

FINANCIAL REGULATIONS

**Approved by the Employment and Finance Committee
on 12th November 2014**

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A INTRODUCTION AND SCOPE

1. This document sets out the University Financial Regulations, translating them into practical application with guidance on the University policies relating to financial control. The main purpose of the document is to provide assurance that the institution;

- is financially viable and sustainable
- has effective financial controls over the use of public funds and other funds
- complies with relevant legislation
- safeguards its assets
- achieves value for money

The University Financial Regulations provide a framework within which a reliable system of internal control may operate. They seek to make certain that responsibilities outlined above can be sustained through the establishment of a system of management controls designed to ensure that the University conducts its activities in an efficient and well-ordered manner.

2. Compliance with the Financial Regulations is compulsory for all staff employed by 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 Procedures. It is the responsibility of the Deans and Directors to ensure that their staff are made aware of the existence and content of the University's Financial Regulations. These are also made available on the Staffordshire University Financial Services website.

3. The institution is an exempt charity by the Charities Act 1993.

4. HEFCE is a non-departmental public body, with the remit set by the Secretary of State for Business, Innovation and Skills. The government decides on the total public funding for higher education and HEFCE distribute this funding fairly and transparently, within agreed criteria.

5. The Financial Memorandum governing the relationship between the Higher Education Funding Council for England (HEFCE) and the Board of Governors of the University sets out the financial responsibilities of the Board of Governors. The governing bodies of HEIs have a set of legal responsibilities and are collectively responsible in determining its future direction and to foster an environment in which the mission is achieved. The Board of Governors is, inter alia, responsible for:-

- a. Ensuring that funds provided by the Higher Education Funding Council for England are used only in accordance with the purposes for which they were given and according to the Education Act 1992 which include providing education, undertaking research and providing facilities/undertaking activities that are thought to be necessary or desirable for providing education or undertaking research.
- b. Ensuring that the financial planning and other management controls applied by the University are appropriate, robust, comprehensive and sufficient to safeguard public funds, this includes risk management, controls, and governance measures are in place. This includes complying with mandatory audit and financial reporting.
- c. Securing the efficient, economical and effective management of all the University's resources and expenditure. Ensuring value for money is achieved.
- d. has regular, reliable, timely and adequate information to monitor performance and track the use of public funds

- e. plans and manages its activities to remain sustainable and financially viable.
 - f. sends HEFCE the annual accountability return, HESA returns and any other information deemed reasonable in an accurate and timely manner
 - g. has an effective framework to manage the quality of learning and teaching and to maintain academic standards
 - h. considers HEFCE risk assessments of risk status and takes action to mitigate risk agreed upon
6. The Financial Memorandum also governs the conditions of grant payments to the University. These are reviewed based on a number of principles including autonomy, collective student interest, public interest and accountability for public funds, stakeholder confidence, transparency, openness, minimising burden and removing duplication.
 7. The employment and finance committee is responsible for maintaining a review of the regulations and for advising the governing body of any changes necessary. The committee has the authority to authorise a deviation from the regulations, in exceptional circumstances and must be reported to the governing body immediately.
 8. The Director of Finance and Infrastructure shall arrange at least every four years for these regulations to be thoroughly reviewed and will be approved by Employee and Finance Committee.
 9. These regulations apply to all University staff and the scope applies to all income and expenditure.
 10. Universities operate as a partnership with students. We have a responsibility to focus on student experience, high quality education, whilst achieving value for money, safeguarding public funds and our assets.
 11. University Business will be conducted in accordance with the seven principles of public life from the Nolan report which is;
 - Selflessness – decisions solely in terms of the public interest
 - Integrity – influence in the performance of their duties
 - Objectivity – choices made with sound business judgement
 - Accountability – accountable for decisions and actions
 - Openness – give reasons for decisions
 - Honesty – declare private interests
 - Leadership – support leadership principles and lead by example

B CORPORATE GOVERNANCE

1. The statement of primary responsibilities of the Board of Governors states that they shall be responsible for;
 - a. the determination of the educational character, mission and strategic direction of the University and for oversight of its activities, including business plans, relevant and effective KPI's, ensuring they meet the interests of our stakeholders;
 - b. the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets;
 - c. approving annual estimates of income and expenditure, including annual budgets;
 - d. the appointment, grading, assignment, appraisal, suspension, dismissal and determination of pay and conditions of service of holders of senior post;
 - e. setting a framework for the pay and conditions of service of all other staff;
 - f. appoint the head of the institution as chief executive and put in place suitable monitoring arrangements;
 - g. ensure the establishment and monitoring systems of control and accountability;
 - h. monitor institutional performance against plans and approved KPI's;
 - i. approval of major developments;
 - j. reviews regular reports from Executive officers on the day to day operations of its business and subsidiary companies.

2. The University's Board of Governors comprises independent, co-opted, staff and student members appointed under the University's Instrument of Government. The roles of the Chair and the Deputy Chair of the Board of Governors are separated from the role of the University's Chief Executive, the Vice-Chancellor. The matters specially reserved for decision by the Board of Governors are set out in the Articles of Government.

The Board of Governors meets four times a year and has six Committees; an Employment and Finance committee, a Nominations and Governance committee, an Audit & Risk committee, a Remuneration committee, an Education committee and an Estates & Infrastructure committee. All of these committees are formally constituted with terms of reference and comprise mainly members of the Board of Governors. In addition the Board of Governors undertakes a regular review of its own effectiveness.

3. The Employment and Finance committee convenes three times a year. The committee recommends to the Board of Governors the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. They review the University's annual financial statements together with the accounting policies and financial regulations. Terms of reference also include employment policy, pay and conditions of post with the exception of senior posts and Health and Safety policy compliance.

4. The Nominations and Governance committee considers nominations for vacancies in the Board of Governors membership and the reappointment of members under the Instrument of Government. It also advises the Board of Governors on general governance matters.

5. The Audit & Risk committee is responsible for meeting, at least four times a year, with the External Auditors and Internal Auditors of the University. They have responsibility for developing and maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Board of Governors in the University's Instrument and Articles of Government and the Financial Memorandum with HEFCE.

They determine nature and scope of internal audits, receive regular reports from the firm of accountants contracted to provide an internal audit service which includes their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement to safeguard assets. These are kept under review together with risk management, promoting efficiency and effectiveness and oversee the University fraud and corruption policy.

The committee is responsible for the provision of audit services for the purposes of providing independent evaluation of compliance with internal control procedures. It also approves the operational Audit Plan and considers detailed reports together with recommendations for the improvement of the University's systems of internal control, management's response and implementation plans. It receives and considers reports from the Higher Education Funding Council for England as they affect the University's business and monitor adherence with the regulatory requirements.

The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

6. The Remuneration committee usually convenes three times a year and is responsible for determining the employment, contractual and remuneration arrangements for designated holders of senior posts. It normally reviews the salary levels of senior post holders on an annual basis.
7. The Estates & Infrastructure committee has responsibility for advising the Board of Governors on its Estates Strategy and the monitoring of Estates related projects.
8. The Education committee reviews policies and procedures relating to the educational character of the university, checks the soundness of the university's processes relating to assurance of academic standards and quality, and monitors progress against relevant KPIs on behalf of the Board.
9. The University maintains a Register of Interests of members of the Board of Governors and of senior managers of the University. This may be consulted by arrangement with the University Secretary. In accordance with the Articles of Government of the University, the University Secretary has been designated Secretary to the Board and in that capacity provides independent advice on matters of governance to all Board members.
10. The Board of Governors have responsibility for reviewing the effectiveness of the system of internal controls set out by the Audit Committee. The following processes have been established.
 - a. Meet four times a year to consider the plans and strategic direction of the University
 - b. Receive periodic reports from the Audit & Risk committee concerning internal control, and we require regular reports from managers on the steps they are taking to manage risks in their areas on responsibility, including progress reports on key projects. Risk management is a regular item on the agendas of both the full Board and its Committees.
 - c. Request the Audit & Risk committee to provide oversight of the risk management process.
 - d. A programme of facilitated workshops has been held to identify and keep up to date the record of risks facing the organisation.
 - e. A system of key performance and risk indicators.

- f. A robust risk prioritisation methodology based on risk ranking.
- g. An organisation-wide risk register is maintained and regularly updated.
- h. Reports are received from budget holders and project managers on internal control activities.
- i. Other sub-committees of the Board, notably the Employment and Finance committee and Estates & Infrastructure committee, consider financial, employment and estates issues, and review the effectiveness of management in monitoring and controlling the consequences of these issues.
- j. The University has an internal audit service which operates to standards defined in the HEFCE Audit Code of Practice.

C ADMINISTRATION OF THE FINANCIAL AFFAIRS OF THE UNIVERSITY

The University's financial year will run from 1st August until 31st July the following year. The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards which are audited annually.

RESPONSIBILITY OF OFFICERS

1. The Vice-Chancellor
 - a. on behalf of the Board of Governors shall be responsible for ensuring economy and efficiency in the use of the resources of the University and will set up appropriate mechanisms to monitor other members of staff in this respect.
 - b. shall, after taking into account advice and guidance given by the Director of Finance and Infrastructure, or, in his/her absence, his/her authorised nominee, be responsible for ensuring the implementation of the University's financial operations.
 - c. shall have responsibility for the submission to the Board of Governors of such estimates of income and expenditure as the Board of Governors may from time to time require.
 - d. shall be the accountable officer who reports to HEFCE on behalf of the HEI and is responsible to the governing body for ensuring compliance with the HEFCE financial memorandum.
2. The Director of Finance and Infrastructure is responsible for the day-to-day financial administration and financial affairs of the University and is responsible to the vice chancellor for;
 - a. providing financial advice to the Board of Governors and its officers
 - b. ensuring robust financial control systems are in place and shall be responsible for the maintenance of the University's financial systems of control.
 - c. ensuring that Deans/Directors are informed of their responsibilities within the University's Financial Regulations.
 - d. preparing annual revenue and capital budgets and financial plans
 - e. accurate and timely financial management information, including KPI's, forecasts, monitoring and control
 - f. ensuring sustainability and financial viability
 - g. day-to-day liaison with internal and external auditors in order to achieve efficient and effective processes.
 - h. in consultation with the Director of Information Services, the accuracy and security of the financial data of the University.
 - i. ensuring necessary procedures are in place to protect the University and individuals from misuse of any financial information put on computer files, for which he/she is responsible after taking account of the relevant requirements of the Data Protection Act 1998.
 - j. making appropriate arrangements for retaining documents for six years after the end of the financial year which includes, although not exhaustive purchase orders, bank statements, invoices paid and receipts. However all staff have a responsibility to maintain adequate records.
3. The University Secretary is responsible for the safekeeping of official and legal documentation.
4. Senior Managers of the University, mainly Deans and Directors are responsible to a designated member of executive and the Vice Chancellor for financial management of the areas or activities they control, with professional advice from the Director of Finance and Infrastructure and other members within Financial Services. They are responsible for;
 - a. ensuring clear responsibility within their departments for all financial matters

- b. accountability of their budget, forecasts, actual performance and financial controls within their department
 - c. financial planning within their department, including ensuring value for money and efficient use of resources
 - d. proper allocation of funds
 - e. ensuring the complete and accurate monthly and annual accounting in relation to their responsible areas
 - f. separation of duties (*please see explanation below)
 - g. accounts being correctly maintained
 - h. meeting requirements of internal and external audit
5. All members of staff of the University have a responsibility for the security of the Universities property and to ensure value for money. They should ensure;
- a. they are aware of the financial regulations, statutes, take necessary advice where necessary, know the financial authority limits and procurement rules.
 - b. availability of any relevant documentation or information to the Director of Finance and Infrastructure in relation to the financial regulations, financial controls and safeguarding the University assets.
 - c. Staff must also properly record all financial transactions in a timely and accurate manner, following the relevant procedures.
 - d. immediate notification takes place to the Director of Finance and Infrastructure in relation to any possible concerns relating to financial management, cash or property of the University. Any member of staff must report immediately to the Director of Finance and Infrastructure any suspicion of Bribery or Fraud.
 - e. Staff must not use their authority or position for personal gain and must declare any personal interests to the senior management team.
 - f. compliance with the legal, financial, administrative processes and procedures, including HEFCE, HM Revenue and Customs and other government authorities.
 - g. support for their senior management teams in relation to control of budgets and the keeping of records.
 - h. compliance with the Data Protection Act 1998, which includes protecting the confidentiality of data and appropriate record keeping. Advice on these matters must be obtained from the University's Data Protection and Freedom on Information officer.
 - i. Staff must complete time allocation schedules as requested by the Financial Services department accurately and timely in accordance with the guidance to ensure accurate returns in accordance with the HEFCE financial memorandum.
 - j. Staff must ensure where ever possible they are maximising the Institutions income generation within sustainable boundaries for both the University and our Stakeholders and have full economic recovery of projects and contracts, these should also be evaluated regularly to ensure value for money.
 - k. ensure commercially sensitive information is kept secure
 - l. It is the responsibility of the appropriate project lead to ensure contracts are set up in the best interests of the University which includes ensuring it meets our legal responsibilities, such as the Bribery Act. The project lead must also ensure conditions of a grant, project or contracts are met.

***SEPARATION OF DUTIES**

1. *The duty of providing information, calculating, checking and recording the sums due to or from the University shall be separated as completely as possible from the duty of collecting or disbursing these sums, and members of staff charged with the duty of examining and checking the accounts of cash transactions shall not, themselves, be engaged in any of these transactions.*
2. *Arrangements should be made within each Faculty/Service to ensure that the following activities are performed by different persons:*
 - i) *the ordering and requisition of goods and services*
 - ii) *the acknowledgement of the receipt of goods or the rendering of services.*
 - iii) *the authorisation of payments on accounts.*

D CONTRACTS AND PROCUREMENT

1. The University requires all staff to obtain goods and services at the lowest possible cost taking into appropriate consideration quality, sustainability, delivery and sound business judgement, whilst adhering to the Head of Procurement guidelines.
2. The Head of Procurement is responsible to the Director of Finance and Infrastructure in ensuring the Purchasing Policy is recognised and observed by all involved in purchasing, advises on purchasing policy and practise, ensures value for money, drafts and negotiates all large purchasing contracts, ensures compliance with all regulations such as the EU regulations and checks all orders over £50,000.
3. Orders should be processed by Faculties and Services through Oracle Financials for all goods and services required except for supplies of gas, electricity, water, rent, rates and petty cash disbursements. Such orders shall be electronically approved by the Dean or Director or his/her nominated representative and authorised by the Director of Finance & Infrastructure or his/her nominated representative, who shall satisfy himself/herself at the time of issuing the order that authority exists for the expenditure and that it can be met from the approved estimates. Where, as a matter of emergency, goods or services are ordered verbally, a written official confirmatory order raised through the system shall be issued within two working days thereafter.
4. In the absence of no other payment method being available payments of one off, small value items can be made by cheque without an order being raised. A request form signed by Dean or Director of Service, or their appointed nominee will be required by Financial Services to process such requests.
5. Each order shall conform with this policy and to the contracting procedures.
6. Official orders shall include such information concerning prices, quantity, description of goods, timeframe, identifying discounts where appropriate, correct cost centres and expense codes. Where it is not possible to quote a firm price, the best estimate available shall be shown.
7. On no account may University orders be used to obtain goods for private use by members of staff of the University.
8. Purchasing cards are issued to Faculties/Services for minor purchases. Such cards are issued only on the authority of the Director of Finance and Infrastructure, who is also the authority for establishing the credit limit on such cards. Cards will be issued to Deans or Directors or their nominated representative. Any amendments to credit limits will be authorised by the Director of Finance and Infrastructure or, in his absence, the University's Deputy Director of Finance and Infrastructure. Failure by Faculties/Services to maintain financial records as required by the Director of Finance and Infrastructure will lead to withdrawal of the card. It is the card holders responsibility to ensure these are used only when necessary.
9. All leases will be authorised by a Dean/Director and signed by a holder of a Senior Post or the Director of Finance and Infrastructure. A copy of all such leases must be lodged with Financial Services.
10. All VAT returns to H. M. Customs and Excise must be signed on behalf of the University by the Director of Finance and Infrastructure.

QUOTATIONS

1. All quotations should be in writing and where access is available via the electronic Procurement Request For Quote system (RFQ).
2. Where the estimated value of any contract for the supply or sale of goods or materials does not exceed £2,000 the Dean or Director shall have discretion to decide whether or not to invite quotations.
3. Where the estimated value of any contract for the supply or sale of goods or materials exceeds £2,000 but does not exceed £10,000 the Dean or Director shall invite three written quotations unless in any particular case, the Director of Finance and Infrastructure approves in writing that the invitation of quotations be waived. Under normal circumstances, three quotations should be obtained.
4. Where the estimated value of any contract for the supply or sale of goods or materials exceeds £10,000, but does not exceed £25,000, the Dean or Director shall invite competitive quotations unless in any particular case the Vice-Chancellor or Director of Finance and Infrastructure approves in writing that the invitation of quotations be waived. Under normal circumstances, three quotations should always be obtained.

TENDERS

1. The requirement to seek public notice for tenders shall be dictated, where appropriate, by the stipulations of the European Community Directives for the supply of building works and the supply of goods and services as they are in force at the time being. This requirement cannot be waived.
2. Where the estimated value of any contract for the supply or sale of goods/services or materials exceeds £25,000 but does not exceed £170,000, a formal tender exercise will be undertaken with a minimum of three tenders being obtained and appropriate advertising undertaken of the contract opportunity.
3. For purchases in excess of £170,000, advice must be sought from the Procurement Department on the Procurement options available before any contractual /procurement activity is undertaken.
4. No contract or sub-contract for the execution of works or for the provision of services or for the supply or sale of goods or materials the estimated value of which exceed £170,000 shall be made or entered into unless public tenders have been obtained.
5. The Vice-Chancellor shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services where the estimated value exceeds £25,000 but does not exceed £250,000. The Vice-Chancellor and either the Chairman or Deputy Chairman of the Board of Governors shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services where the estimated value of which exceeds £250,000 but does not exceed £500,000. These discretion may only be exercised where requirements of European Community directives as in force at the time being have been satisfied.
6. The Employment and Finance Committee of the Board of Governors shall have the discretion to waive the requirement for public tenders for the provision of goods and services where the estimated value of which exceeds £500,000. This discretion shall only be exercised where the supplier is the sole supplier of these goods or services or where the supplier is the only supplier able to provide compatible goods or services. This discretion may only be exercised where the requirements of European Community directives as in force at the time have been satisfied.

EXCEPTIONS AND INSTANCES WHERE FORMAL QUOTATIONS TENDERING NEED NOT BE APPLIED

1. Where the scope/requirement is covered by an existing contract .
2. Where local or National collaborative arrangements (Frameworks) are being used and market testing has already formally taken place e.g. North West Procurement Consortium, Crown Commercial Services. On these instances care should be taken to ensure compliance with call off terms of the framework being used.
3. Where appropriate written approval has been sort in line with Financial Regulations to waive the need for quotation /tender.

CONTRACTING/ TENDERING PROCEDURES

1. e-procurement Tenders

- a. All invitations to tender shall state the date and time as being the latest time for the receipt of tenders and that no tender will be accepted beyond this date.
- b. Every tender for goods, services shall contain and be contracted on the University Terms and Conditions of Contract.
- c. Every invitation to tender or to apply for permission to tender shall state the nature and, where appropriate, the purpose of the contract or sub-contract. Wherever practicable timeframe for return of tenders shall be not less than 10 days after the appearance of the public notice or the issue of invitations to tender.
- d. All tenders received through the E-Procurement portal will be stored within the system until the time appointed for their opening, the portal will not allow any members of the originating department or the wider University to access the responses before the specific date.
- e. The E- Procurement portal will automatically create a log that records the date and time of receipt of each tender.
- f. Where, in their view, circumstances so warrant, the University Head of Procurement in consultation with the Director of Finance and Infrastructure may postpone for such period as they may consider reasonable the time and date by which the tenders concerned shall be received.
- g. Opening access to E- tenders, as soon as practicable after the date and time an authorised person within the originating department will access the E-Procurement system and authorise the electronic opening of the submitted tenders, the E portal will record a full audit of this opening.

2. Acceptance of Tenders

When tenders have been received under the procedures required by the Standing Orders, the Vice Chancellor may either:

- a. Accept the lowest tender when payment is to be made by the University or the highest tender when payment is to be made to the University, or
- b. If he/she is satisfied that to do so is in the best interests of the University, authorises the appropriate member of staff of the University to negotiate with any tenderer prior to a final decision, or
- c. If he/she is satisfied that to do so is in the best interests of the University, authorise the acceptance of a tender other than the lowest when payment is to be made by the University or other than the highest tender when payment is to be made to the University

3. Contract Documents

- a. Every contract shall be evidenced by a written acceptance of a written offer and if, because of urgency or emergency any offer is made or accepted orally, such offer or acceptance shall be put in writing within two working days thereafter. The creation and issue of a formal purchase order shall constitute acceptance of a contract by Staffordshire University.
- b. Every contract shall:-
 - i) specify the work or services to be undertaken and/or the goods, materials or services to be purchased or sold as the case may be; and
 - ii) state the price to be paid by or to the University with a statement of discounts or other deductions; and
 - iii) state the time or times in which the contract is to be performed or the duration of the contract; and
 - iv) be based, wherever practicable, upon a definite specification which shall be included in the contract.

E. INCOME

1. The Director of Finance and Infrastructure shall be responsible for making and maintaining arrangements for the proper recording and collection of all monies due to the University and for the financial organisation and accounting necessary to ensure the proper recording of all sums due to the University and for the collection, custody, control, disposal and prompt and proper accounting of all money.
2. Deans of Faculty and Directors of Service must establish procedures with the support of Financial Services to ensure that;
 - a. All relevant risks to the University are evaluated and managed with acceptable credit risks
 - b. Invoices are raised in a timely manner
 - c. Tax is charged for and accounted for accurately
 - d. The full economic cost to the University is recovered wherever possible with the appropriate consideration
 - e. Where goods are received in cash it does not exceed the money laundering regulations 2007
 - f. Appropriate measures are in place for debt collection, all reasonable steps are taken to reduce debt liability and to recover the debt. Should the debt be uncollectable it will be charged to the originating department
 - g. When a new trading activity may be set up the department must consult with the Director of Finance and Infrastructure.
 - h. Faculties and Services wishing to make use of the Internet to receive University income must seek prior written approval from the Director of Finance and Infrastructure or his/her nominated representative
 - i. Any potential Intellectual property rights should be referred to Enterprise and Commercial Development department.

PROJECTS

1. Any project entered into requires the approval of the appropriate University department. All income generating activities must be self- financing or generate a surplus unless it is intended to be a loss leader. If this is the case the reason must be specified and agreed by the Head of Department and the direct executive report.
2. All external projects entered into unless below £1000 must have an external project form completed and the procedures followed in relation to this, such as agreed by the departmental management team and costed as accurately as possible on a full economic basis.
3. European Union or match funding entered into must not only be approved but they must demonstrate that matched funding is available and full economic costing has been agreed by the department senior management team.

CREDIT CONTROL

1. A credit check will be undertaken on companies where it is proposed that the University enters into a contract for services which is estimated to be valued in excess of £10,000, where appropriate. The Director of Finance and Infrastructure will arrange for the credit check to be undertaken. Deans and Directors are responsible for notifying the Director of Finance and Infrastructure of proposals to enter into contracts for services valued in excess of £10,000.

2. All members of staff shall inform the Director of Finance and Infrastructure of monies due to the University arising from transactions which they initiate. The Director of Finance and Infrastructure shall be consulted about policy for pricing goods and services offered for sale.
3. In instances where payment has not been received at the point of sale the debt shall be recorded on the University's Accounts Receivable Finance System in a timely manner.
4. All debtors are subject to the University's Credit Control Policy which outlines the procedures and sanctions the University will use to recover monies owed. It is the responsibility of staff to ensure the collection of monies due for services in a timely and effective manner.
5. No debt in respect of an amount due to the University, once established, shall be discharged in whole or in part otherwise than:-
 - a. by payment in full
 - b. by the issue of an official credit note
 - c. on the authority of the Director of Finance and Infrastructure if the value of the debt does not exceed £5000
 - d. on the authority of the Vice-Chancellor if the debt exceeds £5000 but does not exceed £20,000
 - e. on the authority of the Board of Governors if the debt exceeds £20,000
6. All members of staff shall inform the Director of Finance and Infrastructure of monies due to the University arising from transactions which they initiate. The Director of Finance and Infrastructure shall be consulted about policy for pricing goods and services offered for sale.
7. All debtors are subject to the University's Credit Control Policy which outlines the procedures and sanctions the University will use to recover monies owed.
8. Any student who has not paid tuition fees which are overdue shall not receive the certificate for any qualification awarded by the institution until the debt has been cleared. Such students will be prevented from re-enrolling at the institution and from using our facilities until appropriate arrangements have been made.

SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

1. The University deals with large volumes of cash and in order to protect both staff and the University it is important that cash is handled in a secure manner. The University has a Cash Handling Policy mainly in respect of the collection, storage and recording of all Cash and other negotiable instruments.
2. The cash handling policy should be adhered to at all times and is mandatory for all staff. Failure to comply with this policy may result in disciplinary action. Faculty Directors and Heads of Services are responsible for ensuring that their staff read the policy and ensure that they adhere to it. If you suspect any financial irregularities or fraud concerning cash you should notify your Line Manager immediately.

SUMMARY OF KEY POINTS

Wherever possible, the taking of cash should be restricted as much as possible, alternative methods of payment i.e. credit/debit cards via the web, bank transfers or drafts/cheques (Financial Services only) should be offered and encouraged as preferred methods of payment.

- It is essential that all monies are kept in a secure environment until they can be collected and transported to the bank.
- Each Dean or Director shall be responsible for ensuring that their staff adhere to this policy.

F EXPENDITURE

1. All payments made on behalf of the University shall be made by the Director of Finance and Infrastructure through the authorisation of the payments from the University bank accounts. All accounts for payment shall be certified for payment by the Dean/Director of the appropriate Faculty/Service or an appropriate senior member of staff specifically authorised by him/her who shall certify that the account is properly payable by the University.
2. Payments to UK providers will normally be made by BACS transfer. Other methods may be credit card or manual cheques. All University expenditure must be made from a University bank account or by an authorised credit card holder.
3. The University's standard payment term is 'net monthly', e.g. an invoice dated 15 March will be paid at the end of April.
4. Payments will only be made against invoices that have been certified for payment by the appropriate authorised signature list and by receipting the goods on the system.
5. Heads of department are authorised to incur expenditure not exceeding the limits of funds available through the budget process unless agreed by the executive team. All funds should be used for the purposes in which they have been allocated.
6. Heads of department must establish procedures with the support of Financial Services to ensure that;
 - a. All supplies of goods and services are authorised within the department and supplied as agreed
 - b. Tax is charged for and accounted for accurately
 - c. Best value for money is obtained
 - d. It is a necessary spend
 - e. All goods and services received must be promptly checked ensuring they are in accordance with the order criteria, receipts should immediately be entered onto the University's financial systems
 - f. Appropriate levels of authorisation and segregation of duties
 - g. Orders must state the nature, quantity, price per unit, time frame and follow the University terms and conditions of payment
 - h. Any legal advice first involves discussion with the executive members
7. Donations must be received exclusively for charitable purposes to the University only and not individuals. They must not influence any decisions made on behalf of the University, otherwise this may constitute as bribery.
8. Appropriate staff should receipt goods through the electronic order system in a timely and accurate manner. Late payment of debts Act 1998 gives small businesses the right to charge interest on late payments from large organisations and public authorities.
 - a. The certification of an account shall provide:-
 - i) that the Standing Orders and Financial Regulations of the University have been complied with and that the account is correct in all respects.
 - ii) that each account has been checked against a University order.
 - iii) that subject to (iv) below, either:
 - b. the goods have been duly received, detailed, examined, are in accordance with the specifications on the order, are satisfactory and the prices are correct, and/or

- c. the work done or services rendered have been satisfactorily carried out in accordance with the order and that, where applicable, the materials used were of the requisite standard, and that the charges are correct.
 - i) in relation only to sub-paragraph (iii) above, where in exceptional circumstances the supplier will only deliver on the basis of payment with the order or otherwise in advance of delivery, the Dean or Director may certify accounts for payment in respect of fees, licences, premiums, publications, travel or accommodation bookings, subscriptions, security services, annual maintenance contracts and services provided by public utility undertakings. In any other case, prior approval to payment in advance must be obtained from a holder of a senior post of the University (specify?). If the goods, works or services are not received in accordance with the reasonable expectations of the Dean or Director, the Dean or Director shall as soon as possible notify the Director of Finance and Infrastructure.
 - ii) that the account is arithmetically correct.
 - iii) it is matched to the order, that the invoice and order is correct including quantity, price, description, time frame, with the correct cost centre and expense code.
 - iv) that the account has not previously been passed for payment and is a proper liability of the University.
 - v) that the net amount of the account is within the estimates.
 - vi) that payments are made in time to take advantage of discounts.
9. Where the goods received are not precisely in accordance with the order and/or invoice, the Director of Finance and Infrastructure shall be entitled to receive such information and explanations as he/she may deem necessary.
10. Where a member of staff certifying accounts relies upon other employees to carry out preliminary checking, he/she shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and have negotiated prices and terms.
11. Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised limits. Cards must not be loaned to other people or used for private purposes. Cardholders must ensure approval from the relevant budget holder and keep appropriate records of the transactions.
12. All persons receiving goods on behalf of the University must be independent of those who placed the order.
13. Where a requirement is for less than £50 on no other form of payment is reasonable it can be paid from petty cash if , supported by receipts. Petty cash floats will be kept to a minimum , as agreed with Financial Services. The float is the responsibility of the staff granted it. The petty cash box must be kept locked in a secure place in compliance with the University Insurers. These will be periodically checked by Financial Services members. The float must be reconciled each month and counter-signed by an independent employee.
14. In exceptional circumstances and with the agreement of the Director of Finance and Infrastructure and for purchases of less than £50 cash maybe advanced to a member of staff to make a purchase on behalf of the University. Receipts supporting the purchase must be lodged with the cashier within 24 hours of the advance being made
15. The University's standard payment terms are net monthly, based on the date of the invoice e.g. invoice dated 15th August payment to be made at the end of September. Payment will be sent by the University on the last Friday of the month and depending on bank processing times will be

received by the supplier no earlier than the following Tuesday.

16. Any account which the Dean or Director considers should be paid in advance if the University's normal payment terms detailed above shall be forwarded to the Director of Finance and Infrastructure immediately after examination and certification, with an indication as to the reason for urgency and this will be on exceptional circumstances.
17. The Director of Finance and Infrastructure shall be entitled to rely on the certification of authorised members of staff of spending departments and shall be empowered to pay, on behalf of the University, all accounts so certified, his/her responsibilities being confined to ensuring that the expenditure incurred is intra vires.
18. Each Dean or Director shall, as soon as possible, and not later than such date as the Director of Finance and Infrastructure may reasonably specify in each financial year, notify the Director of Finance and Infrastructure of all outstanding expenditure relating to the previous financial year within any limits specified by him/her
19. The Director of Finance and Infrastructure shall have the right in respect of any account to carry out either before or after payment such additional checks as he/she may consider appropriate and also satisfy himself/herself that the proper procedure laid down as to the authorising and ordering of goods or services and the examination of accounts has been properly carried out in the Faculty/Service. All explanations and information regarding such accounts or claims and all books and documents relating to them and facilities for inspecting goods supplied or work done shall be placed at the disposal of the Director of Finance and Infrastructure or his/her representative.
20. In the case of contracts for engineering or building works which require payment to be made on account during progress of the work, the Director of Finance and Infrastructure shall make payment on receipt of a certificate from the appropriate technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractors account shall be subjected to such financial examination by the Director of Finance and Infrastructure and such general examination by the works officer as may be considered necessary before the person responsible to the University for the contract issues the final certificate.
21. The Director of Finance and Infrastructure shall be responsible for the agreement of the date of payment to any member of staff or third party.

SALARIES, WAGES AND PENSIONS

1. The Director of Human Resources shall be authorised to make arrangements to calculate all salaries, wages, Superannuation benefits, compensation and other emoluments properly payable by the University. The Director of Finance and Infrastructure, in consultation with the Director of Human Resources, shall be responsible for ensuring that payments to staff are made in accordance with agreed timescales, mainly by nominated bank accounts by electronic means.
2. Each Dean or Director shall, subject to any special arrangements agreed by the Director of Human Resources, notify him/her as soon as possible and in the form prescribed by him/her, of all matters affecting the payment of items referred to in paragraph 1 above, and in particular:
 - a. appointments, resignations, dismissals, suspensions, secondments and transfers.
 - b. absences from duty for sickness or other reason, apart from approved annual leave with

pay

- c. changes in remuneration other than increments and pay awards and agreements of general application.
 - d. information necessary to maintain records of service for Superannuation, income tax, national insurance, etc.
3. Appointments of all employees shall be made in accordance with approved policies, establishments, grades and rates of pay.
 4. All time records and other pay documents shall be in a form prescribed or approved by the Director of Human Resources and shall be certified by or on behalf of the Dean or Director.
 5. No consultancy or other paid work must be accepted or payments made to University employees except those in accordance with the agreed salary scales unless agreed with Personnel.

TRAVEL AND SUBSISTENCE ALLOWANCES

1. All employees must complete their expense claims through i-expenses and must adhere to the Travel and Subsistence Policy.
2. Deans or Directors or their nominated representative approvers shall be responsible for the accuracy of the mileage claimed, the validity of the journeys undertaken and for ensuring compliance with the University's Travel and Subsistence Policy.
3. Deans or Directors or their nominated representatives shall be responsible in relation to subsistence claims and other receipt based expenses for ensuring compliance with the University's Travel and subsistence policy.
4. Payments to members of the Board of Governors, including co-opted members of committees of the Board of Governors, who are entitled to claim in relation to any scheme which may from time to time be approved by the Board of Governors, will be made by the Director of Finance & Infrastructure on receipt of the appropriate information from the member concerned.

Please see attached link for our Travel and Subsistence Policy:

http://www.staffs.ac.uk/assets/travel_and_subsidence_policy_tcm44-4171.pdf

STUDENT UNION

The student Union is a separate legal entity from the University and as such is responsible for its own bank account, records, governance and financial statements. The University does however work in partnerships with the student union and they play a valuable and vital role to students. The grant paid annually to the student union is agreed through the budget process, which is agreed by the Vice Chancellor and the Employment and Finance Committee.

The senior management team requires the Union to provide details of its proposed budget to assist in determining the appropriate level of grant. Also the Union will provide monthly financial statements to the Director of finance and infrastructure for information purposes only.

TREASURY MANAGEMENT

The Employment and Finance Committee is responsible for approving a Treasury Management Policy which sets out the strategy and policy for cash management, long-term investments and borrowings. This will require compliance with Funding Council's rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memorandum. The Employment and Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies. The Treasury Management Policy applies to subsidiaries of the University whose results are consolidated into the University's financial statements.

ETHICAL INVESTMENT

The University invests funds on a daily basis to a limited number of third party organisations through the investment of surplus funds and endowments. The University recognises its responsibility to operate in an ethical manner and to take account of social, environmental and ethical considerations in all activities including financial investments.

G. BANKING AND INVESTMENT ARRANGEMENTS

1. The Director of Finance and Infrastructure shall be responsible for the operation of all matters in relation to the University's bank accounts.
2. No member of staff, other than the Director of Finance and Infrastructure, acting under the delegated authority of the Vice-Chancellor of the University, shall open or close any bank account in the name of the University or one of its subsidiary companies or issue instructions to the University's bankers.
3. Where possible departments shall separate duties for receiving and recording University income, if this is not possible then procedures should be agreed with Financial Services and regular independent checks should be made.
4. All cheques or negotiable instruments drawn on the University's and subsidiary bank accounts shall be signed and countersigned in accordance with the bank mandate.
5. The Director of Finance and Infrastructure shall be responsible for the investment of the Endowment Funds; surplus working balances and any other earmarked funds of the University. The Director of Finance and Infrastructure shall be empowered to seek such advice as he/she deems necessary for the efficient handling of the University's funds.
6. Departments must not borrow money outside of the University or make a loan unless agreed by the Director of Finance and Infrastructure.
7. The Director of Finance and Infrastructure shall ensure that all bank accounts are properly and regularly reconciled and that adequate procedures exist for the security and ordering of cheques and transferring of University funds.

H SECURITY OF ASSETS

1. Staff will be responsible for safeguarding equipment such as mobile phones, i-pads and laptops which has been lent to them by the University, where appropriate.
2. Each Dean or Director shall be responsible for arranging proper security for all buildings, stocks, stores, furniture, equipment and money under his/her control.
3. Any item of plant or equipment having an original purchase cost of £1,000 or more will be added to the University's Asset Register. This register will be maintained by the Director of Finance and Infrastructure
4. An inventory register shall be maintained by all Faculties and Services in which shall be recorded an adequate description of, personal computers, IT and audio visual equipment , having an original purchase cost of between £300 and £1,000 inclusive of VAT. Items which are considered attractive/portable should also be recorded.

Please refer to the University's Fixed Asset and Inventory Policy for more information.

STOCKS AND STORES

1. Each Dean or Director shall be responsible for keeping proper records and for the custody of stocks and stores in his/her Faculty/Service. Accounts and records, including the record of write-offs and other adjustments, shall be kept by the Dean or Director in such form as may be approved by the Director of Finance and Infrastructure from time to time.
2. A delivery note signed by the person receiving the goods must be obtained in all appropriate circumstances in respect of deliveries of goods, and all practicable steps must be taken to ensure that such delivery note is handed in at the time of delivery. All goods must be checked for quantity at the time delivery is made and inspected for quality and compliance with the specification as soon as practicable after delivery.
3. Annually at 31 July in each year, or as near to that as is practicable, or at such other date as may be nominated by the Director of Finance and Infrastructure, a complete stock-taking of all stores shall be carried out by a responsible member of staff deputed by each Dean or Director. Annual stock-taking may be waived in the case of Faculties/Services where the Director of Finance and Infrastructure is satisfied that a satisfactory system of continuous stock-taking is in operation.
4. A representative of the Director of Finance and Infrastructure may be present at any stock-taking for the purposes of making any checks.
5. Any material in stocks or stores which is in excess of requirements shall be disposed of in accordance with the agreement of Financial Services, using a disposal form.
6. No deficiency in stocks, and no stores which have become unserviceable, obsolete or irrecoverable shall be disposed of except on the authority of:
 - a. the holder of a senior post, on the recommendation of the appropriate Dean or Director, if the higher of the book value or the current value on the open market of each item, is not estimated to exceed £500.

- b. the Vice-Chancellor, if the higher of the book value or the current value on the open market of each item, is estimated to exceed £500, but is not expected to exceed £5,000.
- c. the Board of Governors, if the higher of the book value or the current value on the open market of each item is estimated to exceed £5,000.

I INSURANCES

1. The Director of Finance and Infrastructure shall be responsible for effecting appropriate insurance cover of the University with due consideration of risk and legal responsibilities.
2. Except where otherwise provided for in agency agreements, the Director of Finance and Infrastructure shall, after such consultation as he/she thinks appropriate with other members of staff, negotiate with the insurers a settlement of all claims.
3. Departments must take all necessary steps to prevent accidents and losses of assets. Any potential liabilities, changes in risk or third party claims must be passed immediately to the Financial Accounts Team. This includes setting up establishments and employing individuals overseas.
4. Deans or Directors are responsible for ensuring that the Director of Finance and Infrastructure is immediately notified of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks or insurances.
5. Deans or Directors shall notify the Director of Finance and Infrastructure in writing, and as soon as practicable, of any loss, liability or damage or any event likely to lead to a claim.
6. The Director of Finance and Infrastructure shall annually or at any such other period as he/she may consider necessary, review all insurances.
7. The University accepts no responsibility for any work or advice undertaken by a University Staff member in a private capacity. Staff should take out professional indemnity insurance and are responsible for liabilities arising from these activities such as tax. These activities should not be carried out on University property unless prior written consent has been received from a Head of Department.

TRAVEL INSURANCE

Staff and students travelling on University business are covered under the University's travel insurance policy, and will not normally be reimbursed for any expenditure on a personal travel insurance policy. However travellers should check the University's insurance policy offers appropriate level of cover for any personal possessions taken on each trip.

The Financial Accounts Team must be informed of all overseas travel undertaken on behalf of the University.

Staff and students travelling abroad are responsible for ensuring that they are not travelling against the advice provided by the Foreign & Commonwealth Office:

<https://www.gov.uk/government/organisations/foreign-commonwealth-office>

DEFINITIONS:-

1. The "Board of Governors" shall include, unless specifically provided otherwise, those committees to which financial arrangements may, in whole or in part, have been delegated.

An "executive member" means any member of the executive team which includes the Vice-Chancellor, Deputy Vice-Chancellors, Director of Finance and Infrastructure and Executive Director of Corporate Services and Clerk to the Board of Governors.

2. A "senior member of the organisation, Head of department or Dean or Director" means the officer in charge of a Faculty or Service of the University and shall include other appropriate officers as may from time to time be designated by the Vice-Chancellor as officers to whom the definition shall apply.
3. A "quotation" means an offer whether in writing or not, to executive works or supply goods or materials or services.
4. A "tender" means a written offer to executive works or supply goods or materials or services.
5. A "contract" means an accepted offer whether in writing or not for the execution of works or the supply of goods or
6. "Sub-contract" means any contract to which the University is not a party, but in respect of which a sub-contractor or supplier is specified by the University to the contractor.
7. "Supply" includes the provision of goods or materials by way of sale or lease or hire to the University.
8. "Estimated Value" means:-
 - In the case of contracts for the provision of goods or materials by way of lease or hire to the University, the total capitalised value of the contract in question or of the series of contracts of which it forms a part.
 - in any other case, the total amount which the Dean or Director reasonably expects the contract or sub-contract in question or any series of contracts or sub-contracts of which it forms part will be worth provided that no account shall be taken in either case of any trade-in transaction.
 - Where an amount is specified, that amount shall be deemed to be exclusive of Value Added Tax.
9. The "Board of Governors" shall include, unless specifically provided otherwise, those committees, members of staff of the University to whom the power of making the contract in question shall have been delegated.
10. The "Chairman" means the Chairman or in his absence the Deputy-Chairman of the Board of Governors or any Committee of the Board of Governors to which power of making the contract in question shall have been delegated.
11. A "Dean or Director" means the officer in charge of a Faculty or Service of the University and shall include other appropriate officers as may from time to time be designated as officers to whom the definition shall apply.