



Edge Hill University

Financial Regulations

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1. Introduction

- 1.1 These Financial Regulations (FRs) are issued in accordance with directions issued by the Board of Governors for the regulation of the conduct of the University and its subsidiary companies in relation to all financial matters.
- 1.2 These FRs detail the financial responsibilities, policies and procedures adopted by the Board and are designed to ensure that its financial transactions are carried out in accordance with the law and best practice in order to achieve accuracy, economy, effectiveness and efficiency.
- 1.3 These FRs identify the financial responsibilities which apply to everyone working for the University and its subsidiary organisations. They are not intended to provide detailed procedural advice. All FRs and subsequent amendments must be approved by the Board.
- 1.4 Should any difficulties arise regarding the interpretation or application of any of the FRs, then the advice of the Director of Finance **MUST** be sought before you act.
- 1.5 The Director of Finance is responsible for ensuring compliance with FRs. Failure to comply with FRs is governed by Edge Hill University disciplinary procedures.
- 1.6 Every three years, or more frequently if appropriate, the Director of Finance shall arrange for the Financial Regulations to be reviewed. Any proposed changes will be submitted to Audit Committee for onward recommendation to Full Board. The Director of Finance may, at any time, submit to Audit Committee amendments or additions to the FRs as may be considered appropriate.
- 1.8 Terminology:
 - a) “University” means Edge Hill University including all subsidiary organisations.
 - b) “Cost Centre” means a specific code set up within the Finance System to identify a department or major ongoing project.
 - c) “Primary budget holder” means the head of a cost centre or group of cost centres.
 - d) “Budget holder” means an employee given delegated authority to manage specified areas of a budget by the primary budget holder.
 - e) “Board” means the Board of Governors.
 - f) “UKRI” means UK Research and Innovation.
 - g) “OfS” means the Office for Students.
 - h) “Directorate” means the VC, DVC and PVCs of the University.
- 1.9 Wherever the term “employee” is used, it shall be deemed to include employees of third parties contracted to the University when acting on behalf of the University.

2. Corporate Governance

2.1 The Board's major financial responsibilities are to:

- ensure the solvency of the University,
- act as charity trustees,
- safeguard the University's assets,
- ensure economy, efficiency and effectiveness in the use of resources,
- ensure that financial control systems are in place and working effectively,
- ensure the institution complies with the OfS's Conditions of Registration, Accounts Direction and Terms and Conditions of Funding, and any other terms and conditions attached to financial support received from the OfS and UK Research and Innovation,
- approve the University's strategic plan,
- approve annual estimates of income, expenditure, capital and cash flow,
- approve the annual financial statements,
- appoint the University's external and internal auditors,
- ensure there are adequate and effective arrangements in place to provide transparency about value for money for students and for taxpayers.

These are further detailed in the Scheme of Delegation

2.2 The Board must ensure compliance with the OfS's Conditions of Registration, Accounts Direction and Terms & Conditions of Funding, as applicable to the relevant financial year. The Board voluntarily subscribes to the Committee of University Chairs' Higher Education Code of Governance, Higher Education Audit Committees Code of Practice and Higher Education Senior Staff Remuneration Code.

2.3 The Board has ultimate responsibility for the University's finances and reserves all major financial decision-making activity for the Board. Full details are provided in the Scheme of Delegation.

2.4 The Board operates a subcommittee structure comprising: Audit Committee, Governance and Nominations and Remuneration Committee. These committees are accountable to the Board.

2.5 The Audit Committee meets at least three times annually with the external and internal auditors of the University and is responsible for reviewing their work. The Committee approves the Internal Audit Plan and considers the subsequent reports together with recommendations and management responses, for the improvement of the University's systems of internal control. Members also receive and consider specific review reports as they affect the University's business and monitor adherence with regulatory requirements. They review the University's annual Financial Statements and approve the Financial Regulations. The Committee has oversight of risk management and provides an annual report to the Board which sets out its opinion on the adequacy and effectiveness of the University's arrangements for risk management and quality assurance of data (and in particular data submitted to the Higher Education Statistics Agency, the Student Loans Company, the Office for Students, Research England and other bodies). The Audit Committee terms of reference are listed at:
<https://www.edgehill.ac.uk/governance/board-of-governors/resources/section-board-governors/>

- 2.6 The Governance & Nominations Committee considers nominations for vacancies in the Board of Governors' membership and has oversight of Governance procedures including the Board's periodic Effectiveness Review. The Governance and Nominations Committee terms of reference are listed at:
<https://www.edgehill.ac.uk/governance/board-of-governors/resources/section-board-governors/>
- 2.7 The Remuneration Committee, which operates in accordance with the CUC Remuneration Code 2018, determines the annual remuneration of designated senior staff and associated policies and procedures. It also agrees the total envelope available for the pay and reward of managerial and professorial staff who are employed on locally agreed pay scales. Membership of the Remuneration Committee is restricted to Independent Governors and is chaired by the Deputy Chair of the Board. Senior executives, namely the Head of Human Resources and the Vice-Chancellor, attend meetings of the Committee as required to provide advice. The Remuneration Committee terms of reference are listed at:
<https://www.edgehill.ac.uk/governance/board-of-governors/resources/section-board-governors/>
- 2.8 The Board has appointed the Vice-Chancellor as its Accountable Officer, and must notify the OS of any change in the identity of the postholder. The Accountable Officer must fulfil the responsibilities set out by the OfS for an accountable officer. This includes:
- being personally responsible to the governing body for ensuring compliance with the terms and conditions of funding and for providing the OfS with clear assurances about compliance;
 - being required to report to the OfS on behalf of the University in relation to the University's accountability for funding and the quality of its data;
 - being required to inform the OfS of any change in the University's circumstances that, in the judgement of the Accountable Officer, and in agreement with the governing body, represents a material change, including any significant developments that are relevant to the interests of the OfS.
- 2.9 The Vice-Chancellor is the only executive member of the Board. The Vice-Chancellor is supported in the role by the Deputy Vice-Chancellor and five Pro Vice-Chancellors.

3. Audit Requirements

3.1 External auditors and internal auditors shall have authority to:

- have access to University premises at reasonable times;
- have access to 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, stores or any other University property under his or her control.

3.2 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 the OfS Accounts Direction and the Financial Reporting Standard (FRS 102) applicable in the United Kingdom.

3.3 The primary role of internal audit is to provide assurance to the Board, through the Audit Committee, on the adequacy and effectiveness of the University's risk management, control, governance and economy, efficiency and effectiveness processes.

3.4 Internal Audit is independent in its planning and operation and has direct access to the Board, the Vice-Chancellor and the Chair of Audit Committee.

3.5 The University may, from time to time, be subject to audit or investigation by external bodies or funders such as the OfS, HMRC and other funding bodies. These bodies have the same rights of access as external and internal auditors

4. Bribery and Corruption

- 4.1 Staff should never use their authority or office for personal gain and shall seek to uphold and enhance the standing of the University by maintaining an unimpeachable standard of integrity in all their business relationships.
- 4.2 In order to address the implications of the Bribery Act 2010, the University has developed a Counter Fraud and Corruption Policy and Response Plan alongside a Bribery and Anti-Corruption Code of Conduct which details the principles that it will adhere to and includes guidance for staff. Details can be found at: <https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 4.3 The giving and receiving of gifts, whilst not prohibited, is subject to the underlying guiding principles of: not inducing or being seen to induce improper performance in a business context; there always being a clear business justification and the gift being both appropriate to the occasion and reasonable. The University has developed a Hospitality and Gifts Policy which details the procedure and underlying principles. Supporting guidance can also be found in the Bribery and Anti-Corruption Code of Conduct. Details can be found at: <https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 4.4 The University shall comply at all times with the Proceeds of Crime Act (2002), The Money Laundering Regulations (2007) and all other regulations on suspected money laundering. If staff have cause to suspect that any transaction with the University may be a cover for such activity, they must inform the Director of Finance without delay. The Director of Finance shall report all suspected incidents of money laundering to the Serious Organised Crime Agency via the lodging of a Suspicious Activity Report as required under the Proceeds of Crime Act (2002). The University's Anti Money Laundering Policy can be found at: <https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 4.5 Governors, directors and all other member of staff with decision making powers are required to comply with the University's Bribery and Anti-Corruption Code of Conduct and to declare interests of a pecuniary and non-pecuniary nature, direct or indirect, in any contract (employment or supply of goods/services) that has been or is proposed to be entered into by the University.
- 4.6 Disclosure is required as soon as it comes to the knowledge of the member of staff or governor by giving notice in writing to the Clerk to the Board (for governors) and the Director of Finance (for staff) of their interest therein. Interest extends to an interest held by family members or close associates. The University will monitor such interests, and apply appropriate measures to protect the individual and the University. It will issue an annual disclosure of interests form as part of its year end processes and maintain a register. Further information can be found in the Bribery and Anti-Corruption Code of Conduct at: <https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 4.7 Whistle blowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) of alleged malpractice in the workplace. In this regard the University has a Public Interest Disclosure (Whistle Blowing) Policy which can be found at: <https://go.edgehill.ac.uk/download/attachments/35817993/Whistleblowing%20Policy.pdf?version=3&modificationDate=1527760066000&api=v2>

5. Financial Control

- 5.1 The Vice-Chancellor is the University's designated principal officer and is responsible to the Board for the financial administration of the University's affairs. Day to day administration is the Director of Finance's responsibility. He is responsible for effective planning, monitoring and control of University finances and providing professional advice on matters relating to financial policies and procedures. The Director of Finance will also supervise and approve the financial systems operating within departments, including the form in which accounts and financial records are kept. The Director of Finance reports directly to the Deputy Vice- Chancellor.
- 5.2 PVCs and the DVC are responsible for financial management in their area of responsibility including the establishment and maintenance of clear lines of responsibility and accountability in their areas for all financial matters.
- 5.3 The Deputy Vice-Chancellor is responsible to the Vice-Chancellor for establishing, maintaining and reviewing systems of administrative control throughout the University. The Director of Finance is responsible to the Deputy Vice-Chancellor and has financial responsibilities to:
- carry out the financial activities of the University including the collection of income, payment of wages and invoices, preparation of annual accounts and the payment of VAT, Income Tax, National Insurance and all other taxes,
 - ensure that financial budgets, plans and internal forecasts (i.e. updates to the annual budget) are in place demonstrating the long term financial sustainability and viability of the University, and to identify and resolve any future financial threats or concerns,
 - monitor financial performance against such budgets, plans and internal forecasts as may be appropriate,
 - provide sound, complete and fair financial advice and information to the University's Board and its committees, senior management and budget holders,
 - review the financial systems, including those relating to financial reporting and, with the advice of the internal and external auditors, to make necessary recommendations for amendment,
 - ensure that all financial documents and the Financial Regulations are in place and up to date, comply with statutory requirements and best practice and protect the University's revenue, finances and assets,
 - ensure all financial returns, including the financial statements, are prepared for submission to OfS and other relevant agencies,
 - The safe retention of financial documents in line with the institutional retention policy .
- 5.4 The University's budget holders are responsible as regards budgetary and financial matters for:
- the overall financial management of their budget,
 - the preparation of estimates, forecasts, budgets, plans and other information for their area,
 - the production of annual academic, operating and financial plans, in the form prescribed,
 - ensuring and monitoring compliance with the FRs and underlying financial procedures.

The Director of Finance will provide such timely management information as is necessary to enable the budget holders to fulfil their financial responsibilities.

- 5.5 No budget holder may engage, re-engage or re-grade employees, or agree to changes in any aspect of remuneration unless authorised to do so by the Vice-Chancellor following confirmation of the budgetary impact from the Director of Finance.
- 5.6 No officer of the University, other than the Vice-Chancellor, or an officer with delegated authority, ie a budget holder, shall be authorised to incur expenditure on behalf of the University. The University operates a devolved procurement procedure whereby authority to commit funds is delegated to designated budget holders. Delegated authority is expressed via the identification of authorised signatories. This is embedded in workflow in manual processes and in University electronic systems. It is the responsibility of primary budget holders to ensure full compliance with the FRs, conducting a regular review of the signatories that are required to facilitate effective financial management of their area. Authorisation limits shall not exceed the maximum thresholds set out in Appendix 1 and the Director of Finance may limit the number of authorised signatories and reject an authorised signatory.
- 5.7 Spend not specifically budgeted for is not allowable without the prior authorisation of the PVC responsible for the area concerned. Budget holders are responsible for advising the need for spend not specifically budgeted for PRIOR TO ANY COMMITMENT to the PVC responsible for the area concerned who may seek advice from the Director of Finance where necessary.
- 5.8 All budget holders are responsible for preparing and presenting budgets that are consistent with institutional guidance and for ensuring actual costs are allocated to the correct cost centre, account code, activity code and job code (where applicable).

Accounting Arrangements

- 5.9 The University's financial year runs from 1 August until 31 July of the following year.
- 5.10 The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019.
- 5.11 The Director of Finance is responsible for consolidating and despatching financial returns to OfS and other relevant agencies.
- 5.12 The Finance Department retain financial documents including purchase invoices, sales invoices, orders and bank statements for at least six years after the financial year in which they were produced.

6. Investments and Banking

- 6.1 The Director of Finance is responsible for the development and maintenance of the Treasury Management policy. The policy shall be submitted to Board of Governors for approval and will be formally updated every three years. Treasury management updates will be reported to Board of Governors on a regular basis. The Treasury Management Policy can be found at:
<https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 6.2 Cash flow projections will be prepared on a regular and timely basis to ensure the University maintains adequate cash resources and borrowing arrangements for the achievement of its objectives and to ensure any surplus funds are identified for investment.
- 6.3 The Board shall approve the appointment of the University's bankers and shall consider tendering competitively for the service every five years.
- 6.4 The Director of Finance is responsible for liaising with the University's bankers in relation to all bank accounts. Only the Director of Finance may initiate opening or closing a bank account for dealing with the University's funds, following Governor approved bank mandate procedures. All bank accounts shall be in the name of the University or one of its subsidiary companies.
- 6.5 The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.
- 6.6 Any application for a loan or overdraft will be made by the Director of Finance with Board approval. The Director of Finance will advise the Board concerning the University's ability to pay interest on and repay the originating capital debt on any proposed new borrowing.
- 6.7 The Director of Finance shall maintain a loans register which shall record, for each loan, the value of the principal, terms of repayment, due dates and repayments made. The Director of Finance will ensure that the repayment of principal and interest are made on the due dates.
- 6.8 The Director of Finance shall advise the bankers of the officers authorised to approve internet payments on each bank account of the University and shall notify promptly the cancellation of any such authorisation. This will include confirmation that any related changes to the mandate instructions have been reviewed and agreed by the Board.
- 6.9 All cheques are to be treated as controlled stationery in the charge of a duly designated officer controlling their issue.
- 6.10 Any cheque or transaction for a sum greater than £5,000 shall require 2 signatures. See appendix 8 for list of signatories.
- 6.11 Petty cash floats are generally not permitted. Floats maybe exceptionally considered provided advance authorisation is given by the Director of Finance.
- 6.12 Officers collecting, holding and accounting for cash shall keep monies secure and pass them to Finance for banking immediately. Monies may exceptionally be held for up to 1 week with the advance authorisation of the Director of Finance.

7. Income

- 7.1 The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled including the prompt collection, security, banking and accounting for all income received.
- 7.2 Where goods and services are supplied by the University, an appropriate charge must be made by raising an invoice on the University's finance system. Invoices must include VAT where applicable and advice on VAT can be obtained from the Director of Finance. The mechanism for raising an invoice on the finance system differs depending on the type of income and it is the responsibility of Departments to ensure that this is completed on a timely basis and in compliance with the terms and conditions of contracts.
- 7.3 **Granting of Credit**
Where doubts exist about the creditworthiness of a customer, e.g. with a customer whom no previous experience has been gained, or where an existing customer is requesting a higher than normal level of credit, further enquiries should be made with the Income Section of the Finance Department before the transaction can take place.
- 7.4 **Collection of Debts**
Prompt and effective action must be taken to collect all overdue debts. The debt position of the University will be reported to Board of Governors on a regular basis. The Director of Finance is responsible for the implementation of debt recovery processes as approved by Audit Committee. These can be found at:
<https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 7.5 Should legal action be required to recover monies due, a Referral to Debt Collector form should be completed and authorised by the Director/PVC of the Department. This requires confirmation that the debt is considered enforceable and must be approved by the Director of Finance.
<https://go.edgehill.ac.uk/display/finance/Finance+Forms>
- 7.6 The Finance Operations Manager may approve debt write offs up to £1,500. The Director of Finance may approve debt write offs up to £5,000. Debts in excess of £5,000 must be referred to the Deputy Vice-Chancellor for consideration and approval. All individual amounts over £20,000 written off shall be reported on a regular basis to Audit Committee.
- 7.7 Credit Notes should be raised promptly. Credit notes should be authorised in accordance with authority limits as set out in Appendix 2.

8. Terms of Service and Payment of Directors and Employees

8.1 The Board should formerly agree and record the precise terms of reference of the Remuneration Committee, its composition and the arrangements for reporting.

8.2 The composition of the committee shall be:

- The Chair of the Board
- The Chairs of Audit
- The Vice Chair (if not a committee Chair)
- A lay Governor

The committee will review and determine annually the remuneration and terms and conditions of service for the Vice-Chancellor, the DVC, the Clerk and other designated senior post holders.

8.3 The Vice-Chancellor is responsible for the pay and terms and conditions of all senior management contract staff working within a policy and budget framework as approved by the Board and its Remuneration Committee.

8.4 The Remunerations Committee will report annually to the Board in relation to its activities.

8.5 All other staff are subject to national collective pay bargaining arrangements.

8.6 The University's Board of Governors is responsible for approving all major policies which relate to the terms and conditions of employees.

9. Processing of Payroll

- 9.1 The Vice-Chancellor must authorise the appointment of new staff.
- 9.2 The Director of Finance is responsible for designing and maintaining systems for the proper recording and payment of all payroll related liabilities. All such systems should contain a sufficient level of internal control and be fully documented.
- 9.3 The Director of Finance is responsible for keeping all records relating to payroll including those of a statutory nature. All payments must be in accordance with the University's payroll procedures and comply with all HMRC regulations and other statutory regulations that may be in force
- 9.4 The Director of Finance is responsible for the administration of pension matters including the timely submission of data to the various pension funds.
- 9.5 Appropriately nominated managers with appropriate budget holder approval are responsible for notifying Finance (Staff Resources and Payment Services) of any request for contractual changes in line with Edge Hill policies. Any requests that fall outside Edge Hill policies will require approval from the Head of Human Resources.
- 9.6 Appropriately nominated managers have delegated responsibility for ensuring all notifications (eg termination forms) are fully completed and submitted in accordance with agreed time scales to Finance (SRPS).
- 9.7 Overtime payments must be authorised by the Head of Support area or Faculty.
- 9.8 Payroll and BACs payment reports should be authorised and reviewed by the Head of Payroll and Pensions and the Deputy Director of Finance prior to payment.
- 9.9 All salaries, wages, pensions and taxable benefits to all employees shall be paid through University payrolls. "Employees" include consultants and other persons employed on a temporary basis, except where the Inland Revenue confirms that the person is assessed as paying taxation under Schedule D in this capacity.
- 9.10 Employees paid on a piecemeal basis shall submit a standard timesheet duly uthorised by the employee's line manager who is responsible for ensuring the accuracy of the information. Timesheets shall be paid based on set rates agreed with Human Resources.
- 9.11 Any change to set rates for employees paid on a piecemeal basis will require the authorisation of HR.

10. Expenditure and Payments

- 10.1 The Director of Finance is responsible for ensuring there are effective systems to enable the prompt payment and recording of properly authorised requisitions. These systems shall be fully documented and have a satisfactory level of internal control.
- 10.2 Primary budget holders are responsible for ensuring processes are applied in accordance with University approved purchase ordering procedures that enable the effective raising and authorisation of requisitions and confirmation of receipt of goods and services. Purchase ordering procedures can be found at:
<https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 10.3 Requisitions shall be in a form approved by the Director of Finance, and shall include sufficient information to adequately describe the goods/services being ordered. The order shall incorporate an obligation on the supplier to comply with the University's standard terms and conditions of trade which are printed on the reverse of all orders.
- 10.4 Before a requisition can be raised the supplier concerned must have been registered on the University's finance system. In cases where it is necessary to register a new supplier, departments are required to submit a new supplier request form. The Finance Department will create the new supplier taking reasonable steps to ensure the supplier is genuine, and notify the requesting department when the action has been completed. The new supplier request form can be found at:
<https://go.edgehill.ac.uk/display/finance/Finance+Forms>
- 10.5 It is essential that accurate prices are quoted on requisitions. Prices should be based on a quotation or tender or a valid contract price list. The correct pricing of requisitions facilitates the matching of invoices and ensures the accuracy of financial accounts. In the event that an order is different to actual cost, an order amendment shall be raised and authorised with an explanation provided. Tolerance levels may be considered though this will require approval of the Director of Finance.
- 10.6 It is a mandatory requirement that the person authorising a requisition must be different from the person who raises the requisition and confirms receipt of the goods/services ("receipts" the order).
- 10.7 Requisitions shall not be raised in a manner devised to bypass the authorisation limits specified by the Board of Governors and enshrined within University systems.
- 10.8 Any request to raise a requisition to purchase goods or services on behalf of another organisation should be referred to the Director of Finance for further advice.
- 10.9 Authority to approve a requisition and confirm receipt of goods/services maybe delegated to named budget holders by the primary budget holder. The names of all such authorised persons and expenditure limits must be logged with the Finance Department
- 10.10 The University does not accept liability for payment of any invoice unless the goods have been supplied in response to an official University purchase order. All requests to pay for goods and services outside official purchase ordering procedures will be considered by the Director of Finance and require advance written authorisation.
- 10.11 Authorised persons should not enter into any form of contractual commitment for the procurement of goods or services that includes any terms and conditions that vary from the University's standard terms of purchase. In particular, contractual documents must

not be signed where they include any terms and conditions that vary from the University's standard terms of purchase. In this context, a contractual document is any document that has or may have the effect of binding the University to procure and pay for goods and services. All contractual commitments must be signed by a member of Directorate and those expected to result in a liability exceeding £25,000 must be notified to the Deputy Vice-Chancellor for authorisation in advance of any commitment being made.

- 10.12 Primary budget holders must not commit the University to expenditure without ensuring that sufficient budget funds are available or that any additional amounts have been authorised by the Directorate member responsible for the area concerned. The Director of Finance shall be informed of any additional amounts agreed.
- 10.13 Suppliers are normally paid on a standard 30 day credit term. Alteration to these terms requires advance written authorisation from the Director of Finance.
- 10.14 Except where normal practice (eg hotels, flights, maintenance contracts, subscriptions) all requests for payments to be made in advance of receipt of the related goods or services exceeding £1,500 requires advance written authorization from the Head of Finance Operations. Where the request exceeds £5,000 the approval of the Director of Finance or Deputy Director of Finance is required. In addition, the budget holder should ensure that all items due under the advance payment are received, informing the Head of Finance Operations immediately if problems are encountered.
- 10.15 In rare instances where a supplier is unable to provide an invoice for payment, the budget holder should submit a completed General Expenditure Voucher to Finance for payment alongside any supporting documentation.
- 10.16 In the case of contracts for building and engineering works which require payment to be made on account during progress of the works, payment shall be made within the period stipulated in the contract for honouring certificates and on receipt of a certificate from the appropriate Contract Administrator or Officer. Without prejudice to the responsibility of any Contract Officer appointed to a particular building or engineering contract, a contractor's account shall be subjected to such financial examination by the Deputy Vice-Chancellor and such general examination by the Director of Capital Projects as may be considered necessary, before the person responsible to the University for the contract issues the final certificate.
- 10.17 If, during the course of development/supply there are any changes to the original specification, these amendments must be fully documented and signed by both parties as evidence of their agreement to the amendments. Care should be taken to ensure that the amendments are signed by the appropriate officers of the supplier and the University empowered to so bind the parties.
- 10.18 The Director of Finance will consider the issuance of corporate credit cards in instances where individuals are undertaking significant University business and/or payment by credit card can be demonstrated to provide enhanced value for money.
- 10.19 Corporate card holders have delegated authority to purchase goods or services for and on behalf of their department. Procedures concerning the management and use of corporate credit cards can be found in the Corporate Credit Card Agreement under: <https://go.edgehill.ac.uk/display/finance/Finance+Forms>

- 10.20 The Director of Finance will consider requests to utilize the Diversity Portal to arrange travel and accommodation related to University business where payment via the Diversity Portal can be demonstrated to provide enhanced value for money.
- 10.21 Authorized users of the Diversity Portal have delegated authority to purchase travel and accommodation on behalf of staff and students in their department. Procedures concerning the management and use of the Diversity Portal can be found at:
<https://go.edgehill.ac.uk/display/finance/Procurement>

11. Value for Money & Procurement

- 11.1 It is a requirement of the OfS that the University delivers value for money. To fulfil this responsibility, the University will develop and revise each year a plan for value for money work. In addition, internal audits will be conducted within specific areas. This work will be used to enable the Audit Committee to refer to value for money in the annual Efficiency Report.
- 11.2 The primary budget holder is ultimately responsible for adhering to the procurement regulations prescribed for the cost centre(s) he/she is responsible for.
- 11.3 All budget holders are responsible for ensuring that value for money is obtained on all expenditure. The determination of value for money should take into account the “whole life” of the products or services being supplied.
- 11.4 All members of staff have a responsibility to take steps to eliminate waste and discourage extravagance through their personal actions. They also have a responsibility to bring to the attention of their line manager any opportunities that they believe are available to reduce costs within existing procurement regulations.

Supplier Selection

- 11.5 The University operates a devolved procurement procedure whereby authority to commit funds is delegated to primary budget holders and delegated budget holders. In exercising this delegated authority, authorised persons are required to observe the University’s relevant policies and procedures.
- 11.6 The primary budget holder must ensure that all staff having delegated authority are fully aware of these procurement procedures.
- 11.7 The University supports, wherever possible, purchasing arrangements made by consortia. These include arrangements made by the North West Universities Purchasing Consortium, any national university agreements and government contracts.
- 11.8 For purchases valued below £2,000 including VAT where applicable it is advisable to obtain at least two quotations at this level. Departments are obliged to seek the best possible value for money.
- 11.9 For purchases over £2,000 and up to £10,000 including VAT where applicable, in cases where it has not been possible to use a collaborative contract, it is required to obtain at least two written quotations which maybe in the form of a formal written quotation, fax or email. Quotations must be retained in accordance with 10.26
- 11.10 For purchases over £10,000 and up to £75,000 including VAT where applicable, in cases where it has not been possible to use a collaborative contract, it is required to obtain at least three written quotations which maybe in the form of a formal written quotation, fax or email. Quotations must be retained in accordance with 10.26
- 11.11 For purchases above £75,000 including VAT where applicable, a formal tender process must be applied with no less than three suppliers submitting a tender. Departments in any doubt about conducting a tender process should contact the Director of Finance for guidance and support.

- 11.12 Guidance on the procurement of consultancy and business services can be found at:
<https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>
- 11.13 In rare instances when only one or two suppliers can be used, a Derogation from Financial Regulations form should be completed. A statement explaining why it was not possible to obtain the required number of quotations or tenders should be included alongside confirmation the proposed procurement route is commercially reasonable. The waiver form must be fully authorised in accordance with the authorisation limits set out. The Derogation from Financial Regulations form can be found at:
<https://go.edgehill.ac.uk/display/finance/Policy+and+Procedures>

Invitation to Tender

- 11.14 Tenders must be sent in writing or via email to all suppliers being tendered. The tender documentation must include a comprehensive specification of the required goods or services. The tender must state that the University's conditions of purchase will apply to any order arising from the tender. The date and time for receipt of tenders must be clearly stated in the documentation.
- 11.15 Approval

Firms invited to tender should be approved. The approval process must:

- be undertaken by an officer delegated by the Vice-Chancellor,
- include vetting regarding financial stability,
- not be prejudiced by any outside objectives,
- be documented and subject to review,
- require the name of at least one organisation currently being supplied which should be contacted.

- 11.16 All invitations to tender on a competitive basis shall state that no tender will be accepted unless submitted in a plain, sealed envelope bearing no marks or names indicating the sender or sent to the controlled Procurement Edge Hill mailbox (Procurement@edgehill.ac.uk). All invitations to tender should also include a date and time by which tenders shall be received.

Tender Opening

- 11.17 On receipt of the tender, all tenders should remain in the custody of the Director of Finance or in the custody of another officer, duly authorised by him, but not from the originating division.
- 11.18 Tenders should be opened as soon as practicable after the date and time stated as being the latest time for receipt in accordance with the requirements set out in Appendix 5.

A record shall be maintained containing:

- names and addresses of firms invited to tender,
- names of firms from which an official tender has been received,
- dates tenders were opened,
- whether any late tenders were received,
- persons present,

- signatures of two of the person's present,
- the tender values.

- 11.19 If the number of tenders received is insufficient or tenders are qualified, or otherwise not strictly competitive, they shall be referred to the Director of Finance who will decide on the need or otherwise for re-tendering and on any question regarding the admissibility of a tender.
- 11.20 While any question as to the admissibility of a tender or on the need for re-tendering is being considered by the Director of Finance and while re-tenders are being obtained, the tender documents shall be kept strictly confidential and held in safe custody by the Director of Finance or an officer designated by him.
- 11.21 Tenders received after the due time and date should be opened but returned to the sender with a covering note explaining that they arrived late and could not be considered.
- 11.22 Technically late tenders (ie those tenders dispatched in good time but delayed through no fault of the tenderer) shall be regarded as having arrived on time provided they have been received before the other tenders are opened. In this connection however tenders which bear a postmark on or after the date on which the tenders were due to be received shall not be opened.
- 11.23 Incomplete tenders (ie those for which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. where amendments are proposed by the tenderer after the due date for receipt) shall not be considered.
- 11.24 The lowest tender/quotation shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out and authorised by the Director of Finance.

Tender Award

- 11.25 All tenderers who submit a tender must be sent a written reply/email indicating whether or not their tender has been accepted. It is necessary to give losing bidders some indication of the reasons why they were unsuccessful but commercial confidence must be respected.
- 11.26 Post-tender negotiation may be conducted with the winning supplier where:
- a) The original tender documents make it clear that these may be necessary to reach a final agreement for supply; and
 - b) The winning tender is in excess of the budgeted figure submitted for approval within the Business Case.

Document Retention

- 11.27 Copies of all quotations and tenders and any subsequent correspondence, the tender opening record, the tender analysis, any scoring matrix and the written justification of the decision must be kept until 6 months after the end of the contract.

12. Investment & Planning

- 12.1 In relation to capital investment and planning the Deputy Vice-Chancellor is responsible for the strategic planning of the estate and the Board approves the estates strategy. The University will invest its capital to support strategic ambition, adopting a considered approach to both immediate and future value of capital investments. In prioritising investments, the University will consider best value, taking account of the life cycle costs and opportunities to maximise use of our capital assets.
- 12.2 The Director of Facilities Management is responsible for the management and maintenance of the land and buildings of the University estate ensuring it is maintained in a functional condition and in compliance with legislative requirements.
- 12.3 The Director of Finance is responsible for designing and maintaining systems for the proper recording and payment of fully authorised capital spend. All such systems shall contain a sufficient level of internal control which is both fully documented and regularly reviewed.
- 12.4 The Director of Finance is responsible for ensuring that for every capital expenditure proposal, a Capital Expenditure Request (CAPEX) Form and proportionate business case is prepared. Where the capital involves IT, media technology or estates related spend, then the signature of the Head of the relevant area will be required. The CAPEX form can be found at:
<https://go.edgehill.ac.uk/display/finance/Finance+Forms>.
- 12.5 All capital investment proposals shall be managed through the University's planning and budgetary control processes to provide a balanced consideration of priorities and ensure that overall affordability has been managed.
- 12.6 Capital items identified through planning and budgetary control processes shall be considered by Directorate with items forming the capital plan given approval in principle subject to a proportionate business case being agreed prior to committing the University to expenditure.
- 12.7 A Capital Expenditure Request Form and accompanying business case shall be presented for approval in accordance with the authority limits as set out in Appendix 3. Approval shall signify the right to commit the University to expenditure in accordance with FRs.
- 12.8 Capital is defined as expenditure incurred on an item which will be used on an ongoing basis and will provide use to the University for more than one year. Capital expenditure incurred of more than £20,000 including VAT per item shall be capitalised and maintained on Finance system asset registers managed by Finance. Expenditure incurred of less than £20,000 per item shall be written off and maintained on Faculty/Support Assets lists managed by Primary budget holders.
- 12.9 Primary budget holders are responsible for the safekeeping of all assets under their control including the maintenance of asset lists and periodic verification of the existence and condition of assets.
- 12.10 A fixed asset control procedure shall be approved by the Director of Finance for capitalised assets. This procedure shall make provision for the physical security of, recording of and periodic verification of the existence and condition of capitalised assets.

- 12.11 Each employee has a responsibility to exercise a duty of care over the assets of the University. University assets may not be used for personal purposes and shall not be removed from the premises without prior authorisation from the Director of Finance <https://go.edgehill.ac.uk/display/finance/Finance+Forms>. Persistent or substantial breach of agreed security practices shall be deemed to be a disciplinary matter.
- 12.12 Capitalised assets shall be depreciated in accordance with the University's depreciation policy.
- 12.13 Land and buildings shall be reviewed for possible impairment and written down if there is evidence that its current value is less than its holding value in the register.
- 12.14 The disposal of capital assets requires completion of a Capital Asset Disposal Form <https://go.edgehill.ac.uk/display/finance/Finance+Forms> in accordance with the authority limits set out in Appendix x. Where the capital asset is IT, media technology or estates related, then the signature of the Head of the relevant area will be required. Guidance on the disposal of assets can be accessed at: <https://go.edgehill.ac.uk/display/finance/Finance+Forms>.
- 12.15 Capital programme financial amendments shall not be made without the approval of the Board, or delegated authority, dependent upon the significance of the variation (See Appendix 6)
- 12.16 The project manager is to maintain costs within the approved sum at the appropriate stage of the scheme. Any potential increase identified above the approved sum from the contract requires the further approval of the original source of approval prior to commitment to spend.
- 12.17 Where the actual spend exceeds the authorised spend and this is less than £250 or 5% of the authorised spend (whichever is the lower) and it is due to changes in prices since the capex was raised, this should be authorised by the Director of Finance.

13. Stores, Stationery and other Consumables

- 13.1 Responsibility for security arrangements and the custody of keys shall be clearly defined within departments.
- 13.2 Stock records shall provide an adequate level of control and be periodically checked against stockholdings.
- 13.3 All goods received shall be checked as regards quantity, quality and specification. Where possible a delivery note should be obtained from the supplier and shall be signed by the person receiving the goods.
- 13.4 Annual stocktaking arrangements shall be agreed with the Director of Finance where stock levels are material.
- 13.5 Stationery, consumables and all other stored items are for institutional purposes only.

14. Expense Claims

- 14.1 The Director of Finance shall issue a policy statement approved by the Board of governors for all travel and subsistence claims which will include Governors and the Directorate. This can be found at:
<https://go.edgehill.ac.uk/display/finance/Expenses>
- 14.2 Any deviation from said policy, without sufficient and satisfactory explanation, will result in the claim being revised accordingly. Where the expenses claim is materially incorrect or lacks sufficient authorisation it will be rejected

15. Security of Cash and Cash Equivalents

- 15.1 All officers whose duty it is to collect or hold cash shall be required to adhere to appropriate controls surrounding the security, handling and transportation of cash as agreed with the Director of Finance. Such officers shall be provided with a safe or with a lockable cash box which will normally be deposited in a safe.
- 15.2 All cheques and cash should be banked intact on a weekly basis. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 15.3 The opening of coin operated machines and the counting and recording of takings shall be undertaken by two officers together except as maybe authorised by the Director of Finance, and the coin box keys shall be held by a nominated officer.
- 15.4 University monies shall not under any circumstances be used for the encashment of private cheques.
- 15.5 During the absence (eg holiday) of the holder of a safe or cash box key, the officer who acts in his place shall be subject to the same controls as the normal holder of the key. There should be written discharge for the safe and/or cash box contents on the transfer of responsibilities.
- 15.6 All unused cheques shall be subject to the same security precautions as are applied to cash.
- 15.7 Any loss or shortfall of cash or cash equivalents that cannot attributed to legitimate reasons shall be reported immediately to the Director of Finance.

16. Risk Management & Insurance

- 16.1 Risk is the possibility that events, outcomes or actions, both foreseen and unforeseen, affect the University's ability to achieve its strategic objectives. The University acknowledges the risks inherent in its business, and is committed to managing those risks which pose a significant threat to the achievement of its business objectives and financial health.
- 16.2 Governors have ultimate responsibility for risk management, through the development, implementation and embedding of a formal, structured risk management process. Detailed information on the University's risk management processes can be found at <https://go.edgehill.ac.uk/display/fm/University+Information>
- 16.3 The Director of Finance, in consultation with the Deputy Vice-Chancellor, is responsible for ensuring that the University has appropriate levels of insurance cover.
- 16.4 It is a responsibility of all staff to ensure that effective management of risk is undertaken in all activities undertaken seeking advice from the Health & Safety Manager where necessary.
- 16.5 Primary budget holders must ensure that they advise the Director of Finance immediately of any event which may give rise to an insurance claim, for example, fire, flood, lightning, malicious damage or any other major incident and the Insurance Officer must notify the University's insurers accordingly.
- 16.6 Primary budget holders must also inform the Director of Finance of any new circumstances or alterations affecting existing risk in order that they can be accommodated from an insurance perspective.
- 16.7 Primary budget holders must ensure that any contracts or agreements negotiated between their department(s) and external bodies do not expose the University to liabilities. Advice should be sought from the Insurance Officer to ensure that the terms of any contract or agreement fall within the University's insurances and do not give rise to any uninsured liabilities.

Further information on the University's insurances is available at <https://go.edgehill.ac.uk/display/finance/Insurance>

Staff Insurance Issues

- 16.8 It is the responsibility of the employee to ensure that the University is informed in advance of any proposed business trips overseas so that University insurance cover is valid <https://go.edgehill.ac.uk/display/finance/Travel+Insurance+Applications>
- 16.9 Travel insurance for members of staff travelling in the UK is automatically covered under the University's insurance arrangements. Policy details are available at <https://go.edgehill.ac.uk/display/finance/Insurance>
- 16.10 Staff travelling abroad are responsible for ensuring that they are not travelling against the advice of the Foreign and Commonwealth Office: <https://www.gov.uk/government/organisations/foreign-commonwealth-office>
- 16.11 Motor vehicle insurance is provided for persons on University business using University owned vehicles. Drivers must be over 21 years old and hold a full UK driving licence. A Driver Declaration form must be completed before driving these vehicles. Further guidance is available at <https://go.edgehill.ac.uk/display/fm/Vehicle+Hire>

- 16.12 All staff using their own private vehicles on behalf of the University must notify their motor insurers and maintain appropriate insurance cover for business use and a full valid driving licence.

Use of the University Seal

- 16.13 Where a deed or document requires the University Seal it must be sealed in the Finance Department and then signed by the Vice-Chancellor.

17. Consultancy and Business Services

- 17.1 Information relating to University policy and processes for Consultancy and Business Services can be found at:
<https://go.edgehill.ac.uk/display/research/Knowledge+Exchange>
The University's policy on Consultancy and Other Work for Outside Bodies applies to work in both a University capacity and in a personal capacity.

18. Research Grant and Contracts

- 18.1 Any application for an externally funded research grant or contract should follow University approved processes as described in
<https://go.edgehill.ac.uk/display/research/Applying+for+External+Funding>
- 18.2 All applications for externally funded research grant or contract income require the review and approval of the Research Office.
- 18.3 It is the responsibility of the principal investigator to ensure all relevant documentation is supplied and that the proposed research meets the requirement of the University's Research Ethics Policy:
<https://www.edgehill.ac.uk/research/governance/?tab=ethics-and-risk>
- 18.4 All research contracts must be signed in accordance with the Authorised Signatory Policy in advance of submission to the funder. Before authorisation, the advice of the Research Contracts and Governance Officer in the Research Office should be sought.
- 18.5 Each principal investigator is responsible for the management of their research grant or contract and this should be done with the support of the Research Office and/or research support colleagues in the appropriate faculty. Guidance on the post-award management of research can be found here
<https://go.edgehill.ac.uk/display/research/Post-award+management+of+research>
- 18.6 Where the terms and conditions of a research grant or contract require a more rigorous approach to procurement, reporting and evidencing of expenditure these will take precedent over University Financial Regulations and underlying policies.
- 18.7 Where activities including research and consultancy lead to the generation of Intellectual Property (IP), the management of IP generated by employees or by others related to the organisation shall be in accordance with the University's policy on IP
<https://go.edgehill.ac.uk/display/research/Knowledge+Exchange>

19. Taxation

- 19.1 The Director of Finance is responsible for advising Heads of Department on all taxation issues affecting the University and for issuing instructions to departments on compliance with statutory requirements including VAT, corporation tax, gift aid, taxation of individuals and PSCs (Personal Service Companies).
- 19.2 The Director of Finance is responsible for maintaining the University's Pay As You Earn (PAYE) records and ensuring that all tax payments and filing requirements are submitted by the relevant due date.
- 19.3 The policy of the University is that all costs should be controlled in order to ensure that the University is run effectively and efficiently. Costs arising from taxation such as Corporation Tax and VAT are subject to the same policy.
- 19.4 Where the University uses specific tax vehicles such as covenants to manage its tax exposure, these should be subject to annual review to ensure all relevant terms and conditions are complied with.

Appendix 1

Spending Limits – Revenue Expenditure

The schedule below details the requisite authority for the authorising of orders. The amounts refer to any single item to be charged to an approved revenue budget or for a group of items which may be together identified as an individual project.

Limit	Authority
0 -£25,000 (variable)	Budget holder as designated by Primary budget holder
0 - £75,000 (variable)	Primary Budget holder
£250,000	DVC
£500,000	VC
> £500,000	Board

Appendix 2

Credit Note Authorisation

£	Authority
0 - £25,000 (variable)	Budget holder as designated by Primary budget holder
0 - £75,000 (variable)	Primary budget holder
£250,000	DVC
£500,000	VC

Appendix 3

Spending Limits – Capital Expenditure

All proposed capital expenditure requires the completion of a Capital Expenditure Request Form. This can be found at:

<https://go.edgehill.ac.uk/display/finance/Finance+Forms>.

Formal approval in accordance with the following levels of authorisation:

£	Authority
to £25,000	FD
to £250,000	DVC
to £500,000	VC
>£500,000	Board

Any capital expenditure that is IT related also requires the approval of the Director of IT Services

Authorisations may only be given if included in the current budget. All other amounts should be approved by Board of Governors.

Appendix 4

Capital Disposals

All proposed capital disposals requires the completion of a Capital Disposal Form. This can be found at:

<https://go.edgehill.ac.uk/display/finance/Finance+Forms>.

Formal approval in accordance with the following levels of authorisation:

£	Authority
to £25,000	FD
to £250,000	DVC
to £500,000	VC
>£500,000	Board

Any capital disposal that is IT related also requires the approval of the Director of IT Services

Appendix 5

Tender And Contracting – Opening And Acceptance Of Tenders/Quotes

Value of Quote/Tender	Opened by	Accepted by
to £100,000	Responsible member of Dept	Head of Dept
to £250,000	Head of Dept	FD (reported to DVC)
> £250,000	FD	DVC (reported to VC)

Appendix 6

Capital Programme Variations – Approval Limits

Variations in expenditure outside the agreed capital expenditure approval may be approved by the Vice-Chancellor up to the £500k provided they are subsequently reported to the Board of Governors. Such variations must be approved prior to any commitment.

Appendix 7

Revenue Expenditure Variations – Approval Limits

Variations in expenditure outside the agreed revenue expenditure approval may be approved by the Vice-Chancellor provided no individual variation exceeds £500k. Such variations must be approved prior to any commitment. The overall effect of all variations (positive and negative) to income and expenditure shall be summarised in the early and late mid year quarterly reforecast submissions to Governors.

Appendix 8

Bank Signatories:	
Director of Finance	to £5,000
VC	to £5,000
DVC	to £5,000
Chair of Board	to £5,000
PVC (Student Experience) & University Secretary	to £5,000
PVC (External Relations)	to £5,000

All payments above £5,000 require 2 signatories.