



# Financial Regulations

For the 2023/24 Financial Year

# Financial Regulations

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## Individual regulations

### Introduction

#### I Background

- I.1 Every member of staff is involved in some way with financial management and control, whether in the authorisation of expenditure, the collection of income or, more usually, in the use of human or physical resources. All our actions relate ultimately to the provision and use of financial resources and the purpose of these Financial Regulations are twofold:
- To give the reader a better understanding of the University's approach to financial management and control.
  - To provide a reference point for existing and new members of staff with regard to those matters likely to be of interest on a day-to-day basis (see paragraph 2 below).
- I.2 The University's Financial Regulations have been formulated to provide a framework for internal control that seeks to ensure financial probity whilst maintaining operational efficiency. The Regulations cover the external requirements upon the University as provided by the Companies Act 2006 and the University's Articles of Association and internal constraints defined through a scheme of delegated authority and responsibility.
- I.3 Regent's University London Limited ("the University") is a company incorporated in England and Wales in 2020 (registration number 12734671). Hence it is required to comply with the relevant Companies legislation, currently the Companies Act 2006.
- I.4 The Financial Regulations are supported by the University's Financial Procedures, which prescribe the detailed operational practices to be adhered to over a wide range of transactions, significant procedures are detailed in the appendices. These are added to or amended from time to time to meet changing requirements.

#### 2 Status of Financial Regulations

- 2.1 These Financial Regulations are approved by the Board (date shown on cover page).
- 2.2 These Financial Regulations are subordinate to the University's Articles of Association and the overriding requirements of the Companies Act 2006.
- 2.3 The purpose of these Financial Regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and business objectives:
- Financial sustainability;
  - Achieving value for money;
  - Fulfilling its responsibility for the provision of effective financial controls;
  - Ensuring that the institution complies with all relevant legislation;
  - Safeguarding the assets of the University.
- 2.4 The Financial Regulations are part of the University rules as referred to in the University's disciplinary policy and contract of employment. Accordingly, compliance with the Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary policy. The Board will be notified of any such breach through the Audit & Risk Committee. It is the responsibility Managers to ensure

that their staff are made aware of the existence and content of the University's Financial Regulations.

- 2.5 The Board is responsible for maintaining a continuous review of the Financial Regulations, through the CFO.
- 2.6 Changes to the Financial Regulations (including changes in responsibility and financial limits) require the approval of the Board prior to implementation. Minor changes (for example to overcome specific practical issues) will be approved by the VC & CEO and reported to the following Board meeting in the VC & CEO's report.
- 2.7 In exceptional circumstances, the Board may authorise a departure from the detailed provisions herein.

## **Governance arrangements**

### **3 The Board**

- 3.1 The University's Board is responsible for the strategic direction and oversight of the management of the University. The Board's specific responsibilities are set out in detail in the Schedule of Matters Reserved for the Board.
- 3.2 Much of the detailed work of the Board is dealt with by committees. The Board delegates specific powers and processes to these committees in their terms of reference; the committees are accountable to the Board, but ultimate responsibility for the University's financial affairs vests with the Board.

### **4 The Vice Chancellor & Chief Executive Officer and the VCET**

- 4.1 The Vice Chancellor & Chief Executive Officer of the University is responsible for making the arrangements for the proper administration of the University's financial affairs in accordance with these Financial Regulations. In fulfilling these duties, the Vice Chancellor & Chief Executive Officer is assisted by the Vice Chancellor's Executive Team (VCET).
- 4.2 The Vice Chancellor & Chief Executive Officer is also responsible for advising the University's Board if at any time any action or policy under consideration by it appears to the Vice Chancellor & Chief Executive Officer to be incompatible with the terms of the Financial Regulations or legislation.

### **5 Committee Structures**

- 5.1 The roles of each of the University's committees are set out in the Committee Terms of Reference and these are approved by the Board.

### **6 Other Senior Managers with Financial Responsibility**

- 6.1 The CFO is responsible for:
  - 6.1.1 All budgeting, accounting and financial procedures operated by the University;
  - 6.1.2 Ensuring that the financial forecasts, audited financial statements and other financial returns required by the Board, legislation or other bodies are prepared on a timely basis;
  - 6.1.3 Maintaining an effective system of internal financial control;
  - 6.1.4 Providing professional advice on all matters relating to financial policies and procedures;

- 6.1.5 Providing professional advice on any financial matter, including contracts, payment terms, financing options, investment appraisal and course and project costing;
  - 6.1.6 Providing professional advice on all matters relating to taxation;
  - 6.1.7 All insurance cover, including the negotiation of claims in consultation with managers where necessary; and
  - 6.1.8 Day-to-day liaison with external and internal auditors.
- 6.2 The Director of Human Resources is responsible for:
- 6.2.1 All staff are engaged on approved terms and conditions;
  - 6.2.2 Checking that all changes to salary data, including additional payments, overtime and visiting lecturer hours, are accurate and consistent with the University's policies.
  - 6.2.3 All payroll procedures operated by the University and compliance with all payroll related taxation legislation.
- 6.3 VCET and departmental managers
- 6.3.1 The University operates a scheme of delegated authority with devolved responsibility for financial performance, accounting and internal controls. This means that each member of the VCET has budgetary responsibility for one or more departments, and departments report to a member of the VCET.
  - 6.3.2 Within this framework, the VCET may delegate financial responsibility to departmental managers. However, VCET is responsible and accountable for ensuring the following are adhered to:
    - Corporate Policy
    - Corporate Procedures
    - Internal Financial Procedures and Controls
    - Good Financial Practice
    - Specifically, VCET can only delegate financial responsibility to departmental managers up to the limit they as VCET hold and must approve all delegated authority within their departments.

## **Governance issues affecting all staff**

### **7 Risk Management**

- 7.1 The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the University is set out in a separate Risk Management Policy. The University's process for assessing, managing and monitoring risks is set out in the Risk Management Process.
- 7.2 Department Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the institution may be exposed. Advice should be sought in the first instance from the Head of Governance to ensure that this is the case, but in many cases external legal advice may be required. Again, this should be co-ordinated through the Head of Governance, but the cost of such advice will be borne by the originating department.

## **8 Business Continuity Plan**

8.1 The University has the following plans in place which detail key responsibilities and actions in the event of a major disaster:

- Major Incident Management Plan
- Operational Business Continuity Plans
- ICT Disaster Recovery Plan

The CFO is responsible for maintaining the Major Incident Management Plan.

## **9 Gifts and Hospitality**

9.1 In order to protect both employees and the reputation of the University from accusations of bribery or corruption employees are not permitted, directly or indirectly, to accept any gift, hospitality, reward or other benefit from any source (including suppliers, students, parents, other employees and members of the public) with whom he/she has been brought into contact or maintains contact only by reason of the duties for which they are employed by the University except in the following circumstances:

9.2 Occasional gifts which are regarded as trivial and where the nominal value received by any one person is under £25 e.g. diaries, calendars, pens etc.

9.3 Conventional hospitality e.g. annual dinner of a body with which employees have day-to-day contact, or working lunches in the course of official visits, where the frequency and the total cost of hospitality is reasonable and would not be construed by an impartial observer as affecting the employee's judgment regarding the work for which they are employed. This kind of hospitality will often be reciprocated by the University.

9.4 Hospitality or benefits of this kind from students - including student clubs/societies- may be accepted where the nature, regularity or value of the hospitality is reasonable and would not be construed by an impartial observer as affecting the employee's judgment regarding the work for which they are employed. Employees who are in doubt about the nature, regularity or value of any such hospitality or benefit must receive express written authorisation from their relevant member of VCET before accepting the hospitality or benefit. It is not possible to define 'reasonable' and employees must use their discretion. In cases of corporate hospitality, it would normally be expected, for example, that any hospitality where the value exceeds £100 be referred for authorisation.

9.5 Where a more valuable gift or benefit is offered from which the University in general might benefit, rather than an individual employee, acceptance will be at the discretion of the Vice Chancellor & Chief Executive Officer.

9.6 Employees responsible for the purchase of supplies, equipment or services must take particular care to ensure that there can be no criticism that unequal treatment has been given to suppliers involved in tendering processes through the acceptance of gifts or other benefits.

9.7 Employees should always bear in mind the need not to behave so that the impression might be given or interpreted by any member of the public, student or organisation with whom they deal that they may be influenced by any gift, benefit or behaviour to show favour or disfavour to any person or organisation in respect of the work for which they are employed. If an employee is in any doubt as to the propriety of receiving any gift or hospitality, then the employee must consult their member of VCET.



- 9.8 Employees who are found not to have acted in accordance with the above policy may be disciplined and in serious cases may be dismissed on the grounds of gross misconduct.
- 9.9 Employees who are offered or received any gifts or hospitality through their work at Regent's University London should notify their line manager and where appropriate their VCET member. The Gifts and Hospitality Form should be completed and forwarded to the Head of Governance's Office to be retained on the gifts and hospitality register.

## **General financial management**

### **10 Financial Control**

#### 10.1 Responsibility for financial control

- 10.1.1 Every member of staff is involved in some way with financial management and control, whether in the authorisation of expenditure, the collection of income or, more usually, in the use of human or physical resources. All actions relate ultimately to the provision and use of financial resources. The following sections of the Financial Regulations summarise the main staff responsibilities for financial control in the use of those resources.

#### 10.2 Budget Objectives

- 10.2.1 The Board will annually set budget objectives for the University. These will help the CFO in preparing a more detailed financial plan for the University.

#### 10.3 Budget setting and the budget process

- 10.3.1 The CFO is responsible for preparing short-term and long-term revenue and capital budgets for consideration in the first instance by the VCET.
- 10.3.2 VCET shall consider the budget, which, when agreed, is presented to the Board by the CFO.
- 10.3.3 The draft budgets are formulated by the VCET in March/April and approved by the Board in May. This timetable allows for the budget for the forthcoming year to be approved and circulated to budget holders prior to the commencement of the financial year (1 July). During the year, the CFO is responsible for submitting revised forecasts to the Board.
- 10.3.4 Once the Board has agreed the budget, the CFO informs the budget holders of their approved budgets.

#### 10.4 Resource Allocation

- 10.4.1 VCET is responsible for the operation of an appropriate resource allocation model which is consistent with the scheme of delegated authority with devolved responsibility for financial performance, accounting and internal controls.

#### 10.5 Delegated authority

- 10.5.1 The Board has ultimate authority and responsibility for the activities of the University, but in practice they delegate significant day to day management authority to the Vice Chancellor & Chief Executive Officer, who in turn delegates authority to other members of the VCET and Department Managers.
- 10.5.2 Delegated Authority is conditional upon the acceptance of Financial Regulations by all budget holders.
- 10.5.3 Budget holders may delegate authority to managers within their respective areas, subject to the approval of the relevant member of VCET. During a period of absence, a manager's level of authority must revert through the management hierarchy to a higher level of delegated authority, e.g. the departmental budget holder or a member of the

VCET. Where an appointment is made on an acting basis to any post to which delegated authority is attached, notice of the appointment must be provided in writing to the CFO.

- 10.5.4 All staff with delegated authority must comply with the authority limits approved by the Board.
- 10.6 Budgetary control
- 10.6.1 Budget holders and their designated nominees are responsible for the economic, efficient and effective use of the resources allocated to their cost centre(s) and should establish clear lines of responsibility for all financial matters within their control.
- 10.6.2 Budget holders are responsible for the financial performance of all cost centre(s) under their control and are required to review performance monthly and will be required to account for significant variations from budget. To that end budget holders are required to provide in their budget proposal a monthly profile of income and expenditure, based on their knowledge of the operations.
- 10.6.3 Significant departures from agreed budgetary targets must be reported immediately to the CFO by the budget holder concerned and, if necessary, corrective action taken.
- 10.6.4 Budget holders are responsible for ensuring that the CFO is notified of any loss, liability or damage or any event likely to lead to an insurance claim as soon as practicable to ensure that all necessary information relating to the loss, liability or damage is made, or obtained, to support any claim.
- 10.6.5 CFO is responsible for preparing regular forecasts for the Board to explain anticipated performance against budget together with any variances.
- 10.7 Financial information
- 10.7.1 To assist the budget holders to monitor and control expenditure against budget, the Finance Department will make available the necessary management information.
- 10.7.2 As a matter of course, the Finance Department will provide a statement showing income and expenditure against each cost code for the current month and the year to date, compared to the profiled budget, and the most recent agreed forecast for the full year compared to the original budget.
- 10.7.3 Additional information, such as a detailed analysis of transactions, will be provided by the Finance Department upon request.
- 10.7.4 Budget holders are responsible for submitting the required information, including purchase orders, sales invoice requests, expense claims, sundry payment requests and any internal transfers on a timely and accurate basis to enable processing of all financial transactions upon which the financial information system is based.
- 10.7.5 In addition, budget holders are required to inform the CFO of any (Appendix A) planned expenditure in excess of the limit stated within the University's General Financial Limits whether or not included in the budget, when such expenditure is anticipated, rather than when incurred, to improve cash flow planning. The required information includes the nature of the expenditure and expected timing and for a contract or project, where expenditure will arise over the number of months, the profile over the months.
- 10.8 Treatment of year end balances
- At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year.

## **11 Financial authority limits**

11.1 The limits and levels of authority do not apply to statutory payments in respect of:

- Withholding taxes in respect of National Insurance and PAYE.
- Pension fund contributions and other employee benefit payments.
- Value Added Tax.

11.2 The limits and levels of authority for the University apply equally to both internal and external expenditure. The Vice Chancellor & Chief Executive Officer has the authority to reduce or withdraw delegated authority.

## **12 Income**

12.1 General

12.1.1 The CFO must ensure that there are appropriate systems and controls in place to ensure that all income due to the University is collected and properly accounted for.

12.2 Sources of Income

12.2.1 The principal sources of income are from tuition fees and ancillary income.

12.2.2 There are specific arrangements for dealing with student fee income, including the situation where the fees are paid by a third party, and these are set out in the student fee policy.

12.2.3 For any other income, before any member of staff makes a financial commitment to a company/organisation/individual not previously dealt with (e.g. by extending credit to that organisation for work undertaken by the University or goods or services to be provided), that organisation's financial viability must be assessed and approved by the Finance Department. The Finance Department requires in the first instance the following information:

- The name of the company/organisation/individual
- Their address
- If incorporated, the registration number and country of registration
- The nature of the services/goods to be provided
- Any relevant background information about the company/organisation/individual

12.2.4 Upon receipt of this, the Finance Department will assess the risk and if necessary, request further information.

12.2.5 The CFO is responsible for the collection of all monies due to the University and must approve the form of all receipt forms, books, tickets or other official acknowledgements of monies received. Any monies due to the University which are considered irrecoverable debts can only be written off by the Vice Chancellor & Chief Executive Officer, CFO and/or the Board.

12.2.6 In order to optimise investment income, the University operates one bank current account to which all receipts are credited. Monies due to the University from external organisations should be requested on University invoices, as appropriate, issued by the Finance Department.

12.3 Maximisation of income

12.3.1 It is the responsibility of all staff to ensure that revenue to the institution is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification by way of an invoice request form to the CFO of sums due in respect of non-standard fee income, so that collection can be initiated.

12.4 Receipt of income by cash, cheques and other negotiable instruments

12.4.1 The collection of all monies due to the University is under the control of the CFO. All monies received on behalf of the University must be paid directly into the University bank

account. Such monies should be paid over in full (i.e. no payments should be made from receipts before being deposited) and be accompanied by supporting documentation for audit purposes. It is important for the person paying in cash/cheques to the Finance Office to obtain a receipt and ensure that the correct account code is quoted thereon. The University has eliminated most cash from its operations, and it is only for sundry items that cash would be accepted as a method of payment (e.g. small charity collections, small donations, sale of low value assets). No student fees are accepted on premises as a cash payment.

## 12.5 Receipt of income by electronic means

12.5.1 The University may only receive payments by debit or credit card using procedures approved by the CFO. These may include:

12.5.2 By debit or credit card in person; or

12.5.3 By debit or credit card over the internet.

## 12.6 Collection of debts

12.6.1 The CFO should ensure that:

- Debtors invoices are raised promptly on official invoices, in respect of all income due to the University
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- Any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- Monies received are posted to the correct debtors' account
- Swift and effective action is taken in collecting overdue debts. This includes:
  - A progressive level of sanctions for student debt; Passing the outstanding debt to a debt collection agency;
  - Legal action; and
  - Outstanding debts are monitored, and reports prepared for management.

12.6.2 The write-off of bad debts must be authorised by either by the CFO, the Vice Chancellor & Chief Executive Officer or the Board

12.6.3 Depending upon the amount concerned. (For the current authorisation limits, see the Financial Limits in Appendix A.)

## 13 Expenditure

### 13.1 General

13.1.1 The CFO is responsible for all payments due by the University and its subsidiary companies and must approve all payment procedures.

### 13.2 Scheme of delegation/financial authorities

13.2.1 Members of VCET and budget holders are not authorised to commit the University to expenditure without first ensuring enough funds to meet the purchase cost and included in their budget. It is the responsibility of the approver (Budget Holder or delegated signatory) to check that appropriate procedures for obtaining quotes or tendering have been followed. These procedures are detailed in the University's Procurement Manual.

13.2.2 The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for approving the purchase order form. It is important to recognise that the University will be committed to a purchase when a

contract is agreed and/or a purchase order is placed and not when the invoice is received.

13.2.3 Finance shall maintain a register of authorised signatories within Proactis. The scheme of delegation thresholds is included in Appendix 1.

13.2.4 All invoices from suppliers should quote the relevant purchase order number to expedite payment. Invoices without a purchase order number quoted are likely to incur delays in payment. The University operates a 'no PO, no pay' policy.

13.2.5 Contracts must be signed in line with the scheme of delegation. Contract values are determined as expenditure over the life of the contract including any irrecoverable VAT. Where the total expenditure is not fixed, e.g. when using a framework or call off contract, the estimated value of expenditure associated with the contract is to be used to determine the contract value. The life of the contract includes any possible extensions specified within the agreed terms. If a document must be executed as a deed, the document can only be signed by either two authorised signatories or one director in the presence of a witness. In this instance the "authorised signatory" is any director of the company and the company secretary.

### 13.3 Purchasing policy and procedures

13.3.1 The Procurement Manual sets out the University's purchasing policy and procedures designed to achieve the University's objective requires the demonstration of the highest level of integrity and ethics. The procedures explain:

- The levels of expenditure at which competitive quotations and tenders are required;
- The requirement to raise a formal purchase order duly authorised by a member of staff with appropriate delegated authority;
- The arrangements for the receipt of goods and services; and
- The processes for the coding, certification and authorisation of invoices for payment.

13.3.2 Where suppliers offer an on-line ordering facility, the Head of Procurement must be consulted prior to utilising such a facility, to ensure that it complies with the University's purchasing policy and procedures.

### 13.4 Staff reimbursement

13.4.1 The procedure for reimbursement of official expenditure initially incurred by members of staff is contained within the University's Expense's Guidelines. All out of pocket expenses claims for all staff will be reimbursed through the payroll.

### 13.5 Institution credit cards

13.5.1 Where appropriate, the CFO may approve the issuing of University credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The CFO will be responsible for setting in place a system to monitor the use of University credit cards and account for expenses charged through them.

13.5.2 Expenditure on credit cards needs to be allocated to cost centres promptly to enable overall management information to be accurate. As a result, credit card statements need to be cleared promptly and within three months of the statement date. Failure to do this may result in:

- The amounts paid being recovered from the card holder through payroll; and
- Disciplinary action being taken.

### 13.6 Late payment rules

13.6.1 The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- Small businesses can charge interest on overdue invoices;
- Interest is chargeable on sales made after 1 November 1998;
- The rate of interest specified by law is significantly higher than the official daily rate of the Bank of England;
- The Act also applies to overseas organisations; and
- The institution can be sued for non-payment.

13.6.2 In view of the penalties in this Act, the Board requires that invoices must be passed for payment as soon as they are received. Invoices will be paid in line with the University's standard terms and conditions for suppliers.

### 13.7 Project/travel advances

13.7.1 The CFO and the relevant member of VCET may jointly approve cash advances for projects carried out away from the University where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a University credit card.

13.7.2 Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

13.7.3 If an advance remains un-cleared for more than three months, the University may deem that this is a salary advance and deduct the amount outstanding from future salary payments.

## 14 Pay Expenditure

14.1 Relevant responsibilities of the Director of Human Resources and CFO.

14.1.1 All Human Resources procedures operated by the University are under the control of the Director of Human Resources.

14.1.2 The Director of Human Resources maintains personnel procedures and ensures that all Financial Procedures contained therein are subject to regular review and update.

14.1.3 All Payroll procedures operated by the University and related tax matters are under the control of the Director of Human Resources.

### 14.2 Remuneration policy

14.2.1 All University staff will be appointed to the salary scales approved by VCET and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Department.

14.2.2 Galileo Global Education will determine what benefits are to be available and the basis of their provision (contributory or not) for the Vice Chancellor & Chief Executive Officer. The Remuneration Committee will determine the salary and benefits for the VCET members.

14.2.3 Salaries and other benefits for non-VCET positions will be determined by the VCET. The HR Committee will review policies and procedures to ensure that they are appropriate.

### 14.3 Appointment of staff

14.3.1 All appointments made must be in accordance with the University's personnel procedures.

- 14.3.2 The default position on the engagement of individuals is that they are employees and will be paid through the payroll as such. There may however be occasions when services are to be provided by an individual where current tax legislation and/or the nature of the supply allow for payment to be made to a limited company or on a self-employed basis. Where any such circumstance is anticipated, the treatment must be approved by the Human Resources Department before any commitment is made to the individual. Failure to consult may result in delays in paying the individual.
- 14.3.3 For the avoidance of doubt, all staff are deemed to be individuals and paid through payroll unless an assessment has been completed by the Budget Holder or Member of VCET engaging the worker and the Human Resources Department. The assessment procedure is detailed in the Employment Status Policy.
- 14.4 Salaries, wages and fees
- 14.4.1 All payments of salaries, wages, fees, expenses and similar disbursements must be made or arranged by the Finance Department. All remunerative payments must be made through the University payroll, unless the CFO has agreed an alternative arrangement as satisfactory.
- 14.4.2 Outside earnings paid to the University for payment to members of staff (e.g. on research work) can only be paid through the payroll after deduction of tax under PAYE rules and National Insurance.
- 14.4.3 Salaries (monthly-paid) are paid direct into the bank account of the member of staff concerned, except that a separate arrangement exists for occasional single payments (e.g. guest lecturers) who may be paid by bank transfer.
- 14.4.4 Visiting lecturers are paid monthly based on their agreed schedule of work in appropriate monthly instalments, at standard hourly rates, according to the hours worked as notified by Faculties or Departments to the Human Resources Department. Holiday pay will be paid with the final instalment.
- 14.4.5 All continuing staff are paid by bank transfer on the last working day of each month in respect of that month and only in exceptional cases, approved by the Director of Human Resources, will any advance payment be made.
- 14.4.6 In the case of new starters after the cut-off date for payroll processing, a manual payment may be made, which will be reflected in the following month's payroll. Similarly, leavers will be paid up to their leaving date.
- 14.4.7 Payments are made in accordance with the pay scales approved by the Board and any back-dated pay awards for monthly paid staff, are paid as soon as practicable.
- 14.4.8 On appointment, staff are required to provide their National Insurance number, income tax details and bank account details. It is the responsibility of the relevant Personnel Officer to supply information necessary to ensure that the correct deductions are made for pension funds, income tax and National Insurance.
- 14.4.9 It is the responsibility of the employee to notify the Human Resources Department of any changes to their bank accounts used for either salaries or expenses and failure to do this will result in delays in the payment of salaries and expenses.
- 14.4.10 All pay documents including time records must be certified by an authorised signatory. These authorised signatories must be amended when necessary. In addition, budget holders must review their scheme of delegated authority annually. It is VCET's responsibility to ensure that the Finance team are notified of changes to the scheme of delegation.
- 14.4.11 On commencement and cessation of monthly paid posts, the salary is apportioned on a daily basis according to the starting/leaving date (e.g. termination of employment 23rd of month, then salary entitlement is annual salary divided by  $365 \times 23/\text{days}$ ). This will apply unless otherwise stated in conditions of service.
- 14.4.12 Payment to leavers for accrued holiday not taken before the end of employment is based on the annual salary, divided by 260 (the number of working days in the year) x

the number of days leave accrued. This will apply unless otherwise stated in conditions of service.

14.4.13 An employee's final payment will include an adjustment for any annual leave taken in advance of it having accrued. Any back pay resulting from a pay award not yet agreed but covering part of the employment period will not be paid automatically. Staff who have left should apply, in writing, to the Human Resources Department for payment to be made.

14.4.14 Absence from duty (whether because of sickness or for other reasons) is governed by the relevant Conditions of Service. Details of the appropriate reporting requirements and payment provisions can be obtained from the Human Resources Department.

#### 14.5 Pension Schemes and Death Benefits

14.5.1 Details of the pension schemes are available from the Payroll Officers in the Human Resources Department. In certain cases, the University's insurance provides death benefits for the dependants of staff who die in service.

#### 14.6 Travel, subsistence and other allowances

14.6.1 The University has, in the light of current income tax regulations, drawn up a comprehensive scheme of allowances for travel, subsistence and other benefits. Procedures cover the reimbursement to staff of a wide range of costs necessarily incurred on University business including purchases by staff, reimbursement of telephone or entertainment costs. See the-Expenses Guidelines for details.

#### 14.7 Allowances for the Board

14.7.1 Claims for the Board will be authorised by the Chair of the Board. Claims for meeting attendance will be based on standard amounts for each individual, but only reasonable expenses can be reimbursed. See the Director's Expenses Policy.

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

14.8.1 Any severance payments for members of the VCET will be approved by the Remuneration Committee; severance payments for the Vice Chancellor & Chief Executive Officer will be approved by the Board on the recommendation of the Remuneration Committee. All other payments will be agreed with reference to HR agreed policy.

### 15 Research Grants and Contracts and Consultancy

#### 15.1 General

15.1.1 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

15.1.2 "Consulting" is taken generally to mean remunerated application of a staff member's professional expertise for the benefit of a third party, typically an industrial, commercial, governmental, or other professional institution.

#### 15.2 Research Grants and Contracts

15.2.1 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the CFO to ensure that the financial implications have been appraised. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.



- 15.2.2 All research grant and contract applications/proposals must be reviewed and approved by the Deputy Vice Chancellor.
- 15.2.3 In particular, consideration must be given to ensuring:
- The availability of technical expertise and the appropriate resources to deliver the required work;
  - That there are no ethical reasons why the work should not be undertaken;
  - That there are no perceived conflicts of interest.
- 15.3 Research Contracts
- 15.3.1 All contracts must be between the sponsor and Regent's University London and must be referred to the Head of Governance and if appropriate the University's legal advisers before the work is commenced.
- 15.3.2 Contracts should be governed by English law, unless an alternative jurisdiction has been approved in advance, as there are significant indemnity risks with certain jurisdictions, particularly the USA and Canada.
- 15.3.3 At an early stage, advice should be sought, from the Finance Department, on the costing of proposals, including where appropriate, the amount to be included for overheads. Overheads are indirect costs which must be borne by a faculty or centrally and for which one expects, in most cases, a contribution from a research sponsor. The University must recoup overheads from research sponsors wherever possible, and to do this in a fair and simple way. Care must be taken not to under-price the University's research efforts.
- 15.3.4 Advice must be sought before giving an indication of costs to a sponsor to avoid any possible embarrassment arising from the sponsor having an indication of costs that are not acceptable to the University. From a financial viewpoint it is desirable that every effort is made to maximise the amount received for overheads. The level of the charge for overheads involves a degree of discretion at officer level. This is influenced by the contractual arrangements for the ownership and exploitation of the intellectual property rights (IPR) and potential sponsors should be made aware of the University view on this matter (see section 17 of the Regulations on Intellectual Property Rights).
- 15.3.5 Overhead recovery rates on some research grants are usually pre-determined as follows:
- In the case of Research Councils, there are prescriptive rules, advice on which must be obtained from the CFO.
  - In the case of charities, it is unusual for overheads to be paid, but the policy of each charity should be ascertained before the application is finalised to determine whether there is scope to recover overheads.
- 15.4 Successful Applications
- 15.4.1 The Finance Department must be informed of the award of a research grant. The Finance Department will then, in conjunction with the supervisor, open a series of accounts to record income, expenditure and overheads. Where claims for reimbursement must be made to the sponsor, this will be led by the supervisor but supported by the Finance Department. It is important that contract supervisors realise the need to submit reports as agreed with sponsors and especially the need for the final report to be submitted as soon as possible, to avoid delays in settlement.
- 15.4.2 VAT must be charged on research contracts except those for an eligible body such as an educational establishment. All transactions relating to Research Contracts and Grants must comply with corporate tendering and contracting procedures defined in the University Procurement Manual.

- 15.5 Grant and contract conditions
- 15.5.1 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information such as audit reports. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met.
- 15.5.2 The University must ensure that research funds are used only for the purpose for which they are received. Staff must ensure that expenditure is properly charged to each project and can be substantiated in the event of an audit.
- 15.5.3 Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder and will be charged against departmental funds.
- 15.6 Recovery of overheads
- 15.6.1 Overheads will be charged to research activity whether the funding arrangements permit full recovery. This is to enable the full or real cost of the activity to be measured and understood, regardless of the proportion of those costs that can be recovered.
- 15.7 Consulting
- 15.7.1 Where this is undertaken on behalf of the University the same regulations apply as for research contracts in the preceding paragraphs.
- 15.8 Private Research Work
- 15.8.1 Any member of staff undertaking private research or consultancy work must ensure that there is no actual or perceived conflict of interest with their role as an employee of the University and that the firm/company with whom he/she is dealing understands that it is dealing with him/her personally and not the University. He/she must especially ensure that all correspondence is on his/her own, not University, headed paper.
- 15.8.2 The extent, to which any University facilities or resources will be used, together with the arrangements for reimbursement of the cost of these, must be notified to the CFO so that an appropriate charge can be made.
- 15.8.3 The University does not maintain any professional indemnity insurance cover in respect of work undertaken by staff in a private capacity and accepts no responsibility or liability for any claim that may arise from such work.
- 16 Other income generating activity**
- 16.1 Goods and services provided to outside bodies
- 16.1.1 A price based on the full economic cost of the activity should be charged for any goods or services provided by any budget centre of the University to an outside body. Advice must be sought from the Finance Department to determine the full economic cost and this should be sought before giving an indication of the costs to a customer to avoid any possible embarrassment arising from the customer having an indication of costs that are not acceptable to the University.
- 16.1.2 The CFO must ensure that there are appropriate procedures to review and authorise the proposed price. The charge levied will be collected via a formal University invoice issued by the Finance Department. To ensure prompt collection of money due, details of the charge for the services rendered should be sent to the Finance Department before the service or goods are provided or if circumstances do not permit, as soon as the service or goods have been provided
- 16.2 Government Grants and other 'match funding'
- 16.2.1 Any such project requires the approval of the Deputy Vice Chancellor prior to any commitment being entered. Such approval shall be dependent upon the relevant being able to demonstrate that eligible matching funds are available and that the project is

financially viable by the application of the University's costing and pricing policy. All financial returns for Government funded projects require the sign off by the CFO.

16.2.2 If the University sub-contracts such work to external providers, the project lead shall ensure that:

- This is based on a written contract which allows for full audit access to detailed records
- Appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality
- Payments are only made against detailed invoices.

16.3 Profitability and recovery of overheads

16.3.1 All significant "other income-generating" activities must be profitable. The price must be authorised by the CFO and the Deputy Vice Chancellor.

16.3.2 Other income-generating activities organised by members of staff must be costed and agreed with the CFO before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of overheads.

16.4 Deficits

16.4.1 Any unplanned deficits incurred on other income-generating activities will be charged to the department.

16.5 Additional contributions to departments

16.5.1 Income from other income-generating activity will be allocated between central funds of the University and individual departments in accordance with the following order:

- Firstly, against the direct cost of providing the service or goods, as determined in the costing prepared in advance;
- Secondly against departmental and central overheads in the same proportion as recovery was determined in the costing prepared in advance;
- Thirdly, any remaining surplus will be credited to the department.

16.6 Additional payments to staff

16.6.1 As all such income-generating activities are deemed to be part of the normal business of the University and within the normal course of duties, they will not give rise to additional payments to staff, other than in respect of overtime for undertaking additional duties which must be agreed in advance with the relevant budget holder.

## **17 Intellectual Property Rights and Patents**

17.1 General

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

17.1.2 The standard contract of employment includes a specific clause on intellectual property and these regulations should be read in conjunction with this. In summary the University owns the intellectual property for all inventions, improvements, discoveries, technical ideas and designs made or acquired by staff which originate as a direct consequence of their normal duties at the University or in the course of duties falling outside their normal duties, but specifically assigned to them by the University, in relation to the courses, products, and applications, and all patents, designs, copyright and other artistic, commercial or industrial property rights covering the same. The University will also retain

any materials not explicitly covered by the above, but which have been made available as course material during the time of a staff member's employment with the University.

17.1.3 The policy at the University is to insist on the retention of intellectual property rights. It is reasonable that the sponsor should be given the first opportunity for exploitation and, if patents are involved, a reasonable time before publication to preserve those patent rights. To avoid subsequent disputes, such issues and the division of potential profits and costs between the University and sponsors, must be negotiated formally at the inception of the work.

## 17.2 Intellectual property rights

17.2.1 In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property regulations set out below.

## 17.3 Income from Intellectual Property

17.3.1 Staff and students are encouraged to take the initiative in the identification of intellectual property that can be commercially exploited through the ownership of such things as patents, trademarks, design rights and the copyright of computer programs. They should ensure that patent and any other applications for legal protection are filed before the invention or other matter becomes publicly known and the right to file is lost.

17.3.2 All forms of intellectual property other than those arising from sponsored work for which a separate agreement with the sponsor has been made, are the property of the University. The CFO and the Deputy Vice Chancellor will consider the potential for exploitation of such intellectual property, taking advice from professional organisations such as patent agents, and then recommend to the Board whether there is merit in further investment in such intellectual property. In the event that the University decides not to take out a patent or other form of legal protection, wishing to relinquish its responsibilities and rights, the University would normally, if requested to do so, assign its rights and responsibilities to the staff and/or student named in the patent or other form of legal protection.

17.3.3 Alternatively, members of staff may propose different exploitation arrangements. They may, if they wish, pursue exploitation themselves (subject to satisfactory arrangements for the University to receive a share of any income, such as royalties). In such cases, only in very exceptional circumstances will the University consider making a financial contribution to the costs associated with the legal protection of intellectual property such as patent application, and in such cases, the University would take a higher proportion of the revenue than under other arrangements.

17.3.4 In negotiations with external funding bodies, the University should attempt to obtain an agreement such that gross benefits, less agreed expenses, are shared on a fair and reasonable basis between the external body and the University. This should, be a matter for negotiation between the member of staff, the CFO and the external body and should not be pursued to the extent that potential sponsors are deterred. Any such negotiations should consider the level of overheads being paid by the sponsoring body.

17.3.5 Any benefits that arise from the exploitation of intellectual property where the University retains an interest will be apportioned between the inventor and the University in accordance with the approved sliding scale, which is reviewed in accordance with the movement of the Retail Price Index.

17.3.6 A student will be treated in the same way as a member of staff (subject to the rights of research or other sponsors).

17.3.7 Only named parties on applications for the legal protection of intellectual property shall be entitled to share in any income or other revenue produced by the product as a result of a patent or other registerable interest. These persons will share any income on an equal basis unless they agree otherwise.

## **18 Tangible Assets**

### **18.1 Tangible fixed assets**

18.1.1 Managers are responsible for the use and security of all fixed assets under their control. All acquisitions and disposals must be made in accordance with the procedures prescribed by these Financial Regulations and be recorded in a central fixed asset register.

### **18.2 Inventories**

18.2.1 The following detail must be recorded on the fixed asset register

- Finance Department's asset reference number
- Brief description of the inventory item
- Date of acquisition and/or purchase
- Cost of equipment (including VAT if applicable)

### **18.3 Stocks and store**

18.3.1 The University does not hold significant levels of stock. The CFO will review the position annually and determine what procedures and records are required in order to safeguard the University's assets. In the absence of any notification from the CFO, the departmental manager should assume that the arrangements for stock holding and recording remain unchanged.

18.3.2 Departmental managers are responsible for the use and security of stocks and stores under their control and for ensuring that the records as prescribed by the CFO are kept.

18.3.3 Stocks should be kept to a practical minimum that is adequate for the department's needs, bearing in mind shelf life, rate of consumption and ordering lead time. If required by the prescribed procedures, stock checks will be organised, with a certificate provided to the CFO.

18.3.4 It may be prudent to bulk buy only those items of a relatively low monetary value whose repeated acquisition in small quantities would be inefficient. Where items are kept in store it is important to establish minimum and maximum stock holding levels and a re-order level. These should be highlighted on stores records. The re-order quantity should be calculated by taking account of the period which will elapse before delivery is received and the estimated usage in the meantime. Stores records should indicate receipts, issues; orders placed and balance in hand.

18.3.5 The stores environment is important in keeping items in good condition and protected from fire, rust, corrosion, evaporation, theft etc.

### **18.4 Safeguarding assets**

18.4.1 As already stated, Managers are responsible for the care, custody and security of the physical assets under their control, e.g. buildings, stock, stores, furniture, etc. They will consult the Director of Estates & Facilities in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

18.4.2 Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

18.4.3 Managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University including intangible items such as intellectual property (see section 17) and electronic data.

## 18.5 Personal use

- 18.5.1 Assets owned or leased by the University shall not be subject to personal use without proper authorisation from the relevant Manager.
- 18.5.2 Managers must confirm that in respect of any assets that they wish to dispose of:
- That the asset is surplus to the department's requirements or no longer serviceable
  - That the asset is not useable elsewhere in the University
  - The net book value of the asset is within the relevant financial limits.
  - That there are no legislative or regulatory restrictions on disposal. The disposal of all computer equipment is subject to government by legislation and the IT Department must be consulted on all disposals.
  - That there is no risk to the University in disposing of the asset. This means being satisfied that the University has the right to dispose of the asset and that there are no data or applications (particularly relevant for computer equipment) that should be removed before disposal. This will also involve confirmation from the CFO that there is no lease or security attached to the asset and from the IT Department that the method of disposal will remove all data and applications.

## 18.6 Asset disposal

- 18.6.1 Where assets are being disposed of that have been funded by grant, from whatever source, conditions may be attached, and it is important that the matter is referred to the CFO.

## 19 Personal financial matters

### 19.1 Expenses

- 19.1.1 The University will reimburse reasonable expenses incurred on University business. Details are within the University's Expense's Policy on the HR intranet site.

### 19.2 Private Cheques

- 19.2.1 The University will not cash cheques for members of staff or third-party cheques made payable to members of staff.

### 19.3 Private Work and Consulting

- 19.3.1 See sections 15 Research Grants and Contracts, 16 Other Income Generating Activities and 14.4 Salaries, Wages and Fees, which explain the regulations relating to private work and consulting.

### 19.4 Conflict of Interest

- 19.4.1 The principle here has general application to all dealings between staff, or their firms, and the University. Any member of staff who has a connection with any outside organisation which sells to or buys from the University must declare his/her interest in writing to the Head of Governance and/or declare the interest to the appropriate committee and should not under any circumstances be the person who authorises any transaction between the University and that organisation. See also Code of Conduct for Staff, 9 Receiving Gifts and Hospitality and 13.3 Purchasing Policy and Procedures of these Regulations.

### 19.5 Use of Private Vehicle on University Business

- 19.5.1 Where a member of staff is required to use his/her own vehicle on University business, it is the individual's responsibility to ensure that their own motor insurance policy covers them for business use, especially if in receipt of a mileage allowance, which insurance companies usually regard as evidence of business use.

## 19.6 Income Tax

19.6.1 The tax reference for all University staff is 951/R469 and the tax office address is: H M Inspector of Taxes, Chapel Wharf Area, Trinity Bridge House, 2 Dearmans Place, Salford M3 5BS.

## Specialist Financial Management

### 20 Financial Planning

#### 20.1 Budgets

20.1.1 The CFO is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Board. The CFO must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to the budget holders as soon as possible following their approval by the Board.

#### 20.2 Capital programmes

20.2.1 The capital programme includes all expenditure on land, buildings, equipment, furniture, software developments and associated costs. Expenditure of this type will be considered as part of the capital programme approved by the Board. Approval in the business case should be for the full lifecycle costs of delivering the project and could span multiple years.

20.2.2 The CFO will meet with the Budget Holder or Member of VCET to establish as part of the budget process each year the rationale for the inclusion of capital projects in the capital programme for approval by the Board.

20.2.3 Inclusion of a project or acquisition in the capital programme does not represent formal approval for the expenditure. Before any order is placed or contract signed, specific justification must be obtained in accordance with the scheme of delegated authority. This must include:

- Reconfirmation that the rationale and fit as recorded per 20.2.2 remain appropriate.
- The actual cost, and confirmation that appropriate market testing (price quotes or tender) has been undertaken.

Projects which constitute maintenance, compliance (lease, fire regulations and other) or rolling replacements of equipment and have been included in the budget, do not require a business case to be presented to the Board.

- For projects greater than £250,000, which do not fall into the categories above, require Board approval.
- For projects greater than £500,000, which do not fall into the categories above, require additional approval from Galileo.
- Strategic level projects material by the institutional impact irrespective of spend require final approval by the Board.

The table below lays out the authorisation process for capital projects outside of maintenance, compliance and rolling replacements:

	<b>Business case life approval routes (lifecycle costs)</b>		
	<£250,000	£250,000 to £499,999	£500,000+
VCET	Yes	Yes	Yes
Board	No	Yes	Yes
Galileo	No	No	Yes

- 20.2.4 Variations from the approved budget for a capital project require authorisation in advance by the CFO.
- 20.2.5 The CFO is responsible for providing regular statements concerning all capital expenditure to the Board for monitoring purposes.
- 20.3 Other major developments including overseas activity
- 20.3.1 Any new significant aspect of business, including any overseas activity, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time greater than the threshold should be presented for approval by the Board as appropriate (See Matters reserved to the Board and Committee terms of reference).
- 20.3.2 The CFO will advise the project sponsor on what information must be provided for these major developments to enable them to be considered for approval by the Board. As a minimum this information will comprise:
- The nature of the business proposed
  - A comprehensive business case for the proposal
  - The fit with the University's approved strategy
  - The financial projections for the proposal
  - Financing requirements
  - Taxation implications
  - Risks
  - Benefits to the University
  - For developments with an expected cost in excess of £100,000 a full business case, including an estimate of the full life cost is required.

## **21 Accounting Arrangements (including Taxation)**

- 21.1 Financial year
- 21.1.1 The University's financial year will run from 1 July until 30 June the following year.
- 21.2 Basis of accounting
- 21.2.1 The consolidated financial statements are prepared on the historical cost basis of accounting or such other basis as approved by the Board.
- 21.2.2 The consolidated financial statements are prepared in accordance with applicable accounting standards.
- 21.3 Format of the financial statements
- 21.3.1 The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (SORP 2019) and with the provisions of the Companies Act 2006.
- 21.3.2 The financial statements of subsidiary companies are prepared in accordance with the provisions of the Companies Act 2006.
- 21.4 Capitalisation and depreciation
- 21.4.1 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over



their estimated remaining useful life, commencing in the year of completion or acquisition. Land will not be depreciated.

- 21.4.2 Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.
- 21.4.3 Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item exceeds the limit set out in the Financial Limits (Appendix A). Grouped items (e.g. a suite of computers) with an individual value of less than this limit, but a group value of in excess of it, will be capitalised. Capitalised assets other than land and buildings will be depreciated over their assessed useful lives commencing in the year of acquisition.
- 21.4.4 The CFO will review the assessed useful lives each year and recommend changes to the Board.
- 21.5 Accounting records
- 21.5.1 The CFO is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.  
The University is required by law to retain prime documents for six years. These include:
- Official purchase orders
  - Paid invoices
  - Accounts raised
  - Bank statements
  - Copies of receipts
  - Payroll records
- 21.5.2 The CFO will make appropriate arrangements for the retention of electronic and paper finance records. The Director of Human Resources is responsible for the retention of payroll records.
- 21.5.3 Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies or the European Union.
- 21.5.4 Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.
- 21.6 Public access  
Audited financial statements will be published on the University's website in line with the OfS' requirements. This is currently within 5 months of the financial year end.
- 21.7 Taxation
- 21.7.1 The CFO is responsible for advising on all taxation issues, to the University. Therefore, the CFO will issue instructions to departments on compliance with statutory requirements including those concerning VAT, corporation tax and import duty. The Director of Human Resources is responsible for communicating statutory requirements under PAYE and national insurance.
- 21.7.2 The CFO is responsible for maintaining the University's VAT and corporation tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **22 Audit Requirements**

### **22.1 General**

#### **22.1.1 External and internal auditors shall have authority to:**

- access University premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial and other transactions of the University
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of the University to account for cash, stores or any other University property under his or her control
- access records belonging to third parties, such as contractors, when required..

22.1.2 The CFO is responsible for drawing up a timetable to produce the statutory accounts and will advise staff and the external auditors accordingly.

22.1.3 The financial statements will be reviewed by the Audit Committee. On the recommendation of the Audit Committee they will be submitted to the Board for approval.

### **22.2 External audit**

22.2.1 The appointment of external auditors will take place annually and is the responsibility of the Board, who will be advised by the Audit Committee.

22.2.2 The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with the Companies Act and the Auditing Practices Board's statements of auditing standards.

### **22.3 Internal audit**

22.3.1 The Internal Audit function ensures that the University has sound systems of financial and other management controls.

22.3.2 Internal Audit's scope must embrace the whole internal control system including operations, resources, staff services and responsibilities for other bodies. Internal Audit, therefore, must have unrestricted access to all records, assets, personnel and premises and be authorised to obtain such information and explanations considered necessary.

22.3.3 Internal audit arrangements should ensure that an independent assessment of the following is obtained: the adequacy of control systems, the effectiveness of management's arrangements for achieving value for money, risk management and governance processes.

22.3.4 The adequacy of arrangements in place to detect fraud and corruption

22.3.5 The University's Internal Audit function must report serious weaknesses, significant frauds or any major accounting breakdown that is identified in the normal course of internal audit work to the Vice Chancellor & Chief Executive Officer. The Vice Chancellor & Chief Executive Officer must inform, without delay, the Chair of the Audit Committee and the Chair of the Board. In the event of a refusal by the Vice Chancellor & Chief Executive Officer to report to the Chair of the Audit Committee and the Chair of the Board, the Internal Audit function must report to them directly.

### **22.4 Fraud, irregularity bribery and corruption**

22.4.1 The primary responsibility for the prevention of fraud and irregularities rests with VCET who must institute adequate systems of internal control, including clear objectives, segregation of duties, and authorisation procedures.

22.4.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the University, or any suspected misdemeanour in the exercise of the functions of the University, the head of the budget centre concerned shall immediately notify the CFO or Vice Chancellor & Chief Executive

Officer as appropriate who will take such steps as he/she considers necessary, by way of investigation and report. Guidance for staff on adherence to the Bribery Act 2010 is contained within the University's Anti-Bribery Policy.

- 22.4.3 Where there is prima facie evidence that members of staff are involved in such irregularities the Vice Chancellor & Chief Executive Officer should be informed immediately. He/she will then decide if the procedure for dealing with cases of alleged gross misconduct should be invoked, or whether other disciplinary action may be appropriate.
- 22.4.4 If it is suspected that the CFO or the Vice Chancellor & Chief Executive Officer is involved in such misconduct, the matter must be reported to the Chair of the Audit Committee and the Chair of the Board.
- 22.5 Other auditors (grants etc.)
- 22.5.1 The University may, from time to time, be subject to audit or investigation by external bodies such as the Charity Commission, National Audit Office, European Court of Auditors and HM Revenue and Customs. They have the same rights of access as external and internal auditors.
- 23 Treasury Management (including banking arrangements)**
- 23.1 No investment decisions will be entered without the approval of the Board. All borrowing shall be undertaken in the name of the University. No mortgage or charge over the whole or any part of the University's undertaking, property or assets shall be entered into without the approval of Board.
- 23.2 The CFO will report to the Board on the cash position to ensure adequate liquidity is maintained, activities of the treasury management operation and on the exercise of treasury management powers.
- 23.3 Appointment of bankers and other professional advisers
- 23.3.1 The Board is responsible for the appointment of the University's bankers and other professional financial advisers.
- 23.4 Banking arrangements
- 23.4.1 All arrangements with the University's bankers regarding the University and subsidiary company bank accounts, the issue of cheques and payments by BACS are under the control of the CFO
- 23.4.2 The Board approves all signatories and BACS authorised for any University Bank Account.
- 23.4.3 Staff must not open bank accounts or accounts with financial intermediaries, including but not limited to crowdfunding accounts, for dealing with University Funds. Should it be necessary in exceptional circumstances for a bank account to be opened advice should be sought from the CFO.
- 23.4.4 All automated transfers on behalf of the University, must be authorised in the appropriate manner and on the basis approved in the expenditure authorities and signatory levels procedure. Details of authorised persons and limits shall be provided in the University's Financial Procedures.
- 23.4.5 The University makes most of its regular payments in the twice monthly supplier payment run but manual cheques or faster payments are raised where prompt settlement is required or there are exceptional circumstances. A detailed summary of payment dates

can be found on the University's intranet site. The payment dates are reviewed and updated on an annual basis.

23.4.6 The CFO is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

### 23.5 Opening and closing of bank accounts

23.5.1 Any bank account opened in the name of Regent's University London or subsidiary company as appropriate or relating to transactions made in respect of any activity exercised by or on behalf of the University or subsidiary, must be approved by the Board.

23.5.2 No person may open or operate a bank account or accounts with financial intermediaries including but not limited to crowdfunding accounts in the name of the University, except by special arrangement with the CFO. He/she is the only officer authorised to deal with the University's bankers in matters affecting the University's funds, properties and securities.

23.5.3 Approval must be obtained from the Board prior to closing any bank account.

### 23.6 Payment authorisation

23.6.1 All cheques, transfers and other instructions shall be signed in accordance with the approved bank mandate which mirrors the signatory panel below.

23.6.2 No signatory can sign a cheque for which they are the beneficiary.

### 23.7 Approved payment transaction signatories and authorisation limits:

- All payment transactions require two signatories.
- For a payment transaction up to £500,000, the requirement is for signatories to be from: (A, B or C)
- For a payment transaction over £500,000, the requirement is for signatories to be from: (A + B)
- For a payment over £1m, in addition to the authorisation limits below, the payment transaction also needs to be signed by the Galileo Group CFO.

#### Signatory panel

Panel A	Panel B	Panel C
VC & CEO	Chair	Management Accountant
FD	Deputy Chair	Finance Business Partner
Head of Group Accounting	Head of Governance	Head of FP&A

- The exception to the above is the supplier payment runs which comprises only of transactions which have been approved on Proactis, matched to an invoice and as such are excluded from further authorisation. Applying the above rules would be duplication as the authorisation rules in Proactis for purchase order authorisation follow the scheme of delegation.
- Contractual payments where the contract's commercial terms have been approved by the Board are excluded. This includes rent payments and payments to outsourced suppliers.

Month end payroll and tax payments are excluded.

- For BACS & all bank transfers it is proposed to follow the same principle, that is to treat each payee within the BACS batch as if it were a cheque rather than treating the BACS batch as a single large payment, as this would require Board involvement each time. This applies in circumstances such as payroll related payments.
- Due to logistical difficulties, when a Board approval is required, an email is an acceptable proxy for a signature.

## **24 Fixed Assets**

### **24.1 Responsibilities of the Director of Estates & Facilities**

- 24.1.1 All securities of the property of or in the name of Regent's University London are held in the custody of the Director of Estates & Facilities, or in a place designated by him.
- 24.1.2 The title deeds of all property in the ownership of the University are held in the custody of the Director of Estates & Facilities or in a place designated by him.
- 24.1.3 A copy of all such documents shall be provided to the Head of Governance.

### **24.2 Land, buildings, fixed plant and machinery.**

- 24.2.1 The Director of Estates & Facilities is responsible for maintaining the University's estate of land, buildings and fixed plant. The Board is responsible for acquisitions and disposals of land, buildings and fixed plant. The Director of Estates & Facilities is responsible for the appropriate documents and records.

### **24.3 Capital grants**

- 24.3.1 In the case of assets funded by capital grants, appropriate reference needs to be made to the terms from the funder. In all cases no such transactions should be entered without the authorisation of the CFO.

### **24.4 Fixed asset register**

- 24.4.1 The CFO is responsible for maintaining the University's Central Fixed Asset Register of land, buildings, fixed plant and machinery. Managers will provide the CFO with any information he or she may need to maintain the register.

### **24.5 Patents and know-how**

- 24.5.1 The Head of Governance shall maintain a register of all patents, licences and similar assets held by the University and its subsidiary companies.

### **24.6 Impairment**

- 24.6.1 The CFO shall carry out a review of the carrying value of all tangible and intangible assets, including patents and investments, and recommend to the Board any adjustment to the recorded carrying value to reflect an impairment in that value.

## **25 University involvement in companies and joint ventures**

### **25.1 Need for business planning**

- 25.1.1 In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the University. Any member of staff considering the use of a company or a joint venture should first seek the advice of the CFO.

### **25.2 Approval procedures**

- 25.2.1 The Board is responsible for approving the establishment of all companies or joint ventures.

- 25.2.2 It is the responsibility of the Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.
- 25.3 Register of investments
- 25.3.1 The CFO shall maintain a register of investments in subsidiary, associated and spin-out companies, showing:
- The shareholding and the proportion of the total issued shares held
  - The cost of the investment and the date(s) of acquisition
  - Whether the company is a subsidiary and associate or an investment
- 25.3.2 The CFO shall review the status of investments each year to ensure that the continued treatment as subsidiary, associate or investment remains appropriate.

## **26 Insurance**

### 26.1 Responsibility for insurances

- 26.1.1 The CFO oversees all insurance cover and is responsible for negotiating claims in consultation with managers where necessary. The CFO or his nominee conducts all communications with the University Insurers.

### 26.2 Categories of insurance held by the University

- 26.2.1 The categories of insurance held by the University may vary from time, but the key policies held are as follows:
- Liability – including Employer’s Liability, Public Liability, Professional Indemnity and Directors’ and Officers’ policies
  - Theft – including money in transit, fraud and fidelity guarantee
  - Business travel
  - Accident and assault
  - Motor vehicles (but only for the University’s own vehicles)
  - Business interruption including terrorism
  - Building and contents
  - Cyber security

### 26.3 Arrangements for claims

- 26.3.1 Incidents likely to lead to a claim must be reported as soon as is practicable to the CFO, who determines the information required in liaison with the insurers and manages the communication with the insurers.

## **27 Student fees**

### 27.1 Introduction

- 27.1.1 Full details of the procedures regarding the payment of tuition and residence fees can be found on the fee policy and supporting procedures pages of the University website.
- 27.1.2 Tuition fees are payable in advance as specified in the University’s Student Terms & Conditions which are published on the University’s website.

### 27.2 Residence fees

- 27.2.1 Residence fees are payable termly in advance on receipt of an invoice.

### 27.3.1 Collection of fees

All fees due must be paid through the Finance Department and no fee is deemed to have been paid until the funds have been cleared in the banking system and the payment has been credited to the student’s account.

- 27.3.2 In the event that sanctions need to be applied for the non-payment of fees, faculties are required to assist by applying these strictly and consistently.
- 27.3.3 Degrees are not conferred until all debts (other than trivial amounts) due to the University are settled. Students who do not pay outstanding accounts within twelve months may forfeit any degree or diploma that may otherwise have been due. Degree certificates will not be issued until all tuition related debts are cleared, unless under exceptional circumstances.
- 27.3.4 Students who find themselves in unforeseen financial difficulties can approach Student Services who will consider each case on its merit.
- 27.3.5 The published refund policy gives further guidance on the criteria for when students are eligible for reimbursement. This includes guidance on course closures and deposits.

#### 27.4 Setting fees

- 27.4.1 All tuition fees are reviewed by VCET on an annual basis for existing programmes. VCET have delegated authority to set fees in line with inflation (defined as within CPI +3%). If proposed fees exceed the agreed boundaries fees, the proposal will be reviewed and approved by the Board.

### **28 Other areas requiring specialist financial management**

#### 28.1 Rents

- 28.1.1 Rents for Residences are proposed by the Director of Estates & Facilities and reviewed by the CFO.

#### 28.2 Security

- 28.2.1 The Director of Estates & Facilities is generally responsible for the University's estate and will liaise with Managers, who are responsible for departmental equipment. The Director of Estates & Facilities has a general responsibility for University security and can advise departments as required.
- 28.2.2 The CFO must be consulted whenever matters of security affect the finances of the University.
- 28.2.3 Adequate security must be maintained over confidential financial records and information.

#### 28.3 Students' Union

The Students' Union is a constituent part of the University and as such is ultimately responsible to the Board of the University through the Union officers. It operates as a cost centre within the University, under the directorship of the Head of Student Services.

- 28.3.1 It receives an annual grant from the Board and is required to provide to the VCET and, upon request, a budget for the forthcoming year demonstrating how the grant and other funds generated will be utilised.

#### 28.4 Provision of indemnities

- 28.4.1 Any member of staff asked to give an indemnity, for whatever purpose, should consult the CFO before any such indemnity is given.

#### 28.5 Student loans

- 28.5.1 Appropriate records will be maintained to support all transactions involving student loans (US Dept. of Education and the UK Student Loans Company). The CFO will prescribe the records that are required.

28.6 Emergency/hardship payments

28.6.1 The University's scheme for emergency/hardship funds must be approved by VCET. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

28.6.2 The Head of Student Services is responsible for ensuring the adequacy of the systems in place for approving payments in accordance with the scheme.



# Appendix A

## GENERAL FINANCIAL LIMITS

### 1. Write-off of bad debts (15.6.2)

Value	Authoriser
Up to £250,000 in any financial year	CFO, with report to the Vice Chancellor & Chief Executive Officer
Over £250,000 in any financial year	Board approval

### 2. Scheme of delegation thresholds – purchase orders (16.2)

<b>Up to £5,000</b>	Delegated Signatories (Staff designated by the relevant Budget holder) may authorise any contract, purchase order or invoice allocated to their budget centre(s) up to this level.
<b>Up to £10,000</b>	Budget holders may authorise any contract, purchase order or invoice allocated to their budget centre(s) up to this level.
<b>Up to £50,000</b>	Senior Managers may authorise any contract, purchase order or invoice allocated to their budget centre(s) up to this level.
<b>Greater than £50,000</b>	Members of the VCET may authorise any contract, purchase order or invoice allocated to their budget centre(s) over £50,000.

Exceptions to be noted:

- The above authorisation levels refer to expenditure that is within the total approved annual budget. Any increase in the budget must be agreed, in advance, by the CFO and the Chief Executive Officer in the first instance. In certain circumstances, or if necessary, referral to the Board through the Chair or vice Chair may be required.
- The annual invoice for rates and the quarterly invoice for rent payable to Crown Estates is derived from the lease agreement already approved by the Board and therefore these invoices require the approval of the Director of Estates & Facilities (to confirm the rent accords with the lease) and by the CFO or Chief Executive Officer but does not require further authorisation.

### 3. Severance payments (17.8)

Any severance payments for members of the VCET or any other Key Personnel whose fixed salary exceeds £100,000 will be approved by the Board over £50,000. All other payments will be agreed with reference to HR agreed policy.

### 4. Disposal of fixed assets (21.6)

Net Book Value	Authoriser
Up to £1,000	Budget holder

Between £1,000 and £50,000	CFO
Over £50,000	Board

**5. Capitalisation threshold**

All expenditure on assets with a life in excess of one year and costing more than £5,000 (inclusive of VAT) will be treated as fixed assets.