Royal Holloway, University of London
Financial Procedures

1 Receipt of Income .................................................................................................................. 2
2 The Collection of Debts .......................................................................................................... 2
3 Internal Recharges .................................................................................................................. 2
4 Urgent Payments ................................................................................................................... 3
5 Purchase Orders ................................................................................................................... 3
  5.1 General .............................................................................................................................. 3
  5.2 Value for Money ................................................................................................................ 3
6 Tendering Procedures .......................................................................................................... 3
  6.1 Competitive Quotations and Tenders .............................................................................. 4
7 Overtime and Variations to Pay ......................................................................................... 4
8 Payments to Individuals for Services Rendered ................................................................. 4
9 Payroll .................................................................................................................................... 5
  9.1 General .............................................................................................................................. 5
  9.2 Ad-hoc Payments ............................................................................................................. 5
  9.3 Additional Hours .............................................................................................................. 5
  9.4 Web Timesheets – via MyView ...................................................................................... 5
  9.5 Casual Employees ........................................................................................................... 6
10 Visiting Teaching .................................................................................................................. 6
  10.1 General ............................................................................................................................ 6
  10.2 Visiting Teaching Payment ............................................................................................. 6
11 Work Undertaken by Students ........................................................................................... 6
12 Payments to Individuals as Reimbursement of Expenses .................................................. 7
13 Purchasing Card .................................................................................................................. 8
14 Inventories .......................................................................................................................... 8
15 Stores ................................................................................................................................... 8
16 Disposals .............................................................................................................................. 8
17 Value Added Tax - Services provided by the College ......................................................... 9
18 Value Added Tax - Services provided to the College ......................................................... 9
19 Royal Holloway Enterprise Limited .................................................................................. 9
20 Accounting Records - Retention Period of Financial Documents .................................... 10
Appendix A - Proposed Exclusion Clause ............................................................................. 11
1 Receipt of Income

Cash received in response to a College invoice should be recorded promptly on Agresso (the College finance system).

Other cash received (of a miscellaneous nature and not in response to a College invoice) should be recorded as appropriate, kept separately and deposited intact with the Cashier on the day of receipt. An official receipt should be issued, and where cash is transferred from one member of staff to another the transfer should be documented in a format that includes the signature of the person receiving the cash to ensure a trail is preserved.

Cash must not be sent through the internal mail system. Where cheques or equivalent are sent by internal or external post a separate record of the details must be retained to aid recovery in the event of loss in transit.

The Chief Financial Officer may approve alternative arrangements such as depositing income directly with the College bank (for which there are specific procedures drawn up in consultation with the Bank).

Credit card receipts must be maintained in accordance with PCIDSS procedures detailed separately.

Opening times of the Cash Office are available on the intranet.

2 The Collection of Debts

All accounts for income due should be raised on Agresso within 14 days of the supply of goods or services. The invoice should record full details of the work done or goods supplied, and should include VAT where necessary.

College invoices should not be used where the payment is to be financed from a College account; in such cases the internal recharging procedures should apply (see below). Certain exceptions apply in the case of tuition fee invoices raised by Registry.

Any queries relating to an invoice are usually received in the Finance Office. It is important that if it is found necessary for the originating department to issue a credit note that this be done speedily to ensure the accuracy of the College’s outstanding debtors information.

Debt recovery procedures (including the agreement to payment in instalments) are the responsibility of the Finance Office, and departments should refer to the Finance Office in the event of receiving any communication from the debtor. Departments cannot commit the College to any modification of or suspension of recovery procedures, but should ensure the Finance Office is aware of any exceptional circumstances.

3 Internal Recharges

Supplies of goods or services from one College department to another should be charged using an internal invoice/journal entry transfer.
4  Urgent Payments

The College operates a weekly BACS payment run. Departments should ensure invoices are authorised promptly using Agresso electronic workflow so that suppliers are paid in accordance with their contract terms.

Authorisers should ensure there are cover arrangements for staff who are absent, including on sick or holiday leave.

5  Purchase Orders

5.1  General

The default system for ordering is Agresso.

If you wish to use a supplier not on the system, request a new supplier using Agresso.

The procurement of all goods and services from external suppliers should be initiated by a purchase requisition on Agresso and confirmed via the electronic workflow. Procurement where orders are not required are detailed on the Agresso page within the procurement section.

5.2  Value for Money

Departments should have established practices for ensuring the best value for money is secured. Suppliers may offer education sector and charity discounts. Some suppliers may be sympathetic to the argument that, generally, the College cannot recover all the VAT charged.

The College is entitled to the terms negotiated by LUPC, The Buying Agency and CHEEP. Details are available from the Central Procurement Unit and are routinely distributed to named contacts within the departments.

The Financial Regulations Appendix C require competitive quotations or tenders to be obtained, depending upon the value of the supply.

6  Tendering Procedures

Tenders should be undertaken via the College’s tendering system, currently inTend.

Appendices B and C of the Financial Regulations detail European Union and College requirements.
6.1 Competitive Quotations and Tenders

Quotations and tenders are required as follows:

<table>
<thead>
<tr>
<th>Value of Goods/Services</th>
<th>Min</th>
<th>Max</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td></td>
</tr>
<tr>
<td>5,001</td>
<td>20,000</td>
<td>Three quotations</td>
<td></td>
</tr>
<tr>
<td>20,001</td>
<td>50,000</td>
<td>Three written quotations</td>
<td></td>
</tr>
<tr>
<td>50,001</td>
<td>75,000</td>
<td>Three sealed tenders</td>
<td></td>
</tr>
<tr>
<td>75,001+</td>
<td></td>
<td>Five sealed tenders</td>
<td></td>
</tr>
</tbody>
</table>

Contracts for goods, services and building contracts over the EU procurement thresholds require an EU tender process. The thresholds are published on the Procurement pages of the Intranet.

Further information is contained in Appendix C of the Financial Regulations.

7 Overtime and Variations to Pay

All non recurrent payments to members of staff, and others such as students and external examiners require the completion of the appropriate written authorisation, such as Visiting Teaching/Casual Work Payment Request form, ad hoc payment form or Extra Hours/Overtime form.

Payments are subject to deduction of income tax and national insurance, unless exemption has been obtained from HM Revenue & Customs (HMRC) or the Benefits Agency.

8 Payments to Individuals for Services Rendered.

Payments to individuals who do not have a contract of employment with the College are made via the payroll net of income tax and national insurance if the services supplied are considered to fall within the HMRC criteria for assessing such services to be ‘employment’.

The College is liable to penalties as well as an amount equivalent to the tax and national insurance not deducted to HRMC if it fails to make deductions from such payments.

Services are deemed to constitute self-employment and are paid gross without deduction if they meet the HMRC’s guidelines on self-employment:

A service is more likely to be deemed self-employment if:

i it is not a supply of teaching over a period of time
ii it is not reimbursed at an hourly rate
iii there is no close supervision or management by the College (i.e. the College does not stipulate how the work is performed, neither does it provide tools and materials)
iv unsatisfactory work is corrected in the individual’s own time.
The applicability of these guidelines to specific situations in the College is the responsibility of the Chief Financial Officer who shall refer to HMRC where necessary. Any queries regarding employment should be directed to the Deputy Director of Finance in the first instance.

It should be noted that, generally, teaching is regarded as employment (regardless of the number of hours taught per week), but that a single lecture given by a visiting lecturer may be regarded as self-employment.

Concerts and associated workshops may also be considered self-employment.

Further, there is no inconsistency in a person who is registered as self-employed being regarded by the Revenue as in employment in respect of services provided to the College.

9 Payroll

9.1 General

Payments to staff are generated by the completion of the appropriate form as detailed below. Forms should be authorised and forwarded to Human Resources by 7th of the month to allow payment to be made in the next scheduled run of the payroll. It is not necessary to wait until the end of the calendar month to submit forms. Payment is made as soon as possible by bank transfer in the next available payroll run. Please check Human Resources payroll cut off date calendar for Easter and Christmas changes to 7th.

9.2 Ad-hoc Payments

A one-off additional payment which is not paid at an hourly rate requires the completion of the Ad-Hoc Payment Form.

Having been authorised by the department, the form should be sent to Human Resources.

9.3 Additional Hours

Additional payments to salaried staff grades 1 – 5 paid in accordance with an hourly rate are made upon completion of the Extra Hours/Overtime form.

Having been authorised by the department, the form should be sent to Human Resources.

9.4 Web Timesheets – via MyView

MyView is the online service for staff to view and amend the personal data held about them by Human Resources and Payroll. The College does not provide paper payslips or end of year P60’s which can be viewed and printed from MyView

Some members of staff are required to complete a timesheet on-line via MyView for payment for hours worked (contracts should specify if this is required). Once a timesheets is submitted an email will be sent to the line manager asking them to authorise the timesheet.
Timesheets authorised by 15th of the month will automatically be processed during the payroll calculation.

9.5 Casual Employees

Employees whose basic pay is paid on an hourly basis should complete the Visiting Teaching/Casual Work Payment Request.

Having been authorised by the department, the form should be sent to Human Resources.

All employees must complete a starter form, provide photo ID and evidence of the right to work upon commencement of employment, and this should be returned to Human Resources. A new starter form with supporting documents will again be required in the event of the employee having received from the College a P45.

10 Visiting Teaching

10.1 General

Individuals who are not employees of the College may be invited to provide teaching to supplement the department’s teaching resource.

Visiting teachers must complete a starter form, provide photo ID and evidence of the right to work upon commencement of employment, and this should be returned to Human Resources.

A new starter form with supporting documents will again be required in the event of the employee having received from the College a P45. The starter form is expected to remain valid for at least one academic year.

The cost of visiting teaching is usually charged to the department. Further information is contained in Human Resources website.

10.2 Visiting Teaching Payment

Payment is generated upon completion of the Visiting Teaching/Casual Work Payment Request form. Having been authorised by the department, the form should be sent to Human Resources.

11 Work Undertaken by Students

This section assumes the student has no income other than the grant and earnings from employment with the College.

The student will not be liable to income tax provided that earnings are under £10,600 (2016-17) in the tax year (April to March).
Income tax deducted by the Payroll Office can be reclaimed by the student from HMRC. Clearly it is preferable to avoid paying tax from the outset, and this can be achieved by completion of the HMRC P46 form available from the Payroll Office and [http://www.hmrc.gov.uk/forms/p46.pdf](http://www.hmrc.gov.uk/forms/p46.pdf).

Upon completion, the form should be returned to the Payroll Office or Human Resources before commencing employment.

Queries concerning payment without deductions should be referred to the Deputy Director of Finance.

### 12 Payments to Individuals as Reimbursement of Expenses

All expense claims must be in accordance with the [Travel and Subsistence Policy](#).

Computer equipment **must not** be purchased by individual members of staff and claims submitted for reimbursement as this leads to a tax charge for the individual and additional cost for the department.

Reimbursement requests should be submitted via Agresso for members of staff.

Students who are not employed by College, visiting examiners etc should submit claims, properly authorised, on the [Expenses Claim Form](#). Authorities must be by way of an authorised signature, and not by the use of a rubber stamp.

The reimbursement must be claimed by the person incurring the expense and original receipts and invoices should be attached to the claim.

It should be noted that credit card vouchers or copies of credit card statements are not evidence of expenditure. Staff should request a bill or receipt if payment is by credit card.

Reimbursement will be made into your bank account.

In the absence of supporting documentation the College may have no choice other than to treat the payment as taxable.

The College produces a payments run at weekly intervals. Properly completed documents received by 9 am each Monday and all claims which are authorised on Agresso by 9am each Thursday will generate a payment on the Thursday of the same week. Payment is likely to be received by the employee during the beginning of the following week.

Whenever possible the College should be invoiced directly. This ensures the College can maximise its VAT recovery, and reduces the use of employee funds to finance College expenditure.

It is not normally acceptable for an employee to claim reimbursement for a payment to a third party. It is expected that goods and services will be paid directly to third parties on receipt of an invoice generated by an official order. Reimbursing an employee for goods and services prevents the College from recovering VAT and is therefore not usually acceptable.
13  Purchasing Card

Expenditure incurred on College Purchasing Cards should be made in accordance with the College Purchasing Card Manual.

14  Inventories

Departmental Inventories should be maintained for all items of plant and equipment with a cost price in excess of £500. There is no requirement to include furniture, unless the Head of Department considers it necessary.

The inventory should include: date of purchase, original cost, serial number, description and location.

A record should be maintained of inventory items on loan or removed temporarily from College premises.

The Head of Department is required to ensure that an inventory check is carried out at least annually of valuable items.

Losses should be reported to the Chief Financial Officer.

15  Stores

Records should be maintained of stores items received and issued.

16  Disposals

Stores, furniture and equipment deemed surplus to requirements may be disposed of subject to the following:

- a  Where the anticipated sales value is less than £25,000: the written authorisation is required of the budget holder, who shall inform the Chief Financial Officer.

- b  Where the anticipated sales value is £25,000 or more: the written authorisation of the Chief Financial Officer should be requested by the budget holder prior to disposal.

- c  Where the anticipated value is £50,000 or more: the authorisation of the Finance Committee is required prior to disposal.

The best possible price must be obtained. Equipment purchased using funds from external organisations may remain the property of that organisation. The advice of the Finance Office should be sought prior to making any arrangement for disposal of such property.

VAT may be chargeable on sales, and advice should be sought from the Finance Office before disposal.
The College cannot exclude or avoid liability for personal injury if it sells second hand equipment. A judgement will have to be made in relation to any sale as to whether there is any real risk of the item causing injury. If so, the likely benefit to be gained by selling will need to be set against the risk.

The proposed exclusion clause reproduced at Appendix A is of course in legal language, but should be used, possibly with some modifications to tailor it to the circumstances of each sale.

As well as selling equipment, the College may dispose of it free of charge to organisations such as schools. The same point about liability for personal injury, and the need to assess the risks, is still relevant. Items 1.1, 1.2 and the second part of 1.5 in the standard exclusion clauses (suitably adapted) in which the organisation receiving the equipment acknowledges that it is second hand, and that the risks, including liability for losses, pass to it, are also relevant.

### 17 Value Added Tax - Services provided by the College

The College will pay over to HMRC the VAT due on vatable services provided by the College, regardless of whether the service or activity was costed as vatable.

It is essential that the VAT status of any potential College activity or service is established prior to determining the price. If in doubt, advice should be sought from the Finance Office.

### 18 Value Added Tax - Services provided to the College

The College can reclaim some or all of the VAT paid to suppliers provided the supplier has been paid directly by the College upon receipt of a VAT invoice. The College cannot reclaim any VAT if the supplier is paid by an employee who subsequently seeks reimbursement from the College.

### 19 Royal Holloway Enterprise Limited

Royal Holloway Enterprise Limited (RHE) is a subsidiary of the College. It is the vehicle through which consultancy and other commercial activity are administered.

It is important to be aware that, in order to protect the College’s charitable status, commercial activity cannot be processed directly through the College’s accounts. A feature to note is that expenditure charged to RHE attracts full recovery of VAT.

The College’s Financial Regulations and procedures apply to expenditure and income passing through RHE. Standard College accounting forms, coloured yellow, are used in respect of RHE transactions.

Enquiries concerning how to arrange for work to be undertaken through RHE should be directed to the Management Accounts Office.

Enquiries concerning the financial administration of grants and contracts should be made to the Research Finance Office.
## Accounting Records - Retention Period of Financial Documents

The documents referred to below should be retained for the periods shown, in addition to the current Financial Year, information held on Agresso will be maintained by the Finance Department for the required period of time:

<table>
<thead>
<tr>
<th>Document</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Orders</td>
<td>2 – n/a if Agresso order</td>
</tr>
<tr>
<td>Suppliers Delivery Notes</td>
<td>2</td>
</tr>
<tr>
<td>Till Rolls</td>
<td>6</td>
</tr>
<tr>
<td>Stores Requisition/Issue Notes (incl. Cancelled Notes)</td>
<td>2</td>
</tr>
<tr>
<td>Copy Official Receipts</td>
<td>6</td>
</tr>
<tr>
<td>held on Agresso</td>
<td></td>
</tr>
<tr>
<td>Inter-Departmental Orders/Invoices</td>
<td>2</td>
</tr>
<tr>
<td>Copy Pay-In Slips</td>
<td>6</td>
</tr>
<tr>
<td>General Correspondence (Not Central Files)</td>
<td>2</td>
</tr>
<tr>
<td>Monthly Transaction Prints</td>
<td>Indef. Held on Agresso</td>
</tr>
<tr>
<td>Suppliers Paid Invoices</td>
<td>6 Held on Agresso</td>
</tr>
<tr>
<td>Sundry Debtors Accounts</td>
<td>6</td>
</tr>
<tr>
<td>Control Account Print-outs</td>
<td>6</td>
</tr>
<tr>
<td>Control Account Reconciliations</td>
<td>6</td>
</tr>
<tr>
<td>Paid Cheques</td>
<td>6</td>
</tr>
<tr>
<td>Bank Statements and Supporting Docs</td>
<td>6</td>
</tr>
<tr>
<td>Bank Reconciliation Statements</td>
<td>6</td>
</tr>
<tr>
<td>Credit Transfer Listings</td>
<td>6</td>
</tr>
<tr>
<td>Cancelled Cheques</td>
<td>6</td>
</tr>
<tr>
<td>Stopped Cheques</td>
<td>6</td>
</tr>
<tr>
<td>Opened Cheques Letters</td>
<td>6</td>
</tr>
<tr>
<td>Insurance – Correspondance</td>
<td>6 (Minimum)</td>
</tr>
<tr>
<td>Insurance – Policies</td>
<td>Indefinitely</td>
</tr>
<tr>
<td>Finance Statistics Return (Form 3)</td>
<td>Indefinitely</td>
</tr>
<tr>
<td>Final Account Working Papers</td>
<td>10</td>
</tr>
<tr>
<td>Income Tax Records</td>
<td>6</td>
</tr>
<tr>
<td>Payroll – Input Forms</td>
<td>6</td>
</tr>
<tr>
<td>Payroll – Output</td>
<td>6</td>
</tr>
<tr>
<td>Payroll – Annual Earnings Summary</td>
<td>12</td>
</tr>
<tr>
<td>Employees Time Sheets</td>
<td>2</td>
</tr>
<tr>
<td>VAT Records</td>
<td>6</td>
</tr>
<tr>
<td>VAT Returns</td>
<td>Indefinitely</td>
</tr>
<tr>
<td>Journal Transfers</td>
<td>6</td>
</tr>
<tr>
<td>Contract Documents – under seal</td>
<td>12 (Minimum)</td>
</tr>
<tr>
<td>Contract Documents – other</td>
<td>6</td>
</tr>
</tbody>
</table>
Appendix A - Proposed Exclusion Clause

1 Warranties and liability

1.1 The Buyer acknowledges that the Seller has used the Goods continuously in the course of providing education facilities to its students and that the Goods are therefore second hand.

1.2 Risk of damage to or loss of the Goods shall pass to the Buyer:
   (a) in the case of Goods to be delivered at the Seller’s premises, at the time when the Seller notifies the Buyer that the Goods are available for collection; or
   (b) in the case of Goods to be delivered otherwise than at the Seller’s premises, at the time of delivery or, if the Buyer wrongfully fails to take delivery of the Goods, the time when the Seller has tendered delivery of the Goods.

1.3 The Seller warrants that the Goods will at the time of delivery correspond to the description given by the Seller.

1.4 The Seller warrants that it will refund the Price in the event of a defect occurring in the Goods within 28 days of delivery provided that:
   (a) the Buyer informs the Seller of the defect within 7 days of the defect becoming apparent on reasonable examination and gives the Seller an opportunity of examining the alleged defect;
   (b) the Price due has been paid, and if otherwise then the liability of the Seller shall not exceed the amount which has been paid under this contract; and
   (c) the Seller shall not be liable in respect of any defect or damage arising from fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow the Seller’s instructions (whether oral or in writing) or any other misuse of the Goods.

1.5 The Seller’s liability to the Buyer, whether for any breach of contract or otherwise shall not in any event exceed the Price and the Seller shall be under no liability for any direct loss and/or expense or indirect loss and/or expense suffered by the Buyer or liability to third parties incurred by the Buyer.

1.6 All warranties and conditions whether implied by statute or otherwise are excluded from this contract provided that nothing in this contract shall restrict or exclude liability for death or personal injury caused by the negligence of the Seller or affect the statutory rights of a buyer dealing as a consumer.