy.
7. The PCI DSS policy will be reviewed annually and updated as needed to reflect changes to business objectives, to the risk environment or to PCI DSS.
8. Any breaches of the PCI DSS policy, or deliberate non-compliance, will be investigated, reported and may be treated as misconduct under the appropriate staff or student disciplinary policy. Failure to carry out mandatory actions within the associated guidelines may be considered a breach of the relevant policy.
9. In the event that an employee or student is aware of a potential breach of this PCI DSS policy, they are encouraged to report their concerns to Finance.

Process

10. Staff or departments must not plan, commission, use or modify any payment card processing procedures or systems without consultation with the School/Professional Services Management Accountant and authorisation by the Director of Finance. This includes any payment card processing activity to be undertaken on behalf of the University or which involves any use of University IT or networking equipment.
11. Finance is responsible for managing PCI DSS compliance across the University and may remove any payment card processing activity causing unacceptable risk.
12. The Digital Campus Services department is responsible for arranging and assessing the results of any external and internal network security scans required for PCI DSS compliance.
13. The Professional Services Management Accountant is responsible for making all relevant staff aware of the importance of cardholder data security and the requirements stated in this PCI DSS policy and for maintaining a current list of all University payment card devices and service providers.

Chapter 12 - Income from Conferences, Seminars and Workshops

Principles

1. The WPM Online Store must be used to collect income from conferences, seminars and workshops.

Approach

2. Members of staff wishing to arrange a conference, seminar or workshop must obtain approval from the appropriate Dean/Head of School/Head of Service.
3. An Income and Expenditure schedule for events should be submitted to the appropriate School Operations/Service Manager who will advise the Dean/Head of School/Head of Service prior to approval being given. For events costing more than £10,000 this should follow a simple business case format.

Process

4. The Financial Accountant will advise as to whether, in exceptional circumstances, VAT should be charged on the fees for the event.
5. Fees from individuals should normally be collected in advance or on the day of the event, not afterwards.

Chapter 13 - Other Income

Principles

1. The WPM Online Store is normally used to collect other income.
2. In some circumstances, for example the sale of goods or services, it may be necessary to raise a sales invoice to the other party.

Approach

3. When selling goods or services, VAT may have to be charged. It is the responsibility of the Dean/Head of School/Head of Service to liaise with Finance to ensure VAT on income is charged accurately.
4. All VAT queries should be directed to your Management Accountant in the first instance. It may be necessary to seek specialist advice in which case the issue will be referred to the Financial Accountant, who is responsible for contacting HMRC in relation to all of the University's VAT issues. No contact with HMRC should be made by any other School/Professional Services department.

Process

5. A sales invoice request must be raised and authorised by the appropriate Budget Holder.
6. The income team (Finance) will arrange to have the sales invoice raised.
7. Should it be necessary to cancel the whole or part of a sale, a sales credit request must be raised and authorised by the appropriate Budget Holder. Once again the income team (Finance) will arrange to issue a credit note.
8. Invoices and credit notes must be authorised by the Budget Holder in accordance with the [Schedule of Authorities](#).

Chapter 14 - Cash Handling

Principles

1. To increase efficiency and reduce the risk to employees, students and customers the University seeks to minimise cash handling on campus.

Approach

2. Cash received should be counted and agreed in the presence of the student or customer and a receipt must be given to the student or customer.
3. All receipts and cash collected must be recorded and promptly placed with Finance.

Process

4. Cash collected in Schools or Services must, where practical, be taken to Finance within 24 hours of collection.
5. The person responsible for collecting and receipting cash is not to be involved with the banking of the same cash.
6. Robust security arrangements must be put in place where cash is transported around the University.
7. Where cash or cheques are collected for tickets sales, the tickets used should be sequentially pre-numbered. Any spoiled tickets should be noted and accounted for and cash received should be reconciled with tickets sold.
8. End of day till reconciliations must be balanced and signed by the user. Any discrepancies in reconciliation must be initialed by an accountant within Finance.

Chapter 15 - Budgets

Principles

1. Annual budgets are established and agreed each year as part of the Planning and Budgets process.
2. No expenditure may be incurred by the University unless it is:
 - (a) incurred with the aim of obtaining best value for money;
 - (b) included in the Annual Budget; and
 - (c) approved by the University Leadership Team.
3. Expenditure may be incurred where it is covered by specific funding from an external source, accepted formally on behalf of the University by an officer authorised in that context by the Director of Finance.
4. Board is responsible for all funds of the University from whatever source those funds are generated, including amounts received from Research Grants and Contracts and Enterprise activities. Board delegates authority to the Principal and Vice-Chancellor who in turn delegates to Budget Holders.

Approach

5. In establishing budgets, the Budget Holder should allow for VAT of 20% on all planned expenditure given that the University is unable to recover input VAT.
6. Once established and agreed, budgets are set for the year. Amendments to the forecast only can be made by way of a specific approval by the University Leadership Team.

Process

7. It is the responsibility of the Budget Holder to ensure budgets are strictly adhered to, please consult with your Management Accountant if you are in any doubt.
8. All purchase requisitions must be made in accordance with the Purchasing Procedures.
9. All permanent, fixed term and agency staffing expenditure must be first approved by the Human Resources Monitoring Meeting (HRMM).
10. It is the responsibility of the Budget Holder that the income budget is met.
11. Once established and agreed, the income budget can only be amended by way of a forecast by the Head of Finance and with the approval of the Director of Finance.

Chapter 16 - VAT

Principles

1. The University's main VAT number is 619 5281 26.
2. The VAT number is quoted on all University purchase orders and sales invoices.
3. All VAT queries should be directed to your School/Professional Services Management Accountant in the first instance.
4. It may be necessary to seek specialist advice in which case the issue should be directed to the Financial Accountant who is responsible for contacting HMRC in relation to all of the University's VAT issues. No contact with HMRC should be made by any other School/Service area.
5. The Director of Finance will be responsible for ensuring the University complies with VAT legislation, including the registration, preparation and submission of VAT returns.
6. The University is an exempt charity under the terms of the Education Reform Act and whilst it is registered for VAT it would not normally expect to recover VAT costs incurred. In this regard when considering the cost of goods or services, VAT should be considered as part of the cost.

Approach

7. When purchasing taxable goods or services, VAT will be charged by the supplier at the appropriate rate – usually 20%.
8. When selling goods or services, VAT may have to be charged. It is the responsibility of the Dean/Head of School/Head of Service to liaise with Finance to ensure VAT on income is charged accurately.

VAT on Purchases

Process

9. VAT on purchases is called input VAT.
10. When purchasing taxable goods or services, VAT will be charged by the supplier at the appropriate rate. It is the responsibility of the supplier to charge the correct amount of VAT.
11. Where the VAT status of a purchase is not clear at the time of ordering, the supplier should be contacted to ascertain the rate of VAT that will be charged. This will ensure the Purchase order is raised accurately.
12. Special rules applying to purchases from other EU countries:
 - (a) When goods are purchased from another EU country and transported to the UK, no VAT should be charged by the supplier if they have been informed of the University's VAT registration number.
 - (b) Unless the normal VAT liability of the purchase is zero-rated or exempt, or relief is claimed for advertising or medical/scientific research equipment, Finance will subsequently reverse charge (self-charge) UK VAT on the purchase at the relevant rate.

With regard to potential charges to budgeted expenditure from other EU countries, in practical terms the Budget Holder's account will be charged for the cost of the goods without VAT but a charge equivalent to the VAT will be charged at a later date. As VAT is reconciled quarterly, the charge equivalent to VAT may be charged several weeks after the initial transaction.

13. Special rules apply to purchases from non-EU countries:

Unless the normal VAT liability of the purchase is zero-rated or exempt, or relief is claimed for advertising or medical/scientific research equipment, goods purchased from outside the EU and brought into the UK will not normally be subject to a VAT charge from the supplier. However, at the point of entry goods will be subject to UK import VAT if applicable.

With regard to potential charges to budgeted expenditure from non-EU countries, in practical terms the Budget Holder's account will be charged for the cost of the goods without VAT but a charge equivalent to the VAT will be charged at a later date. As VAT is reconciled quarterly, the charge equivalent to VAT may be charged several weeks after the initial transaction.

VAT on Sales

Process

14. VAT on sales is called output VAT.
15. It is the responsibility of the School/Service to liaise with Finance to ensure VAT is charged accurately. Advice can be obtained from your School/Professional Services Management Accountant.

Where the University charges another organisation for conference facilities or halls accommodation, the charge will be exempt from VAT provided that the other organisation is an eligible body and the conference or occupation of halls is of an educational or vocational training nature.

16. For external bodies to donate or sponsor student events, it must be via the creation of a Sales Invoice Request form. If the income is sponsorship i.e. the external body benefits from the funding, then it will attract VAT treatment.

Chapter 17 – Opening of Bank Accounts

Principles

1. To control the number of banking relationships being maintained by the University and minimise the risk of fraudulent transactions, the Board authorises the opening of accounts with any new banking entity.

Approach

2. The Board, which may delegate the responsibility to the Audit & Risk Committee and/or the Finance & Resources Committee, considers any request to open a bank account with a new bank.
3. The Board should approve and document the establishment of new banking relationships.

Process

4. Any request to the Board to commence a new banking relationship should be supported by a business case e.g. borrowings with a new bank, improved investment returns at the same risk etc.
5. Once authorisation is obtained the Principal and Vice-Chancellor, the Deputy Vice-Chancellor, the Chief Operating Officer and the Director of Finance should be the key authorised representatives of the University.

Chapter 18 - Code of Conduct

Principles

1. The **Code of Conduct Policy** applies to all employees of the University and is intended to provide guidance on expectations and standards in relation to working within the University.
2. The University is justifiably proud of the quality and commitment of its employees and expects the highest standards of conduct from them. All employees are expected to promote and protect the interests of the University in day to day business. This policy aims to reflect the values of the University and outlines key principles about the way employees should carry out their responsibilities:
 - (a) Standards of Work and Behaviour;
 - (b) Personal Relationships;
 - (c) Relationships between employees and students;
 - (d) Relationships between employees;
 - (e) Declaration of personal relationships where they overlap with professional roles;
 - (f) Dignity at Work;
 - (g) Bribery Act;
 - (h) Acceptance of Gifts or Hospitality;
 - (i) Financial Interests;
 - (j) Responsibilities of Employees Involved in Tendering Processes; and
 - (k) Reporting of Bad Practice, Misconduct and Suspicion of Fraud or Corruption.
3. Further information can be found within the University's **Anti-Fraud Policy and Response Plan**.
4. If an employee's working standards and/or behaviour do not comply with the requirements outlined within this policy the University will consider whether the employee's conduct warrants the application of the University's Disciplinary Procedure, Dignity at Work Policy or Equality at Work Policy.
5. This Code of Conduct is not designed to cover every eventuality. Its purpose is to outline the standards expected of employees; it does not replace statutory or contractual requirements. It also confirms that the University will deal with any instances of misconduct or fraudulent behaviour. If any employee is uncertain of the conduct expected of them they should consult their Line Manager, the Head of HR or their HR Partner.

Appendix A - Schedule of Authorities

Authority Limits for Purchasing/Sales

Limits (excluding VAT)	Authority
Under £50,000	1 x Budget Holder
£50,000 - £249,999	1 x Budget Holder or Authorised Signatory plus 1 x ULT Authorised Signatory
£250,000 - £499,999	1 x Budget Holder or Authorised Signatory plus 1 x ULT Authorised Signatory plus 1 x Principal and Vice-Chancellor
Over £500,000	This is a matter for Board

Authorisation of Expenses

	Primary Authority	Secondary Authority
Board member	Secretary	DoF
Principal and Vice-Chancellor	DoF	COO and periodically reviewed by the Chair of Board
Deputy Vice-Chancellor (DVC)	Principal and Vice-Chancellor	DoF
Chief Operating Officer (COO)	Principal and Vice-Chancellor	DVC
Deans	DVC	DoF
Director of Finance (DoF)	COO	Principal and Vice-Chancellor
Secretary	COO	Principal and Vice-Chancellor
Course Leaders	Dean	DVC
Heads of Professional Services	Line Manager	Relevant Senior Manager
Other staff	Line Manager	Relevant Senior Manager

Relocation expenses and Professional Subscriptions are to be approved by the Head of Human Resources.

Appendix B - Quotations and Tendering Limits

Value (excluding VAT)	Action	Notes
Less than £5,000	Quote: Obtain quotation from at least <u>one</u> supplier	Advice can be obtained from the Procurement Manager
Between £5,001 and £24,999	Quotations: Obtain written competitive quotations from at least <u>two</u> suppliers	Justification for choice must be documented
Between £25,000 and £181,301	Quotations: Obtain written competitive quotations from at least <u>three</u> suppliers. The Procurement Manager must be involved in the process	Justification for choice must be documented
Over £181,302 (€221,000) on Goods or Services. This threshold figure changes on 1 January 2020 and biennially thereafter	Tendering: Obtain written competitive tenders from at least <u>three</u> suppliers. Publication of the invitation to tender in the Official Journal of the European Union (OJEU) may be required at the discretion of the Director of Finance. The Procurement Manager must be involved in the process	The tender process takes a minimum of three months to complete. Please consult with the Procurement Manager, a whole life costing analysis must be conducted
Over £4,551,413 (€5,548,000) on Works (building/construction). This threshold figure changes on 1 January 2020 and biennially thereafter	Tendering: Obtain written competitive tenders from at least <u>three</u> suppliers. Publication of the invitation to tender in the OJEU may be required at the discretion of the Director of Finance. The Procurement Manager must be involved in the process	The tender process takes a minimum of three months to complete. Please consult with the Procurement Manager, a whole life costing analysis must be conducted

The separation of goods or services over two or more purchase orders, to avoid the formality of obtaining quotations or inviting tenders, is prohibited.

When individual consignments of less than the above limits each represent 'call off' items from a total contract then the decision as to whether to obtain quotations or to invite tenders will be dependent on the value of the total contract.

