# Financial Regulations

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<th>Policy Owner</th>
<th>Chief Financial Officer</th>
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<td>Approving Body</td>
<td>Council</td>
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<td>Audit, Risk &amp; Compliance Committee 6 February 2023</td>
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<td>Finance Committee 30 March 2023</td>
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<td>Related Policies and procedures and guidelines</td>
<td>Anti-Bribery Policy</td>
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<td>Audit, Risk &amp; Compliance Committee</td>
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<td>Council</td>
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<td>Deadline for Review by Council</td>
<td>May 2025 (with annual review at ARCC &amp; Finance Committee)</td>
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1. **Background**

1.1. The College is a statutory corporation under the Royal Holloway and Bedford New College Act 1985. The objects of the College are to promote education, scholarship and research. For these purposes the College may employ staff, make arrangements with any other body and do anything incidental or conducive to attaining the objects. The College, and any institution established for or in connection with the College and administered by it or for it, is an exempt charity for the purposes of the Charities Act 1960. This does not apply to any wholly owned subsidiaries of the College established to carry on business as a general commercial company. The Act empowers the College to make, and amend, necessary regulations for the purpose of carrying out the objects of the College.

1.2. The Terms and Conditions of Funding for Higher Education Institutions agreed between the Office for Students (OfS) and the College Council set out the conditions under which OfS grants are made and sets out the requirements for information to enable the OfS to carry out its role as principal regulator. The Council is responsible for ensuring that the conditions are met. This includes the maintenance of sound systems of financial control, of which these Financial Regulations form part.

2. **Status of Financial Regulations**

2.1. The Financial Regulations apply to the College and all its subsidiary undertakings. Where there is a conflict with the College’s overall statutes, schedule of delegation or the OfS Terms and Conditions of Funding, then the standing orders and OfS terms will take precedence.

These regulations must be read in conjunction with detailed financial policies which are provided separately. The regulations set out the principles that must be followed and the policies provide additional detail regarding the way in which these principles must be applied.

Compliance with the Financial Regulations and the associated policies is mandatory for staff and anyone with whom the College has a contractual relationship. Failure to comply may lead to disciplinary action. The staff of the Finance Department can assist with queries concerning the Financial Regulations and associated policies.

2.2. Each Executive Dean or Head of Professional Service should ensure that staff are made aware of, and comply with, the Financial Regulations and associated policies.

2.3. Only the Chief Financial Officer has the right to waive these Financial Regulations and all instances must be reported to the Finance Committee.

2.4. All amounts quoted in the Regulations are deemed to be VAT exclusive.
3. Corporate Governance

3.1. The Council

3.1.1. In accordance with the Royal Holloway and Bedford New College Act 1985, the Council is the governing body of the College.

The Council is principal financial authority of the College, and it is Council’s responsibility to ensure that accounting records are kept, to approve the annual budget and financial statements and to have overall responsibility for the College’s assets, property and estate and investment policy.

The Principal is the College’s designated Accountable Officer under the OfS Terms and Conditions of Funding for Higher Education Institutions between the OfS and the College. The day to day responsibility for the financial affairs of the College is delegated to the Chief Financial Officer (CFO).

The responsibilities of the CFO are set out in the Schedule of Delegation, and these include the preparation of annual budgets and financial plans, the preparation of financial statements, the integrity of financial records and systems and the provision of professional advice on College matters.

Executive Deans or Heads of Professional Services are responsible to the Principal for financial management in their own areas and are advised by the Chief Financial Officer in executing their financial duties. They are responsible for establishing and monitoring clear lines of responsibility for all financial matters in their area.

3.1.2. The Finance Committee provides Council with financial oversight of the College’s activities and provides advice on the financial management of the College.

The Investment Sub-Committee is a sub-committee of Finance Committee and oversees the management of the College’s investment portfolio.

3.1.3. The Audit, Risk and Compliance Committee is responsible for advising and assisting Council in respect of the entire assurance and control environment of the College.

3.1.4. The Executive Team is responsible for the day-to-day management of the College. The Executive Board is the principal management body to oversee the development and monitoring of the College strategy and functional plans. Within the framework set by Council, the Board allocates resources in support of plans including operating budgets, capital or physical resources.

3.1.5. The Executive Board may approve requests for additional budget up to £500k. Requests above £500k must be recommended to the Finance Committee for approval.

3.1.6. The IT Committee provides management oversight of individual systems and process improvement project boards to ensure that projects are proceeding to plan, budget and
timescale and that remedial action is taken as required. Should additional budget be required for these projects this must be approved by Executive Board (up to £500k) or Finance Committee (over £500k) as appropriate.

3.2. Audit

3.2.1. Internal Auditors will be appointed by Council on the recommendation of the Audit, Risk and Compliance Committee to provide Council with assurances on the adequacy of all control arrangements, financial and otherwise.

The Head of Internal Audit will provide an annual internal audit opinion to the Audit, Risk and Compliance Committee on the adequacy and effectiveness of the College's arrangements for governance, risk management and control and value for money.

External Auditors will be appointed annually by Council on the recommendation of the Audit, Risk and Compliance Committee.

Other auditors may be appointed from time to time by the Chief Financial Officer for specific purposes such as research grant audits. All audit activity will comply with the requirements of the OfS and other relevant statements of good practice.

3.2.2. Internal Audit

The Head of Internal Audit is responsible for providing assurances on the adequacy and effectiveness of risk management, internal control and governance.

The Head of Internal Audit reports on a day to day basis to management, but has the right of direct access to the Chair of Council, the Chair of the Audit, Risk and Compliance Committee and the Principal. The Head of Internal Audit has the right of access to all the College's records and assets and to receive such explanations as are necessary, in order to meet their responsibilities.

3.2.3. The Internal Audit Plan will be developed through a risk-based approach and will take account of guidance from the OfS Terms and Conditions of Funding for Higher Education Institutions, the legacy Audit Code of Practice and any other relevant statements of professional good practice.

3.2.4. External Audit

The primary duties of the auditors are to certify whether in their opinion the financial statements:

- give a true and fair view of the state of the College and the Group affairs for the financial year and of the Group and College's income and expenditure, gains and losses, changes in reserves and of the Group cash flows for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
• have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

3.2.5. They will also report to the College Council whether, in all material respects:
• funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
• funds provided by the OfS and Research England have been applied in accordance with the Terms and Conditions of Funding for Higher Education Institutions (or successor requirements) and any other terms and conditions attached to them
• the requirements of the OfS accounts direction have been met
• the College’s grant and fee income, as disclosed in the note to the accounts, has been materially misstated
• the College’s expenditure on access and participation activities for the financial year has been materially misstated.

3.3. Risk Management
The College maintains effective processes to identify the principal risks to the achievement of College objectives, policies and aims, to evaluate the nature of those risks, and to manage them efficiently, effectively and economically. Risk management is embedded within all operations and decision-making processes.

The Audit, Risk and Compliance Committee keeps under review the effectiveness of the management of risk, receives reports on risk management and reports to Council as appropriate.

3.4. Fraud, bribery and conflict of interest

3.4.1. Conflict of interest
All members of staff, members of the College Council and associates of the College must act and be perceived to act impartially, and not allow other social or business relationships to influence their judgement. Links with external bodies which benefit the College are desirable but can easily give rise to perceived and apparent conflicts of interest which must then be properly managed.

A full definition of conflicts of interest and the processes for declaring and managing interest are detailed in the College’s Conflict of Interest Policy.

3.4.2. Staff members must obtain the permission of their line manager before taking paid work additional to their College employment, and this must not interfere with their College duties.

3.4.3. Council members and senior officers are subject to the specific requirements detailed in the Regulations of the Council.
3.4.4. All staff and members of College committees shall inform their line manager of:

- any interest, financial or otherwise which they have in a business which has or may have a relationship with the College
- any interest, financial or otherwise, which a partner or close relative has in any financial arrangement with the College
- any matter which might reasonably be perceived by others to impact upon impartiality.

3.4.5. Counter-fraud

The College is committed to the highest standards of honesty, accountability, probity and openness in its governance. As a direct consequence of this, the College is committed to reducing the risk and occurrences of fraud associated with any of its activities, operations and locations to the absolute minimum and to the robust investigation of any fraud issues that should arise.

It is the responsibility of everyone associated with the College - including staff, students, employees, contractors and third parties - to report suspicions of fraud or corruption.

Full details of the definition of fraud, the College's reporting processes and other guidance are set out in the College's Counter-Fraud Policy.

3.4.6. Anti-Bribery

Bribery is both illegal and unethical and brings with it the potential for criminal liability and severe penalties at both College and individual level. The College is committed to conducting all of its business activities in an ethical and honest manner.

The College has a zero tolerance for bribery and corrupt activities and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. The College prohibits the offering, giving, soliciting or the acceptance of any bribe in whatever form to, or from, any person or company (public or private) by anyone associated with the College.

The prevention, detection and reporting of bribery is the responsibility of all individuals working for or with, or performing services for the College, at all levels and grades including temporary and agency staff, contractors, consultants, volunteers, interns and agents and also students of the College.

Full details are set out on the College’s Anti-Bribery Policy and any breach of this policy by a member of staff will lead to disciplinary action.

3.4.7. Anti-Money Laundering

The College is committed to the highest standards of ethical conduct throughout their activities in the UK and overseas. Therefore the College will adopt systems and controls
to mitigate any financial crime risks in order to provide reasonable assurance that the College’s policies and procedures will prevent and detect money laundering.

All staff and Council Members are subject to anti-money laundering legislation and must be vigilant regarding the risk of financial crime and fraud. Potentially, any member of staff could be committing an offence if they suspect money laundering or become involved in some way and do not act.

Full details are set out in the College’s Anti-Money Laundering Policy. Failure to comply with this policy and the obligations detailed in this policy may result in disciplinary action for staff.

3.4.8. **Criminal Finances Act**

Whilst it has always been a criminal offence to evade tax, and for anyone to help someone else evade tax, the Criminal Finances Act 2017 means that if a person ‘associated’ to the College, anywhere in the world, is found to have assisted a third party in evading tax in the course of their duties, then the College itself could be deemed to have committed a corporate offence.

The College conducts its activities with integrity, transparency and fairness. The College is committed to the prevention of the facilitation of tax evasion as it recognises the importance of fostering a positive culture of tax compliance and maintaining the confidence of students, staff, partner organisations, other customers and the tax authorities.

The College does not and will not knowingly work with others who do not share their commitment to preventing the facilitation of tax evasion. The College operates to the highest legal and ethical standards and will not tolerate acts of criminal facilitation of tax evasion by its associates anywhere in the world.

Further details are set out in the College’s Criminal Finances Act Policy.

4. **Financial Planning, Management and Control**

4.1. **Financial Planning**

4.1.1. The College is required to prepare each year a five-year Financial Plan which is presented to Finance Committee and Council for approval prior to submission to the OfS. The Financial Plan must be consistent with the College Strategy and Capital Programme approved by Council. The Financial Plan should set appropriate benchmarks and performance indicators.

The Chief Financial Officer is responsible for preparing an annual budget which is presented for approval at Executive Board, Finance Committee and Council. The budget should be consistent with the College’s Financial Plan updated with any major fluctuations in student numbers.
4.2. **Budgetary Control**

4.2.1. The control of all income and expenditure within an agreed budget is the responsibility of the designated Budget Holder. The Budget Holder is responsible for the efficient, economic and proper management of College resources and opportunities and is responsible for ensuring all income and expenditure comply with these Financial Regulations and all College Policies. It is the responsibility of the Executive Dean or the Head of Professional Service to ensure that all Budget Holders in their areas are aware of their responsibilities for budget management when committing the College to expenditure. Executive Deans or Heads of Professional Services are responsible for ensuring that School/Professional Service budget targets are met and must report any major risk of departure to the Chief Financial Officer.

4.2.2. The Chief Financial Officer will provide regular management accounts to Executive Board, Finance Committee and Council highlighting any major variances from budget.

4.3. **Preparation of Accounts**

4.3.1. Council is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the College. The Chief Financial Officer is responsible for the preparation and publication of the College’s audited annual consolidated financial statements for the year ending 31 July within the required timescale. The consolidated statements consolidate the financial statements of the College and its subsidiary undertakings which are approved by Executive Board, Finance Committee, Audit, Risk & Compliance Committee and Council prior to publication. The College’s Financial Statements are available on the College website.

4.4. **Accounting Policies**

4.4.1. The accounting policies applied to the financial statements are based on the Statement of Recommended Practice: Accounting for Further and Higher Education, FRS102, the Financial Reporting Standard applicable in the UK, and in accordance with UK Generally Accepted Accounting Practice. The College’s Principal Accounting Policies are reviewed annually, approved by Finance Committee and set out in the Financial Statements.

4.5. **Accounting Returns**

4.5.1. The Chief Financial Officer is responsible for consolidating and dispatching financial returns and other periodic financial reports to the OfS and other agencies as required.

4.5.2. The retention of financial documents within the College should be in accordance with the requirements of the Records Retention Policy.
5. Income

5.1. General

5.1.1. The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the College to promptly and securely receive all income to which it is entitled.

5.1.2. It is the responsibility of all staff to ensure that revenue due to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income.

5.1.3. Student tuition and accommodation fees will be approved by Finance Committee.

5.1.4. College policy regarding the collection of student tuition and accommodation fees, sanctions for non-payment, withdrawals and refunds is set out in the Student Fees Regulations, and the Accommodation Terms and Conditions.

5.2. College Customers and Invoices

5.2.1. All customers will be recorded in the Finance System (Agresso). New customer records will be approved by the Finance Department. A credit check of all new (non-student) customers where the initial order value is over £10k will be carried out by the Finance Department.

5.2.2. All requests for monies due to the College should be rendered promptly on official College invoices produced via the Finance System (Agresso) and detailing fully the details of the work done or goods supplied.

Invoices must include VAT where appropriate. Advice on VAT can be obtained from the Finance Department. To comply with VAT regulations, VAT invoices must be issued within 14 days of the supply of the goods or services.

No sales invoices or credit notes shall be raised outside of the Finance System.

5.2.3. Goods and services must not be supplied and invoices must not be raised unless there is a written agreement or order documentation in place.

5.2.4. Normal payment terms are 30 days from date of invoice.

5.2.5. Low value goods and services under £100 (net of VAT) should be sold on the College’s Online Store.

5.3. Receipt and use of Cash

5.3.1. Use of cash will be kept to a minimum.

5.3.2. Any cash and cheques that are received should be held securely at all times and deposited promptly with the Finance Department.
5.3.3. The recording of cash received by the College should be evidenced by receipt and any subsequent transfers from one employee to another should be documented to ensure a sufficient audit trail.

5.3.4. Personal or other cheques must not be cashed out of money received on behalf of the College, neither can payments be disbursed out of receipts.

5.4. The Collection of Debts

5.4.1. Debt control and collection should be in accordance with the requirements of the Chief Financial Officer.

5.4.2. Delayed payment terms require the approval of the Head of Financial Control up to £100k, and the Chief Financial Officer over £100k.

The writing off of irrecoverable debts of up to £350 may be approved by the Student Fees Team (student debt) or the Credit Control team (non-student debt). Write offs above £350 and up to £5,000 require the prior written approval of the Chief Financial Officer.

The writing off of debts in excess of £5,000 requires the approval of the Finance Committee.

The writing off of debts in excess of £100,000 requires the approval of Council.

5.4.3. Debt recovery procedures for Student-related debt are the responsibility of the Student Fees Team within the Finance Department.

Debt recovery procedures for non-student debt are the responsibility of the credit control team within the Finance department.

Other departments cannot commit the College to any modification of suspension of recovery procedures but will be expected to assist where possible with debt collection.

5.4.4. Provisions or write-offs will be charged against the School or Professional Services budget that was originally credited with the income.

6. Banking arrangements

6.1. Appointment of bankers and banking arrangements

6.1.1. The Council is responsible for the appointment of the College's bankers on the recommendation of Finance Committee.

6.1.2. All bank accounts shall be in the name of the College or its subsidiary company.
6.1.3. The opening and closing of accounts must be authorised by the Chief Financial Officer. Staff members have no authority to open bank accounts whether in the UK or abroad for any College activities without the approval of the Chief Financial Officer or Council. Monies received relating to College activities shall be credited to the College’s bank account only.

6.1.4. The bank mandates and authorised signatories will be kept up to date by the Finance department and changes must be authorised by the Chief Financial Officer. The Chief Finance Officer can add/delete and amend authority on existing bank accounts.

6.1.5. The arrangement of direct debits, standing orders, the transfer of funds and the collection of monies, shall be made in accordance with the bank mandate which will be kept under review by the Chief Financial Officer.

6.1.6. All cheques drawn or payments made on behalf of the College must be signed or approved in the form approved by the Finance Committee, and in accordance with the College's specified limits of authority.

6.1.7. The Head of Financial Control shall be responsible for ensuring that all bank accounts are subject to regular reconciliation and that any unusual or unreconciled items are investigated as appropriate.

6.2. Petty Cash

6.2.: The College does not use petty cash. Should any cash or cheques be received they must be deposited promptly with the Finance Department.

7. Research Grants and Contracts

7.1. Research Applications

7.1.1. The Chief Financial Officer, or nominated deputy, is responsible for the financial administration of all research grants and contracts.

7.1.2. Research and Innovation provide pre-award support for research grant proposals and contract research proposals. Preliminary discussions with prospective sponsors shall be informal and not commit the College. The Senior Vice Principal is responsible for ensuring that any institutional support is affordable and within financial budgets and forecasts.

7.1.3. All applications for research grants and contracts must comply with the Frascati definition of research, the Charities Act and further the charitable purpose of the College.

   All applications must be costed on a Full Economic Cost basis in line with Research Policies and procedures.
7.2. Research Awards and Administration

7.2.1. The award of a research grant or contract shall be accepted on behalf of the College by the Principal or their nominated deputy as set out in Research Policies and procedures.

7.2.2. The Finance Department provides support for research grant awards. The Principal Investigator is responsible for the budgetary control of the grant or contract and for ensuring the research is in adherence to the award terms and conditions and the Financial Regulations and College Policies.

Any overspends, including those arising from foreign exchange fluctuations, are the responsibility of the School. Any surpluses arising on commercial grants will be taken as indirect contributions for the relevant School (if not required to be returned).

The grant holder is required to sign the Statement of Responsibilities before an award can be initiated. All equipment purchased with grant monies is College property unless explicitly determined by the provisions of the grant. The Principal Investigator is responsible for retaining appropriate evidence for all activities.

7.2.3. The Senior Vice Principal is responsible for ensuring that all research work carried out by the College complies with the Charities Act and furthers the charitable purpose of the College. All staff involved in research must be aware of the Standing Orders of the College.

7.2.4. The College is committed to conducting research and research activities within a robust ethical framework and maintaining integrity at all times. All staff and students who undertake research are expected to adhere to the Concordat to Support Research Integrity.

7.3. Enterprise activity

7.3.1. All non-research enterprise activity must be costed on a full economic cost basis. Public funds should not be used to subsidise non-public activities.

Research and Innovation provide costing support for enterprise activity proposals.

The Senior Vice Principal is responsible for ensuring proper financial control and monitoring is undertaken, and for compliance with the funding terms.

7.4. Consultancy and other paid work

7.4.1. Individual activity may be undertaken as private work (entirely separate from the College and its facilities) or contractually provided by the College.

Consultancy work and other work contractually provided by the College is subject to specific College procedures. Academic staff can undertake up to 30 days of consultancy per year.
7.4.2. The costing, pricing and distribution of income from such work will be carried out according to the College's Consultancy Policy and Consultancy Income Waiving Policy.

7.4.3. Such consultancy work shall require the approval of Finance, the Executive Dean and the Research and Enterprise department and a Consultancy Agreement will be required. In the event that an Executive Dean is the originator, the Principal's approval to the disbursement of these funds is required.

As a general rule, payment of earnings due to an employee (including revenue generated from consultancy) are subject to income tax and national insurance contributions.

7.4.4. The College's rights with regard to intellectual property are set out in the College's Intellectual Property Policy. Staff members involved in the exploitation of inventions and patents must adhere to the College's Inventions and Patents Code of Practice.

8. Expenditure

8.1. General

8.1.1. All expenditure must be incurred solely in support of the objects of the College and its statutes and standing orders.

8.1.2. The Chief Financial Officer is responsible for making all payments to suppliers of goods and services to the College, and must approve all payment procedures. Budget holders may not commit the College to non-standard methods of payment, including direct debit arrangements which must be approved by Finance. No individual may authorise a payment to themselves. No individual may authorise the purchase of goods or services for their own benefit, even if they intend to reimburse the College.

All supplier payments will be made in arrears unless separate arrangements are contractually agreed.

8.1.3. In addition to these regulations, all expenditure is subject to the College's Procurement Policy and its Travel, Subsistence and Personal Expenses Policy.

8.2. Authority to incur expenditure

8.2.1. The Budget Holder (normally the Executive Dean or Head of Professional Service) is responsible for expenditure within their area. Authority to incur expenditure may be delegated to nominated individuals depending on the value of the commitment, however the Budget Holder retains responsibility.

Staff must not commit the College contractually where they are not authorised to do so.
8.2.2. The Finance department will maintain an expenditure approval register and will review the register annually. Any changes to the approval register will require the completion of an Agresso Approver Form which will be signed by the Executive Dean (or delegated representative), Finance Business Partner and Head of Financial Control.

8.2.3. Approval levels to incur expenditure are set out below. Multiple approvers are required to be placed on the approval register depending on the value of the approval, as set out in the table below; however only one specified approver is required to approve each transaction.

NB All amounts are exclusive of VAT

ED – Executive Dean  HoP – Head of Professional Service

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<tr>
<th>Approval levels</th>
<th>Up to £999 exc VAT</th>
<th>Between £1,000 and £4,999 exc VAT</th>
<th>Between £5,000 and £24,999 exc VAT</th>
<th>£25,000 and over exc VAT</th>
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<tbody>
<tr>
<td>First approver</td>
<td>Minimum of 3 individuals appointed by the ED/HoP</td>
<td>Minimum of 3 individuals appointed by the ED/HoP</td>
<td>ED/HoP and maximum of 2 other individuals appointed by the ED/HoP (Academic Schools: 1 Approver must be the School Manager)</td>
<td>ED/HoP and 1 other individual: Academic Schools: School Manager Professional Services: 1 other individual appointed by the HoP</td>
</tr>
<tr>
<td>Second approver</td>
<td>Procurement</td>
<td>Procurement</td>
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<tr>
<td>Third approver</td>
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<td>Finance</td>
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<tr>
<td>Fourth approver</td>
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<td>Chief Financial Officer</td>
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8.3. Procurement

8.3.1. All procurement activity shall be carried out in accordance with the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 and the Public Contracts Regulations 2015, Financial Regulations and the Procurement Policy.

Executive Deans or Heads of Professional Service are responsible for ensuring the observance of the College's requirements in respect of obtaining competitive quotations.
or tenders (see below) and complying with procurement legislation, and the observance of the more detailed codes and regulations referred to above.

8.3.2. **Suppliers, including preferred suppliers**
Where a contracted supplier is in place, this supplier must be used for all relevant purchases.

The Procurement team maintain a list of preferred suppliers appointed by the College. The College has agreed preferential prices/terms with these suppliers for the goods/services they provide and therefore competitive quotes/tenders are not required.

All new suppliers and supplier amendments will be verified by the Procurement and Payments Team, for example by obtaining contact details from a trusted source to check bank details.

8.3.3. **Framework agreements**
As a member of the London Universities Purchasing Consortium (LUPC), the College has access to their framework agreements. These are accessible via the Procurement Team.

A framework agreement is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. There are generally no guarantees or commitments given as to the value of work commissioned and the College may only use them if they are entitled to as a named commissioning organisation.

8.4. **Quotations and tenders**

8.4.1. The Procurement team will provide professional and qualified procurement expertise, advice and services for all non-pay expenditure. This includes capital expenditure and funding obtained through research grants.

8.4.2. To help manage the volume and diversity of buying activity in the College it is necessary to set sensible limits where quotations and tenders must be obtained. Unless an exceptional case can be made for a Single Tender Action (STA) in advance of that purchase being made (see below) then the following thresholds will apply.

In assessing the threshold it should be noted that the number is determined by the value of the total contract or the total of aggregated orders likely to be placed over a period of forty eight months (Whole Life Cost). For example, a recurring payment of £1,000 per month payable for thirty six months should be treated as an expenditure of £36,000.
8.4.3. Estimated value of expenditure *(excluding VAT)*  
<table>
<thead>
<tr>
<th>Procedure (Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 and the Public Contracts Regulations 2015 &amp; College Procurement Policy)</th>
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<tbody>
<tr>
<td>Handled by the Budget Holder/originator: (preferred suppliers should be used where possible; quotes &amp; decisions should be retained for audit purposes if a preferred supplier is not used)</td>
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<tr>
<td>£0 to £4,999</td>
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<tr>
<td>£5,000 to £24,999</td>
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<tr>
<td>Refer to the Procurement Team:</td>
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<tr>
<td>£25,000 to £49,999</td>
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<tr>
<td>          a) Closed Competition - Minimum of three quotes approved by Procurement</td>
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<tr>
<td>          b) Formal Tender</td>
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<tr>
<td>£50,000 to Public Contract Regulations (PCR) 2015 Threshold</td>
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<td>Above the PCR 2015 Threshold</td>
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* For the purpose of thresholds, the estimated value of expenditure must include all contractual considerations over the lifetime of the contract, excluding VAT. This includes any contractual costs e.g. delivery, service/maintenance, and the value of potential options to renew or extend the contract.

8.4.4. Full guidance on the Tender Process is available from the Procurement Team.

8.5. **Single Tender Action**

Competition enhances value, service and innovation, and minimises the perception and likelihood of partiality, bribery and fraud.

Single sourcing is rarely justifiable, however in circumstances where it may not be possible to obtain quotations or undertake a tender exercise, staff are required to complete a Single Tender Action (STA) justification form to request approval to proceed on a single source/single tender basis. All approved STAs and justifications are reported to Finance Committee.

Full guidance is available from the Procurement team.

8.6. **Modern Slavery**

The College purchases a wide range of goods, services and works which are sourced from both national and international suppliers. The College recognises that it has a responsibility to take a robust approach in its supply chains and is committed to a zero tolerance policy in relation to modern slavery and human trafficking. The College's Modern Slavery policy statement, which is updated annually, can be found here: [www.royalholloway.ac.uk/modern-slavery/](http://www.royalholloway.ac.uk/modern-slavery/)
8.7. Raising orders, goods receipting and payment of invoices

8.7.1. Unless otherwise agreed by the Chief Financial Officer, all goods and services shall be ordered using the finance system (Agresso). Procurement Policy should be followed. Orders or contracts must be placed prior to any work being undertaken or any commitment made.

8.7.2. All orders should be placed using the online procure to pay system in the finance system (Agresso).

The member of staff raising an order or certifying an invoice for payment must be different from the member of staff authorising the order.

As authorisation takes place at the order stage, invoices will then be paid without further approval if they agree to the order in terms of value and the goods have been received in accordance with the order. There must always be a three-way match between the order, the invoice and the goods receipt.

8.7.3. Goods receipting (or payment release) will be performed within the system by the Budget Holder’s appointed representatives and receipting will confirm that:

- The goods have been received, examined and approved with regard to quality and quantity or that services rendered or work done is satisfactory.
- They are matched to the order and that the order numbers agree
- All the details on the invoice match the details held for the supplier in the finance system (e.g. bank details)

8.7.4. The standard terms for payment are 30 days from receipt of an accepted invoice. The College should always ensure that it receives a valid tax invoice from suppliers that are VAT registered prior to payment being made.

Invoices should be sent directly to Accounts Payable quoting a valid purchase order.

8.7.5. Contract approval

Prior to signing any contract, the contract implementer will ensure that appropriate due diligence is completed in line with the College’s Contract Legal Review procedure.

Authorised signatories will follow the College’s Schedule of Delegation.

8.8. College Purchasing Card

8.8.1. College purchasing cards may be issued to named staff members and can be used for all low value transactions that are one-off in nature or infrequent.

Staff may only use the card to procure goods and services for the College, never for personal or non-College use.
Further details are outlined in the College’s Purchasing Card Manual.

8.9 Procuring services from individuals

8.9.1 There are occasions when the College needs to utilise individuals, either self-employed or through a limited company, to undertake work on a short-term or one-off basis (e.g. contribute expertise to a particular project or undertake a service or task). HMRC requires the College to assess the employment status of such individuals from whom it purchases services. Failure to make an appropriate assessment could result in a breach of the Criminal Finances Act.

Different rules apply if an individual is considered to be an employee, or would have been an employee if they were providing services directly to Royal Holloway rather than through a “Personal Service Company” or other intermediary.

Under “IR35” regulations it is the College’s responsibility, not the individual’s, to determine the employment status and ensure the correct amount of tax and national insurance is paid. Payment will be arranged through the appropriate route (e.g. through payroll or on receipt of invoice).

The Procurement Team should be contacted prior to any engagement of an individual, whether this is as a sole trader/self-employed or through a limited company (or “Personal Service Company”). It is the responsibility of the department engaging the individual to complete the off payroll worker questionnaire which allows the Procurement Team to complete an employment status assessment. This must take place prior to engaging the individual and under no circumstances should this take place at the time of payment.

9. Salary, Wages and Expense Payments

9.1 General Procedures

9.1.1 The Director of Human Resources is responsible for maintaining the College’s human resources record, and for issuing all contracts of employment and determining the contractual arrangements with regard to salaries, wages and other emoluments.

9.1.2 The Director of Human Resources is responsible for ensuring that appropriate systems and procedures are put in place and operated to cover all matters affecting appointments and cessations of appointment and all other adjustments affecting pay.

9.1.3 Overtime and other variations to pay shall be authorised in accordance with the appropriate procedures.

9.1.4 The Chief Financial Officer is responsible for all payments of salaries and wages which shall be through the College payroll and for the proper keeping of all records relating to payroll. All payments must comply with HMRC regulations including the deduction of tax, national insurance, pension and other deductions, as well as any international tax obligations that may arise.
9.1.5. There must be sufficient segregation of duties between Human Resources and Payroll at all times.

9.1.6. Payments shall be paid directly into the employee's bank account on a monthly basis.

9.1.7. Executive Deans or Heads of Professional Service shall provide promptly to the Director of Human Resources all information (including absence through sickness or other reasons) required to ensure correct payment. The Director of Human Resources is responsible for keeping the Chief Financial Officer informed of all matters relating to personnel for payroll purposes.

9.2. Pension arrangements

9.2.1. The Chief Financial Officer is responsible for day to day pension matters including deduction and payment of contributions to authorised schemes, compliance with legislative requirements, maintenance of accurate records and the preparation of returns to the schemes, in line with the scheme rules.

9.3. Travel, Subsistence and Other Expenditure

9.3.1. All claims for payment of travel, subsistence and incidental expenses shall comply with the Travel, Subsistence and Personal Expenses Policy.

10. Assets

10.1. Land, Buildings, Fixed Plant and Machinery

10.1.1. The Director of Estates and the Director of Student & Academic Services are responsible for the provision of Estates services including the security of all College buildings. The Director of Estates is responsible for the day to day management of all land and buildings and for the preparation of the Estates Strategy.

10.2. Other Physical Assets

10.2.1. Executive Deans or Heads of Professional Service are responsible for the custody and security of all other College assets within their department. They are responsible for maintaining departmental inventories for all plant, equipment, furniture and stores.

10.3. Capital expenditure

10.3.1. Council is responsible for considering all new major capital projects with total budgets of £7m or over. Executive Board and Finance Committee will consider the business case for major capital projects and make a recommendation to Council for approval.

Finance Committee is responsible for considering all new funding for large capital projects with total budgets of £3m or over and up to £7m. Executive Board will consider
the business case for the large capital project and make a recommendation to Finance Committee for approval.

Executive Board will consider business cases for all other capital expenditure in line with the agreed Budget.

Executive Board is responsible for monitoring all Capital expenditure to ensure that projects are progressing to time and budget. Approval limits include variations to capital budgets where the variation causes the total expenditure to be above these thresholds. Limits represent total amount committed not annual expenditure.

10.3.2. The Chief Financial Officer is responsible for ensuring that all assets (or groups of related assets) over £10,000 (including irrecoverable VAT) or are capitalised and depreciated over their useful life and recorded on the College’s asset register.

Items (or groups of related items) costing less than £10,000 are written off in the year of purchase.

10.4. Additions and disposals

10.4.1. Land and buildings

Approval of the acquisition or disposal of land and buildings with expected value of over £500k may take place only with the prior approval of Council.

If the asset was acquired with the use of government funds, the consent of the OfS may also be required.

Approval of the acquisition or disposal of land and buildings with expected value of under £500k may take place only with the prior approval of Finance Committee.

10.4.2. Disposal of other assets with a net book value of £10k or over must be approved by the Chief Financial Officer.

Disposals under this limit must be approved by the Head of Financial Control.

A liability exclusion clause will be included where appropriate and a fair market value must be received.

10.4.3. No charge shall be made on any asset of the College without the prior approval of Council.

10.4.4. The required approval of all lettings/leases is as follows:

<table>
<thead>
<tr>
<th>Value of entire lease</th>
<th>Length of lease</th>
<th>Approval by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £100k</td>
<td>and/or Less than 5 years</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>£100,000-£999,999</td>
<td>and/or 5 years or over</td>
<td>Finance Committee</td>
</tr>
<tr>
<td>£1m or over</td>
<td>and/or 10 years or over</td>
<td>Council</td>
</tr>
</tbody>
</table>
Lease agreements which do not require the University Seal may only be signed by the Chief Financial Officer.

10.5. Stock

10.5.1. Executive Deans or Heads of Professional Service are responsible for the custody of stock in their area. Where material, regular inspections and stock counts will be carried out, and always at the financial year end.

11. Investments and Treasury Management

11.1. General

11.1.1. The Chief Financial Officer will ensure the College has sufficient liquid funds available to it which are necessary for the achievement of its business objectives, and to meet all liabilities as they fall due.

11.1.2. The Chief Financial Officer is responsible to the Finance Committee for the proper day to day investment of short term funds with approved organisations in compliance with the Treasury Management Policy approved by Council.

11.1.3. All money in the hands of the College shall be aggregated where possible or appropriate for the purposes of treasury management, except in the case of endowment funds where the provisions of the endowment provide otherwise.

11.1.4. The College regards a key objective of its treasury management activities to be the security of the principal sums it invests. The Chief Financial Officer shall report regularly to the Finance Committee on the activities of the treasury management operation and on the exercise of delegated treasury management powers.

11.2. Investments

11.2.1. The Investment Sub-Committee shall receive regular reports on investment performance and establish performance objectives including in relation to Environmental, Sustainability and Governance (ESG) factors.

The Chief Financial Officer shall be responsible for the maintenance of records of investments and ensure safe custody of all relevant documents.

11.2.2. With regard to endowment investments, the College's Statement of Investment Policy provides capital growth with a medium level of risk over the longer term. The College will utilise an allocation of asset classes that best addresses these objectives while also addressing the relevant Environmental, Social and Governance factors.

The appointment of Fund Managers will be approved by Council (recommended by the Investment Sub Committee and Finance Committee).
11.3. Borrowing

11.3.1. The College must ensure any additional borrowing meets the stipulations of the Terms and Conditions of Funding for Higher Education Institutions agreed between the OfS and the College.

11.3.2. All significant borrowing will be subject to the approval of Finance Committee and Council according to the limits below, who will consider:

- the necessity of the borrowing
- the competitiveness of terms
- the ability to repay
- any over-reliance on any one source of funding
- the binding nature of any new financial covenants or security

Borrowing over £5m will be approved by Council.

Borrowing over 12 months and under £5m will be approved by Finance Committee.

Borrowing under 12 months and under £5m will be approved by the Chief Financial Officer.

The Chief Financial Officer is responsible for any short-term borrowing to meet day to day cash needs within limits approved in the delegation of authority.

11.3.3. Regular financial monitoring will be reported to Executive Board and Finance Committee to manage the risk of breach of financial covenants.

12. Companies

12.1. Council is responsible for approving any direct investment in companies or corporate entities, the establishment of companies wholly or partly owned by the College and the procedures to be followed in order so to do. This includes the structure of the company, including the shareholding arrangements and the constitution of the Board of Directors and will be on the recommendation of the Finance Committee.

12.2. The company must submit an annual report to the Council via the Finance Committee.

13. Insurance

13.1 The Chief Financial Officer is responsible for ensuring the College's insurance arrangements are appropriate. The negotiation of insurance cover and the submission of claims are the responsibility of the Chief Financial Officer.

13.2 Executive Deans or Heads of Professional Service shall give prompt notification to the Finance Department of any potential new risks and additional property and equipment which may require insurance, and any incidents, problems or alterations affecting
existing risk. They shall advise the Finance Department immediately of any event which may give rise to an insurance claim.

Before any contracts are signed on behalf of the College, the contract implementer should ensure that any liabilities are appropriately covered by insurance.

The College will cooperate with any risk management programme proposed by the College insurers.

13.3 The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

14. Taxation

14.1. The Chief Financial Officer is responsible for identifying and mitigating tax risks to which the College is exposed.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Any overseas profits remain subject to corporate taxes in the relevant territories.

The Chief Financial Officer is responsible for the provision of advice on all College-related taxation issues, and shall issue instructions, maintain records and submit returns in accordance with statutory requirements.

15. Security

15.1. Executive Deans or Heads of Professional Service are responsible for maintaining appropriate security procedures at all times for all buildings, stocks, furniture and other College assets under their control. They shall consult the Director of Academic Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

15.2. The Chief Information Officer is responsible for maintaining the physical integrity of information stored on central College systems.

15.3. All users of IT facilities are required to use authorised software only and be familiar with and follow software licence conditions. Users should abide by the College's information security policies.
15.4. Other than as set out above, the Director of Legal and Compliance is responsible for the safe-keeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Legal Services department where a log will be kept of key contractual information. All such documents shall be held in an appropriately secure location and copies held at a separate location if appropriate.

15.5. The Secretary to Council is responsible for the safe keeping of the College seal, and its use, in accordance with the Statutes and Council Regulations.

16. Donations, gifts and Hospitality

16.1. The Chief Financial Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College, and initiating claims for recovery of tax where appropriate. See the Donation Acceptance Policy for further details.

16.2. The College must comply with charity law and fundraising regulations with regards to all aspects of the acceptance of gifts, donations, legacies and endowments. Fundraising activity for the College must only be undertaken with the approval of, and under the guidance of the Assistant Director, External Relationships.

The College does not permit donations to be made from its own funds to other charities.

16.3. The acceptance of gifts and hospitality by staff members (such as meals, travel costs, entertainment, or other tokens of gratitude in connection with College matters) is subject to the requirements issued by the Secretary to Council and published in the Gifts and Hospitality Policy (included within the College’s Anti-Bribery Policy). Gifts and hospitality received should be recorded in a School Hospitality/Gift book.

16.4. Expenditure incurred in entertaining guests of the College from outside bodies should be in reasonable proportion to the purpose and nature of the event, and should comply with the Travel, Subsistence and Personal Expenses Policy.

16.5. Gifts or hospitality should never be accepted if they could be perceived as compromising the integrity of the individual or the College. Gifts that have a perceived value of more than £50 should be refused along with any excessive hospitality. Hospitality should not be accepted if substantially in excess of that which the College is likely to provide in return.

17. Students’ Union

17.1. The Students’ Union is independent from the College and is responsible for maintaining its own financial records.

17.2. The Union’s annual audited accounts will be reported to Finance Committee.
Financial Regulations Appendix A: Roles and Responsibilities

**All Employees:**
- Must comply with these Financial Regulations at all times
- Must observe the College's requirements with respect to compliance with procurement legislation
- Must report suspicions of fraud, tax evasion, bribery or corruption.

**Executive Deans or Heads of Professional Service are responsible for:**
- Responsible for financial management of their areas and the control of all income and expenditure within an agreed budget
- Ensuring that School/Professional Service budget targets are met and reporting any major risk of departure to the Chief Financial Officer
- Establishing and monitoring clear lines of responsibility for financial matters in their areas
- Ensuring all income and expenditure comply with these Financial Regulations
- Ensuring that staff in their areas are made aware of, and comply with, the Financial Regulations
- Authorisation of orders / commitment to expenditure under £25k (this can reasonably be delegated within their Schools as per 8.2.3 of the Financial Regulations)
- Where delegation has occurred to budget holders, ensuring that all budget holders are aware of their responsibilities for budget management when committing the College to expenditure
- Ensuring the observance of the College's requirements with respect to obtaining competitive quotations or tenders and complying with procurement legislation
- The authorisation of all new staff posts, ensuring they are in line with budgetary constraints
- The provision of prompt information to the Director of Human Resources to ensure correct payment of staff (including absence through sickness or other reasons)
- The custody and security of College assets and stock within their department and for maintaining departmental inventories for all plant, equipment, furniture and stores
- The prompt notification to the Finance Department of any potential new risks and additional property and equipment which may require insurance, and any incidents, problems or alterations affecting existing risk
- Advising the Finance Department immediately of any event which may give rise to an insurance claim.
**Principal Investigator (PI)**
A Principal Investigator is responsible for:

- The budgetary control of any internal funds allocated to them, externally funded grants or contracts, and consultancy
- Ensuring externally-funded grants, contracts or consultancy are managed in adherence with the funding award terms and conditions
- Ensuring all income and expenditure complies with the Financial Regulations and relevant College policies
- Ensuring the observance of the College's requirements with respect to obtaining competitive quotations or tenders and complying with procurement legislation
- Retaining appropriate evidence for all activities
- Advising the Executive Dean immediately if there is a major departure from agreed budgets.

**Director of Human Resources**
The Director of Human Resources is responsible for:

- Maintaining the College's human resources record
- Issuing all contracts of employment
- Determining the contractual arrangements with regard to salaries, wages and other emoluments
- Ensuring that appropriate systems and procedures are put in place and operated to cover all matters affecting appointments and cessations of appointment and all other adjustments affecting pay
- Keeping the Chief Financial Officer informed of all matters relating to staff for payroll purposes.

**Chief Financial Officer (CFO)**
The CFO is responsible for:

- Preparation of the annual budget
- Preparation of the annual consolidated financial statements
- Provision of regular management accounts
- Consolidation and dispatch of financial returns, e.g. OfS
- Ensuring appropriate financial and accounting policies are in operation
- Ensuring the observance of the College's requirements with respect to obtaining competitive quotations or tenders and complying with procurement legislation
- Maintenance of the physical integrity of financial records on central College systems
- Approval of delayed payment terms over £100k and the write off of irrecoverable debts up to £5k
- The right to waive the financial regulations (reported to Finance Committee)
- Opening and closing of bank accounts
- Keeping the College's bank mandates under review (which includes the arrangement of direct debits, standing orders, the transfer of funds and collection of monies)
- Financial administration of all research grants and contracts
- Payment of all suppliers and approval of all payment procedures
- Authority to approve expenditure over £25k
- Payments of all wages and salaries and day to day pensions matters
- Ensuring all assets over £10k are capitalised and the approval of the disposal of assets with a net book value over £10k
- Signing of lease agreements
- Ensuring there are sufficient liquid funds available, and the day to day investment of short term funds
- Maintenance of records of investments and financial records in respect of gifts and donations
- Approval of borrowing under 12 months and under £5m, as well as any short term borrowing requirements
- Ensuring that appropriate insurance arrangements are in place
- Provision of professional advice on College financial matters
- Identifying and mitigating tax risks and provision of advice on College-related tax issues.

The Principal

- The Principal is the College’s designated Accountable Officer under the OfS Terms and Conditions of Funding for Higher Education Institutions between the OfS and the College. The day to day responsibility for the financial affairs of the College is delegated to the Chief Financial Officer (CFO).