

THE UNIVERSITY OF WOLVERHAMPTON

FINANCIAL REGULATIONS

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THE UNIVERSITY OF WOLVERHAMPTON

Financial Regulations

1. FINANCIAL ADMINISTRATION

- 1.1 The Board of Governors is responsible for the effective and efficient use of resources, for the solvency of the Corporation and for safeguarding its assets, and for approving annual estimates of income and expenditure, and shall ensure, through the Vice-Chancellor of the University that the Corporation's financial regulations are observed.

2. PREPARATION OF BUDGETS

2.1 General

- (a) The format, timetable and the price base for the preparation of both the capital and revenue budgets shall be determined by the Board of Governors, taking account of any directives, requirements and guidance issued by the Higher Education Funding Council for England.
- (b) The capital and revenue budgets shall be prepared by the Vice-Chancellor of the University, after due consultation for submission to the Board of Governors for approval.

2.2 Capital

- (a) The Vice-Chancellor of the University shall prepare a capital budget based on a programme of capital expenditure covering the current and next financial year and such subsequent period as the Board of Governors shall determine, taking account of any directives, requirements and guidance issued by the Higher Education Funding Council for England.
- (b) The programme shall show the total cost of each project, and the estimated expenditure in each year of the project including a statement of the financial position of the University's Capital Resources Funds or other such funds and their proposed use in the current and subsequent financial years.
- (c) The programme shall show for each project the estimated net running costs, including debt charges, to be borne by revenue account, together with any associated statistics and other information required by the Board of Governors and by the Higher Education Funding Council for England.

2.3 Revenue

- (a) The Vice-Chancellor of the University shall prepare a revenue budget comprising:-
- (i) revised estimates of expenditure and income for the current financial year;
 - (ii) estimates of expenditure and income for the subsequent financial year, and such other subsequent periods as the Board of Governors shall determine;
 - (iii) relevant statistics regarding staffing levels, student numbers and other key factors;
 - (iv) a statement of the financial position of the University Reserve Fund or other such funds and its proposed use in the current and subsequent financial years.

- (b) the estimates shall be presented under main heads of account as required by the Board of Governors from time to time.

3. BUDGETARY CONTROL

- 3.1 The Vice-Chancellor of the University shall be accountable to the Board of Governors for effective budgetary control within the approved capital and revenue budgets.
- 3.2 Any proposal to the Board of Governors which involves the incurring of expenditure shall indicate the adequacy or otherwise of the financial position.

4. EXPENDITURE - REVENUE

- 4.1 The Vice-Chancellor of the University shall be empowered to incur expenditure provided for in the approved estimates, except that she shall not, without the consent of the Board of Governors, undertake in any financial year any additional commitment which would involve the Board of Governors in continuing additional expenditure after the end of that year.
- 4.2 The Vice-Chancellor of the University shall be permitted to exercise virement between all budget heads (except those budget heads relating to Debt charges, Leasing charges, etc.) provided:-
- (i) the amount involved does not exceed **£100,000** in relation to any one proposal or related series of proposals;
 - (ii) the action does not involve the University in an additional financial commitment in respect of any subsequent year.
- 4.3 Virement in excess of **£100,000** or involving additional financial commitments in respect of subsequent years shall be subject to the approval of the Board of Governors.

5. UNIVERSITY RESERVE FUND

- 5.1 Balances shall be credited to the Reserve Funds at the discretion of the Board of Governors.
- 5.2 Any net deficit at 31st July in any year shall be a charge on the General Reserve Fund.
- 5.3 The utilisation of the Reserve Funds shall be determined by the Board of Governors.

6. EXPENDITURE - CAPITAL

- 6.1 Purchase of premises and land, Construction of New Buildings and Adaptations

Expenditure within the approved capital programme shall be initiated and controlled by the Vice-Chancellor of the University and shall be subject to the requirements of Financial Regulation 12.

- 6.2 Furniture and Equipment (including moveable plant and vehicles)

The Vice-Chancellor of the University may incur capital expenditure on furniture and equipment up to the total amounts shown for each project in the approved capital budget, having regard to the estimated expenditure in each year of the project, and subject to the requirements of Financial Regulation 12.

7. ACCOUNTING SYSTEMS

- 7.1 All accounting systems and records maintained with the University shall have regard to the requirements of the Board of Governors and of the Higher Education Funding Council for England.

8. STAFFING

- 8.1 The Vice-Chancellor shall appoint only those permanent staff (either full-time or part-time) for whom financial provision has been made in the approved budget.
- 8.2 The Vice-Chancellor may also appoint temporary staff, where budgetary provision is available to meet the cost, on a short-term contract basis.
- 8.3 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of the Corporation shall be undertaken in accordance with arrangements approved by the Board of Governors.
- 8.4 Time records or other key documents shall be in a form agreed by the Vice-Chancellor of the University and shall be certified by such officer(s) of the University as may be authorised by the Vice-Chancellor of the University.
- 8.5 Claims for expenses incurred by staff of the Corporation in carrying out official duties, certified by authorised officers, shall be paid at rates authorised by the Board of Governors.

9. ORDERING SERVICES AND SUPPLIES

- 9.1 The Vice-Chancellor of the University shall be responsible for the arrangement of all official orders issued for supplies and services required by the University.
- 9.2 Official orders in a form determined by the Vice-Chancellor of the University shall be issued for all supplies and services to be provided to the University unless an approved University purchasing card is used. Orders are not required for exceptions as the Vice-Chancellor of the University may determine from time to time.
- 9.3 All stocks of order forms shall be recorded in a suitable register and proper security maintained.
- 9.4 Orders shall be on serially numbered forms.
- 9.5 All orders shall be signed by the Vice-Chancellor of the University or by an officer(s) of the University so designated. A record shall be maintained of the officers authorised by the Vice-Chancellor from time to time to certify orders.
- 9.6 Each order must clearly indicate the nature and quantity of the supplies and services required, the estimated price including any agreed discounts and other relevant details.
- 9.7 To ensure adequate commitment control, orders shall be dispatched to the suppliers through the officer(s) nominated by the Vice-Chancellor of the University.

[Note: See also Financial Regulation 12.]

10. VERIFICATION OF RECEIPT OF SUPPLIES AND SERVICES

10.1 The Vice-Chancellor of the University shall ensure that there are adequate arrangements for checking deliveries of supplies and ensuring effective fulfilment of services against the agreed specifications contained in the order.

11. **CERTIFICATION AND PAYMENT OF INVOICES**

11.1 Payment of all amounts due from the Corporation shall be made under arrangements approved by the Vice-Chancellor of the University.

11.2 The Vice-Chancellor of the University shall be responsible for the arrangements for the examination, verification and certification of invoices for payment and for allocation of expenditure to the relevant head of account.

11.3 All invoices shall be signed by the Vice-Chancellor of the University or by officers authorised by her. A record shall be maintained of the officers authorised by the Vice-Chancellor from time to time to certify invoices.

11.4 The certifying officer shall satisfy herself, by reference to the copy order where appropriate, that:-

- (a) the supplies or services to which the invoice relates have been received/carried out;
- (b) the prices, calculations, trade discounts, other allowances, credits and tax are correct;
- (c) the relevant expenditure has been properly incurred and is within the relevant estimate provision;
- (d) appropriate entries have been made in inventories and stores records where required; and
- (e) the invoice is a proper liability of the institution and has not previously been passed for payment.

11.5 As soon as possible after 31st July each year the Vice-Chancellor of the University shall determine all outstanding expenditure relating to supplies and services provided in the previous financial year and where appropriate inform the Board of Governors. Supplies and services are chargeable to the accounts of the financial year in which they are received. Within the institution, procedures shall be established to identify supplies and services received but not invoiced at the year end.

12. **ORDERS AND CONTRACTS**

12.1 Contracts entered into on behalf of the Corporation shall be signed by the Clerk to the Board of Governors or by those officers of the Corporation to whom the Board of Governors or the Clerk to the Board of Governors has specifically delegated authority to sign particular categories of contract.

12.2 Within the revenue and capital estimates approved by the Board of Governors, the Vice-Chancellor of the University may incur expenditure on any one order or contract in respect of repairs and maintenance and supplies and services, up to a maximum determined from time to time by the Board of Governors, taking account of any directives, requirements and guidance issued by the Higher Education Funding Council for England.

12.3 The following procedure shall be adopted for the provision to the University of all construction, repairs, maintenance, supplies and services, to be provided within the estimated cost ranges shown:-

- (a) For public works contracts and contracts for supplies which exceed the values specified from time to time in Regulations made pursuant to the Council for the

European Community Directive 77/62/EEC (as amended), the procedures set out in the Public Supply Contracts Regulations 1995, the Public Services Contracts Regulations 1993 and the Public Works Contract Regulations 1991 shall be followed. (The current thresholds are £139,893 net of VAT for supplies and services and £3,497.313 million net of VAT for public works.) These regulations set out, inter alia, the procedures for selection, minimum periods for advertising in the Official Journal of the European Community and a timetable for the evaluation and awarding of contracts. A failure to adhere to these requirements may be actionable at law and all such procedures undertaken by the University shall be supervised by the Clerk to the Board of Governors.

- (b) For all orders exceeding £40,000 at least four written competitive tenders shall be obtained from suppliers selected by the Vice-Chancellor of the University, or her nominee, unless the Vice-Chancellor, or her nominee, is satisfied that this would be impracticable or inappropriate for a particular order or contract and so certifies the reason therefore.
- (c) Where the estimated amount of an order or contract does not exceed £40,000 but is expected to exceed £5,000, at least three written competitive quotations shall be obtained from suppliers selected by the Vice-Chancellor of the University, or her nominee, unless it is impracticable or inappropriate for a particular order.
- (d) Where the estimated amount of an order or contract does not exceed £5,000, the inviting of quotations shall be at the discretion of the Vice-Chancellor of the University, or her nominee.
- (e) Any proposed purchase order must be approved by the Vice-Chancellor or other officer nominated by the Vice-Chancellor.
- (f) Purchases must not be disaggregated to avoid the above request..

- 12.4 The Corporation shall comply with any directives or requirements of the Higher Education Funding Council for England before entering into arrangements for the lease or hire of furniture and equipment (including moveable plant and vehicles) or for the lease of premises.
- 12.5 The Corporation shall have regard to value for money in the purchase of all items including the use of consortia contracts where appropriate.

13. **CONTROL OF ASSETS**

- 13.1 The Vice-Chancellor of the University shall be accountable for maintaining proper security of all buildings, furniture, equipment, plant, stores and all other assets of the institution and shall ensure that such assets are recorded on an inventory or otherwise in such manner as may be required by the Board of Governors, having taken account of any directives, requirements and guidance issued by the Higher Education Funding Council for England.

Guidance on the categories of furniture and equipment to be included on the inventory should be in the following form:-

The prime objective of the inventory is to control and safeguard items at risk. In entering items on inventories regard must be had to their durability, portability, current value and attractiveness. Items with a current value of at least **£600** (or such other figure as approved by the Board of Governors) and a life of more than 12 months should be included, but attractive items below **£600** should also be included. General items of furniture such as students' desks and chairs, etc. will not necessarily be included on the inventory.

- 13.2 The Vice-Chancellor of the University shall ensure that the Inventory is checked annually and shall take such action as appears to him to be necessary (including, where appropriate, report to the Board of Governors) in respect of any irregularities. Items may be deleted from the inventory only in accordance with such procedures as may be approved by the Board of Governors.
- 13.3 The Corporation's property shall not be removed otherwise than in accordance with the ordinary course of the Corporation's business nor used otherwise than for the Corporation's purposes except in accordance with specific directions issued by the Vice-Chancellor of the University.

- 13.4 The Vice-Chancellor of the University shall have authority to dispose of furniture, equipment, plant and stores surplus to requirements subject to procedures approved by the Board of Governors, taking account of any directives, requirements and guidance issued by the Higher Education Funding Council for England. The procedure for such disposals shall follow the same principles and values as those expressed for purchases set out in 12.3 (b) (c) and (d) above.
- 13.5 All moveable property of the Corporation shall as far as practicable be marked Corporation property.
- 13.6 At the end of each financial year the Board of Governors shall be notified of the quantity and value of all stocks in hand which need to be taken into account in the year-end balances.
- 13.7 Stores held shall not be in excess of reasonable requirements and the Vice-Chancellor of the University shall periodically review all existing stock with a view to reducing the number of slow-moving items.

14. **INSURANCE**

- 14.1 The Vice-Chancellor of the University shall, within the policies determined by the Board of Governors, and subject to any directions, requirements or guidance issued by the Higher Education Funding Council for England effect such insurances as are from time to time considered necessary to cover risks to which the Corporation is exposed, and shall negotiate and recover claims.
- 14.2 The Vice-Chancellor of the University shall report to the Board of Governors on new risks, additions, and alterations which affect insurances substantially.
- 14.3 The Vice-Chancellor of the University shall consult the Clerk to the Board of Governors on the terms of any indemnity which the Corporation is required to give.

15. **INCOME**

- 15.1 The collection of all moneys due to the Corporation and all banking facilities shall be in accordance with arrangements approved by the Board of Governors.
- 15.2 The Vice-Chancellor of the University shall be responsible for the security and prompt banking of moneys received.
- 15.3 The Vice-Chancellor of the University shall furnish the Board of Governors with details of all sums received and receivable by the Corporation at such intervals and in such a form determined by the Board of Governors.
- 15.4 The Vice-Chancellor of the University shall be responsible for maintaining an adequate record of enrolled students and of work done, goods supplied and services rendered by the Corporation so that the appropriate fee or charge may be levied in each case.
- 15.5 The tuition fees payable by students attending the University shall be determined by the Board of Governors, having regard to any directives, requirements and guidelines issued by the Secretary of State for Education and Skills or by the Higher Education Funding Council for England.

- 15.6 Charges for work done and goods supplied by the Corporation, rents and lettings, and services rendered such as consultancy and research, shall be determined by the Vice-Chancellor of the University under the general direction of the Board of Governors.
- 15.7 The Vice-Chancellor of the University shall undertake a regular review of charges and of fees, and report thereon at least annually to the Board of Governors.
- 15.8 When credit income arises, invoices shall be raised and issued promptly by the institution upon consecutively numbered forms over which proper security shall be maintained. The follow-up and recovery of overdue debts shall be undertaken by the Vice-Chancellor of the University.
- 15.9 The Vice-Chancellor of the University shall ensure that all receipt forms, books, tickets and other approved acknowledgements for income received shall be recorded in a suitable register over which proper security shall be maintained.
- 15.10 Excusal of debts due to the Corporation where the sum does not exceed £600 or is in respect of student fees shall be authorised by the Vice-Chancellor of the University and be subsequently reported to the Board of Governors. The approval of the Board of Governors shall be required for any other debts to be written off.
- 15.11 Personal cheques shall not be cashed out of money held on behalf of the Corporation.

16. INCOME GENERATING ACTIVITIES

- 16.1 Research, consultancy, etc. will usually be undertaken as part of the normal activities of the Corporation. Where this activity is undertaken on behalf of external organisations (which term shall be deemed to include the University's trading subsidiary companies), an assessment shall be made of the full cost of the resources involved which shall be taken into account together with other relevant factors in order to determine a charge. The Vice-Chancellor of the University shall, under the general direction of the Board of Governors, have discretion to waive all or part of any such charge.

Where the input of staff time in excess of contracted hours is required, payment may be made, if appropriate, for these additional duties.

- 16.2 Any external work which will result in additional payments to members of staff shall be undertaken only with the prior approval of the Vice-Chancellor of the University.
- 16.3 Where research, consultancy, commissions, etc. using the Corporation's resources results in developments which should be patented, or otherwise registered or protected and external funding is involved, reference shall normally have been made to this in the agreement with the organisation providing the funds. Where there is no such reference, or where external funding is not involved, the Vice-Chancellor of the University shall decide in each case the arrangements which shall be entered into having regard to the interests of all the parties involved.

17. **INTERNAL AUDIT**

- 17.1 The audit of the Corporation's financial records, operations and systems shall be carried out in accordance with the provisions of the Education Reform Act 1988, as amended, and with the directives and requirements of the Higher Education Funding Council for England, including the Financial Memorandum between the Council and the Corporation and the Council's Audit Code of Practice.
- 17.2 Whenever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Corporation, the Vice-Chancellor of the University shall take such action as appears to him to be necessary (including, where appropriate, report to the Board of Governors).
- 17.3 The Corporation's internal audit service shall have rights of access to all the Corporation's records, information, personnel, premises and assets which it considers necessary to fulfil its responsibilities.

The head of internal audit has a right of direct access to the Chairman of the Audit Committee of the Board of Governors, to the Chairman of the Board of Governors and to the Vice-Chancellor of the University.

18. **GENERAL**

- 18.1 Any member of the staff of the University who has a pecuniary, family or other personal interest, direct or indirect, in any contract, or proposed contract, entered into on behalf of the Corporation shall declare this interest to the Clerk to the Board of Governors who shall maintain a register for the purpose.
- 18.2 In like manner, any member of the Board of Governors who has a pecuniary, family or other personal interest, direct or indirect, in any contract, or proposed contract, entered into on behalf of the Corporation shall declare this interest to the Clerk to the Board of Governors who shall maintain a register for the purpose.

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