

Edge Hill University

Financial Regulations and Procedures

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Edge Hill University

Financial Regulations and Procedures

1. Introduction

1.1 General

- 1.1.1 It should be noted that the financial regulations and procedures contained herein have been compiled after advice from appropriately responsible bodies has been debated and incorporated as necessary. The procedures do not take precedence over The Articles of Government and The Financial Memorandum.
- 1.1.2 These Financial Regulations and Procedures (FRPs) 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.
- 1.1.3 These FRPs 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.
- 1.1.4 These FRPs 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 financial procedures and subsequent amendments must be approved by the Board.
- 1.1.5 Should any difficulties arise regarding the interpretation or application of any of the FRPs, then the advice of the DVC responsible for Resources **MUST** be sought before you act.
- 1.1.6 The DVC responsible for Resources is responsible for ensuring compliance with FRPs. Failure to comply with FRPs is governed by Edge Hill University disciplinary procedures.
- 1.1.7 There shall be an annual review of all financial limits contained in these regulations.
- 1.1.8 The Vice Chancellor has overall responsibility for the day to day running of the university and is the only executive Board member. Further, he has been appointed by the Board as both Principal and Accounting Officer. As such, the Vice Chancellor is ultimately responsible for all ensuing matters regardless of the fact that many financial responsibilities have been delegated to and through the DVC responsible for Resources. The DVC responsible for Resources is responsible directly to the Vice Chancellor, as his line manager, for all operative matters and therefore must ensure that all proper reporting procedures are in place and authorities given are correctly recorded.

1.2 Terminology

- 1.2.1 a) “University” means Edge Hill University including all subsidiary organisations.
- b) “Budget holder” means the employee with delegated authority to manage finances (income and expenditure) for a specific area of the business.
- c) “Board” means the Board of Governors
- d) All references in these FRPs to the masculine gender shall be read as equally applicable to the female gender.

- 1.2.2 Wherever the title Vice Chancellor, DVC responsible for Resources, or other nominated officer is used, it shall be deemed to include such other officers who have been duly authorised to represent them.
- 1.2.3 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.

The Board has an overall responsibility for ensuring the proper use of public funds.

- 2.1 The Board is required to designate a principal officer who will normally be the Vice Chancellor, who should satisfy the governing body in respect of the use of public funds. The Chairman of the Board is responsible for notifying the funding council whenever the Board designates such an officer.
- 2.2 The Board must ensure that it is fulfilling its responsibilities for proper financial management, for the effectiveness of the internal control and management systems and for the economy, efficiency and effectiveness of the institution's activities.
- 2.4 The Board must ensure compliance with the Financial Memorandum between the university and the Higher Education Funding Council of England.
- 2.5 The Board is required to appoint an Audit Committee who should produce an annual report for the governing body and the Vice Chancellor.

3. *Audit*

3.1 Audit Committee

3.1.1 The specific composition, rights of access, responsibilities and reporting requirements of the Audit Committee must comply with, as a minimum, the mandatory guidance given by HEFCE's Audit Code of Practice. Responsibilities include:

- a) To advise the Governing Body on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.
- b) To discuss if necessary with the external auditors, before the audit begins, the nature and scope of the audit.
- c) To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).
- d) To consider and advise the Governing Body on the appointment and terms of engagement of the internal audit service (and the head of internal audit, if applicable), the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors.
- e) To review the internal auditors' audit risk assessment and the audit plan; to consider major findings of internal audit investigations and management's response and promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the institution's needs (or make a recommendation to the Governing Body as appropriate).
- f) To keep under review the effectiveness of internal control and governance arrangements and risk management systems and in particular, to review the external auditors' management letter, the internal auditors' annual report, and management responses.
- g) To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
- h) To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.
- i) To monitor annually the performance and effectiveness of external and internal auditors including any matters affecting their objectivity, and to make recommendations to the Governing Body concerning their reappointment where appropriate.
- j) To consider elements of the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities and any corporate governance statement in accordance with HEFCE's accounts directions. This responsibility should be extended to include consideration of internal control and risk management statements.

- k) In the event of the merger or dissolution of the institution, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

3.1.2 The Audit Committee is required to produce an annual report and give an opinion covering all issues required by the Board prior to the members' responsibility statement in the annual financial statements being signed.

3.2 Internal Audit

3.2.1 The university is required by its Financial Memorandum with the Council to have an internal audit function. The prime responsibility of internal audit is to provide assurance to the Board, through the Audit Committee, on the risk management, control and governance arrangements and value for money arrangements. The programme will evaluate arrangements in place to:

- a) Establish and maintain the achievement of organisational objectives.
- b) Identify, assess and manage risks to those objectives.
- c) Advise on, formulate and evaluate, policy within the responsibilities of the designated officer.
- d) Ensure compliance with policies, laws and regulations.
- e) Ascertain the integrity and reliability of financial and other information provided to management, including that used in decision making,
- f) Ascertain that systems of control are laid down and operate to promote the economic, efficient and effective use of resources and to safeguard assets.

3.2.2 For day to day administrative purposes only, the Head of Internal Audit will normally report to the DVC (Resources). Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation on the independence of internal audit, the Head of Internal Audit also has a right of direct access to the Vice Chancellor, Chairman of the Board of Governors and the Chairman of the Audit Committee. The internal audit service has rights of access to all the university's records.

3.2.3 Reporting

The Head of Internal Audit must submit an annual report to the Board and designated officer, via the Audit Committee, based on the university's financial year. This should give an opinion on the adequacy and effectiveness of the university's arrangements for:

- Risk management, control and governance, and
- Economy, efficiency and effectiveness,

and the extent to which the governing body can rely on them. The auditor should also prepare, before the beginning of the year, an audit risk assessment and strategy supported by an assessment of resource needs. These should be approved by the Board following consultation with management and the Audit Committee.

3.3 External Audit

- 3.3.1 The external auditor is appointed by the Board of Governors and paid for by the university. The Audit Committee must ensure a cost effective service ensuring that sufficient resources are applied to achieve the agreed objectives.
- 3.3.2 The external auditors shall be responsible for the audit of the annual financial statements. The external auditors shall prepare an annual audit report and management letter which highlights any significant accounting and control issues arising from the audit for submission to the Audit Committee.
- 3.3.3 The university should formally reappoint auditors each year. The Audit Committee should assess the auditors' work each year to ensure it is of a sufficiently high standard and at a reasonable price. The committee should then make a recommendation to the Board regarding the re-appointment of the auditors.
- 3.3.4 External auditors have a right of access to all books, records and accounts of the university and its subsidiaries and are entitled to such information and explanation as may be necessary for the performance of their duties.

4.0 *Budgets, Budgetary Control and Monitoring*

- 4.1 Prior to the start of the financial year, the DVC responsible for Resources will, in conjunction with the Vice Chancellor, submit budgets for approval by the Board.
- 4.2 The DVC responsible for Resources will devise and maintain systems of budgetary control.
- 4.3 The DVC responsible for Resources shall keep the Vice Chancellor and the Board of Governors informed of the financial consequences of changes in policy, pay awards, and other events and trends affecting budgets and shall advise on the financial and economic aspects of future plans and projects.
- 4.4 The budget holder is responsible for ensuring that no permanent employees are appointed without the prior approval of the Vice Chancellor. 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
- 4.5 No officer of the university, other than the Vice Chancellor, or an officer with delegated authority, eg 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. The names of all such authorised persons, specimen signatures and expenditure limits must be agreed and lodged with the Director of Finance and shall not in any event exceed the maximum thresholds set out in Appendix 1.
- 4.6 Overspends on budget are not allowable without the prior authorisation of the DVC responsible for the area concerned. Budget holders are responsible for advising the need for overspend PRIOR TO ANY COMMITMENT to the DVC responsible for the area concerned who may seek advice from the Director of Finance where necessary. Day to day financial control is operated by officers of the university, but the budget, as approved by the Board, is the essential element of financial control. Regular revised forecasts should be produced which in the main would be covered by original assumptions and sensitivity analysis.
- 4.7 The Board shall approve a programme of building, engineering, equipment and design schemes as required.
- 4.8 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 and project.

5. *Investments, Borrowings and Banking*

5.1 Investments and Borrowings

- 5.1.1 The Board through the Resources Committee shall approve treasury management policy and banking and investment arrangements.
- 5.1.2 The DVC responsible for Resources is responsible for ensuring systems contain a satisfactory level of internal control and are fully documented.
- 5.1.3 The DVC responsible for Resources has overall responsibility for ensuring that funds held are managed appropriately having regard to any limitations placed upon the university by the Board of Governors.
- 5.1.4 Any application for a loan or overdraft will only be made by the DVC responsible for Resources or by an officer so delegated by him with Board approval via the Resources Committee. The DVC responsible for Resources will advise the Board concerning the university's ability to pay interest on and repay the originating capital debt on any proposed new borrowing.
- 5.1.5 Overdraft requirements will form part of the annual budget and are part of the annual bank review. Loans will normally be linked to a project which will have been deemed to have followed all laid down procedures for capital expenditure which include financing options and recommendations.
- 5.1.6 The DVC responsible for Resources 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 DVC responsible for Resources will ensure that the repayment of principal and interest are made on the due dates.

5.2 Banking

- 5.2.1 The DVC responsible for Resources is responsible for managing the university's banking arrangements and for advising the university on the provision of banking services and operation of accounts.
- 5.2.2 The Board, through the Resources Committee, shall approve the banking arrangements.
- 5.2.3 The DVC responsible for Resources shall prepare procedural instructions on the operation and control of banking transactions..
- 5.2.4 The DVC responsible for Resources shall be responsible for establishing bank accounts at a nominated branch for the purposes of University business and no other purposes. Under no circumstances may any other employee establish a bank account for university purposes.
- 5.2.5 The DVC responsible for Resources shall advise on the bank accounts required and shall open such accounts as the University may authorise. He shall advise the bankers in writing, including a copy of the Board's resolution, of the conditions under which each account shall be operated, the limits applied to any overdraft and the specific cheque signatory powers over the account. All monies shall be held in accounts in the name of the University.
- 5.2.6 The DVC responsible for Resources will advise the bankers of any alterations in the conditions of operation of accounts that may be required by resolution of the Board.
- 5.2.7 The DVC responsible for Resources shall advise the bankers in writing of the officer(s) and/or director(s) authorised to release money, and draw cheques on, each bank account of the university and shall notify promptly the cancellation of any such authorisation. The letter will indicate that the mandate instructions have been reviewed and agreed by the Board.
- 5.2.8 All cheques are to be treated as controlled stationery in the charge of a duly designated officer controlling their issue.
- 5.2.9 Any cheque or transfer (excluding deposits on money markets) for a sum greater than £5000 shall require the signature of two officers of the university from the authorised signatory panel. See appendix 9 for list of signatories.
- 5.2.10 The DVC responsible for Resources should review the banking needs of the university at regular intervals to ensure that they reflect current business patterns and represent best value for money. Following such reviews, the DVC responsible for Resources shall determine whether or not re-tendering for services is necessary, see Appendix 8.
- 5.2.11 Petty cash floats are generally not permitted. Floats may be exceptionally considered provided advance authorisation is given from the DVC responsible for Resources.

6. Revenue

6.1 Revenue Systems

- 6.1.1 The DVC responsible for Resources shall be responsible for designing and maintaining systems for the proper raising, recording, invoicing and collection of all revenue due. All such systems shall contain a sufficient level of internal control and be fully documented.
- 6.1.2 Invoices for student residential and tuition fees shall be raised at fee levels approved by the Board having regard to any related conditions that may be imposed.
- 6.1.3 Invoices for use of facilities/supply of goods and services shall be raised at fee levels approved by PVC/Director.
- 6.1.4 The Finance Department is responsible for the raising and recording of all invoices for the university. Any exceptional cases require authorisation from the DVC responsible for Resources.
- 6.1.5 Heads of Department are responsible for ensuring billing request forms are completed accurately and sent to the Finance Department on a timely basis.
- 6.1.6 Billing request forms are controlled stationery and are issued by the Finance Department to those staff designated authorisation of billing rights by the Head of Department.
- 6.1.7 An up to date list of all staff holding billing request authorisation rights must be kept in the Finance Department along with specimen signatures.

6.2 Debt Recovery

- 6.2.1 The DVC responsible for Resources is responsible for the appropriate recovery action on all outstanding debts. The DVC responsible for Resources shall establish procedures for the write-off of debts after all reasonable steps have been taken to secure payment. Where individual sums to be written off exceed £10,000, the DVC responsible for Resources shall seek the consent of the Vice Chancellor and the Board. All individual amounts over £10,000 written off shall be reported on a regular basis to the Audit Committee.
- 6.2.2 In relation to individual funding projects, the DVC responsible for Resources shall ensure that there are systems in place to readily identify all costs and revenues attributed to each project. This information should allow the construction of individual accounts in accordance with the requirements of the appropriate funding body.
- 6.2.3 Officers collecting, holding and accounting for income shall keep monies secure and pass them to Finance for banking immediately. Monies may exceptionally be held for up to 1 week..
- 6.2.4 Credit Notes should be raised promptly and sequentially controlled. Credit notes should be authorised in accordance with authority limits as set out in Appendix 6.

7. *Terms of Service and Payment of Directors and Employees*

7.1 The Board should formerly agree and record the precise terms of reference of the Remuneration Committee specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting.

7.2 The composition of the committee shall be:

- The Chairman of the Board (Chairman)
- The Chairs of Audit, F. & R. and Personnel
- The Vice Chancellor (except for his own affairs)
- The Vice Chairman (if not a committee Chairman)

The committee will review and determine annually the remuneration and terms and conditions of service for the Vice Chancellor, the Directorate and other senior members of staff who are Governors appointments.

7.3 The Vice Chancellor is responsible for all senior management contract staff and will work within the employment policies as laid down by the Board and its Resources Committee. Spot salary changes will be presented to the remuneration committee for agreement and all other salary changes will be agreed by the Resources Committee.

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

7.5 The university's Resources Committee will advise on and oversee relevant and appropriate contractual arrangements.

8. *Processing of Payroll*

- 8.1 The DVC responsible for Resources 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.
- 8.2 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 Human Resources.
- 8.3 The Vice Chancellor must authorise the appointment of new staff.
- 8.4 Overtime payments must be authorised by the Head of Support area or Faculty.
- 8.5 Payroll and BACs payment reports should be authorised and reviewed by the Deputy Director of Finance prior to payment.
- 8.6 The Director of Human Resources is responsible for giving written notice of any changes in personnel records that will affect payment of an employee. Amendment forms require the authorisation of a senior Human Resources manager delegated by the Director of Human Resources as a minimum.
- 8.7 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.
- 8.8 Employees paid on a piecemeal basis shall submit a standard timesheet duly authorised by the employee's line manager, who is responsible for ensuring the accuracy of the information. Timesheets shall be forwarded to Human Resources for authorisation prior to forwarding to Finance for payment.

9. *Payment of Suppliers*

9.1 The DVC responsible for Resources shall be responsible for designing and maintaining systems to ensure the proper recording and prompt payment of properly authorised claims for payment. These systems shall be fully documented and have a satisfactory level of internal control.

9.2 All authorised officers must ensure that they fully comply with the guidance specified by the DVC responsible for Resources and that:

-all contracts, leases, tenancy agreements and other commitments which are expected to result in an annual liability exceeding £50,000 are notified to the DVC responsible for Resources for his authorisation in advance of any commitment being made.

-all contracts, leases, tenancy agreements and other commitments which are expected to result in a liability up to £50,000 are notified to the head of the cost centre for his authorisation in advance of any commitment being made. Before authorisation is provided, the advice of the Director of Finance should be sought.

-contracts above specified thresholds are advertised and tenders invited in accordance with university policy and public procurement regulations (refer to section 11)

9.3 The DVC responsible for Resources shall be responsible for ensuring a sufficient level of internal control exists which should provide for:

Certification that:

- goods have been duly received, examined and are in accordance with specification and the prices are correct.
- work done or services rendered have been satisfactorily carried out in accordance with requirements and, where applicable, the materials used are of the requisite standard and the charges are correct.
- Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained,
- the account is arithmetically correct and in order for payment

A timetable and system for submission to Finance of accounts for payment; provision shall be made for early submission of accounts subject to cash discounts or otherwise requiring early payment. Suppliers are normally paid on a standard 30 day credit term. Alteration to these terms require authorisation from the Director of Finance.

Instructions to employees regarding the handling and payment of suppliers within the Finance Department.

9.5 All payments made in advance of receipt of the related goods or service must be approved by the DVC responsible for Resources.

9.6 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 DVC responsible for Resources and such general examination by the Director of Special Projects as may be considered necessary, before the person responsible to the university for the contract issues the final certificate.

To assist financial control, a record detailing payments made against contract should be maintained.

9.7 Advance Payments

9.7.1 The DVC responsible for Resources shall ensure systems are in place such that payment of goods and services is only made once the goods and services are received. Advance payments are permitted only where exceptional circumstances apply.

9.7.2 The DVC responsible for Resources will be supplied with details of the proposed arrangements, either confirmation that any discount advantage outweighs the interest cost of early payment or the commercial circumstances require advance payment and an assessment of risk.

9.7.3 Only if the DVC responsible for Resources confirms that he is satisfied on the above points may the contractual arrangement proceed.

9.7.4 The budget holder should then submit a request to Finance for payment ensuring:

- It is made clear that payment is in advance of the goods/services being received.
- A brief report setting out the reasons for the advance payment is attached.

9.7.5 In addition, the budget holder should be responsible for ensuring that all items due under the advance payment are received and he must immediately inform the DVC responsible for Resources if problems are encountered.

9.8 Capital Projects

9.8.1 In relation to larger projects/developments exceeding £50,000 the following applies:

- If payments are to be made at specific stages within the supply/development process, then these stages shall be well defined and set out before any binding contract is entered into by the university (i.e. before the placing of orders or sending of letters of intent or acceptance).
- The Director of Finance shall be informed in advance of any stage payments to suppliers. Any variations from the planned stage payments shall be notified to the DVC responsible for Resources.
- Conditions of contract should, where required, be approved by a legal advisor acting on behalf of the university.

The project manager should ensure that the necessary progress has been made before submitting staged payments for authorisation.

- 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 and legal advice should, if necessary, be sought.

Purchasing

- 10.1 The budget holder, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the university. In so doing, the advice of the Director of Finance shall, if necessary, be sought.
- 10.2 The head of the cost centre is ultimately responsible for adhering to the purchasing regulations prescribed for all purchases funded within his cost centre.
- 10.3 Purchasing authority maybe delegated to named individuals within the cost centre. The names of all such authorised persons, specimen signatures and/or ordering authorisation form including associated expenditure limits must be lodged with the Finance Department.
- 10.4 Before a purchase order 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 and notify the requesting department when the action has been completed.
- 10.5 All goods or services other than those exceptionally permitted by the Director of Finance shall be raised on an official requisition. Once approved, an order is prepared by Finance. Suppliers shall be notified that they should not accept orders outside the official ordering process.. Verbal orders shall be issued only where it has been agreed as a necessity with the Director of Finance. These shall be confirmed by an official confirmation order issued as soon as possible and ideally the next working day. Any use of this procedure must be agreed in advance with the Director of Finance.
- 10.6 Official orders shall be in a form approved by the Director of Finance, and shall include such information concerning prices or costs as he may require. The order shall incorporate an obligation on the supplier to comply with the university's terms and conditions of trade which are printed on the reverse of all orders. The raising of requisitions must only be performed by those duly authorised by the Director of Finance.
- 10.7 Budget holders are specifically asked not to sign any supplier's standard sale agreement. If a supplier requires that its standard form is signed, then this must be forwarded to the Director of Finance.
- 10.8 Approval of requisitions shall only be made available to officers so authorised by the Director of Finance. Lists of authorised officers and the limits to which they can approve shall be maintained. The list shall identify the seniority of the authorised officer. (see Apps 1 and 2 for authority limits)
- 10.9 It is a mandatory requirement that the person approving an order must be different from the person who certifies receipt of the goods/services ("receipts" the order).
- 10.10 No order shall be issued for any item or items for which there is no provision (by reference to budget or revised quarterly reforecast) unless agreed by the DVC responsible for the area concerned.
- 10.11 It is essential that accurate prices are quoted on purchase orders and that the description of goods and services ordered is clearly stated. Prices should be based on a quotation or a tender or a valid contract price list. The correct pricing of orders facilitates the matching of invoices and ensures the accuracy of financial accounts. In the event that an order is significantly

different to actual cost, an amending order shall be raised and authorised with an explanation provided.

- 10.12 Orders shall not be placed in a manner devised to bypass the authorisation limits specified by the Board of Governors.
- 10.13 No commitment to expenditure shall be issued for any item or items for which an offer of gifts, reward or benefit has been made to staff other than:
- a) isolated gifts of a trivial character or inexpensive seasonal gifts such as calendars;
 - b) conventional hospitality provided it is normal and reasonable in the circumstances, such as lunches in the course of working visits.

Officers receiving offers shall notify their line manager as soon as practical. A Declaration of Gifts/Rewards/Hospitality Form must be completed and countersigned by the Head of Department. These details must also be communicated to the Procurement Compliance Officer who is responsible for the maintenance of a central register (see also Hospitality and Gifts Policy)

Employees must immediately disclose any personal interest in all purchases involving the university.

No item of expenditure shall be authorised for payment except where it relates to appropriately procured goods or services for the direct benefit of the university in accordance with the procedures laid out in these financial regulations.

- 10.14 Petty cash floats are generally not permitted except where it is held centrally in Finance. Any request for locally held petty cash requires authorisation from the Director of Finance and will only be supported in very exceptional circumstances where a genuine need can be demonstrated. Petty cash records must be maintained in a form determined by the Deputy Director of Finance

11. Supplier Selection, Quotations and Tenders

- 11.1 All quotations and tenders made on behalf of the university shall comply with the instructions and regulations detailed in this instruction.

Exception to these requirements maybe made where in the opinion of the Vice Chancellor this will not impact upon the requirement to achieve best value.

- 11.2 The university supports wherever possible purchasing arrangements made by various public sector consortia. These include the North West Universities Purchasing Consortium (NWUPC), Crescent Purchasing Consortium (CPC) and Buying Solutions..

11.3 Supplier Selection

- 11.3.1 For purchases valued below £1,000 it is advisable to obtain at least two quotations at this level. Departments are obliged to seek the best possible value for money.

- 11.3.2 For purchases over £1,000 and up to £5,000 orders must be based on 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 11.7.1

- 11.3.3 For purchases/contracts over £5,000 and up to £50,000 orders must be based on at lease three written quotations which maybe in the form of a formal written quotation , fax or email. Quotations must be retained in accordance with 11.7.1

- 11.3.4 For purchases/contracts above £50,000 and up to the EU threshold orders must be based on sealed bid tenders from at least three suppliers issued in accordance with the university's guide to tendering. Departments in any doubt about conducting sealed bid tenders should contact the Procurement Compliance Officer for guidance and support.

- 11.3.5 For purchases/contracts above the EU threshold (presently £173,934 for supplies and services contracts and £4,348,350 for works contracts) the Director of Finance must be consulted. The University is obliged by law to advertise such tenders in the Official Journal of the European Union (OJEU) and to administer them in accordance with the appropriate legislation without exception. In this regard these legal requirements take precedence over the exceptions listed in 11.3.6 below. The Procurement Compliance Officer and the Director of Finance will provide support in administering the process. Departments are responsible for providing to the Procurement Compliance Officer a full specification for the required goods or services. Further information on EU regulations can be found in "Edge Hill University, An introduction to European Public Procurement Regulations".

- 11.3.6 For purchases/contracts below the OJEU threshold only, exceptions to the requirement for competitive tender or quotations shall be where:

- a) the requirement is ordered under an existing collaborative contract previously tendered.
- b) the work consists of the repair, maintenance or addition to, existing equipment which for practical reasons must be of the same manufacturer.
- c) because of the urgency or unforeseen emergency, it becomes necessary to immediately enter into a contract for the supply of goods or services. In such an event, a full report should be submitted to the Vice Chancellor and prior approval for single tender or quotation action must be obtained from the Vice Chancellor before proceeding.

- d) The requirement is of such a character that taking account of all circumstances and the requirement to obtain best value for money the invitation of competitive tenders would not be practical or desirable. Approval for single tender or quotation action in these circumstances shall be given by the Vice Chancellor in accordance with agreed authorisation levels identified in these regulations.

11.3.7 It should be noted that such exceptions cannot be applied where to do so would contravene the Public Contracts regulations 2006 as amended and other relevant legislation.

11.4 Invitation to Tender

11.4.1 Tenders must be sent in writing to all suppliers being tendered (see appendix 4 for minimum requirements). 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. Further information on completing tenders can be found in "Edge Hill University A Guide to Tendering".

11.4.2 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.

11.4.3 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 and a date and time by which tenders shall be received.

11.5 Tender Opening

11.5.1 On receipt of the tender, the date and time of receipt shall be endorsed on the unopened tender envelope. All tenders should remain in the custody of the DVC (Resources).

11.5.2 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 4. Each tender received shall be initialled and dated by those present at the opening.

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

any alterations on the tender must be initialled by two of those present at the opening.

- 11.5.3 If the number of tenders received is insufficient (refer to Appendix 4), or tenders are qualified, or otherwise not strictly competitive, they shall be referred to the DVC (Resources) who will decide on the need or otherwise for re-tendering and on any question regarding the admissibility of a tender.
- 11.5.4 While any question as to the admissibility of a tender or on the need for re-tendering is being considered by the DVC Resources and while re-tenders are being obtained, the tender documents shall be kept strictly confidential and held in safe custody by the DVC Resources or an officer designated by him.
- 11.5.5 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.
- 11.5.6 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.
- 11.5.7 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.
- 11.5.9 The lowest tender/quotation would normally be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out and held in accordance with 11.7.1 and be authorised by the DVC (Resources) .

11.6 Tender Award

- 11.6.1 All tenderers who submit a tender must be sent a written reply 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.
- 11.6.2 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.

11.7 Document Retention

- 11.7.1 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 financial year of purchase. The winning quotation/tender must be kept until 6 months after the end of the contract.

12. Fixed Assets

12.1 Fixed Assets are defined as expenditure on assets with a significant value (>£1000 inclusive of VAT if applicable), which can be readily identified and which have a useful life in excess of one year.

12.1.1 The DVC responsible for Resources shall be 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.

The DVC responsible for Resources:

- a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- c) Shall ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance the investment.

12.1.2 The DVC responsible for Resources shall ensure that for every major capital expenditure proposal (over £10,000) a detailed business case is prepared and that all financial aspects of the business case with appropriate funding sources have been investigated and validated. Where the capital involves IT, media technology or estates related spend, then the signature of the Head of the relevant area will be required.

12.1.3 Any significant variation to expected cash flow for any capital bid, shall be notified to the DVC responsible for Resources immediately, together with a revised cash flow plan for the scheme. The Director of Special projects is responsible for all capital works and engineering schemes, and will receive financial and progress reports from project managers accountable to him for time, cost and quality.

12.1.4 The DVC (Resources) shall issue to the manager responsible for the bid, :

- a) specific authority to commit expenditure
- b) authority to proceed to tender or obtain written quotes; and
- c) approval to accept a successful tender in accordance with Appendix 4.

12.1.5 The DVC responsible for Resources shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

12.1.6 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 5)

12.1.7 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.

12.1.8 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.

12.2 Security of Assets

- 12.2.1 The overall control of fixed assets is the responsibility of the Vice Chancellor.
- 12.2.2 A fixed asset control procedure for capital shall be approved by the DVC responsible for Resources. This procedure shall make provision for: physical security of; recording of; periodic verification of the existence of; condition of and title to assets.
- 12.2.3 The DVC responsible for Resources shall be responsible for the preparation of written procedures on the security of assets. Budget holders are responsible for the safekeeping of assets under their control.
- 12.2.4 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 DVC responsible for Resources. Persistent or substantial breach of agreed security practices shall be deemed to be a disciplinary matter.
- 12.2.5 Records shall be maintained and receipts obtained for equipment on loan to staff.
- 12.2.6 The University should maintain an up to date fixed asset register within the Finance Department. The Finance Department should, on a regular basis, undertake sufficient checks so as to ensure the accuracy of the register.

13 Stores, Stationery and other Consumables

- 13.1 Subject to the responsibility of the DVC responsible for Resources for the systems of financial control, the day to day responsibility for such stores is delegated to departmental heads.
- 13.2 Responsibility for security arrangements and the custody of keys shall be clearly defined within departments.
- 13.3 Stock records shall provide an adequate level of control, comply with such systems of control as the DVC responsible for Resources shall specify and be periodically checked against stockholdings.
- 13.4 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.
- 13.5 Annual stocktaking arrangements shall be agreed with the Director of Finance where stock levels are material.
- 13.6 Stationery, consumables and all other stored items are for institutional purposes only.

14 Disposals and Losses

14.1 Disposals

14.1.1 The DVC responsible for Resources must prepare detailed procedures for the disposal of assets and ensure that these are notified to managers. All disposals require the authorisation of the DVC responsible for Resources.

14.1.2 When it is decided to dispose of an asset, the Head of Department will determine and advise the DVC responsible for Resources of the estimated market value of the item taking account of professional advice where appropriate.

14.2 Losses

14.2.1 Any employee discovering or suspecting a loss of any kind must directly notify his Head of Department who will immediately inform the DVC responsible for Resources.

14.2.2 Where a criminal offence is suspected, the DVC (Resources) shall immediately inform the police except where fraud is suspected. If the case involves suspicion of fraud, then the Vice Chancellor in conjunction with the Chairman of Governors shall be responsible for deciding at what stage the police, auditors, lawyers or any other responsible body should be involved taking into consideration the policy on 'Whistle-blowing'.

14.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the DVC responsible for Resources will immediately notify the Vice Chancellor and where necessary, Chairman of Governors.

14.2.4 For any loss, the DVC responsible for Resources should consider whether any insurance claim can be made against insurers.

14.2.5 The Vice Chancellor will determine through Risk Management strategy, all insurable risks for which the university may be liable.

14.2.6 In the case of losses covered by insurance, the insurance officer shall inform the insurer immediately.

14.2.7 The DVC responsible for Resources shall maintain a Losses register in which details shall be recorded of the nature of all such losses, the degree to which they are insured and the implications of write off.

15 *Expense Claims*

- 15.1 The DVC responsible for Resources shall issue a policy statement approved by Resources Committee for all travel and subsistence claims which will include Governors and the Directorate. (appendix 10)
- 15.2 Responsibility for ensuring adherence to this policy statement rests with the Director of Finance.
- 15.3 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.

16 Reporting

- 16.1 The DVC responsible for Resources shall ensure that regular reports are made to the Board with regard to the financial performance of the institution.
- 16.2 The DVC responsible for Resources shall ensure that annual audited financial statements in accordance with the university's accounting policies and generally accepted accounting principles are submitted to the Board in accordance with time scales agreed with the Audit Committee and external auditors. The Director of Finance shall provide budget holders with year end instructions which must be complied with.
- 16.3 The DVC responsible for Resources shall ensure that financial records are maintained and monthly financial accounts are prepared in a manner acceptable to the Board of Governors and conforming to current accounting standards. Such monthly accounts should be available by the 10th working day following the month end and dispatched to all Governors. An early and late mid year reforecast should be prepared to coincide with meetings of Resources Committee and included in the monthly accounts following approval.
- 16.4 The DVC responsible for Resources shall maintain an analysis of income and expenditure appropriate for the management and control of the current and planned activities of the University.
- 16.5 The Audit Committee and Board of Governors shall receive a full report of the outcome of the annual audit, including the management letter and internal audit report.

17 Security of Cash and Cash Equivalents

- 17.1 All officers whose duty it is to collect or hold cash shall be required to adhere to appropriate controls as agreed with the DVC responsible for Resources. Such officers shall be provided with a safe or with a lockable cash box which will normally be deposited in a safe. The officer concerned shall hold only one key. The loss of any key shall be reported immediately to DVC responsible for Resources.

Budget holders shall be responsible for maintaining a register of authorised holders of safe keys.

In the event that budget holders need to transport cash, the Director of Finance should be contacted who will advise on appropriate action.

- 17.2 The opening of incoming post shall be undertaken by two officers and all cash, cheques, postal orders and other forms of payment received by an officer other than a cashier shall be entered immediately in an approved form of register, All cheques. Postal orders, cash etc should be banked intact on a weekly basis. Disbursements shall not be made from cash received, except under arrangements approved by the DVC responsible for Resources.
- 17.3 The opening of coin operated machines (including telephones) and the counting and recording of takings shall be undertaken by two officers together except as maybe authorised by the DVC responsible for Resources, and the coin box keys shall be held by a nominated officer.
- 17.4 The DVC responsible for Resources shall prescribe the systems for handling cash and also for transportation of cash and cash equivalents.
- 17.5 University monies shall not under any circumstances be used for the encashment of private cheques.
- 17.6 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.
- 17.7 All unused cheques shall be subject to the same security precautions as are applied to cash.
- 17.8 Any loss or shortfall of cash or cash equivalents, however occasioned, shall be reported tp the Director of Finance immediately.

18 Risk Management and Insurance

- 18.1 The overall risk management of the university lies with the Board who delegate this to the Audit Committee.
- 18.2 The Director of Finance shall arrange insurance cover the details of which should be reported to Remuneration Committee as appropriate.- (See also appendix 11).
- 18.3 The Director of Finance shall circulate summary information to all employees regarding insurance cover and provide updates on all significant changes in the nature of cover provided.
- 18.4 It is the responsibility of the employee to ensure that the university is informed in advance of any proposed business trips so that university insurance cover is valid.
- 18.5 Budget holders shall report immediately any circumstance that may give rise to an insurance claim either by or against the university.
- 18.6 The DVC responsible for Resources must be notified, in writing, of all new risks, additions and alterations affecting existing insurance arrangements.

19. Taxation

- 19.1 The DVC responsible for Resources is responsible for ensuring that all liabilities for taxation arising from the operation of the university are accounted for.
- 19.2 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.
- 19.3 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.

20. *Irregularity*

The DVC responsible for Resources is responsible for ensuring systems, policies and procedures are in place which deter irregularities such as acts of theft, fraud, corruption, or any other irregularity including the preparation of and annual review of the Anti-Corruption and Bribery Policy.

In the event that an irregularity is suspected, the process to be followed is set out in a separate documents including the Fraud Response Plan which the university will invoke on receipt of any allegation or the identification of suspected fraud, corruption or irregularity.

Irregularities fall into the following categories which can be defined as follows:

- Theft: the dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.
- Fraud: the intentional distortion of financial statements or other records to conceal the misappropriation of assets for gain
- Corruption: the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person
- Other irregularity: failure to comply with the university's financial regulations, policies and procedures.

The acceptance of gifts and hospitality would fall within the definition of corruption and in that regard it should be noted that it is specifically prohibited for any employee to accept any fee or reward other than that under their normal and recognised remuneration arrangements for:

- Doing or refraining from doing anything in their employment capacity
- Showing favour or disfavour to any person in their employment capacity

Isolated gifts of a trivial nature and conventional hospitality is, however permissible. Refer to the Hospitality and Gifts Policy for further information.

- 20.5 It is the responsibility of all employees to declare any business or commercial interest which may conflict with their responsibilities and duties as employees of the university. A register of such interests is maintained by Human Resources.
- 20.6 It is the responsibility of all employees to notify the DVC responsible for Resources in his capacity as Money Laundering Reporting Officer (MLRO) of any known or suspected money laundering activity or if it is felt that involvement in an activity may amount to a prohibited act under the Money Laundering Regulations 2003. You should refer to the Money Laundry Policy and Guidance note for further information.

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 -£10,000 (variable) | Budget holder |
| 0 - £50,000 (variable) | Head of Faculty/Service |
| £250,000 | DVC |
| £500,000 | VC |
| > £500,000 | Board |

Appendix 2

SPENDING LIMITS – CAPITAL EXPENDITURE

All proposed capital expenditure requires the completion of a Capital Expenditure Request Form (CAPEX) and formal approval in accordance with the following levels of authorisation:

| £ | Authority |
|-------------|-----------|
| to £250,000 | DVC |
| to £500,000 | VC |
| >£500,000 | Board |

Authorisations may only be given if included in the current budget. All other amounts should be approved by Resources Committee.

Appendix 3

TENDERING AND CONTRACTING
APPROVAL TO PROCEED TO TENDER STAGE – REVENUE

£

| | |
|-------------|--|
| to £50,000 | Head of Department |
| to £500,000 | VC |
| >£500,000 | Board of Governors/Resources Committee |

APPROVAL TO PROCEED TO TENDER STAGE – CAPITAL

£

| | |
|-------------|--|
| to £50,000 | Head of Department |
| to £500,000 | VC |
| > £500,000 | Board of Governors, Resource Committee |

Appendix 4

TENDER AND CONTRACTING – OPENING AND ACCEPTANCE OF TENDERS/QUOTES

| Value of Quote/Tender | Minimum Quotes/tenders | Opened by | Accepted by |
|-----------------------|------------------------|----------------------------|----------------------|
| to £100,000 | 3 | Responsible member of dept | Head of Dept |
| to £250,000 | 3 | Head of Dept/FD | FD (reported to DVC) |
| > £250,000 | 5 | DVC/FD | DVC (reported to VC) |

Appendix 5

CAPITAL PROGRAMME VARIATIONS – APPROVAL LIMITS

Variations in expenditure outside the agreed capital expenditure approval may be approved by the Vice Chancellor up to £500k. Variations greater than 5% of the agreed budget but within the £500k authority held by the Vice Chancellor should be reported to Resources Committee.

Appendix 6

CREDIT NOTE AUTHORISATION

| £ | Authority |
|------------------------|--|
| 0 - £10,000 (variable) | Budget holder as designated by Head of Faculty/Service |
| 0 - £50,000 (variable) | Head of Faculty/Service |
| £250,000 | DVC |
| £500,000 | VC |

Appendix 7

TIMESCALES FOR TENDERING

All significant contracts with suppliers should be regularly reviewed. The following services should be considered for retender following completion of original contract.

1. Banking services
2. Insurance services
3. Internal audit
4. External audit
5. Legal services
6. Treasury management services
7. Photocopying and printing
8. Stationery and Office Supplies
9. IT
10. Advertising and Marketing
11. Estates
12. Catering
13. Telecommunications and Audio Visual

Items 1 to 6 will involve the Chair of the Board, the VC and, as necessary, the Board or any combination of the Board or its committees'.

Appendix 9

BANK SIGNATORIES:

| | | |
|-----------------|--------------------------------------|------------|
| Carl Gibson | Director of Finance | to £5000 |
| John Cater | VC | over £5000 |
| Steve Igoe | DVC responsible for Resources | over £5000 |
| Michael Pinfold | Chairman of Board | over £5000 |
| Bill Bruce | DVC responsible for Academic Affairs | over £5000 |

Appendix 10

EDGE HILL UNIVERSITY

PERSONAL EXPENSES AND TRAVEL COSTS POLICY

Objective

To ensure that all personal expense claims are valid and reasonable, and that significant expenditure is properly authorised prior to the institution being committed to such expenditure.

It is the policy of the institution that all employees are reimbursed the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of their employment. This means compliance with Inland Revenue guidelines so as to minimise the personal tax liabilities of employees.

Definition

Personal expenditure and travel costs comprise all types of expenditure claimed via expense forms or general expenditure vouchers together with items that are centrally booked or paid for by the institution on behalf of the individual, eg, rail tickets, mobile telephones etc

In the event that an expense claim or benefit is in respect of any item not included in this guidance, or an employee has a query relating to the payment of expenses under this policy, the matter must be referred in the first instance to his or her Manager who may thereafter refer to the Financial Director for guidance.

Governors Expenses

It is not normally Institutional policy to reimburse expenses incurred by members of the Governing Body in attending meetings. In exceptional circumstances, expenses for Governors undertaking Institutional business may be reimbursed, subject to compliance with the Institution's general expenses policy and with the prior written approval of the Chairman of Governors.

Procedure

On a monthly basis, all expense claims should be submitted together with supporting receipts and the appropriate authorisation to Finance. On no account should expense claims cover more than one month without the prior consent of the Financial Director.

Authorisation

Authorisation levels for expense claims are as follows. All amounts are inclusive of VAT.

Expense Claimant

Governors

Vice Chancellor

Directorate member

Head of Faculty/Service

Heads of Subject/Dept

Other employees

To be Authorised By:

(See above)

Chairman of Board of Governors

Vice Chancellor

Directorate member (up to £1000). Vice Chancellor >£1000 up to a maximum of £10,000

Head of Faculty/Service (up to £1000)

Heads of subject/Dept (up to £500)

Definition of Types of Expenditure

- a) **Business Mileage** – Each claim for business mileage must be the shorter of:
- the distance actually travelled, and
 - the distance which would have been travelled if the journey had started or ended at the employee's base office (Ormskirk, Woodlands, Fazakerley).

Egs:

| | |
|-------------------------------------|------------------------------------|
| Base office to home: 8miles | Base Office to home: 8miles |
| Base office to destination: 18miles | Base Office to destination: 7miles |
| Home to destination: 15miles | Home to destination: 11miles |

Business claim: is 15 miles Business claim is 7 miles

No travel between home and base office will be paid by the institution.

All employees must keep detailed records of mileage in order to support an expense claim and any Inland Revenue queries.

All private vehicles used on institutional business are NOT insured as company vehicles and should therefore be insured for use for 'business purposes' by the individual. The mileage rate reflects the additional cost of this insurance.

The mileage rates payable by the Institution are as follows:

| | Up to 5000 miles | Greater than 5000 miles |
|-------------|------------------|-------------------------|
| Cars | 40p | 25p |
| Motorcycles | 24p | 24p |
| Bicycles | 20p | 20p |

- b) **Air travel** – This will be by economy class or equivalent. Domestic air travel may be authorised where significant savings can be achieved in time, and accommodation costs. Where there is a good business reason to use a higher class of travel, this must be authorised by the Vice Chancellor.

All air travel must be authorised IN ADVANCE by the Financial Director.

- c) **Rail travel** – Standard class rail travel should be used by all employees except in exceptional circumstances as authorised by the DVC (Resources)
- d) **Car Hire** - Every effort should be made to use a pool car when travelling on institutional business. If a pool car is not available then the individual's private car, specifically insured for institutional use, may be used and the appropriate mileage allowance claimed (see above).

In exceptional circumstances cars/vans may be hired. These must be authorised in advance by the Financial Director.

- e) **Hotels** – Selected hotels should represent the best combination of economy and convenience, eg, the hotel should be of the Travel lodge/Travel Inn standard. Wherever possible, you must take advantage of concessionary rates arranged by EXPOTEL (contact Finance for details).

- f) **Meals** – Breakfasts, lunches, and any snacks during the day cannot be claimed. An evening meal and breakfast may be claimed up to a reasonable amount in value, say £15 and £8 respectively, only when overnight accommodation is booked. Alcoholic drinks cannot be claimed on expenses.
- g) **Telephones** – When stopping overnight on institutional business a single telephone call up to a reasonable length of time (say, 10 minutes) may be claimed on expenses.

Home rental charges on basic equipment and telephone lines will not be paid by the Institution.

All claims for telephone calls should be supported by an itemised call listing, and claims will only apply to work related calls.

- h) **Mobile Telephone** – Mobile phones are supplied by the institution on a needs basis. The telephones are a taxable benefit on the employee with the resultant liability being the responsibility of the individual. All mobile phone telephone bills are itemised and reviewed by the Director of Information Technology Services. Any costs relating to personal use will be charged back to the employee.
- h) **Entertainment** – Necessary costs for entertaining business contacts will be reimbursed on production of receipts. For this purpose ‘business contacts’ do not include other employees of the company or any other group company (eg Enterprise’s). The following information should be noted on the receipt:
- The name of the attendees.
 - The organisation which they represent.
 - The purpose of the entertainment.
- i) **Miscellaneous** – Newspapers cannot be claimed on expenses. Costs associated with use of the internet on a non institutional PC cannot be claimed on expenses. Corporate credit cards require the authorisation of the Vice Chancellor and DVC (Resources) and will only be issued where no other form of payment is practical. Lunchtime subsistence will not be paid in any circumstances. Taxi journeys to your normal place of work will not be paid. Subscriptions to professional bodies will not normally be paid unless a requirement of your role. Christmas decorations, cards, meals or evenings out will not be paid.
- j) **Advances** – If you require an advance for institutional related journeys both within the UK and abroad, you will be required to submit a fully completed advance form. Following your journey, you will be required to submit an expense claim form with supporting receipts and/or payment of unused advance.

In order to ensure timely processing of claims, only one expense claim per month, per employee, except in exceptional circumstances with the agreement of the Financial Director, is permitted.

All claims must be supported by a receipt in order for expense payments to be made. Non attachment of a receipt means that the item(s) may be disallowed from the claim.

Other Issues:

- When authorising an expense claim, the person signing it must check the following:
 - a) All claims are supported by a valid receipt reflecting the amount claimed.
 - b) The items claimed are in accordance with these guidelines in terms of the type of expenditure and amount.
 - c) The mileage claimed is accurate and was incurred on institutional business.
 - d) The expense claim has all appropriate boxes completed, ie, cost centre, dates, mileage etc.
 - e) The expense claim adds up.
 - f) The expense claim has been pre-authorized (when the claim is over £100) by the employee's immediate Line Manager.

- Expense claims arriving in the Finance Department with any of the above omissions may be returned to the authorising Manager and hence will delay payment.

- Expense claims will be paid twice a month by the Finance Department. All valid claims received by 4pm of the 1st and 3rd Monday of each month will be paid within 10 working days of that date.

- Please check and authorise expense claims immediately and pass to either your Manager (if the amount is over your authority limit) or the Finance Department. Delays can cause distress to individuals awaiting payment.

- All VAT will be calculated where appropriate by the Finance Department.

- This policy does not cover student travel expense claims.

INSURANCE COVER

It is Institutional policy to insure, where possible, relevant risks likely to arise in the ordinary course of business. In undertaking this process, the Institution will take specialist advice from an appropriate body and ensure that its levels of cover are both sufficient and subject to regular review.

Below is a summary of expected insurance cover for the institution's property and individuals on Edge Hill business. It should be noted that only insurance arranged through the university insurers will be a legitimate charge to the institution.

THEFT AND ACCIDENTAL DAMAGE

Theft and accidental damage to company property carries an excess up to £2,500. Staff should ensure that they are careful in the use and storage of equipment, particularly that which is most at risk to theft and damage, including televisions and videos, etc.

Computer equipment theft insurance also carries an excess of £2,500 theft cover which is not subject to violent entry to, or exit from, the area in which it is kept. This excess is reduced to £250 in the case of laptop computers which are securely locked away. All rooms containing such equipment should be kept secure when not occupied. The institution does not provide for theft cover for any type of equipment (computer or general) left in an unlocked vehicle or left in a vehicle overnight.

Desktop computer equipment must not be moved other than by IT Services staff and such equipment must not be taken off site except in exceptional circumstances and with the permission of the Director of Information Technology Services.

In the event of a claim, theft and accidental damage are met from departmental budgets.

USE OF EMPLOYEES' & STUDENTS' CARS ON EDGE HILL BUSINESS

Each employee/student should take the precaution of obtaining confirmation from his/her own insurance company that his/her Motor Policy covers the following:

1. Use by the employee/student in person on the business of Edge Hill University and its subsidiaries but excluding commercial travel and soliciting orders.
2. That the policy includes the carrying of trade goods.
3. An indemnity is provided in respect of Third Party claims whilst the vehicle is so used.
4. The receipt of a mileage allowance by the employee/student for use of his/her vehicle on company business does not invalidate the insurance.

COMBINED LIABILITY

The institution has a combined liability policy which includes Employer's Liability and covers:

1. Legal Liability for bodily injury to employees arising in connection with their employment.
2. Bodily injury to other persons and damage to property arising in connection with business activities. A £10million limit applies to any one occurrence.

Excluded are medically qualified persons in relation to the exercise of their duties who are expected to hold personal indemnity.

PROFESSIONAL INDEMNITY INSURANCE

It is the responsibility of staff to ensure the Insurance Officer is notified immediately (who will then notify the Professional Indemnity insurers) in the event of any of the following circumstances:

1. a CLAIM against you
2. receipt of NOTICE OF INTENTION to hold you responsible for any matter which could result in a claim
3. any CIRCUMSTANCE(S) of which you become aware which could give rise to a claim

In the event of a circumstance or claim staff should ensure they:

1. Do not admit liability.
2. Advise the insurance officer immediately.
3. Pass any correspondence, court documents, etc to the insurance officer of the university.

PERSONAL ACCIDENT AND TRAVEL INSURANCE

All employees have the following Personal Accident cover whilst on university business:

Death
Loss of limb(s) or eye(s)
Permanent total disablement
Permanent partial disablement

Foreign travel insurance covers all journeys on university business outside England, Wales, Scotland and Northern Ireland and provides cover for Personal Accident, Medical Expenses, Baggage, Money and cancellation/Curtailment.

All foreign travel must be notified (on the appropriate form) to the Financial Director **in advance of the expenditure being made.**

TENDER

The Institution will review the provision of both insurance cover and specialist insurance services on a regular basis and in accordance with Appendix 8.

