



St George's University of London

Financial Regulations
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1 INTRODUCTION

These Financial Regulations set out the responsibilities and policies for financial management and control within St George's University of London (SGUL). Their purpose is to provide control over the totality of SGUL's resources and provide management with assurance that the resources are being properly applied for the achievement of SGUL's strategic plan and that SGUL is complying with all legislation relevant to finance. The financial objectives of SGUL are:

- securing long-term financial sustainability and sustaining the level of capital investment necessary to achieve its academic objectives
- operating at the highest levels of efficiency, reducing overheads and eliminating waste
- providing effective control over the use of public funds
- safeguarding the assets of SGUL

The regulations cover all financial matters, irrespective of their source of funding, from minor purchases of small value to major expenditure on building projects. They apply to SGUL and all its subsidiary undertakings. In some areas, SGUL has detailed financial and purchasing procedures which set out precisely how these regulations will be implemented and these should be followed in all instances.

Compliance with financial regulations and associated procedures is compulsory for all staff, students and visitors connected with SGUL. Failure to comply may result in disciplinary action for gross misconduct which may lead to dismissal. It is the responsibility of Senior Managers to ensure that their staff are made aware of the existence and content of SGUL's financial regulations and understand and comply with them and it will be no excuse for any staff member to claim that they did not know about the regulations.

The Financial Regulations have been authorised and approved by SGUL's Council, on recommendation of Finance Committee. The Director of Finance (FD) will review them regularly to ensure that they remain up-to-date and effective. Changes to the Financial Regulations must be approved by Council or Finance Committee.

Where the regulations do not cover a situation or are unclear, the advice of the FD must be obtained. The FD should be notified where new legislation conflicts with these regulations.

The term Senior Manager is used throughout the text to describe the Vice-Chancellor, Deputy Vice-Chancellors, Directors of Institutes and their direct reports and Directors and Heads of Professional Services (PS) Departments and their direct reports.

2 FINANCIAL GOVERNANCE

2.1 Background

The provisions of these Financial Regulations are subject to:

- SGUL's Scheme and Statutes
- the Financial Memorandum between the Office for Students (OfS) and St George's University of London
- Research England's terms and conditions of funding
- relevant legislation as a result of SGUL's charitable status

2.2 Scheme and Statutes

SGUL is regulated by the Scheme and Statutes granted to it as a university and Member Institution of the University of London. These may be amended by Council, but the University of London must be notified of any amendments.

Subject to the Scheme and Statutes, Council may make such Regulations as are necessary for carrying out the objects of SGUL.

2.3 Regulatory Framework

Since 1st April 2018, SGUL has been regulated by the regulatory framework and terms and conditions of funding for higher education institutions issued by OfS. These set out the conditions of registration as an HE provider and the terms and conditions on which the OfS grant is made, and includes a requirement that SGUL has sound systems of financial and management control.

2.4 Charitable Status

SGUL is a charity exempt from registration and regulation by the Charity Commission as OfS acts as its principal regulator meaning that OfS ensures that SGUL complies fully with charity law.

2.5 Council and Council Committees

2.5.1 Council

SGUL is a college of the University of London. The Scheme defines the Council as the governing and executive authority of SGUL and it has governance responsibilities, a number of which it delegates to Committees or specific individuals. In accordance with the Committee of University Chairs (CUC) Higher Education Code of Governance, the principal committees of Council are:

- Audit Committee
- Finance Committee
- Nominations and Honorary Awards Committee
- Remuneration Committee

2.6 Risk Management

Under the terms and conditions of funding issued by OfS, SGUL must ensure that it have a robust and comprehensive system of risk management, control and corporate governance. Its arrangements should consider the key principles of internal control set out in the OfS Accounts Direction to Higher Education Institutions, which notes that the following principles of internal control should be applied:

- Identifying and managing risk should be an ongoing process linked to achieving the organisation's objectives
- The approach to internal control should be risk-based, including an evaluation of the likelihood and impact of risks becoming a reality
- Review procedures must cover business, operational and compliance risk as well as financial risk
- Risk assessment and internal control should be embedded in ongoing operations
- During the year the governing body or relevant committee should receive regular reports on internal control and risk
- The principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements should be reported to and reviewed by the governing body

SGUL acknowledges the risks inherent in its business, and is committed to managing the risks that pose a significant threat to the achievement of its business objectives and financial health.

Council has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout SGUL through the development, implementation and embedding within the organisation of a formal, structured risk management process. The Chief Operating Officer (COO) has responsibility for defining and implementing the process.

The following principles outline SGUL's approach to risk management and internal control:

- Senior Managers are responsible for encouraging good risk management practice within their areas of responsibility, including the assignment of the management of risks to individuals
- Key risk indicators are identified, closely monitored on a regular basis by Senior Managers and reported to Council

Detailed guidance on the level of risk considered acceptable by SGUL is set out in the [Risk Management Policy](#).

2.7 Functions with Special Financial Responsibilities

2.7.1 Vice-Chancellor

The Vice-Chancellor is SGUL's designated Accountable Officer responsible for the financial administration of SGUL's affairs. The Vice-Chancellor will need to satisfy Council that the conditions in the Regulators are complied with, and may be required to appear before the Public Accounts Committee on matters relating to grants to SGUL. The Vice-Chancellor must advise Council if, at any time, any action or policy under consideration by Council appears to be incompatible with the terms of the Funding Agreement. If Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Regulator in writing.

2.7.2 The Treasurer

The Treasurer is selected, normally for a three-year term, from among the external members of Council. The Treasurer is Chair of the Finance Committee, and is responsible for satisfying the Council that the overall stewardship of SGUL's finances is sound. In discharging these responsibilities, the Treasurer works closely with the Vice-Chancellor and with senior administrative officers of SGUL, notably the Director of Finance and the Chief Operating Officer.

2.7.3 Executive Board (EB)

The purpose of the Executive Board is to advise the Vice-Chancellor, and through them the Council, on all SGUL strategic and operational matters, legal responsibilities and achievement of the strategic plan. Executive Board will normally meet twice each term.

2.7.4 Director of Finance (FD)

The FD is responsible to the Treasurer for:

- preparing a financial strategy to support SGUL's objectives
- preparing annual capital and revenue budgets and longer term financial plans
- preparing accounts and management information, monitoring and control of expenditure against budgets and all financial operations
- preparing SGUL's annual accounts and other financial statements and returns which SGUL is required to submit to other authorities
- ensuring that SGUL maintains satisfactory financial systems and the integrity of those systems
- exercising supervision and control of accounting arrangements and standards
- providing professional advice on all matters relating to financial policies and procedures
- liaison with internal and external auditors in order to achieve efficient processes

2.7.5 Power to enter into contracts

Where a contract is for services, whether received by or undertaken by SGUL, which take place over more than one year, the approval should be based on the total value of the contract being entered into or in the case of an open-ended contract, the value for the likely term of the contract (e.g. 4 years). SGUL operates a system of delegated authorisation, with staff in Institutes and PS Departments approving expenditure over which they have budgetary control (these are detailed in Appendix 1). SGUL has defined some examples of contract types – this list should not be considered exhaustive and advice should be taken from the Finance Department (Finance) if necessary.

These limits also apply to purchasing goods and works on SGUL's behalf, without a formal contract being in place.

2.8 Responsibilities of All Staff

2.8.1 General responsibility

All members of staff have a general responsibility for the security of SGUL's property, for avoiding loss and for due economy in the use of resources. Directors of Institutes and Directors or Heads of Professional Services Departments (Directors) are responsible for ensuring that arrangements in their Institute or Department are adequate to safeguard all assets and resources and that members of staff comply with SGUL policies and these Financial Regulations.

All members of staff should ensure that they are aware of their own financial authority. They must make available any relevant records and provide such financial and other information as may be required to comply with SGUL's systems of financial control and reporting.

SGUL must ensure that its business is conducted in accordance with the seven principles established by the Committee on Standards in Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Members of staff at all levels are expected to observe these principles.

2.8.2 Financial irregularity

SGUL has an Anti-Fraud Policy in order to minimise the risk and impact of fraud, corrupt activity or other financial irregularity. If a member of staff becomes aware of any matter where he/she suspects that a financial irregularity has occurred, they must report the matter immediately to their Senior Manager, or the FD. The Senior Manager must notify the FD immediately a member of staff reports any financial irregularity.

The FD, where they consider the irregularity involves a criminal act or is in any way a disciplinary offence, must report the matter to the COO and Director of Human Resources & Organisational Development (HRD). They will deal with the matter in the way they consider to be in the best interests of SGUL, subject to legal constraints.

The Treasurer, Finance Committee and Audit Committee will be notified of the action where the irregularity involves an amount above £25k, is unusual or where there is likely to be public interest. SGUL will comply with any requirements in the OfS regulatory framework to report fraud.

The OfS regulatory framework includes a requirement for SGUL to inform OfS of any reportable event, defined as any event or circumstance that, in the judgement of the OfS, materially affects or could materially affect the provider's legal form or business model, and/or its willingness or ability to comply with its conditions of registration. This includes SGUL becoming aware of any suspected or actual fraud or financial irregularity.

SGUL has a policy and procedure document on reportable events to ensure this requirement is met.

SGUL has an Anti-Bribery Policy and a Conflicts of Interest Policy. Any concerns regarding potential bribery and corruption can be reported either to a staff member's immediate line manager, to the FD, the HRD or to SGUL's General Counsel who is ultimately responsible for ensuring that SGUL complies with its policies in this regard.

SGUL has an Anti-money laundering policy and procedures and training to ensure the highest standards of probity in all of its financial dealings. Any concerns over any transactions should be raised with the FD and/or General Counsel.

SGUL has a whistleblowing policy on public interest disclosures which is designed to enable certain concerns where SGUL may be in breach of its legal obligations to be raised at a high level in a responsible and effective manner.

2.8.3 Disclosure of interest

Any member of staff who has a personal, financial or other beneficial interest in any financial arrangement to which SGUL is a party or is considering becoming a party, should disclose that fact and the nature of their interest, at the earliest opportunity to the FD via their Senior Manager. The term "personal" should be understood to include situations where a member of an employee's family has an interest. Further information can be found in SGUL's Conflicts of Interest Policy and in the Anti Bribery Policy referenced above.

All interests should also be declared using the declaration of interest return and this should be updated annually or when there are any changes to the information declared, whichever is earliest. Once the declaration has been made, responsibility for any purchasing or contract affected by the declaration should be transferred to another member of staff. Where a staff member is also a member of a committee making decisions on behalf of SGUL and is conflicted they must declare their conflict to the chair of the committee and abstain from voting.

2.8.4 Receiving gifts or hospitality

SGUL has a Gifts and Hospitality Policy and staff should consult this before accepting

any gifts or hospitality from individuals or companies. Any gifts or hospitality received over £50 should be declared to the FD who will maintain a register.

3 FINANCIAL PLANNING AND STRATEGY

3.1 SGUL's Strategy and plans

SGUL's Strategy is periodically subject to a major review, followed by approval by Council. The SGUL Strategy is underpinned by a number of supporting strategies and the Council and/or relevant committees review these as and when appropriate.

Each year, Senior Managers are required to consider and update their Centre, Institute or Professional Services Departmental plans and budgets. The assumptions for producing these will be discussed and agreed by Executive Board.

These plans will be reviewed by the Vice-Chancellor, Institute Directors, Directors of Professional Services and the FD and a consolidated position will be produced by Finance for discussion at Executive Board and Finance Committee which will then recommend its approval to Council.

3.2 Reporting

The FD is responsible for reporting the budgetary position to Council. Anything affecting the overall surplus or deficit is reported to Executive Board, Finance Committee and Council.

Senior Managers must ensure that standard returns on income and expenditure requested by the FD are completed on time.

In particular, Institutes and PS Departments will prepare:

- an annual budget for the following year
- commentary on the actual outturn compared to the latest budget or forecast
- a forecast for Finance Committee and Council at times deemed suitable by the FD
- a year-end commentary

3.3 Budget setting

Executive Board agrees the outline annual budget, which is informed by the latest Institute and PS Departments' strategic plans. Detailed budgets are then prepared using these underlying assumptions and targets. The Senior Leadership Team agrees the outline annual capital budget after submissions from the leads in Estates, IS and Equipment.

The FD produces agreed formats and timetables for budget preparation. These budgets will be reviewed by Executive Board and a consolidated position will be produced by Finance. The annual I&E and Capital budget will be submitted, together

with a report thereon by the FD, to Finance Committee at a meeting no later than July of each financial year. The budget, report and recommendations made by Finance Committee shall be considered by the Council in time for the beginning of the following financial year.

This budget, approved by the Council, represents the total income and expenditure and capital spend that is expected to be received or incurred for that financial year. Finance shall monitor income and expenditure within each main heading and report significant variances to each Finance Committee, at an early stage. If appropriate, Council shall be asked to authorise significant variations to budget.

The FD will present to each Finance Committee a financial projection for the current financial year and, at least annually, a long-term financial forecast. Any projections and plans required by OfS will also be provided to, reviewed and approved by Finance Committee before being recommended for approval to Council.

4 BUDGET MANAGEMENT: ROLES AND RESPONSIBILITIES

4.1 Senior Managers

The Senior Manager is the prime budget holder for the Centre, Institute or PS Department. The financial organisation is a matter for a Director to decide in consultation with the FD, but they are responsible for establishing and maintaining clear lines of responsibility within their area for all financial matters.

Directors are accountable to the Vice-Chancellor for the control of all financial matters in the Institute and PS Department. They can be required to report to Executive Board, Finance or Audit Committee and ultimately to Council on the financial management of their area.

Senior Managers must ensure that all expenditure is on SGUL activities and conforms to SGUL's Financial and Procurement Regulations.

4.2 Finance Department

For each Institute and PS Departments, there is a member of staff performing the role of Finance Manager. They support the Senior Manager to ensure effective budget management.

Their responsibilities include:

- provision of financial management information for the Senior Manager and other members of the Institute or PS Department for budgets, forecasts and long-term planning
- ensuring that there is good financial management and control by adoption of the financial regulations and ensuring that all relevant staff are aware of their financial responsibilities
- budget monitoring: review of actual income and expenditure against the agreed budgets and the investigation of material variances. This is facilitated by provision of monthly reports to Budget Holders
- preparation of financial information, including written commentary, in the format specified by the FD on a timely and accurate basis. This will include reporting on budgets, forecasts, actuals during the year and long-term plans and ensuring that these budgets are entered on the appropriate finance system on a timely basis
- providing financial training for Budget Holders
- ensure approval limits for authorised signatories are appropriate
- bringing to the attention of the Senior Manager and the FD any matter of serious financial concern

4.3 Budget Holders

Management of the devolved budget is achieved by delegating responsibility for

specific functions or activities to Budget Holders. A budget holder is a member of staff who has been assigned a budget for a particular activity and is accountable to their Senior Manager for it. They are often Institute Directors, Principal Investigators, Directors of Professional Services Departments and their direct reports.

Budget Holders must manage the budget in a prudent manner, adhering to Financial Regulations and procedures. They must:

- ensure that no-one commits or incurs financial transactions that are not within budget, or not on agreed types of expenditure or for purposes other than those for which the funds were allocated
- manage the budget in a prudent manner and ensure that value for money is achieved in any purchases
- regularly monitor expenditure using the reports provided by Finance or available directly from SGUL's accounting system
- provide such financial information for the FD and Senior Managers as may be required from time to time
- adhere to financial procedures laid down by Finance
- attend the finance training, including Finance System training as appropriate
- only approve transactions in accordance with their authorisation limits

Budget Holders must be permanent members of SGUL staff, or on a fixed term staff contract of more than three months in duration.

4.4 Budget Managers

In some cases, the control over the budget is improved by further delegation of a budget to a Budget Manager. A Budget Manager will manage the day-to-day expenditure against the agreed budget. This can be beneficial in order to share the administrative burden of budget management but does not remove the responsibility from the Budget Holder to account for the allocated funds.

4.5 Authorised Signatories

Authorised Signatories are the members of staff given responsibility by their Senior Manager to approve income and expenditure commitments or transactions for specified budgets. Consequently, it is likely that they will be Budget Holders and/or Budget Managers. Their approval will be needed to commit SGUL to any external expenditure or the reimbursement of expenses; this includes signing contracts on SGUL's behalf. Authorised signatories are only permitted to commit to such expenditure in line with their authorisation limit.

The appointment of a new signatory will be authorised by the FD on request and the new signatory should sign the appropriate form. The list of authorised signatories will be held by Finance, within SGUL's financial system, and will be used for all electronic authorisations. A scanned copy of the completed form will be held by Finance in the event that a manual signature is needed. It may also be necessary for authorised signatories to be set up on SGUL's finance system in order that they may approve electronic requisitions and expense claims. The Centre, Institute or Department should notify Finance when an authorised signatory leaves SGUL or moves to a position where it is no longer appropriate for them to be an authorised signatory.

Authorised signatories should ensure that any expenditure they approve is in line with SGUL's financial regulations, including any policies which form part of these regulations. Staff shall not authorise expense claims, invoices or other similar documents received from close relatives or partners, but shall ensure these are signed by an alternative authorised signatory. The FD may remove the signing rights of any authorised signatory who does not act in accordance with SGUL's financial regulations and procedures.

Only the Vice-Chancellor and COO can enter into Deeds on behalf of SGUL. SGUL's General Counsel can provide guidance in that respect.

5 PURCHASING: ROLES AND RESPONSIBILITIES

5.1 Procurement and Purchasing Services

Kingston University's Corporate Procurement Unit (CPU) are currently the custodians of the procurement process for all purchasing at SGUL. They are responsible for:

- development and review of an approved purchasing strategy, policies & processes
- audit of adherence to purchasing process and policies
- devolved purchasing support including management of the procurement process for values greater than £50k
- terms and conditions of purchase management
- all procurement legislation including UK purchasing legislation process administration
- identification and management of supply chain risk
- compliance with the Modern Slavery Act 2015

Full details can be found on the [Procurement Webpage](#)

5.2 Senior Managers with their Finance Manager

Senior Managers, with their Finance Manager, are responsible for maintaining local systems and procedures that enable them to ensure that:

- SGUL purchasing policy is followed

- there is correct authorisation of commitments (e.g. staff expenditure and purchase orders)
- there is budgetary provision to cover any commitment being made
- supplies and services have been correctly and promptly receipted on the financial system before any payment is made
- the payments shown on SGUL's accounting system are regularly reviewed and challenged if not recognised
- value for money is achieved

5.3 Budget Holders

Budget Holders are responsible for arranging expenditure against the agreed budget. They should ensure that the appropriate people in their teams have the knowledge and expertise to source suppliers or raise requisitions on their behalf. They are required to ensure that orders are placed in line with the Purchasing procedures. This will include:

- ensuring that an official order is raised prior to obtaining goods and services from suppliers
- ensuring that goods and services are obtained from preferred suppliers when available
- ensuring that the required quotation and tender processes are followed as required
- ensuring that goods and services are only receipted on the finance system once they have been received and checked

They must ensure that all relevant rules contained in the Financial Regulations and relevant legislation have been complied with at each of the steps of the purchasing cycle for the requisitions which they are issuing.

5.4 Training Requirements

5.4.1 Senior Managers

These should have a 1:1 briefing from their Finance Manager.

5.4.2 Budget Holders, Budget Managers and Authorised Signatories

These are required to have completed the appropriate finance training course. This is a pre-requisite for approving a new Authorised Signatory.

5.4.3 Requisitioners

All staff who have a role which requires them to raise requisition on SGUL's finance system should have completed the appropriate finance training course.

5.4.4 Anti fraud training

All finance department staff are required to complete the BUFDG course "Intro to counter fraud".

6 STAFF EXPENDITURE APPROVAL PROCESS

6.1 Permanent and Fixed Term Staff

Recruitment of all staff must adhere to the Recruitment Authorisation process including obtaining financial approval ahead of a job being advertised. This will be via completion of the Approval to Recruit form and, where appropriate, the Resourcing Review Committee.

In the interests of equality and diversity, all jobs must be advertised at least internally via Jobs at St. George's unless approved by the HRD.

Directors shall ensure that they and all staff in their Institute or Department follow approved HR policies and procedures including but not limited to those pertaining to recruitment, advertisement and selection.

All new employees must be issued with a letter of appointment and contract of employment signed by the HRD or persons designated by him/her in writing and shall clearly state that the offer is made subject to SGUL receiving satisfactory references and statutory checks (such as right to work and disclosure and barring checks) where relevant. This may be delivered by email. References shall be received before the appointment is confirmed.

Any changes to the hours, grade, allowances or the working pattern of a member of staff shall follow the published HR policy and procedures. Any such amendment(s) to the terms of contract must be notified in writing to the employee by the Human Resources Department.

The HRD, on behalf of the Vice-Chancellor, shall, where appropriate, approve the non-pay conditions of service and terms of contract for all appointments of staff, and shall ensure that the terms of contract impose an obligation upon employees to be bound by these Financial Regulations and all other SGUL policies and procedures

Senior Managers shall be responsible for formally recording all absences in respect of annual leave, special leave and unpaid leave (notifying HR where required), such that appropriate and accurate records of staff are maintained.

Staff whose contract of employment specifies an annual leave entitlement should take, in full, their entitlement within the leave year unless, in accordance with HR policy, exceptional circumstances apply.

Senior Managers shall be responsible for formally recording all staff absences in respect of absence through illness, injury or other such enforced absence and for notifying HR in a timely manner to ensure no overpayment of salary occurs.

The HRD shall ensure that payments in respect of appropriately informed absences such as maternity, paternity, sickness and injury are paid in accordance with contractual and statutory requirements.

7 NON-PAY EXPENDITURE APPROVAL PROCESS

7.1 General principles

Every member of staff authorised to incur expenditure shall ensure that adequate records are maintained to control and monitor expenditure against approved limits and shall seek to achieve value for money in all cases.

Finance shall investigate any instances of unauthorised over-expenditure on a regular basis and agree, with the relevant Senior Manager, action to rectify the situation, which may include the virement of other departmental funds.

Each Senior Manager shall promptly notify the FD of any matter involving a significant resource commitment, or potential commitment, including any proposal which has material financial implications, to ensure that such matters comply with recognised accounting policies, procedures, and planning requirements, and that necessary Committee approvals have been obtained.

Finance may approve arrangements for ordering goods and services by way of a purchasing card and settling the debt by automatic bank debit.

No member of staff shall prepare or complete an invoice on behalf of a supplier. In exceptional circumstances, staff may request the permission of Finance to invoice SGUL personally.

7.2 Authorisation Levels

Authorisation levels are approved by Finance Committee and are documented in the Delegated Authorisation Limits in Appendix 1. Staff who are authorised signatories may incur expenditure up to their approved limit, provided there is sufficient budget in the account which is to be charged. Expenditure should not be incurred which would take an account into deficit or make a grant overspent without prior approval from Finance.

Supplier selection

A contract with a preferred supplier should be explored in all instances. Where this is not available, the following limits apply in respect of quotations or tenders for goods, equipment and service. The formal tendering procedures, as laid down by the Corporate Procurement Unit (CPU) should be followed. Distinct procedures apply in relation to capital projects and related services and supplies.

	Amount*	Requirements
i	Under £ 2,000*	One written quotation must be obtained from the market, and the buyer has market knowledge to satisfy that the quotation provides value for money.
ii	£2,001 – £10,000	At least two written quotations must be obtained from the market to satisfy the selected quotation provides value for money.
iii	£10,001 - £50,000	An Invitation to Quote (ITQ) tender document outlining the scope of the requirement and essential criteria should be issued under SGUL's standard terms and conditions to at least three suppliers. At least three written quotations should be obtained at the same time. On UKRI funded projects, any purchases over £25k (excluding VAT), the CPU should be consulted before the procurement process begins.
iv	£50,001 – UK threshold	The CPU manage all tenders over £50,000. If a contract with a preferred supplier is not available to meet a requirement, an Invitation to Tender (ITT) document outlining the scope of requirements and essential criteria must be issued to at least 5 suppliers.
v	Exceeding UK threshold for 'Other contracting authorities'	UK Public Procurement Tendering Procedures apply. The current thresholds are £213,477 for supplies and services. £5,336,937 for works and concessions contracts and £663,540 for Light Touch Regime (LTR) contracts for services.

* These values include VAT. Any purchases from externally funded research grants must be flagged with JRES who will ensure compliance with the funder's terms.

In all cases, a single tender application should be made to the CPU for approval if only one quotation is obtained.

These thresholds are applicable at the time of publishing and may change. Advice from the CPU should be sought on any tendering process.

These figures refer to the total order, contract, or agreement value and in the case of on-going contracts, the value over four years should be used. Like items should be aggregated together in order to obtain best value from the supplier. It is not acceptable for orders, contracts, or agreements to be subdivided into smaller amounts in order to avoid the appropriate procedures.

The following are allowable exceptions for the need to obtain competitive quotations and approval must be obtained from the Head of Procurement using a single tender application:

- there is already a formal agreement in place arranged or promoted by the CPU or the company selected is a SGUL preferred supplier;
- the supply is of such a specialised nature that obtaining competitive quotations/tenders is inappropriate, and the Senior Manager keeps a written record to justify this view;
- the supply is to be financed by an external source which has imposed alternative arrangements, and these are clearly identified; or
- extreme urgency exists for reasons that could not have been foreseen.

In cases where a formal contract has to be signed, the appropriate authorised signatory can sign this, according to their authorised financial limit.

The FD shall arrange to review, at intervals not exceeding four years, the provision of the following services: banking, insurance, external and internal audit and investment management.

7.3 Conflict of interest

It is a requirement for members of staff to disclose any personal, financial or other beneficial interest with a proposed supplier in line with SGUL's Conflict of Interest Policy. They should ensure that their actions when dealing with these parties are at arms' length and could not give rise to any questions of bias. Where necessary, they should make the CPU aware and withdraw from the purchasing process, allowing non-conflicted staff to make the purchasing decision.

7.4 Purchase orders

A purchase order should be raised on SGUL's financial system and appropriately approved before goods or services are purchased.

7.5 Purchasing cards

Purchasing cards may be used for low value purchases where it would not be efficient to raise a purchase order or where a purchase order cannot be used. All use should be in line with the Purchasing Card Policy.

7.6 Receipt of goods and services

All goods should be received at designated addresses. They should be checked for completeness, quality, and specification. The person certifying that goods or services are satisfactory should be different from the person who placed the order. Goods or services should be receipted on SGUL's financial system before payment can be made.

7.7 Payment

7.7.1 Payment of invoices

Payment of invoices is managed by Accounts Payable. No invoice will be paid unless it has been matched to a purchase order and receipted on SGUL's financial system. Invoices should be sent directly to Accounts Payable and not to Centres, Institutes or Departments. UK suppliers should be paid via BACS and international suppliers should be paid via an automated overseas currency payment routing.

SGUL's standard payments terms are 30 days from the date of invoice. Failure to pay on time may jeopardise SGUL's credit facilities, damage its reputation and leave it vulnerable to legal action. It is budget holders' responsibility to ensure that purchase orders are raised and receipted on a timely basis to ensure that invoices can be paid on time.

Any changes to supplier bank account details submitted to Accounts Payable must be checked with a known contact at the supplier by Procurement and confirmed before any change is implemented.

7.7.2 Payment in advance

It is recommended that payment before delivery of goods or services is avoided. However, where such advance payments are customary because of the nature of goods or services to be supplied, purchasers should ensure that appropriate guarantees are provided by the supplier. In the case of large payments, a bank guarantee should be obtained. Where this is not possible, approval should be obtained from the FD before monies are transferred.

7.7.3 Reimbursement of expenses

Staff personal expense claims must be presented for reimbursement within three months of the expenditure being incurred and will be reimbursed via BACS to the

nominated bank account. All staff should adhere to the SGUL Expenses Policy and claims must be made online through the finance system.

All claims for reimbursement of expenses, incurred by an individual in the course of SGUL related business, must be supported by official receipts or some other valid form of supporting documentation, including VAT where appropriate, providing details of the purpose of expenditure.

7.8 Approval for Capital Projects and Long-Term Maintenance

Expenditure on Estates capital projects and long-term maintenance shall only be incurred by the Estates and Facilities (Estates) Department. The Estates tendering procedure shall be followed and approval shall be in line with the delegated authorisation limits for Estates staff. Contracts will be retained in accordance with Estates contract filing procedures.

The Director of Estates and Facilities (EFD) shall present a progress report on all current capital projects to each meeting of Finance Committee, including a final report in respect of completed projects.

The EFD shall ensure that suitable arrangements are in place to secure custody of all deeds and agreements relating to land and buildings owned or leased to or by SGUL which are ordinarily kept by SGUL's external solicitors (presently Mills & Reeve) with copies stored in the SGUL firesafe.

No charge shall be applied against any assets of SGUL, without the prior approval of the Council. No land or buildings of SGUL shall be disposed of, without the prior approval of Council and, where appropriate, OfS.

8 PAYROLL AND PENSIONS

8.1 General Principles

Payment of all salaries, allowances and expenses shall be made through Payroll and Pensions section in Finance. Payments to staff (permanent and temporary) shall be at approved salary rates, as determined by the HRD, and having been correctly authorised. Payments to individuals, other than SGUL staff, shall be supported by adequate evidence of work performed, and approved by an Authorised Signatory.

Payroll shall not process on SGUL payroll any new appointment unless it is supported by a copy of the letter of appointment signed by the HRD or delegate, confirmation that the employee has commenced employment and has supplied all documentation required to satisfy Right To Work legislation within the country of working.

Senior Managers shall be responsible for notifying the HRD, in a timely manner, of the resignation, termination or ending of the contract of a member of staff to ensure there is no overpayment of salary. They should also immediately notify the HRD where any

newly appointed member of staff does not commence work on the given start date, is absent without authorisation or is absent contrary to their visa requirements.

8.2 Salaries, Allowances, Fees and Bursaries

The HRD and FD are responsible for all payments of salaries, allowances, fees and bursaries, including payments for additional hours and overtime worked or other services. Only Payroll will make such payments unless an exceptional arrangement has been agreed by the HRD and the FD in advance.

All members of staff shall be paid according to SGUL's salary scales prepared by the HRD, in consultation with the FD.

Human Resources Committee shall determine the basis of eligibility, provision, value and criteria for the receipt of non-salary benefits such as salary sacrifice arrangements.

Council has established a Remuneration Committee, which is responsible for reviewing the remuneration of the Vice-Chancellor and all members of staff on the Professorial and Senior Admin pay scale.

Senior Managers are responsible for ensuring the prompt submission to the HRD for all documentation to meet published deadlines for processing in the monthly payroll run. This is to ensure that employees receive their correct salaries, fees or bursaries without recourse to out of cycle payments.

All new employees are paid by BACS credit transfer as a condition of employment and can only be paid when full bank details and the relevant tax and National Insurance information, has been supplied to Payroll.

Employees are responsible for checking that they are paid correctly and informing the HRD immediately where this is incorrect.

In the event that an error is made in calculating the salary of an employee resulting in an overpayment, SGUL reserves the right to recover the overpayment from any future salary payments due to the employee. In the event that a salary overpayment is brought to the attention of Payroll after the employee has left SGUL's employment, Payroll will contact the employee to arrange an alternative method of repayment.

8.3 Casual staff

Casual staff can be employed when appropriate. Departments should complete the appropriate forms and forward to Payroll Services who will be responsible for making the payment. This arrangement will only be permitted in the case of staff where payments are obviously variable and irregular. If the arrangement becomes regular, i.e. payments are made consistently, then the member of staff must receive a casual appointment form from Human Resources.

8.4 Severance, early retirement and other non-recurring payments

Severance payments will only be made in accordance with relevant legislation and under a scheme approved by Executive Board. All such payments will be calculated by Payroll and passed to HR...

All matters referred to an employment tribunal shall be notified to the HRD at the earliest opportunity. All determinations of tribunals must be similarly notified.

All non-recurrent payments to members of staff (including overtime, consultancy fees, ex-gratia payments, etc) or other individuals (including visiting lecturers, external examiners, students, models, casual labour, occasional clerical or secretarial support, etc), which are deemed to be remuneration for work done or services rendered, must be processed through Payroll and shall be supported by adequately certified documentation, signed by an Authorised Signatory. Staff cannot approve payments to themselves. Such payments are subject to deduction of Income Tax and National Insurance.

8.5 Pensions

SGUL participates in the Universities Superannuation Scheme (USS), Superannuation Arrangements of the University of London (SAUL), the NHS Pensions Scheme and NEST.

Individual arrangements for membership are notified in contracts of employment. Members of staff are automatically enrolled in a pension scheme as required by legislation unless they specifically notify payroll, or their scheme, that they do not wish to join.

The annual contributions are determined by the Trustees on the advice of an independent, qualified actuary on the basis of triennial valuations using the projected unit method.

Council approval would be required for any decision to leave, join or start a new pension scheme.

The FD is responsible for day-to-day superannuation matters, including

- submission of contributions
- preparing the annual returns required by the schemes
- returning details of staff joining and leaving to the schemes

8.6 PAYE and National Insurance

All members of staff must have deductions for PAYE and National Insurance made from their pay in accordance with HMRC regulations. Members of staff are responsible for giving full and accurate information to HR to enable Income Tax and NI to be calculated correctly.

The FD is responsible for ensuring that these payments are correctly calculated and

accounted for and that they are paid over promptly, as appropriate, to HMRC.

9 INCOME COLLECTION AND TREASURY MANAGEMENT

9.1 General

The FD is responsible for ensuring that appropriate procedures are in operation to enable SGUL to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the FD.

It is the responsibility of all staff to ensure that revenue to SGUL is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to Finance of sums due so that collection can be initiated.

Staff must not plan, commission, use or modify any payment card processing procedure or systems without consultation with Finance and thereafter authorisation from Finance. This includes any payment card processing activity to be undertaken on behalf of SGUL or which involves any use of its IT or network equipment. This is to ensure compliance with the Payment Card Industry Data Security Standard.

9.2 Invoicing

Senior Managers shall ensure that all accounts for income, due to SGUL, are raised within fourteen days on an official SGUL sales invoice which provides particulars of all charges to be made for work done, services rendered, or goods. Institute and Departments should follow the process defined by Finance.

9.3 Research Income

Official acceptance of grants and contracts on behalf of SGUL is by the Director of the Joint Research and Enterprise Services (JRES) or another person to whom the responsibility has been delegated.

The Director of the JRES (DJRES) is responsible for ensuring that all claims for funds, including research and doctoral training grants and contracts, are made by the due date and that all grants notified by the funding body and other bodies are received and appropriately recorded in SGUL's accounts.

The FD is responsible for the prompt collection, security and banking of all income received.

9.4 Debt Collection

Only the FD can implement credit arrangements and indicate the periods in which different types of invoice must be paid. SGUL's standard credit terms are 30 days.

The FD is responsible for the collection of debts due to SGUL and has the authority to undertake whatever action is necessary for the recovery of these debts, including the appointment of third party collection agents and the taking of legal action.

The FD will enlist the assistance of Senior Managers in the recovery of the debt, wherever this is appropriate, and provide adequate information to Institutes and Professional Services on the debt position.

Finance shall ensure that

- there are adequate controls over the raising of debts in respect of all SGUL activities
- all debts are collected promptly and
- outstanding balances are reviewed regularly.

Student Fees are collected by Finance and information on the payment of these can be found on the Study webpage.

9.5 Providing for and Writing Off Debts

Write-offs in excess of £20,000 shall only be actioned after consideration of a report thereon by the Finance Committee and their subsequent approval. Write offs of debt below £20,000 will be approved by the FD and they shall maintain a register of all bad debts written-off.

The FD will have delegated responsibility to write-off debts relating to the recovery of salary or benefit overpayment.

9.6 Banking Arrangements

Council has delegated the authority to review and approve SGUL's banking arrangements to the Finance Committee. The FD is responsible for the implementation and maintenance of these banking arrangements and has delegated authority to open minor accounts with other bankers and credit card arrangements for reasons of security or administrative convenience. Finance Committee will approve the addition of new signatories to the bank mandate.

All income due to SGUL must be paid into one of SGUL's bank accounts. No bank account may be opened to receive income due to SGUL without approval of the FD. All cheques must be made payable to "St George's University of London". Under the Cheques Act 1992, cheques made payable to a third party cannot be endorsed and paid into SGUL's bank account.

Staff applying for individual grants from institutions such as the British Council, the Leverhulme Trust or the Royal Society, where the cheque is normally made payable to the member of staff rather than SGUL should request that the cheque is made payable to "St George's University of London". Associated paperwork may include the name of the member of staff.

The FD is responsible for ensuring that SGUL bank accounts are regularly reconciled, and that there are adequate procedures to ensure security over cheques and any other means of transferring of funds.

Finance shall open and maintain the bank accounts needed to conduct properly the business of SGUL. Finance Committee shall review annually such accounts and the signatories who may operate them.

Finance shall ensure the reconciliation of all bank accounts on a monthly basis, by persons other than those whose responsibility includes the handling of receipts and maintaining accounts receivable records.

Finance shall ensure that proper control is exercised over unused and cancelled cheques.

Senior Managers shall make every effort to ensure that all cheques received in respect of their activities, which are accountable to SGUL, are made payable to "St George's University of London". Instructions for payment to SGUL by BACS/international transfer should be notified to Finance.

Where personal cheques are paid to SGUL by staff, students, or others in respect of goods supplied or services rendered, the goods must be withheld for a period to allow the cheque to clear.

All income received on behalf of SGUL in any Institute or Department shall be passed to the Finance Department for banking with appropriate paperwork. In special cases, Finance may approve income to be deposited directly with SGUL's Bank. Circumstances where income would be expected to be received in an Institute or

Professional Services Department are rare and should be discussed with the Finance Department.

All income shall be banked not less often than weekly, except where total income received is in excess of £500 where it shall be deposited within one working day, and where cash exceeds insurance limits when it shall be deposited immediately.

All income shall be deposited intact. Payments shall not be made from income, unless by written agreement with Finance. Personal cheques or other such instruments may not be substituted for cash.

Senior Managers must maintain a record of all cash and cheques received. Institutes and Professional Services Departments should ensure that insurance requirements are complied with when monies are taken or handled outside SGUL premises.

Cash and cheques received must be kept in a secure location at all times. The FD is responsible for laying down procedures for the security of cash or cheques held. SGUL is not insured for cash held by individuals and Institutes and Professional Services Departments should bank receipts as soon as cash is received.

The following restrictions apply to the use of cash receipts held by Institutes and Professional Services:

- personal cheques may not be cashed out of money held locally
- the money must be banked without deduction and may not be used to finance petty cash expenditure.

Members of staff must not open a bank account for SGUL related activity nor use the name of SGUL or its Institutes or Departments.

All types of advance, including salary, cash, cheque, and foreign currency, shall be made at the discretion of Finance who shall ensure that adequate control is exercised over such matters.

Staff in receipt of an advance shall provide Finance with a return of expenses in the required format, with any unspent monies, by the due date. Failure to do so will jeopardise any subsequent advance requests from the department concerned, and may also result in the advance being referred to Payroll for the deduction from salary in order to recover the advance.

Every cash sum received on behalf of SGUL by a member of staff shall be immediately recorded in an appropriate manner. An official receipt or voucher shall be issued to acknowledge the cash received unless alternative arrangements have been agreed with Finance. Likewise, where money which is accountable to SGUL is transferred from one member of staff to another, such transfer shall be acknowledged by the issue of an official receipt or, where appropriate, by signature in a cash accounting record kept by the Institute or Department. Cash should only be retained by an Institute or Department where secure facilities are available and up to the limit provided by SGUL's insurance policy as notified by Finance.

9.7 Investments

SGUL complies with best practice in having a Treasury Policy and an Investment Policy. This sets out the responsibilities and controls for managing short and long term investments respectively, which are reviewed at least annually by Finance Committee. An annual report on treasury management, covering both investments and borrowing, is presented to Finance Committee.

The prime consideration in the investment of cash is the security of the asset. SGUL only invests with counterparties of good creditworthiness and in instruments that minimise the risk of capital loss.

SGUL seeks to obtain a return from its investments commensurate with the degree of risk associated with their underlying characteristics. It reduces risk by both restricting the instruments and counterparties in which it invests and by limiting the proportion of the portfolio invested in a particular instrument or counterparty.

Where SGUL agrees to use investment managers, the performance and credit status of the managers will be measured regularly against market benchmarks.

Council delegates its powers for investment to Finance Committee which is responsible for agreeing and keeping under review SGUL's investment policies and ensuring the proper management of SGUL's endowments. The FD is responsible for the day-to-day management of SGUL's investments. They will maintain an accurate independent register of all transactions requested and check to validate that all investment income that is due from external bodies responsible for managing the funds is correctly stated and received.

Finance shall be responsible for arranging short term deposits of SGUL funds on a daily basis with due regard to any restrictions imposed by Finance Committee.

All investments should adhere to SGUL's Treasury or Investment Policy as appropriate.

9.8 Borrowing

Only Council has the power under Statutes to borrow money and give security on behalf of SGUL. Before any decision is made, Finance Committee will consider financing options presented by the FD and make recommendations to Council.

SGUL must inform OfS of any significant changes to gearing as a reportable event.

The FD will maintain a register of all borrowing undertaken by SGUL, and of any fixed or floating charges held against SGUL assets resulting from borrowing by SGUL.

External borrowing may not be undertaken by individual Institutes or Professional Services Department.

10 INCOME FROM FEES AND DONATIONS

10.1 Tuition Fees

The Executive Board will approve the standard tuition fees to be charged to students in each academic year. The FD shall, where appropriate, approve all other fees and charges levied by SGUL. More information on tuition fees can be found on the SGUL Study webpage.

10.2 Gifts and Donations

SGUL has charitable status and it is not necessary for staff to set up individual charities to support their work. A donation can be for research, staff posts, operational costs, buildings, equipment, scholarships, prizes and any other purpose from individuals, charitable trusts and foundations or businesses.

The Alumni and Development Team exists to support and co-ordinate fundraising activity across SGUL. All proposed gifts must be processed in accordance with SGUL's Gift Acceptance Policy and those in excess of £5,000 must be negotiated in partnership with the Alumni and Development Team. These large gifts must be supported in writing through a signed Gift Agreement and must be processed through the Alumni and Development Team and not directly by the Institute or Department. The Alumni and Development Team will ensure that all relevant Gift Aid is claimed and SGUL donation and supporter records are maintained.

Donations can be set up in the form of regular direct debits and/or via an online giving portal through the SGUL website.

Where it is funding a specific activity, the gift or donation will cover adequately any proposed costs, including SGUL overheads. The terms of the gift or donation should not be so restrictive as regards investment of the money or the purposes for which the gift or donation can be used. The Alumni and Development Team is able to advise on structuring and negotiating donations for all purposes.

Where it has been decided, or the donor wishes, that a lump sum donation should generate an annual income and its capital value be preserved, the donation may be applied in such a way as to become part of SGUL's endowments. Restricted purpose endowments are only permitted on donations of £100,000 or more. Any smaller donations may be added to the SGUL General Endowment fund. The Director, of Communications and Engagement should be informed all any new endowments being set up.

Senior Managers shall not commit SGUL to expenditure in excess of the balance standing on each endowment fund plus estimated income for that financial year.

Finance and the Alumni and Development Team shall make arrangements to ensure that

- donations or gifts are received in the most tax efficient manner
- VAT implications are fully considered
- terms of a donation or gift are not too onerous upon SGUL and do not result in commitments to expenditure or liability which cannot be met.

The Finance Department shall ensure that tax (Gift Aid) is reclaimed from donations on a regular basis, and that adequate records are maintained as required by the tax authorities.

All gifts in support of medical research from grateful patients and their families are subject to the same policies as other donations. All legacy gifts/bequests must be processed through The Alumni and Development Team.

11 RESEARCH & DOCTORAL TRAINING GRANTS & CONTRACTS

The JRES shall arrange for the careful scrutiny of every application for all research and doctoral training grants or contracts to ensure that adequate financial provision is contained therein for the employment of staff, the meeting of recurrent expenses and an appropriate level of indirect costs. All such scrutiny shall consider the requirement to levy VAT on the proposed activity.

No formal application for a research grant shall be made without the signature of the appropriate JRES staff member. In the case of contracts no member of academic staff should enter into any agreement or commitment on behalf of SGUL unless prior authorisation has been received; all bids shall be prepared in consultation with the JRES and contracts shall be signed by the appropriate JRES staff member.

The JRES should be contacted at the earliest opportunity where there is a prospect of any research funding in order that advice can be given on both the financial aspects of the application and the funders terms and conditions. No application for funding should be submitted without approval from the JRES, whose responsibility it is to conclude an necessary agreement with a sponsor and to determine whether the terms of any particular agreement are acceptable to SGUL.

In view of the need to maintain commercial confidence in respect of contracts the costing and pricing of a proposed project, including indirect cost rates, shall not be disclosed to a sponsor without prior consultation with the JRES. A costing must be prepared and approved by the JRES in advance of any discussion of price with the funder.

Applications and awards

During negotiations for research grants, contracts or other such agreements administered by the JRES, the Principal Investigator shall consult with:

- the EFD to ensure adequate consideration and provision for
 - any additional accommodation and/or furniture required;
 - any building or engineering work required;
 - any significant increase in the use of water, heating, electricity and any other form of power or energy or public utility services;
 - any special safety, security, or environmental implications.
- the Director of the JRES where
 - a continuing financial commitment will exist following the cessation of the grant or contract;
 - there are increased insurance risks;
- appropriate staff in the Biological Research Facility where the proposed grant, contract or contract agreement may be subject to Home Office regulations
- the Head of Library and Learning Services where it is expected that a high level of demand will be placed upon Library resources
- other senior staff as appropriate, if significant additional costs or implications for SGUL are likely to arise within areas under their control.

Where the value of a grant or contract is in excess of £1,000,000 or where the duration of a project is five years or more, the Institute Director and Finance Manager shall consult relevant Senior Manager and confirm in writing to the signatory to the application that either:

- the application appears to make no additional demands on SGUL resources and hence should be approved; or
- the application is likely to make additional demands on SGUL resources. Where this is the case, the matter shall be referred to the FD

Acceptance of any research grant, contract shall be made by the Director of JRES, provided confirmation has been obtained that, subject to the information available:

- the provision of finance, staffing, and office, teaching or research space is adequate;
- no unduly onerous conditions are contained in the offer;
- where appropriate, a satisfactory company credit status report has been received in respect of the proposed sponsor.

All research grants or contracts should make an appropriate contribution towards overheads. Where the recovery is below the level required approval should be granted by the FD ahead of the application being made.

No appointment of staff, or the commitment of resources by a Senior Manager or Principal Investigator, may be made until the research grant has been formally accepted or the research contract has been signed.

Senior Managers shall be responsible for ensuring that each research grant or contract keeps within the limits of the expenditure for direct costs and staffing, as specified in the approved estimates for each project and in accordance with the terms and conditions of the contract or consultancy agreement. It will be the responsibility of the Senior Manager to meet the cost of any overspends out of local resources.

No member of staff shall direct a sponsor to address monies or cheques to themselves, in their own name or to their Institute or Department in respect of work undertaken on behalf of SGUL.

11.1 Financial responsibilities of the Principal Investigator

It is the responsibility of the Principal Investigator to ensure that the terms of the research grant or contract are complied with and only legitimate costs are charged against the contract. Staff may only be appointed on research grants and contracts with the agreement of the JRES that the costs of their employment can be recovered from the contract.

The Principal Investigator is the Budget Holder and has the responsibility of ensuring that all costs are correctly shown in reports available from SGUL's financial accounting system. They must also ensure that the budget is not exceeded, with any projected overspend reported immediately to the FD. SGUL's general regulations and procedures apply to expenditure funded from these sources.

11.2 Claims to funders

The JRES is responsible for submitting claims for reimbursement as agreed under the contract and will normally claim all that is shown under the project. The JRES will obtain the approval of the Principal Investigator to the final claim made and to see if there are any further costs that should be included in the claim.

If a provision against non-payment is made for an outstanding debt, this will be a charge to the Institute.

12 CONSULTANCY AND OTHER SERVICES RENDERED

12.1 Consultancy

All consultancy should be undertaken in line with SGUL's consultancy policy.

Consultancy can either be undertaken privately or via SGUL. Members of staff may undertake consultancy work in a private capacity with the agreement of their Institute Director, providing this does not interfere with their duties to SGUL. Where such a commitment on a personal and private basis is accepted, staff shall clearly indicate to the external sponsor in writing that they are acting in a personal capacity, and that there is no legal liability on SGUL as a result of any advice, information or recommendations given. No use should be made of SGUL stationery (paper or electronic or any other title or documentation) which could give the impression of SGUL involvement. Directors shall ensure that staff undertaking private work have provided a suitable disclaimer letter to the sponsor. Staff accepting such private commitments are responsible for their own insurance and personal taxation arrangements. Staff may donate their consultancy income to their own or another SGUL department through the Alumni and Development Team.

12.2 Private Clinical Practice

Clinical academics employed by SGUL are permitted to undertake a maximum of 30 days for consultancy work and private clinical practice combined. This must be undertaken in line with SGUL's private clinical practice policy.

When undertaking a private clinical practice clinical academics are acting entirely in a private capacity with no legal link or liability to SGUL. Clinical academics should not do anything that might lead the patient to believe that they are acting in their capacity as an SGUL employee. In general private clinical practice should not be carried out on SGUL premises.

12.3 Other Services Rendered

Staff should ensure that appropriate contracts and paperwork are in place before entering into any relationship with a third party to generate income. A credit check should be undertaken and SGUL Legal Services contacted if appropriate. Any agreement should only be signed by a SGUL authorised signatory and within the limits of the signatory.

12.4 Deficits and Surpluses

Any new activity must be self-financing or surplus generating unless specifically agreed by the FD. Any deficits incurred on income-generating activities will be charged to the Institute or Professional Service Department.

13 ASSETS

13.1 Land and Buildings

13.1.1 Acquisitions and disposals

Council has the responsibility of ensuring that the EFD keeps SGUL's holdings of land and buildings under review.

Any proposal to purchase or dispose of land or buildings should be approved in line with SGUL's delegated authorisation limits. Investment appraisal should be prepared according to best practice guidance.

Acquisitions or disposals of land or buildings wholly or partly financed using Exchequer funds must comply with conditions set out in the Funding Agreement with OfS.

13.1.2 Custody of deeds and agreements

The secure custody of all deeds and other documents relating to land and buildings owned by SGUL and all lease agreements for any buildings leased by or to SGUL, is the responsibility of SGUL's General Counsel. They will make arrangements for their security and should keep a register of all such documentation and its location. If the documents are held by a third party, they should ensure a receipt of custody is obtained.

13.2 Equipment

13.2.1 General responsibility

All Senior Managers are responsible for maintaining suitable records and applying strict controls over all stocks, stores and equipment within their custody, including arrangements for recording equipment on loan or located at the home of an employee.

A delivery note must be obtained from the supplier for all deliveries. The goods should be checked, as regards quantity, at the time of delivery and the quality and compliance with the original order as soon as possible thereafter.

13.2.2 Inventories

Centres, Institutes and Departments are expected to maintain an inventory of their contents on the SGUL Research Equipment Catalogue for new purchases valued at £25k and above and removing any items that have been disposed of.

13.2.3 Disposal of equipment and furniture

Furniture, equipment, plant and stores no longer required, no matter the reasons, must be disposed of in the manner most beneficial to SGUL. Finance must be notified of the disposal of any assets which had an initial cost of more than £25,000 or which were part of a group of assets where the collective value was greater than £25,000. Sufficient information should be provided to identify the asset and should include details of the disposal including the method of disposal, sale proceeds, date of sale and the party purchasing the assets (if appropriate).

13.2.4 Equipment on loan from SGUL

Senior Managers may agree to the removal of equipment from the premises, on temporary loan to a member of staff or another institution.

The loan must be recorded in a separate inventory of all such equipment to include details of where the equipment is and the dates that it was removed and returned. Institutes and Professional Services departments should be aware that this inventory is required to support SGUL's return to HMRC of the taxable benefits provided to staff and Payroll Services should be notified. Equipment that is clearly demonstrated as being on temporary loan is not included as a taxable benefit. When a member of staff leaves, any equipment on loan must be returned, and the FD should be notified if this is not the case.

Where the equipment is not kept at a member of staff's home, it should be clearly and indelibly marked as being both the property of SGUL and on loan.

13.3 Stocks and Stores

Senior Managers shall ensure that physical stock and inventory checks are carried out annually, or more frequently where the stockholding is of a high value or of an attractive nature.

Senior Managers shall arrange for the completion of an annual stocktaking record in respect of all stocks and stores under the Department's control as at 31 July each year, certifying that the particulars shown are correct. Where the value exceeds £10,000 in total, the Senior Manager shall forward the signed record to Finance.

Finance shall arrange random checks of stocks and stores as considered necessary.

Senior Managers shall ensure that significant surpluses, deficiencies, or losses of stocks, stores, and inventory items are reported immediately to the FD.

Any assets (including stores, furniture and equipment) deemed to be surplus to requirements or obsolete shall not be disposed of by sale or destruction unless authorised by:

- the Director where, in the view of the Director, the estimated market value is less than £5,000, with advice to the Finance Manager;
- the Deputy FD where the estimated market value is between £5,000 and £50,000;
- the FD where the estimated market value is between £50,000 and £250,000;
- Finance Committee where the estimated market value exceeds £250,000.

13.4 Intellectual Property

All staff and students should adhere to the appropriate SGUL policy on Intellectual Property.

The Council will, from time to time, lay down guidelines for the distribution of such

income but SGUL maintains its right to vary the proportionate share of income depending on the circumstances of each case.

13.5 Security of Assets

Responsibility for internal control within a Department rests fully with each Head of Department, who should ensure that appropriate and adequate arrangements exist within the Department to safeguard all assets and resources, compliance with SGUL policies and these Financial Regulations. Relevant records should be maintained which should be as complete and accurate as possible and retained securely.

13.6 Insurances

All insurances of SGUL shall be under the direction and control of Finance who shall be responsible for all liaison and negotiations with insurance brokers. Finance shall keep a register of all insurances affected by SGUL and the property and risks covered.

Insurance cover is reviewed and approved annually by Finance Committee.

Senior Managers shall immediately notify Finance of any new types of risks, new premises, or equipment valued in excess of £50,000, to be insured, together with the amount of cover required, and, further, shall notify any change in circumstances which may affect existing risks and insurances.

Senior Managers shall advise Finance immediately of any loss or circumstance which may give rise to an insurance claim. All claims shall be prepared by Finance, in conjunction with the Senior Manager, for submission to the insurers.

Senior Managers shall not give an indemnity to any person unless its terms have been approved by Finance.

All monies due and received from insurers shall be paid to Finance for credit to a SGUL bank account.

The EFD shall keep suitable records to ensure that the inspection of such plant which is normally carried out by an Insurance Company, is carried out by the Company within the prescribed period. In the event of any failure by an Insurance Company to carry out inspections during the prescribed period, Finance shall be notified immediately.

13.7 Discretionary Funds

Discretionary Funds shall include all Funds except those funded by:

- OfS or other government departments
- student fees
- research grants, contracts, consultancy agreements or other such agreements administered by Finance
- surpluses generated at the completion of research and other grants
- endowment or other trust administered by Finance
- short courses
- any internal funding e.g. Vice-Chancellor's Investment Fund

Senior Managers shall ensure at all times that discretionary accounts do not go overdrawn and that any activity which funds a discretionary account should be self-funding over its lifetime. Where income is to be generated from the sale of goods or services rendered, Senior Managers shall ensure that the full costs (including indirect costs) are taken into account when setting prices, and that VAT is charged, where appropriate. Any in-year deficit should be agreed by the FD at the time of the activity

being planned or budgeted.

Discretionary Funds are deemed to belong to SGUL, and are not transferable, should a member of staff leave SGUL's employment.

More information can be found at: [Guidance Notes on Discretionary Accounts](#).

14 FINANCIAL ACCOUNTING

14.1 Retention of Financial Records

Each Director/Head of Department shall arrange for financial and other related documents to be retained in a secure and accessible manner for the appropriate periods.

The documents referred to overleaf should be retained for the periods shown, in addition to the current Financial Year

Document	Years
Bank Reconciliation Statements	6
Bank Statements and Supporting Docs	6
Cancelled Cheques	6
Card Terminal Merchant Receipts	0.5
Contract Documents – other	6
Contract Documents - under seal	12 (Min)
Control Account Print-outs	6
Control Account Reconciliations	6
Copy Official Receipts	6
Copy Pay-In Slips (Bank Giro Credit slips)	6
Credit Transfer Listings	6
Employees' Time Sheets 2 A C	2
Final Account Working Papers	10
Finance Statistics' Return (Form 3)	Indef.
General Correspondence (not Central Files)	2
Income Tax Records	6
Insurance - Correspondence	6 (Min)
Insurance - Policies	Indef.
Inter-Departmental Orders/Invoices	2
Journal Transfers 6 A N	6
Opened Cheques Letters	6
Original Receipt Forms (including SREN and SREC)	6
Payroll - Annual Earnings Summary	12
Payroll - Input Forms	6
Payroll - Output 6 A C	6
Records of Purchase Invoice Batches	6
Stopped Cheques	6

Stores' Requisition/Issue Notes (incl. Cancelled Notes)	2
Sundry Debtors Accounts	6
Suppliers' Paid Invoices	6
Till Rolls	6
VAT Records 6 A C	6
VAT Returns Indef. A C	Indef.

Documentation in respect of some research grants and contracts may have specific retention policies and, where longer, these should take precedence over the list above. In the case of a dispute documentation should be kept until the dispute is settled.

14.2 Accounting Arrangements

SGUL's financial year runs from 1st August until 31st July the following year. The Annual Report and Financial Statements are prepared on an historical cost basis of accounting in accordance with applicable accounting standards. They are also in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act 2006, where appropriate.

The Annual Report and Financial Statements are recommended to Council for approval by Audit Committee. Accounting policies are agreed and revised each year as necessary by Audit Committee and are set out in SGUL's latest annual report and financial statements. SGUL will provide a copy of the most recent Annual Report and Financial Statements where requested and make them available on the SGUL website.

14.3 Taxation

14.3.1 Value Added Tax (VAT)

SGUL is registered for VAT and must charge VAT on any goods or services it provides at the appropriate rate where they are not exempt or outside the scope of VAT.

It is essential that Senior Managers refer to Finance whenever they undertake any new activities, including provision of services, sales of goods and sponsorship arrangements, in order to obtain a ruling on the liability to VAT. Such a ruling must be obtained before any prices are quoted to customers, contracts signed or any work is undertaken.

Senior Managers should always ensure that a valid tax invoice is obtained from their suppliers.

By virtue of its charitable status, SGUL is able to obtain exemptions on certain equipment to be used in medical research, training or diagnosis. Individuals signing VAT exempt-rating certificates, including by virtue of approving a purchase requisition where the VAT rate is exempt, should ensure that the equipment is eligible for the relief.

Senior Managers should ensure that due consideration is given, when dealing with non-UK customers or suppliers, to VAT regulations applicable to the import or export

of goods or services. SGUL may have to account for VAT on a "self-billing" basis on the import of certain goods or services from overseas suppliers.

When purchasing scientific instruments and apparatus from abroad, it may be possible to obtain a certificate of relief from Customs and Excise Duty. Senior Managers should ensure that all applications are made before the equipment is imported.

If there is any doubt over the application of VAT legislation members of staff should seek advice from Finance.

14.3.2 Corporation Tax

SGUL is exempt from corporation tax in the case of any trade it undertakes provided the profits are applied solely for the purposes of the charity and the trade is exercised in the course of carrying out a primary purpose of the charity. Certain areas of research, consultancy and non-student lettings may be considered as potential trading activities, with a consequent liability for corporation tax, as is any non-primary purpose activity. In these instances, the activity may be undertaken through one of SGUL's trading subsidiaries.

The FD is responsible for ensuring that all appropriate corporation tax returns and calculations are filed.

14.3.3 PAYE and National Insurance

The relevant regulations are dealt with under Payroll and Pensions.

15 AUDIT

15.1 Access and Scope

The OfS, Research England, NAO, external and internal auditors shall have right of access to records, assets, personnel, premises or any other information in respect of SGUL activity and to obtain such information and explanation, as considered necessary, to fulfil audit responsibilities.

15.2 Internal Audit

A continuous internal audit function shall be provided in order to ensure that SGUL has the proper controls, governance and risk management processes in place. This service may be provided by an in-house team or by an external provider.

Internal audit shall provide Audit Committee with a report on a regular basis. Audit Committee shall provide an annual report to Council covering the work undertaken during the financial year and this must be shared with OfS each year and on request to Research England.

The FD shall inform the Audit Committee of fraudulent activity resulting in a loss to SGUL in excess of £25,000.

15.3 External Audit

15.3.1 Appointment

The Audit Committee appoints external auditors on behalf of Council.

The primary role of external audit is to report on the institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Auditing Practices Board's statements of auditing standards.

Only those qualified as auditors in accordance with the meaning of the Companies Act 2006 are eligible for appointment. No person shall be appointed as External Auditor who is, or any one of whose partners is, a member of the Council of SGUL.

Council delegates to the FD and the Chairman of the Audit Committee the agreement of the audit fee. The terms of the auditors' engagement should be reviewed regularly by the Audit Committee and be set out in an agreed letter from the External Auditor to the FD.

15.3.2 Reporting

The External Auditor will audit SGUL's books of account and report on SGUL's annual financial statements to the Audit Committee and the Council of SGUL at the meetings which consider and approve these. They will in their report:

- state whether in their opinion the financial statements show a true and fair view of the balance sheet at 31st July and of the income and expenditure and cash flow statements for the year then ended
- state whether in all material aspects monies expended from OfS/Research England grants and other funds from whatever source (including the NHS), administered by SGUL for specific purposes, have been properly applied to these purposes and if appropriate managed in compliance with any relevant legislation, such as the Trustee Investments Act 1961
- state that income has been applied in accordance with SGUL's Scheme and Statutes and, where appropriate, with the Funding Agreement with OfS

The External Auditor will report to the Audit Committee, without delay, any serious weakness or accounting breakdown discovered during the audit, which in their view warrants the attention of the Committee. They will within a month of reporting to Council their opinion on the annual financial statements, report to the FD, with a copy to the Audit Committee, any material items arising from the audit, such as weaknesses in the accounting systems and internal control, together with advice for improvement. Where independent confirmation is required by a third party they will state, at SGUL's request, their opinion.

15.3.3 Right to attend meetings

The External Auditor may attend and be heard at meetings of the Council when the annual financial statements are being considered and approved. They will attend all the meetings of the Audit Committee. SGUL will ensure that they receive proper notification and the agendas for meetings.

15.3.4 Extraordinary termination of appointment

The External Auditor may resign in writing addressed to the Council and should give the reasons for their resignation.

In the event of serious shortcomings on the part of the External Auditor, Council may recommend the removal of the auditors before the expiry of their term of office, notwithstanding any agreement between the auditors and SGUL. In this event the External Auditors will be entitled to address Council regarding the reasons for their proposed removal.

15.3.5 Reports to the Regulator

The following information must be provided to OfS:

- copies of the Audit Committee's annual report to Council
- A copy of any statement from auditors in respect of their removal from office.

16 OTHER ENTITIES

16.1 SGUL Companies

SGUL does not currently have any subsidiary companies. Any new subsidiaries will be approved by the COO, FD and Council with the appropriate advice having been taken in respect of governance, financial accounting and taxation. All subsidiaries will be governed and managed in accordance with OfS best practice guidance for related companies and members of staff are bound by these financial regulations.

16.2 Spin Out Companies

The set up of any new spin out company from enterprise activity should be approved by the Research Committee.

Appendix 1 – Delegated Authorisation limits

SGUL operates a system of delegated authorisation to staff in Institutes, Divisions and Centres. Delegated authorisation limits shall apply to all activity committing SGUL to either spending of funds or delivering a service (see Appendix 2 for a list of contract activities) with staff approving expenditure over which they have budgetary control

These limits should apply to contracts being entered into on SGUL's behalf (the total value of the contract) as well as individual purchases. All purchases or contracts with a value over £50k should be subject to a tender process (as defined by the CPU). No purchase can be self-approved.

	Limits
Council	Over £1m
Finance Committee	Up to £1m
Vice-Chancellor	Up to £500k
FD, COO or Deputy Vice-Chancellor	Up to £200k
Deans, Institute or Professional Services Directors	Up to £50k
Head of Operations, Deputy Director of Finance	Up to £25k
Cost Centre Managers	Up to £10k
Budget Holder	Up to £2k

For Estates expenditure, the overall project budget will be approved as part of the annual budget cycle, with more detailed project budgets agreed when the project commences by Space Strategy Committee. Within projects, if the spend is undertaken with a preferred supplier and a tender undertaken, then the following limits apply

	Limits
FD, COO or Deputy Vice-Chancellor	Over £1m
Director of Estates	Up to £1m
Deputy Director of Estates	Up to £200k
Assistant Director of Estates	Up to £100k
Facilities Manager, Sports & Residential Manager	Up to £25k

For research applications and contracts different limits apply as below.

	Limits
FD, COO or Deputy Vice-Chancellor	Over £1m
Director of Joint Research & Enterprise Services	Up to £1m
Head of Research Funding/Head of Enterprise & Innovation	Up to £250k
Head of Research Governance & Delivery (academically led CTAs only)	Up to £250k

For expenses, lower limits will be designated. All expenses will be authorised by an approver at a higher level.

	Limits
FD, COO or Deputy Vice-Chancellor	Over £5,000
Deans, Institute or Professional Services Directors	Up to £5,000
Head of Operations, Deputy Director of Finance	Up to £2,500
Cost Centre Managers	Up to £1,250
Budget Holder	Up to £500

Appendix 2 - Contract Activities

Delegated authorisation limits shall apply to all activity committing SGUL to either spending of funds or delivery of a service. A sample of the types of activities is listed below. This list is not exhaustive and advice should be taken from either Finance or GLAS if any ambiguity arises.

- Contracts for the supply/provision of goods and/or services (either by SGUL or by a third party)
- Purchase of all goods/equipment (including hardware and software)
- Software/database licences or other IT agreements
- Equipment leases
- Purchase of services
- Memorandum of Understanding
- Collaboration/co-operation agreements
- Partnership agreements
- Unit/team transfer arrangements
- Any estates-related contract or deed (including without limitation any lease or licence), irrespective of any rent-free period
- Any consultancy arrangement (whether formal or otherwise)
- Any research contract (or other research-related document where any formal commitment is made)
- Any contract or other document relating to student placement or financial arrangements (including stipends, studentship, inter-collegiate fees, sponsorship etc)
- Staff secondments either to or from SGUL
- Any other arrangement with a third party