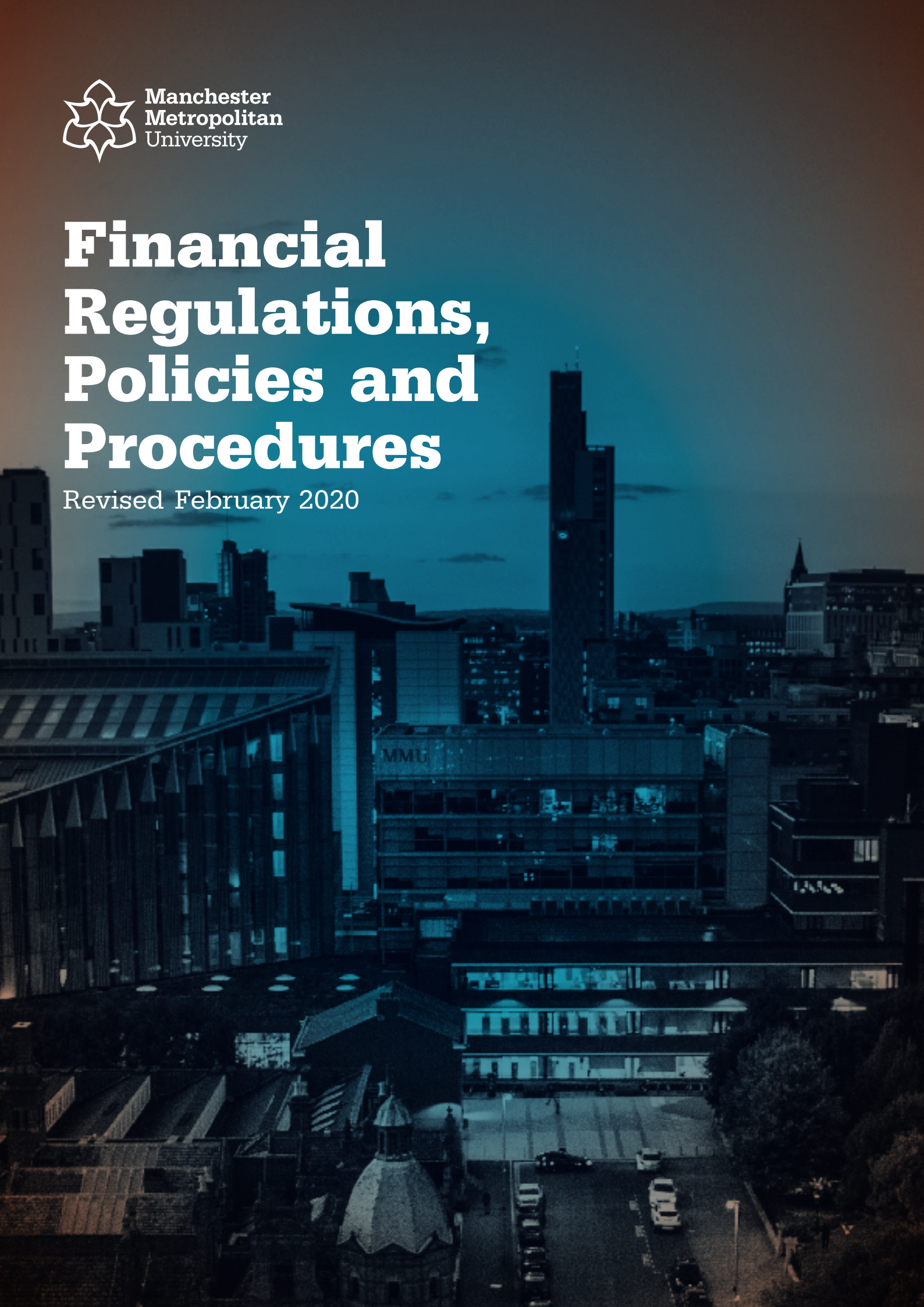


Financial Regulations, Policies and Procedures

Revised February 2020



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Regulations, procedures and policies

These financial regulations set out the basic principles that inform how the University conducts its financial affairs. The regulations cover the structure of financial governance in the University and outline the code of practice in areas such as income, expenditure, the University's assets and various other financial matters.

A:

Introduction



A.1 Why do we need Financial Regulations?

The University's activities are supported by substantial public funds and as a publicly funded body, the University is accountable to its stakeholders in ensuring the most efficient and effective use of its resources in support of the University's approved strategy.

This means the University has a responsibility to operate within a compliance framework and in a transparent manner. This compliance framework dictates that the University must develop systems for internal control which include the Financial Regulations.

These Financial Regulations:

- are approved by the **Board of Governors** in accordance with its statutory responsibilities for the control of University finances. When applied, the regulations ensure the proper use of University financial resources, satisfying the University's requirements for accountability, internal control, and the management of financial risk;
- fulfil any legal or financial obligations established by HM Revenue & Customs, the Office for Students (OfS), and other government agencies, and;
- provide assurances that the resources are being effectively applied for the achievement of the University's Strategic Framework and business objectives on a sustainable basis whilst achieving value for money.

The Board of Governors has approved these regulations on 27 March 2020 and is required to approve any amendments.

mmu.ac.uk/financial-regulations/

A.2 Format and Status

These regulations, together with the supporting Financial Procedures and Policies, set out the fundamental principles that underpin all transactions by, or on behalf of, the University. They apply to all activities of the University, including any subsidiary undertakings, and compliance with them is compulsory for all employees who are involved in activities falling within their scope. They are also compulsory for all temporary and agency staff.

As the Regulations set out general principles, it is unlikely that they will change very often. The more comprehensive Financial Policies and Procedures describe in detail how a specific financial activity can best be carried out. As such, the Policies and Procedures set out recommended best practice and should be followed. The Director of Finance is authorised to amend the Financial Policies and Procedures as necessary to strengthen or respond to the University's needs.

It is the personal responsibility of Heads of Department (as defined in the Terminology section of this document) to ensure that the existence of the Financial Regulations, Policies and Procedures, and the importance of observing their provisions, is made known to all employees within their department.

A member of staff who deliberately fails to comply with the Financial Regulations and Financial Policies and Procedures will be referred to the University's disciplinary processes and may be subject to disciplinary action under the University's Disciplinary Procedure.

A.3 Glossary of Terms

Definitions and abbreviations used in the Regulations, Policies and Procedures

A.4 Further Advice

Members of staff in Finance and Procurement are always willing to help colleagues who have queries concerning any matter relating to Financial Regulations or Financial Policies and Procedures. If you have any concerns or are unsure about a particular aspect of a specific Regulation, Policy or Procedure, please ask for advice. Contact details for external enquiries can be found **here**. Internally, contact details for Finance and Procurement staff are available via the Staff Intranet.

Similarly, if your department is about to undertake a new activity which you feel is not adequately covered by existing Financial Regulations, Policies or Procedures, please contact Finance and Procurement at an early stage so that we can advise, and if necessary develop with you a new policy.

B: Financial Control



B.1 Introduction

The University is a higher education corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. It is an exempt charity by virtue of the Charities Act 2011. A guide to the University's constitutional and legal status and its structural governance can be found **here**.

B.2 Governance Structure

Information on Corporate Governance (including information on the overall University Committee Structure) can be found on the University's **Governance website**.

B.3 Responsibility for Finance in the University

B.3.1 Board of Governors

The University's Board of Governors is responsible for determining the educational character and mission of the University, for oversight of its activities and for the efficient use of resources, as set out in the University's **Articles of Government**. The Board's responsibilities include the following types of financial duties:

- to ensure the solvency of the University
- to act as charity trustees
- to safeguard the University's assets
- to ensure the effective and efficient use of resources

- to ensure that the funds provided by the Office for Students (OfS) and other funders are used in accordance with the specified terms and conditions
- to ensure that financial control systems are in place and are working effectively
- to ensure that the University complies with the **Office for Students** (OfS) Regulatory Framework
- to approve the University's strategic framework
- to approve annual estimates of income and expenditure and the **annual financial statements**
- to appoint the University's internal and external auditors.

B.3.2 Accountable Officer

The **Vice-Chancellor** is the University's designated Accountable Officer responsible for the financial administration of the University's affairs. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Board of Governors and for the management of budgets and resources within the estimates approved by the Board of Governors Committee Structure (as applicable).

B.3.3 Committee Structure

The Board of Governors has ultimate responsibility for the University's finances, but delegates specific powers and processes to (amongst others) the committees detailed below.

Audit Committee
Finance and
Resources Committee

Nominations and Governance Committee Remuneration Committee

Please see **Committee Structure Diagram** for a detailed breakdown of the committee structure.

B.3.4 Director of Finance

Day-to-day financial administration is controlled by the Director of Finance who is responsible to the Vice-Chancellor for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the University's annual accounts and any other accounts and returns which the University is required to submit to other authorities
- ensuring that the University maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

Details of the key contacts for the main areas where advice can be sought within the Finance and Procurement department can be found on the Staff Intranet.

B.3.5 Heads of Department, Pro-Vice Chancellors and Directors

Heads of Department, Pro-Vice Chancellors and Directors are responsible to the Vice-Chancellor for financial management for the areas or activities they control. They are advised by the Director of Finance in executing their financial duties. The Director of Finance will supervise and approve the financial systems in operation, including the form in which accounts and financial records are kept. Heads of Department, Pro-Vice Chancellors, and Directors are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters, and that corporate approved systems and records are used.

Where resources are devolved to Budget Holders, they are accountable to their Head of Department for their own budget.

Heads of Department, Pro-Vice Chancellors and Directors shall provide the Director of Finance (or their nominee) with such information as may be required to enable:

- compilation of the University's financial statements
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money studies

B.3.6 All members of staff

All employees, officers of the University and others with responsibility for the administration or management of funds held by the University, must comply with these regulations and meet the financial control requirements of any financial processes made under these regulations.

All members of staff should be aware and have a general responsibility for the security of the University's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required.

They shall make available any relevant records or information to the Director of Finance, or their authorised nominee, in connection with the implementation of the University's financial policies and processes, Financial Regulations, the system of financial control, and any financial irregularities.

B.4 Audit

B.4.1 Audit

The **Office for Students (OfS) Regulatory Framework** and 'Terms and Conditions of Funding for Higher Education Institutions' set out what it requires the University to have in place to provide adequate assurance on good governance, internal controls, the management of risk and achieving value for money (VFM).

B.4.2 External audit

The external auditors should be reappointed annually by the Board of Governors. The Board of Governors will be advised by the Audit Committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five years.

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

B.4.3 Internal audit

The internal auditor is appointed by the Board of Governors on the recommendation of the Audit Committee.

The University's registration with OfS requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Board of Governors, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board of Governors, the Vice-Chancellor and the Chair of the Audit Committee.

B.4.4 Other auditors

The University may, from time to time, be subject to audit or investigation by external bodies such as OfS, the National Audit Office, the European Court of Auditors, HM Revenue & Customs. These auditors have the same rights of access as external and internal auditors.

B.5 Risk Management

Risks are defined as those external and internal factors that may impact adversely on the University achieving its objectives. The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The Board of Governors has overall responsibility for ensuring there is a risk management framework in place and a common approach to the management of risk across the University. The University's risk management framework

forms part of the University's strategic planning and performance management procedures, including internal control and governance arrangements through the University's Audit Committee. It informs the approach taken by the University to identify, assess and manage risk, documenting those risks in an agreed Risk Register format.

Senior leaders across the University are responsible for identifying, managing and monitoring risks within their area (in the prescribed format) and reporting these to the Chief Operating Officer, as the responsible person for the University's Corporate Risk Register.

B.6 Code of Conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the **Committee on Standards in Public Life** which Board of

Governors members and members of staff at all levels are expected to observe.

The **University Ethical Statement** sets out the University's stance on ethical considerations and provides a framework through which staff, students and Governors should consider the ethical implications associated with the activities with which they engage.

Members of the Board of Governors are also charity trustees and as such are subject to obligations imposed by charity law. Their dual role may introduce potential conflicts of interest which they will need to manage appropriately. Members of the Board of Governors are required to disclose interests as set out in the in the University's Conflict of Interests Policy for Governors.

University staff are required to disclose interests as set out in the in the University's Conflict of Interests Policy.



C: Financial Management



C.1 Overview

C.1.1 Sources of Income

Universities obtain their funds from various sources including:

- Student Loans Company
- Office for Students (OfS)
- Research England
- Education and Skills Funding Agency
- National College for Teaching and Leadership
- tuition fees and support grants for students
- research grants and contract income
- investment income
- income from services rendered
- funds in the form of endowments and donations
- capital grants

C.1.2 Grant Conditions

Payment of funding to the University by the OfS is governed by the Terms and Conditions of Funding, the most recent version of which can be found at the **OfS** website. This document establishes that the payment of grant is in support of:

- the provision of education
- the provision of facilities, and the carrying out of any other activities which the Board of Governors considers it necessary or desirable to provide or carry out for the purpose of, or in connection with, education

The OfS Terms and Conditions of Funding supplement the Conditions of Registration, and are made under

Section 75 of the Higher Education and Research Act 2017 (HERA)

The **Terms and Conditions of the Research England** grant set out the formal relationship between UK Research and Innovation (UKRI) and the higher education providers that it funds in relation to UKRI funds administered through Research England.

These terms and conditions underpin the funding Research England and describe the assurance they rely on in discharging their funding responsibilities. These terms and conditions also reflect UKRI's responsibility to provide annual assurances to Parliament that:

- funds provided are being used for the purposes for which they were given (regularity)
- risk management, control and governance in the higher education (HE) sector are effective (propriety)
- economy, efficiency and effectiveness are being achieved (value for money)

C.2 Budgets and Resource Allocation

C.2.1 The Budget Process

The Director of Finance is responsible for preparing annually a rolling five-year financial plan for approval by the Board of Governors on the recommendation of the Finance and Resources Committee, and for preparing financial forecasts for submission to OfS. Financial plans are consistent with the

Strategic Framework and Estates Strategy, approved by the Board of Governors.

The Director of Finance is also responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance and Resources Committee before submission to the Board of Governors. The budgeting process requires the production of monthly cash flow forecasts for the year and a projected year-end balance sheet. The Director of Finance ensures that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Pro-Vice Chancellors, Directors, and Heads of Department as soon as possible following their approval by the Board of Governors.

During the year, the Director of Finance is responsible for submitting revised forecasts to the Finance and Resources Committee for consideration before submission to the Board of Governors for approval.

C.2.2 Budgetary Control

The control of expenditure within agreed budgets for University funded and externally funded activities is the responsibility of the designated budget holder who should ensure that appropriate records are maintained. Budget holders are responsible to their Head of Department for the expenditure appropriate to their budget. It is the responsibility of each Pro-Vice Chancellor and

Director of Professional Service department to ensure that the expenditure of each department within their remit, whether for University funded or externally funded activities, is within agreed allocations and that appropriate records are kept.

The budget holders are assisted in their duties by management information provided by the Director of Finance on a routine and regular basis. This will be supplemented on request with more detailed information as required. The advice of the Director of Finance must be sought regarding any proposed financial commitment that cannot be met from within the budget allocation.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Head of Department concerned and, if necessary, corrective action taken.

The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance and Resources Committee on a basis determined by that Committee but subject to any specific requirements of OfS. These reports are presented to the Board of Governors, which has overall responsibility for the University's finances.

C.2.3 Treatment of year-end balances

At the year-end, there will be no automatic carry forward of any underspends.

C.2.4 Capital and major investments

The capital programme includes new buildings construction, refurbishments, acquisition of land and/or buildings, and disposals. The University also invests in major IT projects.

The Director of Finance will establish protocols for the inclusion of capital projects in the capital programme. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.

The Director of Finance is responsible for providing regular statements concerning the capital programme to the Finance and Resources Committee with an individual project value in excess of £1 million.

For Building projects, individual investments of up to £1 million can be approved by the Director of Finance, the Vice-Chancellor or through the Estates Strategy Group, chaired by the Chief Operating Officer. IT projects up to £1 million can be approved by the Director of Finance, the Vice-Chancellor or through the Information Systems Strategy and Prioritisation Board (ISSP), chaired by the Director of Finance.

All projects between £1 million and £5 million require approval by the Finance and Resources Committee, and projects in excess of £5 million require approval by the Board of Governors.

Any project overspends above approved budgets require further approval. Overspend and or additional budget of up to an additional £1 million require approval by either the Director of Finance, the Vice-Chancellor or relevant Board (Estates Strategy Group or the Information Systems Strategy and Prioritisation Board). All overspends/additional budget requirement between £1 million and £5 million require approval by the Finance and Resources Committee; and overspends/additional budget in excess of £5 million require approval by the Board of Governors.

C.3 Accounting Arrangements

C.3.1 Basis of accounting and format of the annual financial statements

The University's financial year will run from 1 August until 31 July the following year. The consolidated **financial statements** are prepared on the historical cost basis of accounting, as modified by the valuation of land and buildings, and in accordance with applicable accounting standards.

The financial statements are prepared in accordance with the current Statement of Recommended Practice: Accounting for Further and Higher Education (SORP), subject to any specific requirements of the funding body.

C.3.2 Accounting records

The Director of Finance's Office will make appropriate arrangements for the retention of electronic and paper records.

The University is required by law to retain prime documents for six years. Retention may be longer in the case of some areas. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations. See the **Records Retention and Disposal Schedule**.

C.3.3 University Companies

The financial statements of companies wholly owned by the University or in which it has a controlling interest are consolidated, where material, into the University accounts. Details of interests in the companies are required to be provided in the Notes to the Accounts.

C.3.4 Taxation

The Director of Finance is responsible for advising Pro Vice-Chancellors, Directors, and Heads of Department on all taxation issues, in the light of guidance

issued by the appropriate bodies and relevant legislation as it applies to the University. The Director of Finance, or their nominee, will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

The Director of Finance is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.



D: Income



D.1 General

D.1.1 Director of Finance

The Director of Finance is responsible for ensuring that appropriate procedures exist to enable the University to receive all income to which it is entitled. The Director of Finance is also responsible, on behalf of the Finance and Resources Committee, for liaising with the University's bankers in relation to the proper operation of the University's bank account.

D.1.2 Heads of Department

Heads of Department are responsible for ensuring that the Director of Finance, or their nominee, is informed promptly of all income due to the University or a University Company and should provide promptly such information as is required for the purpose of collecting such income. All requests for monies due to the University or University Companies should be rendered via the official route sanctioned by the Director of Finance.

D.2 Receipts

D.2.1 Collection

It is the responsibility of departments to ensure that all cash and cheques received are deposited with the Finance Service Centre intact on the day of receipt, and that payments are not disbursed out of receipts.

The Director of Finance will arrange for the prompt collection, security and banking of all funds received by the University and will ensure that:

- such income is fully recorded either by a receipt or other appropriate method
- all income is banked intact to the University's bank account, as soon as possible.

D.2.2 Debt Control

The Director of Finance is responsible for an efficient and effective debt control and collection system. The Director, or nominee, must be informed if there is any reason why a debt may prove difficult to recover.

D.2.3 Sales Invoices

University sales invoices may only be issued by, or on the authority of, the Director of Finance. All invoices must be raised via the official route sanctioned by the Director of Finance.

D.2.4 Credit Terms and Debt Write Offs

Sums due to the University should be paid in accordance with the terms of the contract or standard commercial terms where applicable. No extended credit or delayed payment will be permitted normally. Debts must not be in any way amended or written-off except by the Director of Finance or their nominee.

Further guidance on the receipt of monies, the collection of debts and the University's credit management policies can be found in the University's Income and Banking Policy.

D.3 Research Grants and Contracts

The internationally recognised definition of research is as follows:

'Research and experimental development (R&D) comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.'

Frascati Manual

Where bids are to be submitted to outside bodies for support for research funding or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of Department/ Pro-Vice Chancellor to ensure that the financial implications have been fully appraised and that the relevant documentation has been fully completed and authorised.

The research contract should comply with the University's procedures with regard to costing and pricing, indirect costs, and other expenses; and take account of different procedures for the pricing of research projects dependent upon the funding body. All applications will be on behalf of and in the name of the University.

No application should be submitted for any external funding that has not been authorised by both the relevant departmental and University authorities prior to submission.

Each grant or contract will have a named Principal Investigator, be allocated a specific project code and budget, and will be assigned to a specific department.

Control of expenditure will be contained within the grant. The Head of Department may delegate day-to-day control of the account to the Principal Investigator, but any overspend or under recovery of full economic costs is the responsibility of the department with any loss being a charge on department funds. It is the responsibility of the Principal Investigator to ensure that conditions of funding are met.

It is the responsibility of the Research and Knowledge Exchange (RKE) Directorate to raise all invoices and claims for research projects in accordance with the terms and conditions of the contract. The Principal Investigator must provide RKE with all necessary information to complete the financial returns on time.

All accounts will be closed in a timely manner following the end date of the contract.

D.4 Other Income-generating Activity

D.4.1 Consultancy Activity

The University has a Consultancy Policy relating to consultancy activity carried out by all University staff, and which is published on the Staff Intranet. This should be read in conjunction with other university policies, notably the policies on Conflicts of Interest and Intellectual Property.

University staff should follow the processes set out in this policy for the approval, carrying out and recording of consultancy and external activity. All consultancy activity should be declared and agreed with the relevant member of the University Executive Group in accordance with this policy.

Consultancy should comply with the University's procedures with regard to costing and pricing, indirect costs, and other expenses.

D.4.2 Short Courses and Conferences

In this context, a short course is any course that does not form part of the award-bearing teaching load of the department. A conference is an event where the primary purpose is the exchange of information and the facilitation of networking, as distinct from the payment of experts for the imparting of knowledge (which will constitute a short course).

Any member of staff wishing to organise and run a short course or conference must have agreement from their head of department. The course/conference organiser will be responsible for the day-to-day management of the course/conference.

Courses or conferences should comply with the University's procedures with regard to costing and pricing, indirect costs, other expenses, and collection of income.

The Conference and Events Office offers a planning, advisory and management service for the delivery of conferences and events across the University.

D.4.3 Services Rendered

When a Department or member of staff is considering an application for external non-research funding or entering into an agreement for the provision of a service to an external party, contact shall be made with the appropriate University office, which shall advise and assist in the preparation of the application and preparation of any formal agreements.

Prior to the involvement of the appropriate office, there must be no serious "informal" discussions with potential sponsors about costs in general and no commitment in respect of pricing the activity should be given to a sponsor.

D.4.4 Accommodation Fees, Catering and Conference Services

The University will take steps to recover monies from students who do not pay their accommodation fees. This may include eviction from accommodation and instigation of legal action to recover sums owed.

The Accommodation and Conference and Events Offices are responsible for invoicing clients for catering and conference services.

D.4.5 European Union and other 'match funding'

Any such project requires the approval of the appropriate officer prior to any commitment being entered into. Such approval shall be dependent upon the relevant Head of Department being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's costing and pricing policy.

D.4.6 Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus generating unless it is intended that the activity be undertaken for other than non-financial reasons. If that is the case, the reason for it must be specified and agreed by the Head of Department and the Director of Finance.

Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of overheads.

D.5 Intellectual Property Rights and Patents

Certain activities undertaken within the University (whether by its students, staff, contractors and/or agents), including research and consultancy will give rise to intellectual property rights, some of which may be patentable. The University's Intellectual Property Policy (available on the Staff Intranet) sets out clear guidance for the disclosure, ownership and management of intellectual property rights.

D.6 Funds Held in Trust

D.6.1 General

The Director of Finance is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

D.6.2 Gifts, endowments and donations

The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax where appropriate.

D.6.3 Student welfare and access funds

The Director of Finance will prescribe the format for recording the use of any student welfare funds. Records of welfare funds will be maintained according to any Office for Students (OfS) requirements.

D.6.4 Trust funds

The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Board of Governors on the control and investment of fund balances.

The Board of Governors is responsible for ensuring that all the University's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

E:

Expenditure



E.1 General

E.1.1 Director of Finance

The Director of Finance is responsible for making payments due by the University and must approve all payment procedures.

E.2 Authority to Incur Expenditure

E.2.1

No revenue or capital expenditure may be incurred unless provision for such expenditure is included in the Annual Budget or has been additionally approved by the University Executive Group or Director of Finance or their nominee, or is otherwise covered by a specific provision, from an external source, accepted formally on behalf of the University by an appropriately authorised officer.

E.2.2

A budget holder or their nominee may incur revenue expenditure within the approved budget providing that the expenditure is made in accordance with Financial Regulations and Procedures.

E.3 Purchasing Goods and Services

E.3.1 Purchasing Policy

The Pro-Vice Chancellor, Director of a Professional Service department or Head of Department is responsible for purchases within their department. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, budget

holders are required to observe the University's Purchasing Procedures.

The Director of Finance, or their nominee, shall maintain a register of authorised signatories and budget holders must supply specimen signatures, using the form available on the Staff Intranet, of those authorised to certify invoices for payment (for any remaining paper-based systems). The University's electronic purchasing and payment system provides for the appropriate authorisation of expenditure within agreed approval limits.

Any changes to the authorities to commit expenditure must be notified to the Director of Finance, or their nominee, immediately.

Further guidance can be found in the University's Purchasing Procedures.

Purchasing Cards must be used in accordance with 'Use of Purchasing Cards' (Financial Procedure 5), which is available on the Staff Intranet.

E.4 Contracts and Tenders

All staff are expected to follow the current approval route for any activity they undertake (or are contemplating undertaking) which may include appropriate due diligence.

E.4.1 Tenders and Quotations

Budget Holders and their nominees must comply with the University's tendering procedures contained in the University's Purchasing Procedures.

E.4.2 Building works

Building contracts between £1 million and £5 million require approval by the Finance and Resources Committee, and projects in excess of £5 million require approval by the Board of Governors. (See clause **C.2.4**) Proposals will normally be initiated by the Director of Estates, Facilities and Capital Development in respect of planned replacements, general improvement schemes, or space planning, or in response to requests from departments.

Consultants may be appointed if the project is too large or too specialised for the University resources. Appointments shall be subject to tendering and other procedures where appropriate.

Purchase orders and contracts for building works involving construction, repair or maintenance must be processed through the Estates, Facilities and Capital Development Department.

E.5 Capital Expenditure

All capital expenditure on land, buildings, furniture, equipment and any associated costs may only be incurred if it is part of an approved Capital Budget (see section **C2.4**), or agreed capital spend from a recurrent budget, and detailed procedures for such financial transactions are followed.

When part of a capital project is funded by a grant, the grant claim process must be initialised before expenditure will be authorised.

The Director of Finance is responsible for providing regular statements relating to all capital expenditure to the Finance and Resources Committee with an individual value in excess of £1 million.

See also clauses **C.2.1**, **C.2.2**, and **E.2.1**.

E.6 Value for Money

It is a requirement of the OfS conditions of registration that the University achieves value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by funding bodies, the National Audit Office, the Public Accounts Committee or other relevant bodies.

All staff must seek to deliver value for money. The simple principle that is applied to all of the University's work is 'to make the best use of the resources it has available in order to achieve the desired output and maximise the benefit achieved from that output'.

E.7 Salaries, Wages and Fee Payments

E.7.1 Director of Human Resources and Organisational Development

The Director of Human Resources and Organisational Development is responsible for determining the contractual arrangements relating to the payments of salaries, wages and other emoluments.

The Director of Human Resources and Organisational Development is responsible for issuing all contracts of employment. A contract should be set up by the Human Resources and Organisational Development Department before any work is performed.

E.7.2 Director of Finance

The Director of Finance is responsible for ensuring that people are paid through the University payroll with tax and National Insurance Contributions deducted (where appropriate), except where satisfied that a contract of employment does not exist. The Director of Finance is also responsible for the maintenance of the related records, including those of a statutory nature.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HM Revenue & Customs regulations. Staff should be aware that the University could incur penalties for non-compliance with such regulations.

The Director of Finance is responsible for issuing all contracts for services.

E.7.3 Terms and Conditions of Employment

All University staff will be appointed to the salary scales approved by the Board of Governors and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources and Organisational Development Directorate.

E.7.4 Appointment of Staff and Workers

All contracts of employment and contracts for services shall be concluded in accordance with the University's approved practices and procedures and all offers of employment with the University shall be made in writing by the Director of Human Resources and Organisational Development. Managers shall ensure that the Director of Human Resources and Organisational Development is provided promptly with all information they require in connection with the appointment, resignation or dismissal of employees.

E.7.5 Pension schemes

The eligibility of staff for membership of the Teachers' Pension Scheme (TPS), Local Government Pension Scheme (LGPS), or the University's Superannuation Scheme (USS) will be detailed in individual contracts of employment.

The Board of Governors is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

E.7.6 Expenses

The University reimburses employees for certain specified items in accordance with HMRC guidelines. The University's Travel, Subsistence, and Other Expenses Policy (available via the staff intranet) sets out clear procedures and guidance.

Claims for members of the Board of Governors will be authorised by the Chief Operating Officer, or their authorised nominee, the Head of Governance & Secretariat. Claims for Governors expenses will be based on demonstrable, out-of-pocket expenses, but only reasonable expenses can be reimbursed.

E.7.7 Overseas travel

All arrangements for overseas travel must be in accordance with the appropriate University policies including the International Travel Policy, and all staff travelling overseas will need to register with the Insurance travel system (details are available via the Staff Intranet). Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings. Details for the reimbursement of expenses incurred on overseas business can be found in the University's Travel Subsistence, and Other Expenses policy (available via the staff Intranet).

E.7.8 Payroll Taxation

Responsibility for accounting for PAYE, National Insurance Contributions and any other taxes, and for making all statutory returns, rests with the Director of Finance. Where payments for services rendered are made to individuals not employed by the University, the Director of Finance is responsible for maintaining any records required by the HM Revenue and Customs.

The University has a dispensation from the HM Revenue and Customs to make expense payments to employees for certain specified items without deduction of income tax where these have been wholly, exclusively and necessarily incurred while on University business. Reimbursement by the University of expenditure not included in the dispensation is prima-facie subject to the deduction of income tax before payment. The Director of Finance, or their nominee, shall decide when income tax should be deducted from payments.

E.7.9 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation. Professional advice should be obtained where necessary. No amounts shall be expended which exceed the budget allocated for the purpose. All such payments shall be authorised by the Vice-Chancellor and calculations checked by the Director of Human Resources and Organisational Development or the Director of Finance.

Matters referred to an industrial tribunal shall be notified to the Finance and Resources Committee at the earliest opportunity in order that material budget provision may be made as necessary. Determinations of tribunals must be similarly notified.

E.8 Entertaining

Reasonable amounts of expenditure for hospitality and entertaining of third parties may be charged to University administered funds where necessarily incurred in the course of the University's business. The rules applying to expenditure when offering hospitality can be found in the University's Travel, Subsistence, and Other Expenses Policy (available via staff intranet).

E.9 Value Added Tax

E.9.1

The University is registered for VAT.

E.9.2

Departments must confirm the Value Added Tax liability on research contracts and all other agreements with the Finance and Procurement Taxation Team (contact details may be found on the staff intranet).

F: Assets



F.1 General

F.1.1 The Director of Estates, Facilities and Capital Development

The Director of Estates, Facilities and Capital Development is responsible for the Buildings and Estates function within the University, including custody and physical security of all University buildings and other resources related to this function. In considering the degree and form of security for particular buildings, the Director of Estates, Facilities and Capital Development shall be informed by the recommendations and requirements of the relevant Heads of Department.

F.1.2 Heads of Department

Heads of Department are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as furniture, cash, stocks and stores under their control) or intangible (such as **intellectual property**), including electronic data.

Cash, stores and other especially valuable assets must be handled in accordance with the appropriate Financial Procedures issued by the Director of Finance.

F.1.3 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land or buildings can only be undertaken with authority from the Board of Governors.

F.2 Asset Registers and Inventories

The Director of Finance is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Heads of Department will provide the Director of Finance, or their nominee, with any information he or she may need to maintain the register.

Heads of Department are responsible for maintaining departmental asset/inventory registers and for operating that register in accordance with the procedures set out in the Asset Management Policy. The inventory must include items donated or held on trust.

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

F.3 Stocks and Stores

Heads of Department are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance.

Heads of Department 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.

Those Heads of Department whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the University's detailed financial procedures.

F.4 Asset Disposal

Disposal of University property must be in accordance with procedures agreed by the Finance and Resources Committee and contained in the Acquisition & Disposal of Assets Policy.

Disposal of land and buildings must only take place with the authorisation of the Board of Governors. Any assets which were purchased using exchequer funds either wholly or in part must follow the guidelines laid down by the OfS.

F.5 Personal Use of Assets

Assets owned or leased by the University shall not be subject to personal use without proper authorisation. Use of the University's IT services, systems, software and devices are subject to its Acceptable Use Policy.

F.6 Investments and Treasury Management

F.6.1 Treasury Management

The University's Finance and Resources Committee is responsible for the oversight of all investment of funds of the University, including those held in Trust. It agrees the overall Treasury Management Policy (available via the staff Intranet) and receives from the Director of Finance regular reports on the activities of the treasury management operation

The Director of Finance is responsible for remitting all funds for investment with organisations in line with the provisions set out in the Treasury Management Policy, maintaining records of investments, both capital and income, for ensuring safe custody of all relevant documents, and for reporting investment performance regularly to the Committee. No investment of University monies shall be made other than in accordance with arrangements approved in writing by the Director of Finance.

The University's Treasury Management Policy (available via the staff Intranet) is based on CIPFA's 'Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes' and sector-specific guidance, setting out the strategy, policies and objectives in treasury management areas including cash management, investments and borrowings. The Policy incorporates the University's Ethical Investment Policy which seeks to reflect the prudent approach to investing funds in other organisations, with the fundamental principle of not investing in areas that conflict with the University's core values.

F.6.2 Appointment of bankers and other professional financial advisers

The Finance and Resources Committee is responsible for the appointment of the University's bankers. The appointment shall be for a specified period after which consideration shall be given by the Finance and Resources Committee to competitively tender the service.

G: Other Regulations



G.1 Insurance

The University effects comprehensive insurance against “all risks”, travel, employer’s liability, public liability, professional negligence etc. for standard University business via an independent insurance broker. The Chief Operating Officer, or their nominee, co-ordinates the University’s insurance arrangements and deals with the University’s insurers and advisers about specific insurance issues.

Staff must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities and do not give rise to any uninsured risks to which the University may be exposed. The advice of the University Legal Department must be sought to ensure that this is the case.

All staff shall bring to the notice of the Chief Operating Officer or their authorised nominee, the Director of Legal Services, in writing, all insurable risks relating to their areas of responsibility and should inform the Chief Operating Officer or their nominee, immediately of all events giving rise to a claim under an insurance policy and provide promptly all information required in connection with any such claim. This notice may be given orally initially but must be confirmed, in writing, within 24 hours. Staff must provide the Chief Operating Officer or their authorised nominee, the Director of Legal Services, with information promptly when requested for the annual insurance renewal or at any other time.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and provide evidence of such insurance to the University on demand.

Staff travelling overseas must apply for travel insurance using the online form (available via the staff Intranet). Reasonable precautions must be taken when the University’s equipment is to be taken off-site/overseas.

The University will from time to time issue Insurance Guidance for staff and a copy the Guidance can be obtained from the University’s Insurance Officer.

G.2 Banking Arrangements and Cheques

The University’s banking arrangements shall be decided by the Finance and Resources Committee, as per clause **F6.2**.

All arrangements with the University’s bankers concerning the University’s bank accounts, the collection of monies, the issue of cheques or other transfer of funds, shall be made by the Director of Finance on behalf of the Finance and Resources Committee. No other employee shall under any circumstances open or operate a bank account in the name of the University or a University Company, or one holding itself out to be. Details can be found in the Income and Banking Policy (available via the staff Intranet).

Only employees with delegated authority from the Director of Finance, the Chief Operating Officer or the Vice-Chancellor may sign or endorse cheques or other similar instruments on behalf of the University.

Only employees with delegated authority from the Director of Finance, the Chief Operating Officer or the Vice-Chancellor shall be empowered to give instructions to the University’s Bankers.

G.3 Authorised Signatories

G.3.1 University Seal

Where a deed or document requires the University’s seal, it must be sealed by the Chair of the Board of Governors, or in their absence, the Deputy Chair, together with the Chief Operating Officer as Clerk to the Board, or another member of the Board of Governors. The Chief Operating Officer is responsible for submitting a report to each meeting of the Board of Governors detailing the use of the University’s seal since the last meeting.

G.3.2 Any agreement or contract that does not require the University’s seal

The Board of Governors has resolved that:

- (i) the Director of Finance (or their appointed nominee) be authorised to execute agreements on behalf of the University that give rise to any risk, liability (financial or otherwise) or responsibility on the part of the University;

(ii) the Vice-Chancellor and Deputy Vice-Chancellor/Provost be authorised to execute academic agreements (including, but not limited to, agreements for taught provision, research, academic enterprise and collaborations including international collaborations) on behalf of the University.

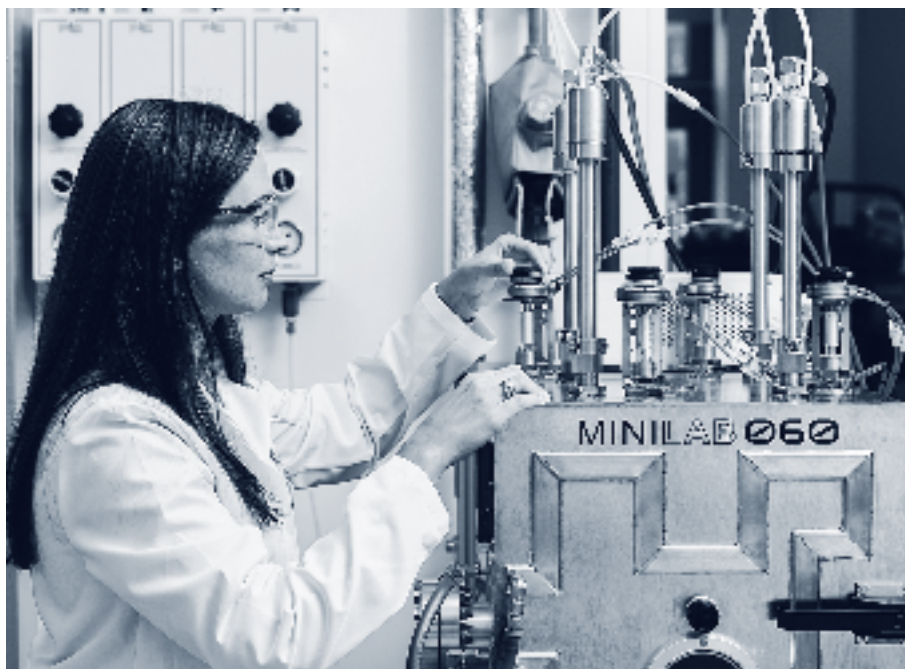
G.4 Companies, Joint Ventures and Consortium Arrangements

G.4.1 Companies and commercial activities

In certain circumstances, it may be advantageous to the University to establish a company, joint venture or consortium arrangement. Any member of staff considering the use of such arrangements should first seek the advice from the Director of Research and Knowledge Exchange (RKE), or the Director of Finance or their nominee.

The Board of Governors is ultimately responsible for approving the establishment of all companies, joint ventures or consortiums and the procedure to be followed in order to do so.

Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University where possible.



G.5 Security

G.5.1 Keys

Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Director of Finance's Office immediately. The University's Income and Banking Policy provides guidance on the security of keys, cash, cheques and other negotiable instruments.

G.5.2 Information

Information Security Policies and Procedures are available on the University website.

Data Protection information and guidance is available on the University website. Additional information for staff, including the Data Protection Policy & Guidance Library, is available on the Staff Intranet.

G.6 Irregularities

G.6.1 Whistleblowing

The full procedure for whistleblowing is set out in the University's separate **Public Interest Disclosure Policy (Whistleblowing) Policy**.

G.6.2 Fraud and corruption

It is the duty of all members of staff, management and the Board of Governors to notify the Director of Finance, or their nominee, immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The University's Fraud and Corruption Policy Statement, Bribery Act Compliance Statement and Response Plan provide advice and guidance.

G.7 Receiving Gifts or Hospitality

Bribery legislation sets out the offences for acts of bribery by individuals, or persons associated with relevant organisations.

The penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines. The University's Bribery Act Compliance Statement provides guiding principles to be followed by all members of staff.

Guidance on acceptable hospitality is contained in the University's Gifts and Hospitality Policy.

G.8 Students' Union

The Students' Union is a legal entity separate from the University but is recognised as fulfilling a valuable role in relation to the University's students.

Subject to any constraints imposed by the funding body, the Board of Governors shall determine the level of grant to be paid annually to the Students' Union. The Board of Governors requires the union to provide details of its proposed budget to assist in determining the appropriate level of grant.

The Students' Union is responsible for maintaining its own bank account and financial records and for preparing its own annual financial statements.

The Students' Union will provide income and expenditure statements to the Director of Finance and the Finance and Resources Committee for information purposes only.

At year-end the Students' Union's financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Finance and Resources Committee for information.

The University's internal auditor shall have access to records, assets and personnel within the Students' Union in the same way as in other areas of the University.

LIST OF FINANCIAL POLICIES AND PROCEDURES

The following is a list of the Financial Policies and Procedures that underpin the Financial Regulations and provide more guidance on how these Regulations will be implemented. These procedures are issued by the Director of Finance and are reviewed and updated on a regular basis. All Financial Policies and Procedures are available to staff via the Staff Intranet.

Financial Regulations [this document]

Acquisition and Disposal of Assets Policy

Anti-Fraud and Corruption Policy Statement

Anti-Money Laundering Policy

Bribery Act Compliance Statement

Booking Business Travel Procedure

Criminal Finances Act Statement

Conflict of Interests Policy

Fraud and Corruption Response Plan

Gifts & Hospitality Policy

Income and Banking Procedure

Public Interest Disclosure (Whistleblowing)

Purchasing Procedures

Travel, Subsistence, and Other Expenses Policy
[includes Entertainment Related Expenses]

Treasury Management Policy Statement
[includes Ethical Investment Policy]

Use of Purchasing Cards

GLOSSARY AND TERMINOLOGY

The following terms are among those found in the Financial Regulations, Procedures, and in financial reports generally.

Accounts comprise the income and expenditure account (including footnotes), the balance sheet, the cash flow statement and the statement of total recognised gains and losses.

Audit Committee is the committee with delegated responsibility from the Board of Governors for audit matters.

Authorised Signatory is the member of staff committing funds for and on behalf of the University.

Board of Governors is responsible for determining the educational character and mission of the University, for oversight of its activities and for the efficient use of resources. It appoints external auditors, safeguards the University's assets and approves the annual estimates of income and expenditure.

Budget (Revenue) is the annual allocation of funds to be spent on the operation of a department, inclusive of any under or overspends brought forward from previous years.

Budget Holder is the generic term for a person who holds devolved responsibility for a specific budget.

Chief Operating Officer (COO) has executive leadership responsibility for Professional Services.

Departments are the major budget centres in the University. They include academic departments and schools, administrative departments and self-financing centres.

Director of Finance is the person who is responsible for the day-to-day financial administration of the University.

Endowments are those endowments where the use of the capital and income, or only the income, is for the general purposes of the institution.

Faculties are groupings of academic departments in related disciplines.

Finance and Resources Committee is the committee that considers, advises and makes appropriate recommendations to the Board of Governors on all aspects of both financial and human resources strategy, including regulations, policies and procedures. It has authority to determine expenditure up to £5 million.

Financial Administration includes the preparation of accounts, management information, monitoring and control of expenditure against budgets and all related financial operations.

The Financial Procedures provide specific detail as to how the University's Financial Regulations must be applied.

The Financial Regulations are the rules by which the financial affairs of the University should be managed.

Financial Statements comprise the report of the Board of Governors, the independent auditors' report, the financial accounts, the statement of accounting policies, and the notes to the accounts.

Financial Year is the University's accounting period, commencing 1 August and ending 31 July of the following year.

Fixed Assets are those assets intended to be held for use on a continuing basis in the activities of the University, which are capitalised in accordance with the University's agreed accounting policies.

Head of Department is a head of an academic or Professional Services department. In the Financial Regulations and Financial Procedures, the term shall also apply to any head of any division or unit that has, for financial management purposes, the equivalent status of a department.

HEI Higher Education Institution.

HMRC Her Majesty's Revenue and Customs.

Intellectual Property means (amongst others) all intellectual and proprietary works including all patents, know-how, trademarks, service marks, domain names, design rights, copyright (including all such rights in computer software and any databases), trade secrets, confidential information, moral rights, database rights, topography rights (in each case the full period thereof and all extensions and renewals thereof), all rights in any of the foregoing, applications for any of the foregoing and the right to apply for any of the foregoing in any part of the world and any similar rights situated in any country.

Inventory Equipment is any items of plant, equipment, computers, etc.

Investments (Endowment Asset) are those investments held for endowment funds where the income and/or the capital of the funds are required to be used for specific or general purposes of the institution as determined by the terms of the endowment.

Office for Students (OfS) is a public body established by the Higher Education and Research Act 2017. It replaced the former Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA) in April 2018 as regulator of the higher education sector.

Provisions are amounts set aside as being reasonably necessary to provide for a liability or loss that is likely, or certain, to be incurred, but is uncertain as to amount or timing.

Research England oversee UK Research and Innovation's England-only functions in relation to university research and knowledge exchange. This includes providing grant funding to English universities for research and knowledge exchange activities; developing and implementing the Research Excellence Framework in partnership with the UK Higher Education funding bodies; overseeing the sustainability of the Higher Education research base in England; managing the £900 million UK Research Partnership Investment Fund; and administering the Higher Education Innovation Fund (HEIF).

Reserves are the accumulated surplus of income over expenditure, including unspent departmental allocations. Some reserves are ear-marked for specific purposes.

Revaluation Reserve is the sum of unrealised amounts arising from the revaluation of the University's assets.

Staff are those individuals who have a contract of employment with the University.

The University refers, within the scope of these regulations, to The Manchester Metropolitan University and its subsidiary undertakings.

University Company is any company over which the University has control.

University Executive Group (UEG) is the committee composed of the Vice-Chancellor, Deputy Vice-Chancellor and Provost, Thematic Pro-Vice Chancellors and Faculty Pro-Vice-Chancellors, Chief Operating Officer and the Directors of Finance and Human Resources and Organisational Development and is responsible for policy implementation, organisation, operations, direction and management of the University. Employee is a person employed, whether part-time or full-time, by the University or a University Company under a contract of employment.

VFM Value for money.

Vice-Chancellor is the person with the ultimate executive responsibility for the organisation, direction and management of the University. The Vice-Chancellor shall be the Accountable Officer for the University as defined in the OfS regulatory framework.

THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Source: Standards in Public Life: First Report of the Committee on Standards in Public Life (the Nolan Committee), 1995



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