

Financial Regulations

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**Compliance with the Financial Regulations is mandatory and any breach by a member of staff may be treated as a disciplinary offence.**

Financial Regulations apply to:

* All staff of the University; this includes:
* All grant holders and budget holders – any person who has been given delegated budgetary authority or funds to manage including principal investigators and staff who hold budgets by virtue of their office, such as Pro Vice-Chancellors and Directors;
* The University and all its subsidiary undertakings (unless Council have approved a separate set of Financial Regulations for the subsidiary undertaking);
* Members of Council who are not employees of the University.

Related [**finance polices**](http://www.exeter.ac.uk/finance/policies/)on expenses, purchase cards, entertainment, hospitality and gifts are available to download and view on the University website.

Staff should contact the [**Finance helpdesk**](https://www.exeter.ac.uk/departments/finance/contact/) if they require assistance on ordering, paying for goods and services, use of purchasing cards, expenses or budget management.

The University’s on-line **Corporate Conscience** modules provides awareness training on fraud, money laundering and specifically the Bribery Act 2010, Modern Slavery Act 2015 and the Criminal Finance Act 2017. This training is mandatory for staff on Grade F and above but is recommended and is available for all staff.

# FINANCIAL REGULATIONS

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# 1. Purpose

* 1. The University’s values guide staff in making day-to-day decisions. These Regulations aim to ensure that staff have clarity on the University’s arrangements for financial management, setting out minimum standards and requirements for the control of all payments and receipts, the safeguarding of assets and a requirement to obtain value for money.
	2. These regulations are designed to protect staff who administer the financial affairs of the University. Compliance will aid the ability of staff to demonstrate probity, minimising any potential for error, suspicion or doubt.
	3. The Office for Students (OfS) regulates higher education providers in England as well as providing teaching grants. Research England (RE) provides quality related (QR) research grant and higher education innovation funding. Both the OfS and RE issue Terms and Conditions of Funding, which among other things, require the University to have *“…a robust and comprehensive system of risk management, control and corporate governance. This should include the prevention and detection of corruption, fraud, bribery and irregularities*”. These Financial Regulations form an important part in fulfilling these requirements.
	4. The University is subject to substantial external audit scrutiny. Aside from a requirement to appoint external auditors, the regulator and funders have rights of extensive audit inspection. Financial Regulations help to ensure that staff and the University are compliant with funder and sponsor requirements and satisfy external audit scrutiny.

# 2. Scope and Status

* 1. The Financial Regulations apply to all staff, to budget holders, grant holders, Council members and to all University subsidiary undertakings. A Budget Holder is anyone who has been given delegated budgetary authority which includes being a principal investigator on a research grant or contract.
	2. Financial Regulations apply to all consolidated entities within the University group unless Council have approved a separate set of Financial Regulations specifically for that undertaking.
	3. All sports clubs under the umbrella of the Athletic Union, itself part of the University in Professional Services, are subject to these Financial Regulations.
	4. Compliance with the Financial Regulations is mandatory for all staff employed and 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 disciplinary policy.

2.4 These regulations do not apply to the Guild of Students or the Falmouth and Exeter Students Union as these are separate independent charities and are not part of the University group.

* 1. These regulations do not apply to the internal financial management or administration of joint ventures in which the University is a member, such as INTO University of Exeter LLP or FX Plus Ltd.
	2. Only the Council of the University has the authority to approve and amend Financial Regulations.

3. The University as a Charity

3.1 The University is an exempt charity, as opposed to a registered charity, and must also comply with charity law. The OfS acts as the principal regulator of the University’s charitable activities.

3.2 The University’s primary charitable purpose is teaching and research. Some activity is deemed non-primary purpose and maybe considered non-charitable. This can have tax implications. Senior managers should consult with staff in Research Services, Legal Counsel or the University’s Tax Manager if in doubt.

3.3 As a charity, with significant levels of public funds, the University does not make charitable donations, with two exceptions: (1) the President and Vice-Chancellor may make modest donations to local charities in the south west as part of the University’s civic and community role, (2) the University may provide in-kind support during periods of national or international emergencies, in the form of offering spare physical capacity for space, bedrooms and equipment or utilising University expertise and facilities.

3.4 The University may from time-to-time sponsor charitable organisations in consideration for promotional, marketing or advertising services. Such arrangements are not precluded as they do not constitute donations.

4. Standards of Behaviour

4.1 Financial regulations are focused on the management and administration of the University’s financial affairs. Staff are also required to comply with the University’s [Code of Conduct for Staff](http://www.exeter.ac.uk/staff/employment/codesofconduct/staff/) including the [Seven Principles of Public Life](http://www.exeter.ac.uk/staff/employment/codesofconduct/staff/sevenprinciples/).

4.2 Staff must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the University.

* 1. Members of Council and senior management are required to disclose all relevant interests in the University’s Register of Interests.

4.4 Staff must comply with the University’s [Entertainment, Hospitality and Gifts policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/) which sets out various financial limits. Only reasonable expenditure on hospitality and entertainment is permitted and this must be wholly and exclusively incurred with respect to official University business.

* 1. It is acceptable to receive gifts of small intrinsic value such as branded gifts, calendars, diaries, pens and USB sticks. Gifts of higher value should not be accepted unless offence would be caused and in such an event the gifts should be raffled or given to charity and not used for personal gain.
	2. Staff must not permit a third party from attempting to gain business advantage through the acceptance of gifts or hospitality.
	3. All entertainment or hospitality (given or received) and any gifts (given or received) received by any member of staff must be recorded in the [Record of Entertainment, Hospitality and Gifts](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/record/).
	4. Members of staff must abide by the 2010 Bribery Act. Staff could be guilty of this offence if they promise, offer or give financial or other advantage to any person or organisation, and nor should they give the impression (to any member of the public, or to any organisation with whom they deal, or to their colleagues), either directly or through a third party. Guidance on the [prevention of bribery and improper conduct](http://www.exeter.ac.uk/staff/employment/codesofconduct/bribery/) is on the website.
	5. Staff must abide by the University’s [Financial and Trade Sanctions policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/financialandtradesanctionspolicy/), which will ensure that the University is compliant with any sanctions imposed by the UK Government, along with the UN. Individual countries such as the USA or EU may also impose sanctions that the University maybe required to comply with as a condition of accepting funds from those countries.

# 5. Fraud and Irregularity

* 1. Any member of staff who suspects that an action or event may constitute a potential fraud or irregularity should immediately report their concerns to their line manager. If a member of staff has grounds to believe their line manager may be implicated then they should report their concerns direct to the Chief Financial Officer. Alternatively staff may use the University’s whistleblowing policy (see section 6 below)
	2. The University’s [Fraud Policy](http://www.exeter.ac.uk/finance/policies/fraud/) and [Fraud Response Plan](https://www.exeter.ac.uk/departments/finance/aboutus/policies/fraudresponseplan/) provide further guidance on what to do if fraud or financial irregularity is suspected.
	3. Money laundering legislation (Proceeds of Crime Act 2002) is applicable to the University. The University has adopted an [Anti-Money Laundering Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/anti-moneylaundering/) which applies to all staff. If a member of staff suspects money laundering activity they should report it immediately to the Director of Finance Services who is the Money Launder Nominated Officer (MLNO) under the Act. The MLNO will determine whether any transaction or event should be reported to the National Crime Agency under its Suspicious Activity reporting regime.
	4. The OfS require the University to report any fraud or irregularity of £25,000 or higher to the OfS, along with the Chair of Audit Committee, the Chair of Council, the internal auditor and the external auditor. The Chief Financial Officer is the person responsible for making such report.

# 6. Whistleblowing

6.1 All members of staff are encouraged to report any suspicions or evidence of malpractice and/or wrongdoing within the University.

6.2 Normally any concerns should be raised with the line manager of the member of staff. However, the University recognises that the seriousness or sensitivity of some issues may make this difficult or impossible. The University’s [Whistleblowing Policy](http://www.exeter.ac.uk/staff/employment/codesofconduct/publicinterest/procedure/) sets out the procedure for staff to report their concerns.

# 7. Financial Management Responsibilities

### Delegation Framework

7.1 The University’s [Delegations Framework](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.exeter.ac.uk%2Fmedia%2Funiversityofexeter%2Fexecutivesuite%2FUniversity_of_Exeter_Delegation_Framework_2021-22..pdf&data=05%7C01%7CD.Fitzgerald%40exeter.ac.uk%7C3480094f0470473355b608daa06f321a%7C912a5d77fb984eeeaf321334d8f04a53%7C0%7C0%7C637998696676309990%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=mpFqvfKpGrx9ra%2BempKtBHKgyNCOeqaq6Aznu%2FvQjkM%3D&reserved=0) sets out the delegation of authority within the University of Exeter. This includes a schedule of authority to enter into contracts.

### President and Vice-Chancellor

* 1. The President and Vice-Chancellor is responsible for the financial affairs the University and is the accountable officer under the OfS and Research England’s Terms and Conditions of Funding. As the accountable officer the President and Vice-Chancellor may be required to justify any of the University’s financial matters to the Public Accounts Committee of the House of Commons.

### The Senior Vice-President and Provost

* 1. The President and Vice-Chancellor delegate’s financial management for all academic activity organised in Faculties to the Senior Vice-President and Provost. The Provost is responsible for the delivery of financial budgets, targets and plans within Faculties, delegating responsibility for day-to-day budget management to Faculty Pro Vice-Chancellors.

### The Senior Vice-President and Registrar & Secretary

* 1. The President and Vice-Chancellor delegates financial management for all professional services and non-academic activity to the Senior Vice-President and Registrar & Secretary. The Senior Vice-President and Registrar & Secretary is responsible for the delivery of financial budgets, targets and plans within professional services and for institutional and corporate budgets, ensuring that proper arrangements have been made for financial management and administration, delegating responsibility for day-to-day budget management to Service Directors.

### Chief Financial Officer and Executive Director of Finance, Infrastructure and Commercial Services

* 1. The Chief Financial Officer and Executive Director of Finance, Infrastructure and Commercial Services (Chief Financial Officer) is responsible for the preparation of the annual revenue and capital budget, preparing the annual financial statements, ensuring that there are adequate processes and systems for procurement, to process and record all receipts and non-payroll payments, overseeing investments, cash management, tax strategy and all external financial reporting. They will ensure the University is compliant with the financial aspects of the OfS Regulatory Framework, the OfS Accounts Directions as well as OfS and Research England Terms and Conditions of Grant Funding.

7.6 The Chief Financial Officer has responsibility for all finance policies and ensuring there is an adequate system of internal controls around all income and non-payroll expenditure processes and systems. The PS Connect Director has responsibility for all operational finance policies. Updates to policy with be made in collaboration between The Chief Financial Officer and Director of PS Connect. Acting as a provider of service, the operation of these processes and systems will be undertaken by the Director of PS Connect to agreed standards.

### The Executive Divisional Director of Human Resources

* 1. The Executive Divisional Director of Human Resources (Director of HR) has specific responsibility for ensuring that the University’s processes and systems for the payment and recording of payroll and administration of PAYE and employee related taxes and other deductions are adequate.

7.8 The Director of HR has responsibility for all HR policies and ensuring there is an adequate system of internal controls around all payroll expenditure processes and systems. The PS Connect Director has responsibility for all operational HR policies and processes. Updates to policy will be made in collaboration between the Directors of HR and PS Connect. Acting as a provider of service, the operation of these processes and systems will be undertaken by the Director of PS Connect to agreed standards.

Director of Professional Services Connect *(“PS Connect”)*

7.9 The Director of PS Connect is responsible for processing all payroll and non-payroll transactions (including Payroll, Accounts Payable and Accounts Receivable) on behalf of the Director of HR and the Chief Financial Officer. The Director of HR and the Chief Financial Officer retain responsibility for the agreed policies and standards, determining minimum levels of internal controls, whilst the Director of PS Connect has responsibility of ensuring the adequacy of processes, and demonstrating compliance within in these areas, to the agreed standards.,

### Budget Holders

7.10 Budget holders shall ensure that the budgets delegated to them, including grants awarded to them and any Personal Development Account (PDA) budget given to them:

* are applied appropriately on University business;
* are used in a way that secures value for money;
* are used in a way that complies with financial regulations;
* comply with any external funder terms and conditions of funding or grant;
* goods and services properly procured and held on University premises
* income and expenditure is properly coded and recorded with sufficient and complete documentation to provide a full audit trail;
* expenditure does not exceed funds and budgets available;
* delivering agreed budgets and targets.

7.11 All budget holders will promptly provide any information and explanations required by the University’s internal or external auditors or any member of Finance Services authorised by the Chief Financial Officer.

### All Staff

7.12 All staff, irrespective of whether they are a budget holder or not, shall:

* comply with these Regulations;
* safeguard University property and assets for which they are responsible;
* secure value for money;

# 8. Financial Governance Responsibilities

### Council

8.1 Council is the University’s governing body with ultimate responsibilities for the University’s financial affairs. Council’s prime financial responsibilities are to approve the annual budget (revenue and capital budget) and financial statements and ensure the establishment and monitoring of systems of financial control and accountability.

* 1. Specifically, Council has the power to:
* Invest any monies in stocks, funds or securities
* Appoint bankers
* Borrow money
* Offer University assets as security

8.3 Council may not delegate power to:

* Approve the annual budget
* Approve the audited financial statements
* Appoint the University’s auditors

### Use of University’s Seal

8.4 Where a deed or document requires the University seal, it must be sealed by the Senior Vice President and Registrar & Secretary or, in their absence, the Chief Financial Officer, in the presence of two members of Council.

8.5 The Senior Vice President and Registrar & Secretary is responsible for submitting a report to each meeting of Council detailing the use of the University’s seal since the last meeting.

### Council Sub-Committees

8.6 Council have established two Sub-committees to assist it in decision-making:

* Council Finance Review Sub-committee: meet twice a year to review draft budgets and financial plans, matters relating to loan covenants, borrowings and pension liabilities. It may consider any other ad hoc finance business from time to time.
* Council Investment Review Sub-committee: meets prior to full Council meetings to consider investment strategy, new investment proposals and post investment reviews.

### University Executive Board (UEB)

8.7 Chaired by the President and Vice-Chancellor, UEB develops and proposes the strategic plans and the University’s financial strategy to Council, recommends annual budgets and major capital projects to Council, while periodically monitoring in-year financial performance of the University.

### Strategic Investment Committee (SIC)

8.8 SIC is a management committee of UEB chaired by the President and Vice-Chancellor, to oversee the annual business planning and resource allocation process of the University. It is empowered to make strategic investments under the terms of the University’s delegation framework and will delegate budgets to any of its sub-groups, such as Capital Management Group and Digital and IT Strategy Group.

### Dual Assurance (Finance and Investment)

8.9 Dual Assurance is the prime mechanism by which Council gain assurance over a range of activities, divided into a large number of portfolios’ including finance. Dual Assurance (Finance and Investment) is a partnership between an independent member from Council and the Chief Financial Officer. It considers major complex financial proposals, performance and activity that Council has a remit over, enabling Council to take assurance from both the independent member and the Chief Financial Officer before Council is asked to approve or make decisions on a finance related matter.

### Audit and Risk Committee

8.10 The Audit and Risk Committee makes recommendations to Council on the appointment of external auditors. It is responsible for monitoring the performance of the auditors and ensuring that appropriate control systems are in place for effective management the University’s risks and detect and prevent fraud. Audit and Risk Committee reviews the University’s annual financial statements prior to consideration by Council for approval.

8.11 The Audit and Risk Committee present an annual report to Council offering its opinion on the adequacy of the University’s arrangements for internal control, value for money, risk management and data quality.

### Audit Requirements

8.12 External auditors and internal auditors shall have authority to:

* access the University’s 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 from any member of staff;
* 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.

### Internal Audit

8.13 The University chooses to maintain an internal audit function that complies with the professional standards of the Chartered Institute of Internal Auditors. The Internal Auditor is appointed on the recommendation of Audit and Risk Committee.

8.14 The prime responsibility of the Internal Audit service is to provide Council, the President and Vice-Chancellor and other managers of the University with assurance on the adequacy and effectiveness of internal controls, risk management, value for money and the adequacy of arrangements for data quality.

8.15 Responsibility for internal control, risk management, data quality and value for money reside fully with management. Internal Audit can only provide a ‘reasonable assurance’ and cannot provide any guarantee against material errors, loss or fraud.

8.16 The Internal Audit service remains independent in its planning and operation and has direct access to Council, the President and Vice-Chancellor, Senior Vice-President and Registrar & Secretary and Chair of the Audit and Risk Committee.

### External Audit

8.17 The appointment of the external auditor is the responsibility of the Council upon recommendation by the Audit and Risk Committee. The contracts for any externally provided services should be subject to competitive tender and comply with any procurement regulations. Contracts should include a clause to allow for earlier termination in the event of unsatisfactory performance.

8.18 The primary role of external audit is to report on the University’s financial statements and to carry out examination of the statements and underlying records and control systems as necessary to reach their opinion on the statements and to report on the appropriate use of funds. The external auditors report on the financial statements is addressed to members of Council. The OfS and other funding bodies may also specify the scope of the auditor’s opinion.

8.19 To protect the independence of the external auditor’s opinion, the external auditor should not be appointed to undertake non-audit work, other than specialist taxation advice, without the express authority of the Chair of Audit and Risk Committee, upon recommendation of the Chief Financial Officer. All non-audit work undertaken by the external auditor will be reported to Audit and Risk Committee once a year and its value disclosed in the Financial Statements.

### Other Auditors

8.20 The University may, from time to time, be subject to audit or investigation by external bodies such as the OfS, Research England, National Audit Office, HM Revenue and Customs. Each will have the same rights of access as external and internal auditors.

### Accounting Arrangements

8.21 The University’s financial year will run from 1 August until 31 July the following year.

8.22 The consolidated group financial statements are prepared in accordance with generally applicable accounting standards, currently *Financial Reporting Standard 102* (mandatory adoption) and the *Statement of Recommended Practice (SORP):* *Accounting in Further and Higher Education Institutions* (voluntary adoption).

8.23 The consolidated financial statements will also comply with any additional disclosure requirements required by the OfS Accounts Direction or by any other external funder or agency.

8.24 The Chief Financial Officer will annually review the University’s accounting policies and will make recommendations to Audit and Risk Committee and to Council in respect to any changes. As part of the annual approval of the Financial Statements, Council will approve the accounting policies.

8.25 The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes and will advise and engage staff and the external auditors accordingly.

8.26 The financial statements will be reviewed by the Audit and Risk Committee and by UEB. On the recommendation of UEB they will be submitted to Council for approval.

8.27 The OfS Accounts Directions require the University to publish the financial statements on the University’s website the earlier of: two weeks after being approved by Council and signed by the Chair and President and Vice-Chancellor or 31 December.

# 9. Budget Management and Control

### Budget Preparation

9.1 The Chief Financial Officer is responsible for preparing an annual revenue budget and capital budget for consideration by UEB before submission to Council.

9.2 The budget and financial plans are prepared as part of a University-wide planning process incorporating the financial plans of Faculties and Professional Services overseen by SIC.

### Budget Setting, Control and Accountability

9.3 Council approve the University’s financial strategy which will include the setting of high level financial KPIs.

9.4 SIC is responsible for scrutinising financial plans and UEB will monitor and scrutinise the in-year financial and budgetary performance of senior managers.

9.5 Budget holders must budget for all income and all expenditure on a gross basis. Netting off income against expenditure is not permitted.

9.6 All planned, anticipated and contracted income and expenditure must be fully declared in the budget and in financial plans, including any planned use of carry forward balances and funds, where such balances are permitted. Budgets must be regularly reviewed during the year and any material overspend or projected overspend must be reported to the budget holder’s line manager with an explanation of the cause, setting out appropriate measures to be taken to recover the position.

### Budget Management Protocols

9.7 The Senior Vice-President and Provost delegates budget responsibility to Pro Vice-Chancellor’s. It is the responsibility of Pro Vice-Chancellors to monitor income and expenditure to ensure it is in line with approved budgets and take corrective action where variances exist to deliver their approved budget. The Senior Vice-President and Provost may undertake in-year virement of Faculty budgets between Faculties on a net nil basis without detriment to the overall University budget.

9.8 The Pro Vice-Chancellors may delegate budgets to Heads of Departments, Institute Directors or to individual post holders within their faculties.

9.9 The Pro Vice-Chancellors may also establish a system of Personal Development Accounts (PDAs) which are delegated budgets/funds given to individual members of staff. PDAs are delegated budgets of University funds and are subject to these financial regulations. They may be used to further an individual’s training and development or their research and used for travel, conferences, books, equipment and other resources. All goods acquired by using a PDA are University property.

9.10 The Senior Vice-President and Registrar & Secretary delegates budget responsibility to service directors. It is the responsibility of service directors to monitor income and expenditure to ensure it is in line with approved budgets and take corrective action where variances exist. Service directors are required to deliver their approved net expenditure target and/or in the case of trading activity their approved net surplus target. The Senior Vice-President and Registrar & Secretary may undertake in-year virement of net expenditure budget targets between Services on a net nil basis without detriment to the overall University budget.

9.11 The Senior Vice-President and Registrar & Secretary is responsible for managing and monitoring the stewardship budget, covering a small number of material corporate budgets that are not considered part of operating costs of a particular budget centre. The Senior Vice-President and Registrar & Secretary is required to manage variances to these budgets within the total Professional Services budgetary envelope. However, externally driven material variances may be presented to UEB for UEB to determine how such variances should be managed and recovered collectively.

9.12 In addition to Faculty, Professional Services and stewardship budgets, SIC may propose to establish any number of central strategic budgets. These budgets will provide non-recurrent funding, sometimes multi-year funding, for strategic initiatives, to pump prime new business opportunities or developments. SIC will nominate named individuals to assume budget accountability for any delegated budgets.

9.13 There are a limited number of ways in which managers can increase their budgets:

* through additional earned income, over that budgeted, providing additional resources that can be spent in-year provided budget targets are achieved;
* virement within or between budget centres, i.e. virements that have a net nil impact on EBITDA;
* virement from the central strategic budgets to budget centre funds, i.e. virements that have a net nil impact on EBITDA;
* virement from/to the capital budget to/from EBITDA, i.e. virements that have a net nil impact on cash over the planning period.

### Budgetary Control

9.14 Budget holders have the following responsibilities in regard to budgetary control:

* to set realistic and achievable budgets;
* to monitor income and expenditure against budgets to ensure that it is appropriate to and does not exceed the budget;
* to ensure all outturn projections are accurate, reflecting expectations of the estimated outturn position;
* to inform their line manager or Head of Finance if expenditure materially exceeds budget or if income is materially short of budget;
* to take corrective action if overspending occurs or appears likely to occur;
* to delegate authority to spend to other persons, where appropriate, whilst retaining overall responsibility for compliance with these Regulations;
* to code financial transactions accurately;
* to inform the Head of Finance of any impending material financial issues so this can be included financial projections;
* to ensure all virements are correctly approved and documented;
* to monitor budgets monthly and have proper systems of budgetary control;
* to ensure all new/replacement posts are budgeted for and correctly authorised;
* to contribute to the production of the budget planning process.

9.15 Heads of Finance have specific responsibility for reviewing and quality assuring budget data and financial projections, to provide assurance to Pro Vice-Chancellors, Heads of Department, Senior Vice-President and Provost, Senior Vice-President and Registrar & Secretary and Chief Financial Officer that budgets and forecasts are accurate and complete and that adequate and full explanation for material variances are provided.

# 10. Financial Systems

10.1 The Chief Financial Officer is responsible for approving the implementation, operation and changes to all financial systems within the University and its wholly owned subsidiary companies. This includes IT systems for budget management and financial reporting, all income and expenditure processing systems, cash receipting and income collection.

10.2 The Director of HR is responsible for the payroll system.

# 11 Banking Arrangements

### Bank Accounts

11.1 The Chief Financial Officer is responsible for arranging the University’s banking and for all day to day treasury management activities associated with banking.

11.2 Only the Chief Financial Officer may open or close a bank account for dealing with University funds or that of any of its subsidiary companies or undertakings, or enter into a standing order or direct debit arrangement for payment of University funds to a third party. All bank accounts shall be in the name of the University of Exeter or one of its subsidiary undertakings.

11.3 No sums made payable to the University shall be endorsed and credited to any other account than a University of Exeter account authorised by the Chief Financial Officer.

11.4 The Chief Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated and explained. Reconciliations will be performed by the Director of PS Connect and approved by the Chief Financial Officer.

11.5 No member of staff shall open a bank account which includes the “University of Exeter”, “Exeter University” or any similar title that may be construed as being an official University account.

### BACS and CHAPS Payments

11.6 The Chief Financial Officer should approve the use and authorisation process for BACS payments, and should ensure that BACS transmission totals are independently checked and verified. The Director of PS Connect will operate processes consistent with these internal control requirements.

11.7 The use of CHAPS same day payments should be restricted to substantial and time critical payments. All payments require two authorised signatories. The Director of PS Connect should make arrangements for the secure operation of the transmission process.

### Cheque Payments

11.8 All cheques shall be ordered on the authority of the Chief Financial Officer. The Director of PS Connect will make proper arrangements for the safe custody of cheques. All cheques drawn on behalf of the University must be signed in the form approved by the Chief Financial Officer. Cheques over the value of £2,000 or £500 in the case of payroll cheques, require two authorised signatures.

### Borrowing, guarantees, security, mortgages and leases exceeding 1 year

11.9 All borrowings and leases exceeding 1 year shall be in the name of the University of Exeter and shall be approved by Council.

11.10 All guarantees, whether direct or contingent, granting of security and mortgages over University assets shall be approved by Council.

11.11 The Chief Financial Officer will assess the value of all contingent guarantees and report annually to Audit and Rick Committee as part of the approval of the Financial Statements.

# 12. Income

### General

12.1 The Chief Financial Officer is responsible for determining minimum standards of internal controls for all systems of income collection and debt recovery, while the Director of PS Connect is responsible for operating all systems of income collection and debt recovery.

12.2 Only electronic formats or stationery approved by the Chief Financial Officer can be used when invoicing income or issuing receipts.

12.3 Budget Holders should seek permission from the Director of PS Connect if alternative payment method is required other than the approved e-commerce solution and must comply with the University’s Payment Card Security policy.

12.4 The University operates cashless campuses. Prior to any new cash handling facility being considered, staff must consult with the Director of PS Connect who will liaise with the Chief Financial Officer. This includes any process involving third parties where back office processing including interface/integrations need to be considered, planned and developed.

12.5 Where budget holders have discretion at setting prices and charges these must be at economic levels. Heads of Finance should be consulted to ensure prices and charges are appropriate.

12.6 When raising income or starting a new income-generating activity consideration should be given to charging the correct rate of VAT. If in doubt the University’s Tax Manager should be consulted.

12.7 Refunds can only be processed by the Director of PS Connect and reported to the Chief Financial Officer to ensure compliance with [Anti-Money Laundering Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/anti-moneylaundering/) and Fraud Policy.

### Income Received

12.8 The University operates cashless campuses. Any proposed deviation from this approach should be approved by the Director of PS Connect who will liaise with the Chief Financial Officer. In exceptional circumstances where cashless payment is not possible staff must ensure that all cash and cheques received are deposited with the Cashiers Team on the day of receipt. Payments must not be made directly from income received and income must not be added to petty cash. If it is not possible to pay in cash immediately, arrangements should be made to hold cash securely until it can be deposited. The Director of PS Connect will make arrangements for the prompt collection, security and banking of all funds received by the University on behalf of the Chief Financial Officer.

### Sales Invoices

12.9 University sales invoices may only be issued using the University’s finance system. Sales invoices must be raised through the University Finance System. Budget holders are responsible for raising sales invoices promptly and actively support debt management process.

### Credit Terms and Debt Write Off

12.10 The Chief Financial Officer is responsible for implementing credit arrangements and indicating the terms of trade in which an invoice must be settled.

12.11 Debts must not be amended, written-off or cancelled except in the following circumstances:

* The **C**hief Financial Officermay amend or cancel invoices where invoices and/or amounts have been raised in error;
* The Chief Financial Officer has the authority to write off any individual debt incurred up to a limit of £40,000 (including VAT);
* Individual debts of £40,000 (including VAT) or more may only be written off by UEB.

### Debt Control

12.12 The Director of PS Connect is responsible for establishing and operating an efficient and effective debt control and collection system.

12.13 The Director of PS Connect must be informed promptly if there is any reason why a debt may prove difficult to recover.

12.14 The Chief Financial Officer is responsible for ensuring that an adequate bad debt provision is maintained and the level of provision is reviewed on an annual basis.

### Student Fees

12.15 The procedures for collecting tuition and residence fees must be in accordance with the [University Student Finance Regulations](http://www.exeter.ac.uk/students/finance/studentfinanceregulations/).

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12.16 Any student who has not paid an account for tuition fees owing to the University shall not be allowed to re-register or to graduate to receive any degree, diploma or other qualifications awarded by the University until all outstanding debts have been cleared.

12.17 Any student who has not paid an account for any other item will be dealt with in accordance with the [University Student Finance Regulations](http://www.exeter.ac.uk/students/finance/studentfinanceregulations/).

# 13. Procurement of Goods, Services and Works

13.1 The University’s over-riding procurement policy requirement is that all procurement must be based on value for money, defined as “the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought”. This should be achieved through competition, unless there are compelling reasons to the contrary and compliance with the [Bought Goods and Services Environmental and Sustainability Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/sustainable-goods-services/). Advice and support on procurement issues can be obtained from the Procurement team.

13.2 All non-payroll expenditure must be procured in accordance with the University’s [Procurement Procedures](https://www.exeter.ac.uk/departments/finance/aboutus/policies/purchasing/) issued by the Chief Financial Officer. The University is required to comply with the Public Contract Procurement Regulations 2015.

13.3 When procuring goods, services or works for the University staff must:

* use value for money as the main consideration in purchasing decisions rather than price, choosing supplies of an appropriate quality for the way in which they will be used.
* calculate the total cost of ownership over its whole life (minimum 4 year period);
* not disaggregate purchases into smaller values to avoid tendering thresholds;
* always consider the impact on the carbon footprint, comply with the Sustainable Bought Goods and Service Policy and reflect this policy within tender documentation and during assessment processes;
* uphold the University’s regulations on standards of behaviour and conflicts of interest and abide by the requirements of the 2010 Bribery Act.

13.4 The University has five procurement processes, dependent upon value:

|  |  |  |  |
| --- | --- | --- | --- |
| **Contract Type** | **Total Contract Value (excl. VAT)** | **Procurement Process** | **Advertising Requirements** |
| Goods & Services | Up to £2,499 | Spot purchase, minimum of **1 quotation.** Budget holders should be confident of getting value for money | None |
| Goods & Services | £2,500 - £9,999 | Request for Quotation: **Minimum of 3 quotations** are required, managed by Procurement Operations. (Written record the supplier names, values and dates to be kept for audit.) | None |
| Goods & Services | £10,000 - £49,999 | Request for Quotation [written]: **Minimum of 3 written competitive quotations** are needed, managed by Procurement Operations. (Keep the quotations for audit)  | All quotations where value of goods/services to be bought are estimated to **cost £30,000 incl. VAT** MUST be advertised in Contracts Finder. **Contact Procurement Ops for support: procurement-operations@exeter.ac.uk** |
| Goods & Services  | £50,000 to Public Contract Regulations threshold\* | **Invitation to Tender via the University’s Electronic Tendering System.** Invite tenders from interested suppliers. Advertised nationally (consider/may have to be advertised in the EU). Aim to receive at least 3 competitive tenders. Tender documentation must be held on file for audit & other purposes.  | Open advertisement on the University’s Electronic Tendering System and in Contracts Finder. Advertisement in OJEU may be required for EU funded purchases.**Contact Strategic Procurement for support: procurement@exeter.ac.uk** |
| Goods & Services | Above Public Contract Regulations threshold\* | **Invitation to Tender via the University’s Electronic Tendering System.** Enough invitations to tender must be issued to ensure a minimum of 3 written competitive bids are received. Tender documentation must be held on file for audit & other purposes.  | Open advertisement on the University’s Electronic Tendering System and in Contracts Finder & Find a Tender. Advertisement in OJEU may be required for EU funded purchases. **Contact Strategic Procurement for support: procurement@exeter.ac.uk** |
| Works | Above Public Contract Regulations threshold\*\* | **Invitation to Tender via the University’s Electronic Tendering System.** Enough invitations to tender must be issued to ensure a minimum of 3 written competitive bids are received. Tender documentation must be held on file for audit & other purposes.  | Open advertisement on the University’s Electronic Tendering System and in Contracts Finder & Find a Tender. Advertisement in OJEU may be required for EU funded purchases.**Contact Strategic Procurement for support: procurement@exeter.ac.uk** |
| \* **Goods and Services** £214,904 incl. VAT effective from 1 January 2024 and \*\* **Works** £5,372,609 incl. VAT effective from 1 January 2024. Different thresholds apply to works and expenditure funded via EU funds. These values are subject to change. Please consult the Strategic Procurement Team. |

### Approved Suppliers

13.5 The University does not operate a list of approved suppliers; it does however have a number of contracts in place with suppliers that staff should use before considering other options. The Procurement Team can provide guidance and advice on how and when to use these contracts.

13.6 It is essential that all suppliers which undertake works or provide goods or services to the University which may interact/amend/connect with the University’s buildings/systems etc. are approved by both Procurement and the Chief Financial Officer.

Purchasing Funded by Research Grants and Contracts

13.7 Expenditure funded by research grants and contracts must comply with purchasing regulations. Quotations may be obtained prior to submission of grant proposals. Research budget holders should be aware that research funding bodies often attach additional conditions to the procurement of items that they are funding. It is the research budget holder’s responsibility to make themselves aware of these conditions and ensure compliance with them.

### Rental Agreements/Services Contracts

13.8When procuring supplies under rental agreements or service contracts, the contract period should be used to calculate the projected cost in order to determine the relevant threshold in the table at 13.4 above. If the contract period is not known the potential contract value should be based upon the estimated cost over a four-year period or advice should be sought from Procurement. Procurement must be contacted for any further information required or where the value reaches a tender level as shown in in the table at 13.4 above.

### Exceptions to Tendering Procedures – Existing Contracts

13.9 The Southern Universities Purchasing Consortium (SUPC), or other consortiums in which the University participates, arranges framework contracts for preferential terms for the supply of a particular items or services. Any such contracts or arrangements will be publicised by Procurement. When procuring goods and services covered by these arrangements, staff should follow the guidance offered by Procurement.

### Exceptions to Tendering Procedures – Waiver Request

13.10 Under certain limited circumstances managers can seek a waiver from the University’s Procurement Procedures through seeking a [Procurement Competition Waiver](https://www.exeter.ac.uk/departments/finance/aboutus/policies/purchasing/#a12) (PCW) authorisation. The limited circumstances where this can be applicable are:

* There is a clear benefit from maintaining continuity with an earlier project. The benefits must outweigh any potential financial advantages to be gained by competitive tendering.
* The required timescale for delivery precludes competitive tendering and was outside of the University’s control. This condition cannot be applied to any purchases for goods/services/works funded by the EU grants as this contravenes the regulations, nor because of poor internal planning relating to timelines or programme management for purchases funded from other sources.
* The Goods/Services/Works can only be provided by a single supplier due to technical reasons.
* The maintenance or repair of equipment by the manufacturer to maintain warranty, compliance or output consistency (i.e. warranty would be invalidated if the equipment was to be maintained or repaired by a party other than the manufacturer) is necessary.

13.11 A list of all approved PCWs over £50,000 will be presented to Audit and Risk Committee periodically.

# 14. Ordering Goods and Services and Payment of Invoices

#  Ordering of Goods and Services

14.1 All goods, services, building contracts and construction works must be raised using the approved Finance System, except for the items described below at 14.7.

14.2 Staff raising purchase requisitions and purchase orders must ensure that:

* there are sufficient uncommitted funds available to the budget holder to meet the purchase cost;
* the planned expenditure is in line with University policies;
* the planned expenditure is in line with any externally imposed restrictions, such as those imposed by research funders;
* Satisfy themselves that sharing resources with another Faculty or Service is not a viable alternative.

### Authorisation of Orders

14.3 The Chief Financial Officer will determine the delegated responsibility for authorising purchase orders. Delegated approval limits are based on a mix of job grades and roles set out in the table below:

|  |  |
| --- | --- |
|  | **Order Approval Limits** |
| Grade F | up to £25k |
| Grade G | up to £50k |
| Grade H | up to £100k |
| Head of Department/Senior role holder | up to £150k |
| Pro Vice Chancellor/Service Director | up to £500k |
| Senior Vice-President and Provost/ Senior Vice-President and Registrar & Secretary/ Vice-President and Deputy Vice-Chancellor | up to £3m |
| **Two of**: Senior Vice-President and Provost/ Senior Vice-President and Registrar & Secretary/Vice-President and Deputy Vice-Chancellor/Pro Vice Chancellor/Service Director | above £3m |

14.4 Senior role holders will be defined by the relevant Pro Vice-Chancellor or Service Director. The delegation structure is built into the workflow processes within the University’s finance system.

14.5 Budget holders who administer large volumes of purchase orders may delegate approvals to named individuals or to an Approval Pools consisting of more than one individual:

|  |  |
| --- | --- |
|  | **Order Approval Limits** |
| Senior Approval Pool members (Grade F and above)*Covers trained senior staff and experienced staff with knowledge of the area concerned* | up to £20k |
| Administrative Pool members (grade C, D and E)*Covers trained administration of day-to-day items* | up to £10k |

14.6 Purchase orders up to £100 are auto-approved within the finance system by anyone who has been given authorised access to defined budget codes, regardless of grade or role.

### Authorisation of Expenditure Not Made Through Purchase Order

### 14.7 Certain categories of expenditure do not require an official purchase order to be raised. These are limited to:

* Goods and services procured by use of purchasing card;
* Low value petty cash purchases;
* Travel and subsistence reimbursed via expense claims or by corporate credit card;
* Payments made under agency arrangements, e.g. paying block grant to partner institutions;
* Travel booked with the University’s authorised Travel Management Company provider.

### Purchasing Cards

14.8 At the discretion of the Director of PS Connect, staff members who are either frequent travellers and/or undertake purchasing activity on behalf of budget centres may be issued with a purchasing card. Staff must ensure they comply with the [Purchasing Card Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/purchasingcardpolicy/).

14.9 Purchasing Cards may only be used for the following types of transactions:

* Where there is no preferred or approved supplier set up in the Finance System
* The purchase is expected to be a one-off from a supplier not already set up on the finance system
* The value is less than £1,000.00 and deemed low value, low volume and low risk goods and services (e.g. conference registration fees, room hire)
* To pay for goods being ordered from reputable internet on-line ordering suppliers, in line with this policy
* There is a business critical and urgent purchase requirement that cannot be processed in time as a purchase order. Budget Holder approval to proceed must be sought before placing the order
* Where Suppliers do not accept a purchase order (PO) and payment by card only.
* It is not possible for the individual to access the University’s finance system at the point when the purchase is needed. For example, when travelling abroad and away from campus on University business.

14.10 The maximum limits for single transaction limits and monthly credit limits per card holder are set out in the Purchasing Card Policy section 5.5. These may be increased with the agreement of the Director of PS Connect.

14.11 The Director of PS Connect may limit the types of retailer with whom purchasing cards can be used and will notify card holders accordingly.

14.12 Under no circumstances can cards be used to make cash withdrawals or used for personal non-University related expenditure.

14.13 Purchasing card transactions must be reviewed and authorised by line managers in line with approved thresholds.

14.14 Cards will be withdrawn without exception if the cardholder fails to comply with the terms and conditions by which cards are issued.

14.15 Purchases made will be subject to independent sampling checks by PS Connect and reported to the Chief Finance Officer. .

### Payment of Invoices

14.16 Valid Invoices matched to approved purchase orders will be automatically paid by PS Connect (receipted purchase order means the purchaser has confirmed receipt of the goods and, or performance of services and, or completion of building related works as specified on the purchase order in the finance system).

### Engaging individuals through companies

14.17 Budget managers may occasionally engage individuals, typically consultants or agency type staff, who are employed by their own company. The University has a legal responsibility to determine the correct employment status of such individuals to ensure compliance with HMRC legislation (IR35) with respect to the taxation of such individuals. Under certain circumstances such individuals may be required to be paid via the payroll system and taxed as if they were employees’ of the University.

14.18 It is the responsibility of the budget manager who is procuring the services of an individual employed by their own personal service company to determine the employment status of that individual. Guidance on [employment status of individuals employed by personal service companies](https://www.exeter.ac.uk/staff/employment/tempworkers/selfemployed/selfemployed/) is available on the University’s website.

### Petty Cash

14.19 The Director of PS Connect shall make available to budget centres such petty cash balances considered necessary for their expenses.

14.20 The member of staff granted a petty cash float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place. The box should be subject to periodic checks by the line manager of the administrator safe guarding the petty cash box.

14.21 Cash receipts must not be paid into petty cash accounts, but paid into the University’s bank account directly.

# 15. Staff Related Expenditure and Expenses

# Payment of salaries and employment taxes

15.1 The Director of PS Connect is responsible for all payments of salaries and wages to all permanent and temporary staff including payments for overtime or services rendered and for keeping all records relating to payroll including those of a statutory nature. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of HR.

15.2 All letters of appointment must be issued by Human Resources

15.3 All permanent, part-time, causal and temporary employees will be paid through the University’s payroll system.

15.4 All payments must be made in accordance with the University’s payroll system and comply with HRMC regulations.

### Expense Claims

15.5 Expenses claims are governed by the University’s [Expenses policy, including travel, accommodation, subsistence and other expenses](https://www.exeter.ac.uk/departments/finance/aboutus/policies/expenses/), which is available on the University’s website.

15.6 The University will reimburse staff out of pocket expenses they actually, necessarily and exclusively incur in the course of official University business.

15.7 Staff are not expected to be out of pocket or fund University activity but they should expect to be held accountable for their expense claims, to justify and substantiate their claims and to adhere to the mandatory rules and advisory guidelines set out in the University’s expenses policy.

15.8 Staff have a duty to ensure that funds are applied appropriately and represent values for money.

15.9 Subsistence claims can be made while staff are away from the University for a period of 6 hours or more.

15.10 All expense claims must be submitted through the University on-line Finance system and supported by receipts.

15.11 To enable the efficient administration of business expense claims below £50 are auto-approved within the finance system when created by someone other than the Budget Holder and claims up to £250 are auto-approved within the finance system when created by the Budget Holder. Such claims will be subject to independent sampling checks by PS Connect. All claims over £50 (non-budget holder) require independent approval and all claims over £250 (for budget holder) require independent approval.

15.12 In submitting an expense claim the claimant is verifying that:

* the claim is in respect of bona fide business expense, incurred wholly, exclusively and necessarily on behalf of the University;
* the claim is mathematically correct and supported by receipts or other documentation;
* the claim represents value for money;
* the specific items in the claim will not be subject to a duplicate claim to any party and, specifically in the instance of research grant funded claims, that the expense does not contravene any funding rules imposed by sponsors.

15.13 In approving an expense claim the approver is verifying that the expense is a legitimate bone fide expense and represents value for money.

15.14 Any attempts to submit a false claim and any payment made against a false claim will be treated as a serious disciplinary offence.

 15.15 Claims should be submitted as soon as possible on completion of the travel/activity (within 30 days).

15.16 The Director of PS Connect has the right to refuse claims if they contravene the University’s policy.

### Hospitality, Entertaining and Gifts

15.17 Giving and receiving hospitality, entertainment and gifts are governed by the University’s [Hospitality, Entertainment and Gifts policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/), which is available on the University’s website.

15.18 Only expenditure which is necessarily, wholly and exclusively incurred in supporting official University business should be made and/or claimed from the University.

15.19 Hospitality and entertaining is not permitted as a reward for employee performance.

15.20 There should be no attempt to gain any business advantage through the acceptance or provision of hospitality, entertainment or gifts. Individuals and the University are required to be compliant with the Bribery Act 2010 and both may be prosecuted under the Act.

15.21 All hospitality, entertainment and gifts, given or received, must be included on the University’s official [Record of Hospitality, Entertainment and Gifts](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/record/)

### Cash Advances

15.22 The University will grant staff a cash advance to pre-fund business expenses under certain circumstances, typically because they are visiting overseas to countries that do not have a developed financial infrastructure and rely on cash to transact business such as taxi’s, meals and subsistence.

15.23 Expenses funded from Advances are subject to exactly the same requirements as set out in the Expenses and Hospitality, Entertainment and Gifts policies.

* 1. Such claims will be subject to independent sampling checks by PS Connect.

# 16. Document Retention

16.1 The Director of PS Connect is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities. The University is required by law to retain prime documents for six years. These include:

* official purchase order;
* paid purchase orders;
* sales invoices;
* bank statements;
* paid cheques;
* records documenting receipts;
* Payroll records, including part time lecturers’ contracts;
* additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

16.2 Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as research bodies, regional development agencies and European funding bodies.

# 17. Research and Enterprise Activity

17.1 The Director of Research Services is responsible for overseeing the preparation of application to external funders for research grants and contracts and for ensuring the approval of every formal application to external funders.

17.2 The Director of Innovation, Impact and Business is responsible for overseeing the preparation of application to external funders for any contracts relating to intellectual property or enterprise arrangements.

17.3 The Director of Research Services is responsible for ensuring that all research grants and contracts are costed in full, aiming to achieve maximum cost-recovery permitted while being fully compliant with the under sponsor terms and conditions.

17.4 The University’s Scheme of delegation sets out authorisation limits for signing research grant applications and intellectual property contracts.

17.5 No application for research funding should be submitted to an external body without the appropriate authorisation.

17.6 The Director of Research Services shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date. Regular reports will be provided to Principal Investigators or grant holders on their expenditure.

17.7 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 Faculty budgets.

17.8 The Principal Investigator or Grant Holder will be responsible for:

* Complying with the funder’s terms and conditions at all times;
* Ensuring changes of the project details are notified to the Director of Research Services;
* Keeping expenditure within available funds and ensuring that only actual and necessary expenditure directly relates to the project is charged against it;

### Consultancy and Outside Work

17.9 Any staff wishing to undertake consultancy must first discuss with the Faculty Director of Operations in the first instance. Further information and advice on consultancy is proved by Innovation, Impact and Business. Further guidance is provided on the University’s [HR website](http://www.exeter.ac.uk/staff/employment/payandconditions/conditions/terms/consultancy/).

### Intellectual Property Rights and Patents

17.10 The University’s approach to intellectual property is set out in its [Intellectual Property Policy](https://www.exeter.ac.uk/business/innovate/accesstoideas/). Certain activities undertaken within the University, including research collaborations and consultancy may give rise to ideas, designs and inventions, which may be patentable. These are collectively known as intellectual property.

17.11 Council is responsible for establishing procedures to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their research.

17.12 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 procedures as set out in the University’s Intellectual Property Policy (IIB).

# 18. Taxation

# 18.1 The Chief Financial Officer is responsible for the University’s tax affairs and, with the exception of all employment taxes, is responsible for specifying what tax records are required, authorising the Director of PS Connect to make all tax payments, receiving tax credits. The Chief Financial Officer will authorise all tax returns by their due date.

18.2 The Director of Human Resources is responsible for all aspects of employment taxes, specifying what tax records are required, authorising the Director of PS Connect to make all tax payments, receiving tax credits. The Director of Human Resources will authorise all tax returns by their due dates.

18.3 The University’s [Tax Policy and Strategy](https://www.exeter.ac.uk/media/universityofexeter/financeservices/secure/Tax_Policy_and_Strategy.pdf) sets out the University’s approach to tax planning, governance and risk. The University complies with all legislative requirements, does not engage in tax avoidance but seeks to minimise costs and optimise its tax affairs through permitted reliefs and tax structures.

# 19. Investments, Endowments and Donations

### Donations and Endowments

19.1 Gifts, benefaction, donations or endowments must emanate from a source which is self-evident, ethical and acceptable to the University and be in accordance with the University’s [Reputation Management and Philanthropic Income Policy](http://www.exeter.ac.uk/media/universityofexeter/humanresources/documents/codesofconduct/Reputation_Management_and_Philanthropic_Income.pdf) and be subject to due diligence procedures undertaken by the Director of Global Advancement.

19.2 The University’s Investment Policy sets out endowment investment objectives, risk appetite, liquidity requirements along with its approach to environmental, social and governance issues.

19.3 The University has adopted a total return approach to the distribution of returns relating to permanent endowments. A spending rule is set annually by Dual Assurance (Finance) and this determines the budget for spending departments to operate within.

19.4 The Chief Financial Officer is responsible for initiating claims for recovery of tax where appropriate.

19.5 The Chief Financial Officer is responsible for maintaining a record of the requirements for each endowment fund. The University adopts a total return approach to the distribution of the return on its permanent endowment funds.

19.6 The Director of Advancement is responsible for the stewardship of each endowment fund, including ensuring that the terms and conditions specified by donors are adhered to.

19.7 All philanthropic donations received by Faculties or Services must be promptly notified to the Director of Advancement.

### Treasury Management

19.8 The Chief Financial Officer has responsibility for treasury management and will operate and maintain a comprehensive Treasury Management policy. Dual Assurance (Finance) will annually review the policy, covering investment objectives, approved instruments, counterparty credit risk management, authorisation limits and banking arrangements.

# 20. Insurance

### Insurance Arrangements

20.1 The Director of University Corporate Services is responsible for the University’s insurance arrangements, including the provision of advice on types of cover available, and is responsible for procuring insurance cover, maintaining records and making claims.

20.2 Budget holders must ensure that any agreements they are involved with negotiating, including research grants and contracts, cover any legal liabilities to which the University may be exposed.

20.3 Budget holders must ensure notify the Director of University Corporate Services promptly of:

* Any perceived new risks;
* Any additional property or equipment with a value of £25,000 or over which may require insurance;
* Any alterations affecting existing perceived and known risks;
* Any travel insurance required in connection with the conduct of University business;
* Of any event which may give rise to one or more of the following: termination of any insurable risk, any new risks or any material addition, diminution or alteration to existing risks in relation to employees, Council members, third parties, properties or otherwise;
* Any occurrence which might give rise to a claim on the University’s insurance;
* Any claims received;
* Removal of University equipment from University property.

20.4 All staff using their own vehicle on behalf of the University shall maintain appropriate insurance cover for business use.

20.5 Staff travelling overseas must comply with the travel policy and complete the [International Travel Form](http://www.exeter.ac.uk/codebox/travel_tracker/travellerdetails.php) in order to obtain insurance cover for their trip.

# 21. Assets

### Additions

21.1 The purchase, lease or rent of land, buildings, fixed plant and equipment (whose cost exceeds £25,000) must be undertaken in accordance with [Project Procedures for the Capital Investment Group](http://www.exeter.ac.uk/media/universityofexeter/financeservices/secure/CIG_procedures_-_version_one_FINAL_%28VCEG_Jun_17%29.pdf).

### Inventories

21.2 Pro Vice-Chancellors/Directors of Services are responsible for maintaining inventories for all plant, equipment and furniture and stores in their department with a value in excess of £1,000. The inventory must include items donated or held in trust. In addition, Faculties/Services should maintain an inventory of attractive and portable items regardless of value.

21.3 Inventories must be available for internal audit inspection at any time.

### Disposal of Surplus Equipment

21.4 Redundant or surplus equipment must be disposed of in accordance with the University’s [Sale and Donation of Redundant / Surplus Assets](http://www.exeter.ac.uk/media/universityofexeter/campusservices/sustainability/Sale_and_Donation_FSMG_V9_FINAL.pdf) policy.

21.5 The disposal of land or buildings requires Council approval.

### Personal Use

21.6 University assets shall not be subject to personal use without the authorisation of a Faculty Pro Vice-chancellor or relevant Director of Service.

### Stocks and Stores

21.7 Pro Vice-Chancellors/Directors of Services are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Faculty/Service.

21.8 Pro Vice-Chancellors/Directors of Services are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

21.9 Those Pro Vice-Chancellors/Directors of Services whose stock require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Chief Financial Officer.

# 22. Subsidiaries Associates and Joint Ventures

22.1 A subsidiary undertaking is an entity that is either wholly owned by the University or where the University has a controlling interest by virtue of its ownership or influence. An associate undertaking is an undertaking where the University has a participating interest and exercises significant influence.

22.2 Creation of, or membership of, new subsidiary or associated undertakings must be approved by Council.

22.3 These Financial Regulations will apply to all subsidiary undertakings and their staff unless Council approve specific Financial Regulations applicable to the undertaking, in which case those Financial Regulations will supersede this document.

22.4 The University’s standard terms of trade and payment will apply to all subsidiary undertakings.

22.5 The Chief Financial Officer may approve short-term loans to subsidiary undertakings, of less than 12 months, up to the value of £500,000. UEB may approve short-term loans exceeding £500,000.

22.6 Loans of greater than 12 months up to £1m will be approved by UEB, and over £1m by Council. In all cases loan approvals will be supported by a risk assessment.

22.7 All loans by the University to subsidiary or associated undertakings will be on arms-length commercial terms as determined by the Chief Financial Officer.

22.8 All subsidiary undertakings that are trading must produce regular management accounts, to include profit and loss accounts, balance sheets and cash flow statements which will be available on request to the Chief Financial Officer.

22.9 Subsidiary undertakings will have financial years which run from 1 August to 31 July.

22.10 All subsidiaries and associates which are trading will be required to engage and perform an external audit forgoing any permitted audit exceptions allowed by statute.

# 23. Reference: Policies, Guidelines and Procedures

|  |  |  |
| --- | --- | --- |
| **Policies, Guidelines and Procedures** | **Policy Owner** | **Process Owner** |
| [Code of Conduct for Staff](http://www.exeter.ac.uk/staff/employment/codesofconduct/staff/) | Human Resources |  |
| [Seven Principles of Public Life](http://www.exeter.ac.uk/staff/employment/codesofconduct/staff/sevenprinciples/) | Human Resources |  |
| [Entertainment, Hospitality and Gifts](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/) | FICS | Director of PS Connect |
| [Record of Entertainment, Hospitality and Gifts](https://www.exeter.ac.uk/departments/finance/aboutus/policies/entertainment/record/) | FICS | Director of PS Connect |
| [Prevention of Bribery and improper conduct](http://www.exeter.ac.uk/staff/employment/codesofconduct/bribery/) | Human Resources |  |
| Financial Regulations | FICS | Director of PS Connect  |
| [Financial and Trade Sanctions Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/financialandtradesanctionspolicy/)  | FICS | Director of PS Connect |
| [Fraud Policy](http://www.exeter.ac.uk/finance/policies/fraud/) | FICS | Director of PS Connect |
| [Fraud Response Plan](http://www.exeter.ac.uk/finance/policies/fraudresponseplan/) | FICS | Director of PS Connect  |
| [Anti-Money Laundering Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/anti-moneylaundering/) | FICS | Director of PS Connect |
| [Whistleblowing](http://www.exeter.ac.uk/staff/employment/codesofconduct/publicinterest/) (Public Interest Disclosure Policy) | Human Resources |  |
| Cash Management Operations Guidance | Director of PS Connect | Director of PS Connect |
| Debt Management Policy | Director of PS Connect | Director of PS Connect  |
| [Delegation Framework](http://www.exeter.ac.uk/about/organisation/governance/decision-making/) | Senior Vice-President and Registrar & Secretary |  |
| [Student Finance Regulations](http://www.exeter.ac.uk/students/finance/studentfinanceregulations/) | Director of PS Connect | Director of PS Connect |
| [Payment Card Security Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/pci/) | FICS |  Director of PS Connect |
| Procurement Operations Guidance  | FICS |  Director of PS Connect |
| [Procurement Competition Waiver](https://www.exeter.ac.uk/departments/finance/aboutus/policies/purchasing/) | FICS |  Director of PS Connect |
| [Sustainable Bought Goods and Service Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/sustainable-goods-services/) | FICS |  Director of PS Connect |
| [Employment Status of Individuals employed by personal service companies](https://www.exeter.ac.uk/staff/employment/tempworkers/selfemployed/selfemployed/)  | Human Resources |  |
| [Purchasing Card Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/purchasingcardpolicy/)  | FICS |  Director of PS Connect |
| [Expenses Policy](https://www.exeter.ac.uk/departments/finance/aboutus/policies/expenses/) | FICS |  Director of PS Connect |
| [Intellectual Property Policy](https://www.exeter.ac.uk/business/innovate/accesstoideas/) | IIB |  |
| [Tax Policy and Strategy](https://www.exeter.ac.uk/media/universityofexeter/financeservices/secure/Tax_Policy_and_Strategy.pdf) | FICS |  Director of PS Connect |
| [International Travel Form](https://www.exeter.ac.uk/departments/cgr/insuranceauditandrisk/insurancepolicies/travel/inttrav/) | Corporate Services |  |
| [Project Procedures for Capital Investment](http://www.exeter.ac.uk/media/universityofexeter/financeservices/secure/CIG_procedures_-_version_one_FINAL_%28VCEG_Jun_17%29.pdf) | FICS |  Director of PS Connect |
| [Sale of Redundant/Surplus Assets Policy](http://www.exeter.ac.uk/media/universityofexeter/campusservices/sustainability/Sale_and_Donation_FSMG_V9_FINAL.pdf)  | FICS |  Director of PS Connect |