

# University of Wolverhampton

## Financial Regulations

August 2017

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## Introduction

The University of Wolverhampton is a Higher Education Corporation, as established under the Education Reform Act 1988. The University of Wolverhampton is an exempt charity under The Charities Act 1993 (consolidated by The Charities Act 2011).

The University of Wolverhampton's ("the University") core values are to act in a manner which is ethical, respectful, transparent, inclusive and fair, challenging, confident, collaborative and professional. The University will act honestly, ethically, transparently and within the law. The University is also under a duty to account for the proper use of public funds and standards required in public life. The University is committed to the proper use of the University's finances and all resources and endeavours to ensure transparent and accountable working practices for all in order to protect those finances and resources from misuse.

The University management and administration is responsible to the University Board of Governors ("the Board") for the activities of the University and its subsidiary companies ("the University Group"). Where "the Board" is referred to herein on, it will be deemed to mean it is responsible for the University Group.

The regulations, policies and procedures included within this document form part of a system of accountability established by the University. They are to be read in conjunction with the "Memorandum of assurance and accountability between HEFCE and institutions". The University is bound by the requirements of its charter and statutes and by the law relating to its charitable status. The HEFCE document does not supersede those requirements but is intended to complement and reinforce them.

The University's financial regulations are the principles for the conduct of the financial affairs of the University. It is anticipated that these regulations will change only periodically whilst the supporting procedures will be updated more frequently.

For the purposes of these regulations, "University" refers to the University of Wolverhampton and its subsidiary companies (the University Group) and all other entities therein its subsidiary companies unless specifically excluded below.

For the purpose of these regulations, "Resources" include, but are not limited to, money, staff, property, Information Technology and Intellectual Property.

For the purposes of these regulations the terms "you" "staff", "employees" and "workers" refer to all persons employed by the University or who conduct work for or on behalf of the University, including permanent, fixed term, and temporary staff, governors, student workers (including work experience and graduate placements), secondees, any third party representatives, agency workers, volunteers, interns, agents and sponsors engaged with the University in the UK or overseas.

These regulations also apply to any other person associated with the University, who perform services for and on behalf of the University anywhere in the world. This includes the University's partners, agents, brokers, sub-contractors, representatives, distributors, consultants and other service providers. The University expects those persons to abide by these regulations where applicable.

It is the responsibility of all managers to ensure that their staff are made aware of the existence and content of the University's financial regulations as failure to comply could result in disciplinary action.

### **Exclusions to these Financial Regulations**

These regulations apply to the whole University Group with the exception of Education Central Multi Academy Trust (ECMAT) and Health Futures University Technical College (HFUTC). Both ECMAT and HFUTC have their own regulations which have been agreed by the University.

### **Purpose of Financial Regulations**

The purpose of these regulations is to provide control over the totality of the University's resources and to provide the University Board of Governors and management with assurance that resources are being properly applied for the achievement of the University's strategic plan and its business objectives:

- financial sustainability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial control over the use of public funds
- ensuring compliance with relevant legislation
- management of risk
- safeguarding assets

### **Financial Strategy**

The Vice Chancellor and Finance Director will set targets as part of the annual budget to ensure delivery of the financial KPIs. The position will be monitored by PARC at each of the quarterly forecasts and at outturn. If the University is or is projected to be performing worse than target, a set of remedial actions will be agreed by PARC to bring the University back on target.

Performance against these KPIs and agreed parameters will be reported to the Board and the KPIs will be reviewed at least annually to ensure that they remain fit for purpose.

## Corporate Governance

### University Board of Governors

The Board of Governors has responsibility for ensuring that measures are in place for the effective management of the University.

Governors are not managers of University business; this is the remit of the Vice-Chancellor. Governors operate at a strategic level, determining the University's mission and ensuring this is undertaken in a financially prudent way, to drive the University forward.

Under the Articles of Government the Board of Governors has responsibility for:

- the determination of the educational character and mission of the University and for oversight of its activities, including the exercise of degree-awarding powers;
- the effective and efficient use of resources, the solvency of the University of Wolverhampton and the University Group and for safeguarding their assets;
- approving annual estimates of income and expenditure;
- the appointment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Vice-Chancellor, the Clerk and the holders of such other senior posts as the Board of Governors may determine;
- setting a framework for the pay and conditions of service of all other staff.

Whilst The Board has responsibility for the University's affairs, it has approved a formal scheme of delegation:

[www.wlv.ac.uk/staff/media/departments/office-of-the-vice-chancellor/documents/Delegation-Schedule-Governors-2016-17.pdf](http://www.wlv.ac.uk/staff/media/departments/office-of-the-vice-chancellor/documents/Delegation-Schedule-Governors-2016-17.pdf)

The Board may delegate its powers to authorise specific expenditure to a sub-group of its members. Such sub-groups may exercise the powers of the Board in respect of that expenditure, but may not further delegate their responsibilities.

Committees authorised by the Board to exercise powers are required to provide regular reports on their use of those powers. The Board also requires to be regularly given sufficient financial information to provide an appropriate context within which it can judge the use of delegated authority and to assess the on-going financial position of the University.

The Board has ultimate responsibility for the University's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Board. The committees of The Board and their terms of reference are set out:

[www.wlv.ac.uk/about-us/governance/board-of-governors/sub-committees/](http://www.wlv.ac.uk/about-us/governance/board-of-governors/sub-committees/)

## Corporate Management Team (CMT)

The CMT advises the Vice-Chancellor on the management and day-to day operations of the University.

<http://www.wlv.ac.uk/about-us/governance/CMT>

## Accountable Officer

The Vice-Chancellor is the University's accountable officer and is responsible for ensuring that the administration of the University is conducted in accordance with the "The memorandum of assurance and accountability" which sets out the mandatory requirements placed on the University.

<http://www.hefce.ac.uk/pubs/Year/2016/201612/Title,109099.en.html>

As the accountable officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee.

## Register of Interests

The Board members should ensure that the register of interests maintained by the University Secretary is up to date.

## Responsibilities of Staff

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 (formerly known as the Nolan Committee), which staff at all levels are expected to observe.

<https://www.wlv.ac.uk/media/departments/office-of-the-vice-chancellor/Standards-in-public-life.pdf>

The University expects staff at all levels to:

- carry out duties diligently and to the best of their ability;
- comply with all lawful and reasonable instructions of the University;
- promote the interests and reputation of the University;
- act in good faith towards the University;
- take all possible care not to damage any of the University's property or equipment

In addition, in connection with University funds all members of staff should:

- ensure that funds are used economically, effectively and efficiently to achieve Value for Money (VFM);
- know and abide by the authority limits contained in the delegated authorities approved by the Board;
- know the University's financial authority limits including the value of those purchases for which quotations and tenders are required;
- make available any records or information to the Finance Director, or his or her authorised representative, relevant to the implementation of the University's financial policies, or to carry out the requirements of the Board;
- notify the Finance Director when any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, University cash or property;
- abide by the University's Transparency policy.

<https://www.wlv.ac.uk/about-us/governance/legal-information/corporate-compliance/transparency/>



Additionally, all staff are required to complete an annual declaration of interests and inform the University Secretary of any new interests as they arise to avoid or manage potential conflicts. Those staff who are involved in procurement activities will be requested to complete a declaration for each tender activity. No person shall be a signatory to a University contract where he or she also has an interest in the activities of the other party.

## **Transparency**

The University has combined a number of policies such as Fraud, Anti-Bribery and Whistleblowing into one Transparency Policy. All staff must abide by all parts of the policy to ensure fair, transparent and ethical ways of working.

<https://www.wlv.ac.uk/about-us/governance/legal-information/corporate-compliance/transparency/>

## **Modern Slavery Act**

The University publishes its annual statement on Modern Slavery and Human Trafficking following the publication of its accounts.

<http://www.wlv.ac.uk/media/documents/Modern-slavery-statement.pdf>

The University also has a Modern Slavery Policy.

<http://www.wlv.ac.uk/about-us/governance/legal-information/policies-and-regulations/>

## **Freedom of Information**

The freedom of information act applies to the University. The University Freedom of Information policy is located at:

[www.wlv.ac.uk/media/departments/office-of-the-vice-chancellor/documents/Freedom-of-Information-Policy.pdf](http://www.wlv.ac.uk/media/departments/office-of-the-vice-chancellor/documents/Freedom-of-Information-Policy.pdf)

Staff should be aware that information, including financial information might be released in accordance with the University Freedom of Information Policy, subject to the restrictions outlined in the Act.

## **Data Protection**

The University data protection policy and related guidance is located at:

<http://www.wlv.ac.uk/media/departments/office-of-the-vice-chancellor/documents/Data-Protection-Policy-2016.pdf>

## **Financial Forecasts and Budgets**

### **Financial Forecasts**

The Finance Director is responsible for preparing annually a rolling five-year financial forecast (including an Income and Expenditure estimates, a Balance Sheet and Cashflow forecasts) that is consistent with the strategic plans approved by the Board of Governors. The financial forecast should be approved by the Board of Governors on the recommendation of the Planning and Resources Committee (PARC) and before submission to HEFCE.

## Budget preparation

The Finance Director is responsible for preparing each year an annual budget, financial projections and a capital investment plan for consideration by the PARC before submission to the Board. The budget includes income and expenditure estimates, cash flow forecasts and a projected year-end balance sheet. The budgets will wherever possible be based on volumes and prices to ensure an effective, fair and transparent allocation of budgets. The Finance Director must ensure that the detailed budgets are consistent with the medium and long-term planning process and that these budgets are communicated to Budget holders.

## Revised Forecasts

During the year, the Finance Director is responsible for submitting revised forecasts to the annual budget to PARC on a quarterly basis for approval and to the Board for information.

## Budgetary control

All budgets are allocated to a University Faculty or Department. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder within that Faculty or Department. The designated budget holder must ensure that day-to-day monitoring is undertaken effectively and is responsible for:

- Ensuring the economic, effective and efficient use of resources allocated to them.
- Expending the funds on the purposes for which they were given.
- Ensuring that expenditure does not lead to overspending, unless previously authorised.
- Ensuring accurate coding on the University's authorised financial system. No other system should be used to record financial transactions and no separate records should be kept other than on the University's authorised financial system.
- Ensuring that where control is delegated to members of staff, such delegation is given in writing and indicates limits of authority. The scheme of delegation is located at: [www.wlv.ac.uk/staff/media/departments/office-of-the-vice-chancellor/documents/Delegation-Schedule-Governors-2016-17.pdf](http://www.wlv.ac.uk/staff/media/departments/office-of-the-vice-chancellor/documents/Delegation-Schedule-Governors-2016-17.pdf)
- Managing their budgets in accordance with the principles and targets of the RAM
- Managing their budgets in accordance with the allocations given. Please note that virements cannot be made between pay and non-pay categories.

Significant departures from agreed budgetary or contribution targets must be reported immediately to the Finance Director by the Dean or Director concerned.

## Financial information

Budget holders are assisted in their duties by financial information provided by the Finance Director. The Finance Director is responsible for supplying budgetary reports on all aspects of the University's finances. The PARC receives regular reports on actual performance and revised forecasts. Summarised financial reports are presented to The Board, which has overall responsibility for the University's finances.

## Capital budgets

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs, whether funded from capital grants or funded from the University's own resources.

The medium-term and long-term plans for the University should include details of capital schemes being considered or evaluated. The outline capital schemes should be approved in line with the following limits:

- The Board approves schemes over £10m
- PARC approves schemes in the range £0.5m - £10m
- The University Business Case process will deal with requests up to £0.5M.

When schemes are presented for approval, they should follow the approved Business Case process:

- A statement demonstrating the consistency with the strategic plans of the University
- A budget for the project including professional fees, VAT and funding source
- A financial evaluation of the plans including the impact on revenues and costs, investment appraisal, cash flow forecast,(all including VAT) and consideration of alternatives.

<https://www.wlv.ac.uk/staff/services/university-secretary-directorate/corporate-support/>

All capital schemes are subject to the normal University processes for procurement e.g. tendering.

### **Faculty or Department business developments**

Any new Faculty or Department business developments should be presented as part of the long term or medium term planning process by the Dean or Director. Where an opportunity arises outside the long term or medium term planning process then it should be submitted in accordance with the approved Business Case process.

Where an initiative involves recommending the establishment of a company or joint venture or other entity then the Dean or Director should seek advice from the Finance Director.

### **Treatment of year-end balances**

Any budget not spent by the end of the Financial Year will be retained by the University unless otherwise agreed by the Finance Director. Any balances held for endowments, specific grants and research grants will be accounted for in accordance with generally UK accepted accounting principles and must comply with the Higher and Further Education SORP.

## **Accounting and taxation**

### **Annual Accounts**

The Finance Director is responsible for preparing the University's Annual Accounts and for ensuring that audited accounts are presented to the Board. The accounts will previously have been presented to a Joint Audit and PARC, which is responsible for recommending their approval to The Board.

The University prepares consolidated accounts for the Group, which includes all subsidiary entities, in accordance with generally UK accepted accounting principles and complies with the Higher and Further Education SORP.

## Retention of accounting records

The Finance Director is responsible for the retention of financial documents.

The University is required by law to retain prime documents for six years. These include purchase orders, purchase invoices, sales invoices, bank statements, receipts, cheques, BACS records, payroll records and expense claims.

Other financial records should be retained for three years or, where relevant, as determined by the funder.

The Finance Director will make appropriate arrangements for the retention of electronic records. Staff should ensure that the retention arrangements comply with the University document retention policy.

<http://www.wlv.ac.uk/about-us/governance/legal-information/policies-and-regulations/>

Staff should also adhere to any document retention requirements for specific funders e.g. EU.

## Taxation

The Finance Director is responsible for advising Senior Management and the Board on all significant taxation issues, in the light of guidance from the appropriate bodies and relevant legislation. Deans or Directors should seek advice from the Finance Director on taxation matters.

The Finance Director is responsible for maintaining the University's tax records (e.g. VAT, PAYE, Corporation Tax, Gift Aid etc.), making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## Audit

HEFCE's requirements for external and internal audit arrangements and the broad framework in which they should operate are set out in the Financial Memorandum.

### External audit

The appointment of external auditors is the responsibility of the University Board, advised by the Audit Committee.

The primary role of the external auditors is to report on the University's financial statements. The external auditors carry out an examination of the statements and underlying records and control systems to reach their opinion on the statements and to report on the appropriate use of funds. Their work complies with, where relevant with the Financial Memorandum and the Auditing Practices Board's statements of auditing standards.

### Internal audit

The internal auditors are appointed by the University Board on the recommendation of the Audit Committee.

The internal auditors are responsible for conducting an independent appraisal of the University's activities, financial and otherwise. It provides the University Board, Audit Committee, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system, risk management and value for money.

The internal auditors have direct access to the Chair of The Board, Vice-Chancellor and Chair of the Audit Committee.

### **Auditors' access**

External and Internal auditors have authority to:

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

### **Other auditors**

The University may be subject to audit or investigation by external bodies such as HEFCE, National Audit Office, European Court of Auditors or H M Revenue & Customs. These bodies have rights to seek evidence and explanations as required to complete their work.

### **Treasury Management**

The Finance Director is responsible for developing, recommending and monitoring the execution of the policies for cash management, investments and borrowings.

The University's overall treasury management objectives apply across the institution. The objectives are:

- to ensure the most low risk competitive return on surplus cash balances
- to ensure the availability of flexible and competitively priced funding to support the University's capital programme
- to identify and manage financial risks, including interest rate and foreign currency risk, from all areas of the group's operations
- to ensure compliance at all times with banking covenants and the HEFCE Financial Memorandum
- To ensure that cash balances are managed in accordance with set liquidity targets
- To maintain a register of approved counterparties

The PARC monitors the performance of the investments.

## **Borrowing and Leasing**

The University's borrowing strategy, limits and associated risk management shall be decided by the Board on the recommendation of the PARC. This shall include the use of financial instruments. The management and execution of loan and financial contracts should be subject to monitoring and scrutiny by PARC. The Finance Director is responsible for determining the procedures on the use of financial instruments.

The University may enter into long-term agreements subject to

- obtaining consent from HEFCE (where appropriate), the conditions of which are set out in Annex C of the "Memorandum of assurance and accountability between HEFCE and institutions"
- ensuring that any new arrangement does not breach the existing loan covenants

In the case of short-term borrowings, the University may need consent from HEFCE. The conditions under which this consent is required are set out in the "Memorandum of assurance and accountability between HEFCE and institutions". The Finance Director is responsible for arranging short term borrowing up to sums agreed by the Board on the recommendation of the PARC.

## **Banking arrangements**

The University's banking arrangements shall be decided by the Board on the recommendation of the PARC.

All day-to-day arrangements with the University's bankers concerning the University's bank accounts, the collection and payments of monies, the transfer of funds, shall be made by the Finance Director.

No other employee shall under any circumstances open or operate a bank account (including PayPal or similar electronic money accounts) in the name of the University or of an entity holding itself out to be part of the University.

No individual other than those mandated by the Board under the scheme of delegation shall be empowered to give instructions to the University's Bankers.

All bank accounts shall be in the name of the University or one of its subsidiary companies.

The Finance Director is responsible for ensuring that all bank accounts are subject to regular reconciliation.

## Guarantees

The giving of guarantees and indemnities in the University's name to bankers or other institutions shall be decided by The Board on the recommendation of the PARC. It is exercisable by the Finance Director. Any guarantees issued will usually have to be sealed in accordance with these regulations. Limits for the approval of Guarantees are per the Scheme of Delegation;

- The Board approves schemes over £10m
- PARC approves schemes in the range £0.5m - £10m
- Business Case process up to £0.5M

## Investments

The PARC is responsible for recommending to the Board the investment policy and for considering and adjusting any such arrangements.

The Finance Director is responsible for maintaining records of investments, for ensuring safe custody of all relevant documents, and for reporting investment performance to the PARC. No investment of University monies shall be made other than in accordance with arrangements approved in writing by the Finance Director.

The University's ethical investment policy is located at

<http://www.wlv.ac.uk/media/departments/office-of-the-vice-chancellor/documents/Ethical-Investments-Policy.pdf>

## Income

The Finance Director is responsible for ensuring appropriate procedures exist to enable the University to receive all income (including tuition, accommodation fees) to which it is entitled.

The Finance Director is responsible for ensuring that all claims for funds, including research grants and contracts, and specific grants are made by the due date.

Deans or Directors must ensure that any agreements negotiated by their department with external bodies cover any legal liabilities to which the University may be exposed.

The scheme of delegation indicates the persons who are authorised to sign contracts on behalf of the University. In particular, no person shall be a signatory to a University contract where he or she also has an interest in the activities of the other party.

## Receipts

The format and content of all receipt documents, sales invoices, sales credit notes, tickets and electronic collection systems (including on line payments) must have the prior approval of the Finance Director.

All monies received by Faculties and departments from whatever source must be recorded by the department on a daily basis, together with the form in which they were received, for example cash, cards and cheques.

All monies received by departments must be paid to the cashiers office promptly. The custody and transit of all monies must comply with the requirements of the University's insurers.

All sums received must be paid in to cashiers office and accounted for in full, and must not be used to meet miscellaneous faculty/departmental expenses or be paid into the faculty/departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.

The Finance Director is responsible for the prompt banking of all funds received in the cashiers office.

The arrangements to receive credit or debit card payments using terminals or on line must be approved by the Finance Director who will ensure that the funds must be paid into a University bank account.

The Finance Director is responsible for ensuring compliance with Payment Card Industry Data Security Standards.

Any arrangements to collect funds using direct debits or standing orders must be approved by the Finance Director who will ensure that the funds must be paid into a University bank account.

## **Invoices**

Deans or Directors are responsible for ensuring that the Finance Department is informed promptly of all income due to the University and providing sufficient information to the Finance Director to enable collection. All requests for monies due to the University should be rendered on official invoices or grant claims issued through the Finance Department. The following link provides guidance on the University's "Sales to Cash" process:

<https://www.wlv.ac.uk/staff/services/agresso-system/training/finance/>

## **Credit arrangements**

The Finance Director is responsible for establishing the credit arrangements that indicate the periods in which different types of invoice must be paid.

## **Collection of debts**

The Finance Director is responsible for making arrangements to promptly collect debts, ensure effective action is taken in collecting overdue debts and to ensure that outstanding debts are monitored.

## **Debt write offs**

Debts up to £1,000 can be written off on the authority of the Deputy Finance Director. All other requests to write off debts must be approved by PARC on behalf of the Board.



## Refunds

Where refunds are required they should be made to the original payer and follow the method by which the money was received in order to minimize the opportunities for money laundering in accordance with the latest Money Laundering Regulations.

## Student tuition and accommodation fees

All students are required to enrol at the start of each academic year of their programme of study and following any period of suspension of studies. Tuition and accommodation fee levels must be approved by the Fees and Bursaries Group in consultation with the Finance Director.

The procedures for raising, collecting tuition and residence fees must be approved by the Finance Director.

## Payment of Fees

Tuition fees are due in advance at the beginning of each session. Details regarding methods of payment are included in the enrolment documentation for each year.

Accommodation fees and charges are due in accordance with the University Tenancy Agreement. Details regarding methods of payment of fees are included in documentation provided at enrolment and in information on the University website.

The University may allow, as a concession, students to pay their tuition and accommodation fees in instalments. These arrangements are approved by the Finance Director.

## Student debts

Failure to pay tuition fees or to make a satisfactory arrangement to pay or to give a satisfactory explanation for non-payment to the Finance Department may result in Academic sanctions and could lead to suspension of registration.

The University may take legal action or employ agents to recover tuition fees or other amounts due.

Before the receipt of a degree certificate, all students are required to make suitable arrangements with the Finance Department for the clearing of all debts.

Any student who has not paid their fees to the University shall be prevented from re-enrolling at the University and from using any of its facilities.

## Student Loans

Appropriate records will be maintained to support all transactions involving student loans.

## Student Bursaries, Scholarships

All payments to students for bursaries, scholarships or reductions in tuition fees must be authorised by the relevant budget holder.

## Grants and Contracts

All bids for grants and contracts must be prepared in accordance with the University's Project, Costing and Bidding (PCB) procedures, which are located at:

<https://www.wlv.ac.uk/staff/services/agresso-system/pcb/>

All bids must be properly costed and all spend must be costed appropriately to ensure that the bid reflects the true costs of delivering the activity.

No submission should be made or commitment entered into before the approval process is completed.

The Authorised Signatories Schedule provides details of those who are authorised to sign documentation within the University outside of the Procurement process.

<https://www.wlv.ac.uk/staff/services/university-secretary-directorate/corporate-support/>

Financial values are based on the total risk exposure to the University, not the actual value of the contract.

All applications for grants and all contract proposals are made on behalf of and in the name of the University (or a subsidiary company). The Finance Department checks the costings in the proposal (up to the agreed limits). Project Support Office (PSO) ensures compliance with the funder's and University's rules and criteria, and, once the University authorization and signature(s) for the proposal are obtained submits all bids. At the point of application faculties and departments should confirm that governance and University policies have been adhered to. In particular, no person shall be a signatory to a University contract where he or she also has an interest in the activities of the other party.

Authorisation limits for the approval of applications and for the acceptance of research related contracts are subject to PCB requirements.

Funders normally have their own rules on the administration of awards, including financial management and reporting requirements. It is the responsibility of the Faculty or Department managing the funding to ensure compliance with all of the funders' rules.

All University Financial Regulations and Procedures, including those on procurement, apply to research grants and contracts and it is the responsibility of the Dean or Director to ensure compliance with these rules. The relevant budget holder is then responsible for adequate control of pay and non-pay expenditure.

If the University sub-contracts work to an external organisation, then the budget holder must ensure that:

- this is on the basis of a written contract which allows access to detailed records

- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- payments are only made against detailed invoices
- they comply with the University's procedures and legislation in relation to the use of subcontractors and that any taxation issues are reflected in the bid and fully costed

Any loss to the University resulting from a failure to meet the conditions of funding is the responsibility of the Faculty or Department and will be charged to faculty or departmental budgets.

## **Other Income Generating Activities**

All other income-generating activities should normally be self-financing or surplus-generating. Where a loss is anticipated, the reason for engaging or continuing the activity must be agreed by the Dean or Director and the Finance Director.

Other income generating activities includes:

- Short courses (all non-graduating courses outside the University prospectus)
- Catering and Conferences
- Consultancy
- Materials or component testing
- Laboratory services
- Use of facilities
- Transnational Education (TNE)

Other income-generating activities organised by members of staff must be costed and agreed with the Dean or Director before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, including the recovery of overheads and any taxation that may be incurred due to the nature of the activity.

Any deficits incurred on Other Income Generating Activities will be charged to the relevant faculty or department.

## **Off-site Collaborative Provision, Transnational Education (TNE) or Franchising**

Any contract or arrangement whereby the University provides education to students away from University premises, or with the assistance of persons other than the University's own staff or with independent contractors (partner organisations), must be approved in line with the University Academic Development Proposals (ADP) process.

Consideration should be given to whether the activity, particularly TNE, will be subject to any taxation in the country of delivery. Advice should be sought on this from the Finance Director and Legal team prior to entering into any agreement or contractual relationship.

## Matched funding

All proposals where matched funding is included in the project must be considered by the Finance Director and Deputy Vice Chancellor for External Engagement for submission to PARC for approval or recommendation to the Board (in line with the Scheme of Delegation).

## Intellectual Property Rights and Patents

Certain activities undertaken within the University may give rise to ideas, designs or inventions that may be patentable. These are collectively known as 'intellectual property' and the University policy must be adhered to.

<http://www.wlv.ac.uk/about-us/governance/legal-information/policies-and-regulations/>

## Fund-Raising and Gifts Received

Significant fund-raising campaigns must only be undertaken with the approval of and under the guidance of the Director of External Relations who will consult the Finance Director on the appropriate accounting treatment for the income.

The Director of External Relations in conjunction with the Finance Director is responsible for maintaining financial records of gifts, benefactions and donations, advising on the conditions of their use and initiating claims for recovery of tax where appropriate.

The University's Corporate Fundraising Policy provides guidance upon the authorisation and acceptance of donations, gifts and similar funding at:

<http://www.wlv.ac.uk/about-us/governance/legal-information/policies-and-regulations/>

Gift and benefactions will only be accepted if they are from appropriate sources.

Gifts (monetary and non-monetary) offered to members of staff must be treated in accordance with University guidance on bribery, hospitality and gifts within the Transparency Policy.

<https://www.wlv.ac.uk/about-us/governance/legal-information/corporate-compliance/transparency/>

## Non Pay Expenditure

### Procurement

Procurement of all goods and services, irrespective of the source of funds, should always be undertaken with the objective of optimising Value for Money (VfM):

<http://www.wlv.ac.uk/business-services/university-procurement/value-for-money/>

Deans or Directors are responsible for ensuring that all procurement activities are operated in accordance with the University's Procurement Policies, as set out at:

<http://www.wlv.ac.uk/business-services/university-procurement/supplying-the-university-/procurement-procedures--thresholds-/>

In particular, no person shall sign or authorise a University Purchase Order or Contract where he or she also has an interest in the activities of the other party. Non Pay expenditure cannot be used for payments to staff or for staff contracts and it cannot be vired to cover pay expenditure.

### **Responsibility for Purchasing**

Deans or Directors are responsible for purchases within their faculty or department and they must ensure that they have sufficient budget before committing to the purchase of goods or services. This purchasing authority may be delegated to named individuals within the faculty or department.

The Finance Director maintains registers of authorised persons who may approve departmental expenditure and who may approve purchase invoices for payment.

### **Ordering Goods and Services**

The ordering of goods and services shall be conducted in accordance with the University's Procurement to Payment guidelines located at:

<https://www.wlv.ac.uk/staff/services/agresso-system/training/finance/>

Contracts and framework agreements exist for supplies of goods and services that are purchased regularly. These contracts have already been competitively tendered by the Procurement team and must be used. Where a contract/framework exists for a particular item/service, the purchase order must be placed with the supplier indicated. The list of existing agreements is located at:

<https://www.wlv.ac.uk/staff/services/procurement/contract-information/>

Where no contract or framework agreement exists for the required goods or services, then quotations or tenders must be obtained in line with process and thresholds at:

<https://www.wlv.ac.uk/staff/services/procurement/thresholds/>

Official University orders should be placed in advance of the purchase of all goods, services except for those items purchased using purchasing cards, petty cash or items such as rents, rates and utilities. Please refer to the full list of items that do not require an official University order at:

<https://www.wlv.ac.uk/staff/services/university-secretary-directorate/corporate-support/>

Expenditure should not be incurred without authorisation. Purchase orders should be raised prior to instructing a supplier. Where this is not the case, the Finance Director will ask the individual who instructed the supplier for an explanation. Where there is no good reason for failing to raise the Purchase Order prior to instructing the supplier, the University may not pay the resulting invoice from the supplier.

## Consultancy Agreements

Any use of consultants must follow the University's procedures in respect of the engagement of individuals in light of the requirements to determine employment status. HMRC IR35 legislation must be fully adhered to.

## Purchasing cards

The operation and control of the University's purchasing cards is the responsibility of the Finance Director.

Holders of purchasing cards must only use them for University related purchases and in accordance with the detailed conditions of use set out in the Cardholder User Guide that is located at:

<https://www.wlv.ac.uk/staff/services/procurement/guidance/purchasing-cards/>

Cards must not be loaned to another person, nor should they be used for personal or private purchases.

They should not be used for subsistence or other travel costs. These costs must be claimed in accordance with the University Travel and Subsistence guidelines:

<https://www.wlv.ac.uk/staff/services/finance/departmental-services/payroll/travel-and-subsistence/>

Transactions on a purchase card must not be authorised by the person conducting the transaction.

Written authorisation from the Dean or Director is required for all credit card applications.

<https://www.wlv.ac.uk/staff/media/departments/finance/documents/Budget-Holder-Acceptance-Form.pdf>

## Quotations and Tenders

Deans or Directors and delegated budget holders must comply with the University's quotation and tendering procedures:

<https://www.wlv.ac.uk/staff/services/procurement/thresholds/>

Purchases must not be disaggregated to avoid the University's procedures around thresholds.

The procurement of goods and services may additionally be subject to specific rules imposed by funding bodies e.g. EU. Information on these arrangements will be obtained from the funder and should be clarified prior to any procurement taking place. The Finance Department can advise on these and if you are in any doubt you should contact them to discuss the matter.

## Estates

Building contracts are administered by the University's Director of Estates in conjunction with the Finance Director. Contracts shall be subject to University tendering and quotation procedures.

## Receipts of goods

All goods received should be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

## Payment of invoices

Payments to UK suppliers will be by BACS transfer. Payments to suppliers with overseas bank accounts will be made electronically whenever possible.

## Authorisation of Invoices

Where goods or services are procured with a purchase order then purchase invoices are authorised for payment by:

- confirming the invoiced quantity is correct
- confirming that the price is accurate
- matching the invoice to the authorised purchase order to confirm that the transaction is a valid charge to the University budgets and that the invoice has not previously been processed

Where goods or services are delivered without a purchase order (e.g. rates, rents) then certification of the purchase invoice confirms that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- invoice details (quantities, prices ) are correct
- the invoice has not previously been passed for payment

The University procedures on Procurement to Payment are available:

[www.wlv.ac.uk/staff/services/agrosso-system/training/finance/](http://www.wlv.ac.uk/staff/services/agrosso-system/training/finance/)

## Staff expenses

The University's purchasing and payments procedures enable most purchases for University business to be made without staff needing to incur any personal expenses.

However, when staff incur expenses on University business, they will be reimbursed provided they are in accordance with the relevant University policies. All claims for payment of subsistence, travelling and incidental expenses must be submitted within 3 months of the expense being incurred and in a form approved by the Finance Director.

The University travel and subsistence expense policy is located at:

<https://www.wlv.ac.uk/staff/services/finance/departmental-services/payroll/travel-and-subsistence/>

Expense claims cannot be self-authorised. Claims should be authorised by your budget holder who has been authorised to certify expense claims. The certification confirms:

- that any journeys taken were authorised
- that any expenses were wholly and necessarily incurred on University business

### **Staff advances**

Advances to Staff for travel and subsistence must be jointly approved by the relevant budget holder. Within two months of the trip being completed, the receipts must be submitted and any unspent balance repaid or claimed. Failure to submit the required documents within 90 days will result in the advance being reclaimed automatically.

Under no circumstances will a second advance be approved when the repayment of an earlier advance for individual is still outstanding.

### **Loans to Staff**

Any loans to staff are authorised under schemes jointly approved by the Director of Human Resources and the Finance Director. Any loans must be repaid in full before the employee leaves the University's employment. The current scheme offers cycle to work loans.

### **Expenses to Visitors**

Visitors to the University who incur expenses on the University's business may be reimbursed e.g. external examiners.

### **Expenses to Students**

Expenses incurred by students on University's business may be reimbursed on the production of receipts.

### **Payments to Volunteers**

The University allows payments to volunteers:

1. reimbursement of actual travel costs

### **Payments to people involved in Research and similar studies**

In many cases, research projects involve interviewing members of public or similar activities. Payments can be made to these participants as follows:

1. reimbursement of actual travel costs
2. participant fees agreed by the funder or Deputy Finance Director

Please note that due consideration should be given to any taxation issues that may arise and that advice should be sought from the Finance Director prior to any agreement being made, if you are uncertain as to those issues.



## **Payments to Members of the Board**

Any out of pocket travel and subsistence expenses incurred by members of the Board in performing their duties will be reimbursed. These claims will be authorised by the Finance Director.

## **Loans to Students**

Loans may be given to students in the case of hardship. These loans will be recorded on the student's account and must be repaid before graduation or leaving the University.

## **Student opportunity funds**

Records of opportunity funds will be maintained according to University requirements

## **Student bursaries and scholarships**

The reduction of the tuition fees charged to students or the payment of bursaries, scholarships, stipends to students must be authorised by the Dean or Director and charged to the appropriate Faculty or Directorate.

## **Petty cash**

The University's imprest petty cash account is maintained by the Finance Department. Cash floats may be requested by Departments to meet minor payments and disbursements. Such accounts are the responsibility of the member of staff to whom they are entrusted. Payments from these floats or imprest accounts must be supported by appropriate invoices or receipts.

The following types of expenditure are expressly forbidden:

- Any individual item over £25
- Payments of salaries, wages, call-out payments, overtime payments, staff expenses or other ad hoc remuneration.
- Personal expenditure, loans or advances to employees or students, or for cashing personal cheques.

At the end of the financial year, a statement of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Dean or Director confirming the existence and value of the float.

## **Pay Expenditure**

### **Appointment of staff**

All offers of employment by the University shall be made in accordance with the guidelines issued by the Director of Human Resources before work commences.

## **Salaries, wages and other benefits**

All University staff are appointed to salary scales approved by the Remunerations committee.

The Remuneration Committee determines what other benefits are to be made available, the basis of their provision (contributory or not) and the staff to whom they are to be made available. Salaries and other benefits for senior management will be determined by the Remuneration Committee.

## **Terms and Conditions of Employment**

The Board approves the standard contractual arrangements relating to all categories of staff within the University and provision is made within the arrangements for all matters affecting gross payments to employees.

All variations affecting salaries shall be authorised by the Dean or Director in conjunction with the Human Resources Department

## **Payments of Salaries and Wages**

The Finance Director is responsible for all payments of salaries and wages to all staff including payments for overtime, services rendered and staff expenses are reimbursed through the payroll section of the finance department.

## **Payments of Fees and Expenses**

The Finance Director is responsible for making payments to workers who are not employees (i.e. casual workers, visiting lecturers) and for informing the appropriate authorities (H M Revenue & Customs, Pensions authorities) of such payments.

These payments will be authorised by the Dean or Director.

## **Payroll Records**

The Finance Director is responsible for keeping all statutory payroll records, including those required by H M Revenue & Customs.

## **Sickness & Other Absences**

It is the responsibility of the Dean or Director to have processes in place to notify the Human Resources Department of any absences through sickness. Other absences, such as maternity, paternity, jury service and unpaid leave should be notified to the line manager and the Human Resources department. The University's Human Resources policies are located:

<https://www.wlv.ac.uk/staff/services/humanresources/policiesandprocedures/>

## **Arrangements for Relocation**

The University has limits for the payment of travel expenses and expenses incurred in the removal of household effects of a person moving their main place of residence to take up a post at the University.

## Employment of Temporary Staff

Departments are expected to use temporary staff for temporary purposes only and not to cover tasks of permanent duration.

Faculties and Departments must:

- Satisfy themselves before employing temporary staff that there is an adequate budget to meet the cost.
- Comply with employment law taking advice from the Human Resources Department if necessary.

Tax will be deducted from payments to all temporary staff through the PAYE system.

## Taxation

Responsibility for accounting for PAYE, NIC and any other taxes, and for making all statutory returns, rests with the Finance Director. Where payments for services rendered are made to individuals not employed by the University, the Finance Director is responsible for maintaining any records for tax purposes and will ensure that HMRC guidelines and IR35 Legislation are followed.

The University will make deductions in accordance with HMRC guidelines.

## Pension schemes

The eligibility of staff for membership of a Pension Schemes is set out in individual contracts of employment. The pension arrangements for staff are approved by the University Board and will be managed in accordance with statutory auto-enrolment requirements.

## Severance and similar payments

Severance payments shall only be made in accordance with relevant legislation. All severance payments shall be authorised by Director of Human Resources after approval is given by the appropriate Committee or the Board.

## Private Work and Other Appointments

Members of staff must comply with the University's policies when carrying out private work and other appointments as detailed here:

<https://www.wlv.ac.uk/staff/services/humanresources/policiesandprocedures/relatedpolicies/workoutsidetheuniversity/>

Academic staff should also refer to the University's policy on "Exclusivity of Service" under [General Terms and Conditions for Academic Staff](#).

## Capital Expenditure and Assets

### Definition

Capital expenditure is expenditure on approved capital schemes or the purchase of equipment over £10,000.

### Budgeting

The capital scheme budgeting should be conducted in line with the section on Capital Budgets and should include all costs (including VAT).

### Security of assets

The Director of Estates is responsible for the Buildings and Estates function in the University, including custody and physical security of all University buildings and other resources related to this function.

Deans or Directors are responsible for the security and custody of all other University assets (including stores, cash, furniture, equipment etc.), whether tangible or intellectual. They are required to maintain an inventory which should be annually submitted to the Finance Department.

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

### Personal use of assets

Assets owned or leased by the University shall not be subject to personal use without authorisation of the Dean or Director.

### Property purchases, leases, rentals and disposals

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the The Board in accordance with the scheme of delegation.

Disposal of land and buildings must only take place with the authorisation of the Board in accordance with the scheme of delegation.

### Asset Registers

The Finance Director will maintain a central asset register for land, buildings and equipment with an initial cost over £10,000.

Deans or Directors are responsible for maintaining a departmental asset register (inventory) of all departmental equipment, regardless of the value or the funding source of the purchase of the equipment.

### Asset and Equipment disposals

Where equipment or other assets are surplus to requirements then they may be disposed of or scrapped. If the asset is to be sold then it should be scrapped or sold at fair market value. When disposing of equipment an asset disposal form should be completed ensuring compliance with the Waste electrical (WEEE) regulations and VAT regulations.

Deans or Directors may authorise disposals of equipment where the net book value or proceeds are up to £10k.

The Finance Director may authorise the disposal of assets where the net book value or proceeds are up to £100k.

The CMT may authorise the disposal of assets where the net book value or proceeds are up to £1m.

Disposals of assets over £1m require the approval of the Board.

## **Grants for capital equipment and capital projects**

### **Definition**

Grants received from external bodies to fund the purchase of capital equipment or capital schemes are treated in accordance with generally UK accepted accounting principles and must comply with the Higher and Further Education SORP.

### **Authorisation**

The application for capital grant funding for equipment should follow normal funding application process and be authorised in accordance with the scheme of delegation.

### **Grant Registers**

The Finance Director will maintain a central grant register for capital grants.

### **Stocks**

Deans or Directors are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments, including stock checks.

### **Insurance**

The Finance Director is responsible for the University's insurance arrangements, including the provision of advice on the range of insurance cover available. The insurance available is detailed at:

<https://www.wlv.ac.uk/staff/services/finance/departmental-services/insurance--inventory/major-features/>

All Deans and Directors shall bring to the notice of the Finance Director of, all insurable risks relating to their areas of responsibility and should inform the Finance Director 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.

## **Companies and joint ventures**

In certain circumstances, it may be advantageous to the University to establish a company or a joint venture to undertake services on its behalf. Any member of staff considering the use of a company or a joint venture should in the first instance seek the advice of the Finance Director and the Legal Team.

## **Document and Key Security**

Keys issued to safes or other similar containers must be kept securely, and the loss of such keys must be reported to the Finance Director immediately.

The University Secretary is responsible for ensuring the safekeeping of official and legal documents relating to the University including, signed copies of deeds, leases, agreements and contracts.

## **Students' Union**

The Students' Union is a separate legal entity from the University.

The Board shall determine the level of grant to be paid annually to the Students' Union. The Board requires the Students' Union to provide details of its proposed budget to assist in determining the appropriate level of grant. The Students' Union are responsible for maintaining their own bank accounts, financial records and preparing their annual financial statements, which will be audited by appropriately qualified auditors and will be presented to the PARC for information.

## **Use of the University's seal**

Where a deed or document requires the University's seal, it must be sealed by the University Secretary. A record is kept of all documents that have been sealed by the University Secretary.