

Scope: Financial Management	Effective Date: 13 July 2023	Responsible Dept: Finance	Equality Analysis Undertaken: Stage One
Last updated by/date: DoF June 2023	Next review date: Feb 2024	Accessible: Yes	Policy ref:

## York St John University Financial Regulations – 2023

### Contents

York St John University .....	1
Financial Regulations – 2023 .....	1
GENERAL .....	3
Purpose and Scope .....	3
Employee Responsibilities .....	3
Ethical Principles .....	4
Gifts and Hospitality .....	4
Fraud, Corruption and Financial Misconduct .....	5
CORPORATE GOVERNANCE .....	5
Overview .....	5
Roles and Responsibilities .....	6
Value for Money (VfM) .....	6
Delegation of Authority .....	6
Risk Management .....	7
Audit .....	7
FINANCIAL MANAGEMENT AND CONTROL .....	8
Budgetary Control Structure .....	8
Budget Process .....	9
Financial Reporting and Monitoring .....	9
Capital Programmes .....	10
INCOME .....	10

General .....	10
Fees .....	11
Selling Goods and Services .....	11
Spin-off and Subsidiary Companies .....	12
Donations .....	12
EXPENDITURE .....	12
General .....	12
Buying Goods and Services .....	13
UK Tender Limits .....	15
Selecting a Supplier .....	15
Segregation of Duties and Authorisation of Invoices.....	15
Items not available through Preferred Suppliers .....	16
Register of Interests .....	17
Declaration of Interests in Respect of Purchasing .....	17
Petty Cash .....	17
Pay and Pensions .....	17
Expenses .....	19
Vouchers.....	19
ASSETS.....	19
Land, Buildings, Fixed Plant and Machinery.....	20
Inventories/Fixed Asset Registers .....	20
Personal Use of Assets .....	20
Stock.....	21
Banking and Cash Management .....	21
OTHER.....	21
Tax.....	21
PCI DSS Compliance .....	22
Insurance .....	22
Retention of Documents.....	22
University Status .....	22
Annex 1 – Key Financial Roles and Responsibilities .....	23
Annex 2 – Authorised Signatories .....	25
Transactions requiring special treatment.....	27

**Note: Unless otherwise stated the first point of contact for advice should be the Chief Operating Officer on ext 6673**

## **GENERAL**

### **Purpose and Scope**

These Regulations are an important part of our procedures to ensure that:

- a sound internal control environment is maintained;
- best value for money is promoted;
- both our legal and financial obligations are fulfilled;
- our assets are safeguarded;
- management information is relevant and timely; and
- University funds are applied only for the purpose for which they were received

They apply to:

- all Governors and co-opted members of Board of Governors committees; and
- all staff and students (if they are on the payroll or work as volunteers); and
- all schools and departments, and
- all University income and business; and
- all University subsidiaries. It may be appropriate for Subsidiary companies to adopt variations of the University Financial Regulations, with appropriate adaptation for local fiscal and operational needs. The decision to adopt other regulations and the regulations themselves must in all cases be recommended by the Chief Operating Officer for approval by the Finance and Capital Development Committee (F&CDC).

The Regulations refer to Policy Statements and other documents which will be updated from time to time. Such instructions supplement these Regulations, and in the event of conflict these Regulations prevail.

### **Employee Responsibilities**

Employees are expected to:

- comply with these Regulations and with University policy;
- take all necessary advice;
- assess and manage risks (including risks to health and safety) entailed in University business they transact;
- safeguard University property and income for which they are responsible;
- use University resources economically, efficiently, effectively and secure value for money and;

- comply with the University's legal, financial, administrative and other obligations (including those to the Office for Students, HMRC and other Government authorities).

This applies irrespective of sources of funding. Deliberate, negligent or repeated disregard of these Regulations may result in disciplinary action being taken against the person concerned, under the terms of their employment contract with the University, or, in the case of students, under the University Disciplinary Procedure.

## **Ethical Principles**

The University conducts its business in accordance with:

- the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and;
- the guidance to universities from the Committee of University Chairs in its Higher Education Code of Governance (September 2020).

Staff should conduct themselves with integrity, impartiality and honesty, and maintain a high standard of propriety and professionalism. This includes avoiding laying themselves open to suspicion of dishonesty, and not putting themselves in a position of conflict between their official duty and private interest.

## **Gifts and Hospitality**

- Normally no gift or hospitality of a value over £200 should be accepted. Where there is a reason to do so permission must be sought as soon as reasonably practical from:
  - the member of staff's line manager
  - for a Governor or co-opted member of a Board of Governors committee, the Chair of Board of Governors/Chair of Finance and Capital Development Committee/Chair of Audit Committee
- Some staff necessarily spend time with other organisations where it is normal business practice or social convention to offer gifts, hospitality or awards. It is important that any hospitality given or received is reasonable in the circumstances. The guiding principles are:
  - a) The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;

- b) The actions of individuals, acting in an official capacity, should not give the impression (to their colleagues, the public or other organisations) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- Individual gifts of value over £100 must not be made to third parties.

Any gifts received and given valued at over £25 must be recorded in the register maintained by the University Secretary.

In exceptional circumstances, such as bereavement or serious illness, it may be appropriate to send flowers to a member of staff or a student or their family. University funds should not be used for other gifts to members of staff or students. In circumstances such as retirement, leaving, etc., gifts should be paid for via the collection of donations from staff/students. All exceptional circumstances should be approved by a member of the Executive Board.

Under no circumstances should any Governor, co-opted member of a Board of Governors committee, or employee solicit gifts or hospitality.

## **Fraud, Corruption and Financial Misconduct**

It is the duty of each employee to act with integrity and honesty in all aspects of University activity. Each employee must act in accordance with the [Anti Fraud Policy](#) and the [Anti-Money Laundering Policy](#) and with reference to the University framework to address the requirements of the Bribery Act 2010, which can be found on the [Finance Policies](#) section of the Staff Intranet.

There is also a policy on public interest disclosure (“whistleblowing”) which is available via the University Secretary’s Office [Whistleblowing Policy](#).

## **CORPORATE GOVERNANCE**

### **Overview**

The University is as an independent legal entity constituted as a company (registered number 4498683), limited by guarantee with exempt charitable status. The documents, which form the legal constitution of the University, are:

- The Articles of Association;
- any applicable scheme made by the Charity Commission.

Information on the [Governance Structure](#) is available from the University website. A Corporate Governance statement is available as part of the annual [Financial Statements](#).

## **Roles and Responsibilities**

Financial management responsibilities are vested in Board of Governors, Finance and Capital Development Committee (F&CDC) and Audit Committee (AuC), who delegate responsibility to the Vice Chancellor so far as permitted. The Vice Chancellor has authority to delegate responsibilities to other post holders as he/she decides. Their key financial roles and responsibilities are listed in [Annex 1](#). Budget holders may delegate responsibilities but not their accountability.

## **Value for Money (VfM)**

The University promotes an embedded approach to value for money (which is often referred to as the 3 E's, economy, efficiency and effectiveness).

The University will:

- Integrate VfM principles within existing planning and review processes and embed the pursuit of economy, efficiency and effectiveness within operations management.
- Respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where it makes sense.
- Undertake VfM studies on areas of activity identified as worthy of review and apply the lessons learned to other areas of the University.
- Promote a culture of continuous improvement.
- Ensure that all staff recognise their continuing obligations to seek VfM in all that they do.
- Benchmark our activity against other similar activities and organisations where this is considered useful.
- Seek out and listen to the views of students.

## **Delegation of Authority**

A table setting out the scheme of Delegation of Authority for the majority of financial and other decisions within the University has been included in these Regulations at [Annex 2](#).

## **Risk Management**

The University's approach to Risk Management is designed to ensure that risk management is the business of all University managers and employees. Risk management is viewed as an integral part of the management of the University along with and as part of Strategic Planning and Performance management. As part of the development of the University Strategic Plan key strategic aims are agreed alongside performance indicators (PI) and associated risk profiles. Those PIs with an orange or red risk indicator are highlighted and the hazard, mitigation and status noted for discussion and action.

## **Audit**

External auditors are appointed by Board of Governors on the recommendation of Audit Committee to conduct statutory and regulatory audit.

In addition, external auditors from other organisations (e.g. Research Councils, Government departments, the EU etc.) have the right of access to the University to examine specific areas of activity.

The University employs a different firm to provide an internal audit service. Internal Audit is responsible for providing an objective and independent appraisal of an agreed sample of the University's activities, financial and otherwise. It provides assurance to the Vice Chancellor, senior management and Board of Governors on the adequacy and effectiveness of risk management, corporate governance, internal control and value for money.

All the University's activities, funded from whatever source, fall within the remit of both types of audit.

All auditors (internal and external) must be given access to all records etc they require. They are entitled to receive such explanations as are necessary concerning any matter under examination. Auditors will require access to third party records where those third parties have a financial relationship with the University.

## **FINANCIAL MANAGEMENT AND CONTROL**

The University Strategy, which incorporates the Financial Strategy, is updated on a regular basis and approved by Board of Governors prior to submission to the Office for Students.

The Financial Strategy underpins our corporate aspirations, aligns resources to our strategic plan and enhances financial sustainability. The key objectives are:

- Ensure the long-term financial sustainability of the University;
- Maintain capacity to underpin the delivery of current strategies and objectives;
- Ensure funds are available to meet agreed investment opportunities;
- Undertake appropriate planning and risk management activities;
- Ensure appropriate financial control and provide information in an environment that encourages financial autonomy and accountability;
- Ensure compliance with the Office for Students Terms and Conditions of funding for higher education institutions and other statutory requirements;
- Ensure appropriate procurement procedures and monitor value for money.

### **Budgetary Control Structure**

*Contact Chief Operating Officer ext 6673*

The budget is a tool for realising the University Financial Strategy and the achievement of the agreed budget is the responsibility of budget holders.

Budget holders are responsible to the Executive Board for the economic, efficient and effective use of funds available to them, and must account fully and comprehensively for the use of those funds.

Budget Holders are typically members of the Executive Board, Heads of School, and Directors. Heads of Schools are required to meet agreed key performance indicators for income and for staff costs, non-staff costs and surplus as a percentage of income. Directors are required to meet their agreed financial budgets both for income generation and cost management. Budget holders must observe all statutory and regulatory requirements and relevant University policies, not least in respect of value for money.

No commitment or contract should be entered into without appropriate budget provision being available and the authorisation of the responsible budget holder or her/his nominee. Commitments extending over more than one financial period should be recognised and treated appropriately for



accounting and budgeting purposes. Capital expenditure may not be made from revenue budgets or revenue expenditure from capital budgets. Budgeted non-staff expenditure cannot be utilised for staff expenditure.

Budget holders will be supported in their financial management by members of staff from the Finance Directorate through regular discussion on performance and forecast.

## **Budget Process**

*Contact Chief Operating Officer ext 6673*

The Chief Operating Officer is responsible for maintaining an up to date rolling five year financial forecast, which will be approved by Board of Governors.

The production of the annual budget is a key output of the annual planning activities. The annual budget will provide sufficient funding and investment to ensure that corporate objectives can be achieved. The detailed budgets are a vital aspect of financial management and will be communicated to budget holders as soon as possible following approval by Board of Governors.

Once the finalised annual revenue and capital budgets are approved by the Board of Governors, any commitment to new expenditure (or a change in the defined use of the agreed budget) which is not in the approved budget and which would result in the budget position not being met, needs to be approved by F&CDC and Board of Governors prior to the expenditure being committed and incurred. Should it not be possible in the timescales for the full committee to meet and approve the expenditure in advance, it should be agreed by the Chair of the F&CDC Committee in consultation with the Chair of Board of Governors.

## **Financial Reporting and Monitoring**

*Contact Chief Operating Officer ext 6673*

The University produces monthly management accounts to report the progress of the Schools and Directorates towards achieving the agreed financial targets set out in the annual budget. Budget holders review these reports on a monthly basis. Finance & Capital Development Committee and Board of Governors receive regular updates on the financial position, including circumstances of adverse budget variance and mitigating actions proposed or taken to recover overspend.

The University prepares financial statements annually which are the subject of external audit. Once complete these financial statements are presented to Audit Committee before they are approved by Board of Governors.

The University has an obligation to ensure that grants made for funding purposes are only used for the purpose for which they are given and the external auditors, in their audit of the financial statements, have to report to the University their findings in this regard.

## **Capital Programmes**

*Contact Chief Operating Officer ext 6673*

A capital asset is one that will provide benefit to the University over more than one financial year, as defined in the University's detailed capital expenditure procedures.

The annual capital expenditure programme will be approved by Board of Governors, as part of the annual budget process. Progress is reported in the monthly management accounts.

Proposed capital projects not included in the budget and greater than £1m should be supported by:

- a statement which demonstrates the project's consistency with the strategic plan and, if appropriate, the estates strategy;
- a budget showing a breakdown of costs including professional fees, and VAT;
- an analysis of the proposed funding sources;
- a financial evaluation of the project, together with its impact on revenue and expenditure plus consideration of the impact of alternative plans;

In addition, all revenue or capital projects greater than £500k, must be approved by Board of Governors.

## **INCOME**

*Contact Income Controller Team Leader ext 6936*

### **General**

The levels of authority and delegated powers set out in Annex 2 relate to all aspects of University income, whether sales invoice, oral or written contracts, memoranda or letters of agreement. Contracts should be signed by all parties before any services are provided.

Heads of Schools and Directors should provide promptly any information the Chief Operating Officer requires in order to collect this income. All requests for monies due to the University should be submitted on official invoices issued through the Finance Department. No member of staff outside of the Finance Directorate should administer funds on behalf of a third party. All such third party activity should be directed to the Finance Department for action, and no action should be taken before a reply has been received.

All sales invoices or invoice requisitions should specify quantity, price, payment terms and any discounts available. Requests for sales invoices should be passed to the Finance Department at the earliest opportunity, where sales invoices will be raised promptly, subject to a minimum value of £10. The Invoice Request Procedure can be found on the Finance Policies section of the Staff Intranet.

Please note that when VAT is chargeable a sales invoice must always be raised.

## **Fees**

Key tuition fees are recommended by the People Committee annually for approval by Board of Governors who will consider the strategic context, taking into account Government policy, market conditions and the University's Key Strategic Aims.

The University Secretary is responsible for proposing changes to residential fees to the People Committee for approval. Proposals for all other annual fees should be made by the Directors for approval by the Vice Chancellor/Chief Operating Officer.

## **Selling Goods and Services**

Continuing Professional Development (CPD), short courses and consultancy and other services offered by the University to external clients should be priced to recover at least full economic cost for the University. These fees should be set through liaison with the Finance Department.

Where surplus assets are sold it is important that a good price is obtained and that the Asset Procedures are followed. This procedure can be found on the Finance Policies area of the Staff Intranet. Please contact the Chief Operating Officer if you are unsure.

## **Spin-off and Subsidiary Companies**

Any activity that involves the University setting up or participating in operating a separate legal entity must be considered by F&CDC, prior to approval by Board of Governors.

This includes joint venture vehicles (agreements, companies, partnerships) and any proposal to take shares in a company to facilitate technology transfer.

Guidance on the process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings is available from the Chief Operating Officer, whose recommendations will be based on the HEFCE publication 2005/48 "Related companies: Guidance for Higher Education Institutions".

The directors of companies where the University is a shareholder must submit, via F&CDC an annual report to Board of Governors.

University assets can be used by spin-out companies only following consideration by F&CDC, prior to approval by Board of Governors.

## **Donations**

The Chief Operating Officer is responsible for active fundraising for the University. All gift donations, cash gifts and benefactions that are made to the University are administered and invested in accordance with the University policy. Finance is responsible for investigating claims for recovery of income tax, where appropriate, and for the sale of any stocks or shares donated to the University. Due diligence on donors will be initiated by the Alumni Partnership Team with any donation above £5k escalated to the Vice Chancellor for approval. Any concerns raised from the due diligence process would be escalated to the Vice Chancellor to discuss with the Chair of the Board of Governors. Documentation supporting donations must be retained to support statutory reporting.

## **EXPENDITURE**

### **General**

All expenditure must be authorised, in accordance with the Delegation of Authority framework (see Annex 2), prior to any financial commitment being made.

Funds from grants or donations must only be used within the terms of the grant or the specifications of the donations.

## **Buying Goods and Services**

*Contact: Head of Commercial Strategy ext 6553 for suppliers and contracts, Purchase Ledger Officer ext 6614 for invoice processing and Head of Financial Systems and Processes, ext 6575 for other aspects.*

The ordering of all goods and services should follow the University's Commercial Policy. The official University order process must be used for the purchase of all goods or services, except those made using petty cash or Payment Cards.

Ordering goods or services is the most common form of entering into a contract, and the schedule of Delegated Authority relates to orders, verbal agreements and written contracts. Verbal agreements represent an exposure to high risk and are only recommended for reactive maintenance work or for small one-off purchases, which must be confirmed immediately in writing. All purchases should be made on the University's current terms and conditions. Any proposed deviations from this (including accepting a supplier's quotation with terms and conditions) must be reviewed by the Head of Commercial Strategy, and any changes approved in advance of funds being committed by the Chief Operating Officer.

The University system should not be used for private purchases. The University will only pay professional subscriptions for individuals where that person is the approved member for the University.

In summary the requirements for purchasing are (all amounts including VAT):

- A single written quote is sufficient where the value of the purchase order is £10,000 or below;
- Note that a single tender approach (up to £50,000) may be taken provided that the process is overseen by the Head of Commercial Strategy and approved by the Chief Operating Officer. If there is only one viable supplier available, then care should be taken to retain written documentary evidence of this fact;
- Where the purchase order is between £10,001 and £50,000, at least 3 competitive quotes should be obtained and retained, in the form of a formal written quotation or an email, together with a record of the reasons for the selection of the supplier;

- Where the purchase order is between £50,001 and the UK threshold (see below) orders the Head of Commercial Strategy must be engaged to advise the appropriate procurement strategy and to obtain bids from at least 3 potential suppliers, issued in accordance with the University's Commercial Policy and using the templates available from the HEPA.ac.uk website;
- Where the contract value<sup>1</sup> is in excess of the UK purchasing threshold, the Head of Commercial Strategy must be engaged to oversee that a formal tender process is conducted. It is a regulatory requirement of law that the correct procedures are followed, as tenderers can ask for feedback and have a right to sue if they believe the process has not been correct.

For contracts of more than £150,000 market testing needs to be carried out at least every 4 years to ensure value for money.

Suppliers should be instructed to submit invoices for goods or services to Accounts Payable Invoices, quoting the YSJ Purchase Order number or Travel and Expenses Number generated by OneUni, so that invoices can be registered, except where payment is made with a purchasing card.

Please note that before purchasing services from a sole trader, partnership or limited company, excluding those to be performed as a verified Guest Speaker or paid as an Honorarium, it is important to confirm whether the person supplying the service will be captured by off-payroll working rules. If this applies the worker's fees will be subject to Income tax and National Insurance contributions. This test is to be performed as part of the OneUni New Creditor/Supplier Approval workflow, and the outcome advised to the YSJU staff member requesting the new Creditor or Supplier. The decision printout from HM Revenue & Customs' on-line Employment Status Indicator Tool (ESI) will be attached to the Creditor record within OneUni. If the work is for regular teaching sessions or support work on a casual hourly basis, then please contact HR.

Donations cannot be made to a third party in lieu of payment to be received by an individual or an organisation for work completed or services provided to the University. For example, a fee payable to an individual must be paid directly to that individual. It is not possible for this to be converted into a donation to be made by the University to a charity of that person's choice.

When goods are delivered it is important to check that they are in an acceptable quality and quantity. It is important that invoices are not processed if the goods or services received are not

---

<sup>1</sup> Value of contract is calculated by aggregating four years expenditure (regardless of how many suppliers have been utilised)

adequate. Any problem should be notified to the supplier immediately. In completing the Goods Received Note process against all or part of a Purchase Order on OneUni, you are confirming that the supplied goods or services are approved for payment. A supplier invoice will not be paid unless this process has been performed to the extent of the requested invoice payment.

## **UK Tender Limits**

The UK limits are reviewed regularly. The limits that came into force on 1<sup>st</sup> January 2020 are:

- Contracts awarded by other public bodies
- Supplies    £213,447
- Services    £213,447
- Works       £4,733,252

These figures refer to the full expected value of the contract over its total expected life, including any extensions which are likely to occur, and are exclusive of VAT.

## **Selecting a Supplier**

Supplier selection should be carried out in accordance with the University's Commercial Policy. Wherever possible, one of the preferred suppliers and / or recognised consortia should be used to streamline the process. In general, only larger purchases typically need to be subject to formal tendering (NB large contracts need to follow UK tendering regulations). For smaller purchases, competitive quotations must be obtained. All quotations must be in writing (e mail is sufficient). All professional services to the University will be reviewed at least every five years and tenders invited as appropriate.

## **Segregation of Duties and Authorisation of Invoices**

All budget holders must ensure that there is a segregation of duties in making financial commitments, in particular that different people place the order and approve the invoice. This workflow rule is upheld within OneUni, but if the digital workflow is not consistent with the maintenance of a segregation of duties, the Head of Financial Systems and Processes must be advised immediately.

For all transactions, approval by an authorised signatory (see Annex 2) is required on either the purchase order or the invoice. This workflow is upheld by OneUni, but if the digital workflow is not consistent with the financial delegation stated in Annex 2, the Head of Financial Systems and Processes must be advised immediately.

When approving a goods receipt note within OneUni the authoriser is confirming that:

- It corresponds with the goods or services received;
- The quality and quantity etc are satisfactory;

When approving an invoice within OneUni the authoriser is confirming that:

- The invoice matches the order, and any variations in cost are agreed;
- The quality and quantity etc are satisfactory;
- The full account string, including the project code, is correctly assigned against each line of the invoice, and the cost centres included are all those within the budget holder's areas of responsibility;
- It is covered by budgetary provision in that area.
- The invoice details (quantity, price, and discount) are correct;
- The invoice is arithmetically correct;
- The invoice has not been previously passed for payment.

Payments will not be made to someone other than the supplier unless the Finance Department has received notification that a debt factor is being used by the supplier.

Invoices raised against a Purchase Order(s) should be emailed to Accounts Payable Invoices by the supplier directly, or as soon as received by the purchasing user. Invoices to be entered directly by the Finance Department, such as those relating to Utilities, where a Purchase Order is not appropriate and the arrangement has been agreed with the Finance Department, will be returned to the purchasing user for approval. All approvals must be provided in a timely manner and all invoices must be forwarded for payment such that the terms of trade with the supplier are honoured.

### **Items not available through Preferred Suppliers**

Where items are not available through preferred suppliers, they can be bought using a University purchasing card. Note that the University does not have accounts with eBay or similar sites. Staff should not purchase items with their own money and claim it back through expenses. Please refer to the Payment Card Guide on the Finance Policies section of the Staff Intranet for further guidance regarding the use of University purchasing cards. University credit cards and purchasing cards are made available to staff at the University's discretion and to enable financial control they should only be used when other methods are not available.



## **Register of Interests**

All Governors, co-opted members of Board of Governors committees and members of the University's senior leadership team are required to disclose any interest with the potential to create a real or perceived conflict in the University's Register of Interests. This register is retained and managed by the University Secretary and is available for inspection by arrangement.

## **Declaration of Interests in Respect of Purchasing**

Any other member of staff, in addition to those listed above, who intends to make a purchase or obtain a tender from a supplier in which he / she has a financial interest, shall inform the Chief Operating Officer in writing. No such purchase shall be made from a supplier in such circumstances without the approval of the Chief Operating Officer or their superiors.

## **Petty Cash**

The Head of Financial Accounting shall make available to departments agreed cash for the disbursement of petty cash expenses.

Increases in petty cash floats require authorisation from the Head of Financial Accounting. If a single item is for less than £25 including VAT, it can be paid from such departmental petty cash if necessary. All payments however, must be supported by receipts or vouchers.

The member of staff granted a petty cash float is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place when not in use, in compliance with the requirements of the University's insurers. It will also be subject to periodic checks by the Head of Financial Accounting, Heads of School, Directors or their nominee.

Standard University petty cash books are supplied by the Finance Directorate and must be used for recording all cash movements. Each department assigned a petty cash float is responsible for monitoring all transactions made.

No cash receipts i.e. from sales are to be merged with petty cash.

## **Pay and Pensions**

*Contact Payroll ext 6615, 6578 or 6489*

Pay is made to employees in accordance with employment contracts issued by Human Resources, and collective pay agreements. Changes to rates of pay, special payments etc are determined by Human Resources and notified to Payroll. Payment of wages and salaries is by BACS.

The Director of Human Resources is responsible for ensuring the Finance Directorate are informed of all relevant matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, variations, dismissals, secondments and transfers;
- absences from duty for sickness, maternity or other reason, apart from approved annual leave and other paid leave;
- changes in remuneration, including normal increments and pay awards;
- information necessary to maintain records of service for superannuation, income tax, and National Insurance.

Overtime payments can only be made to staff for whom appropriate contractual terms and conditions apply.

Any additional payments to staff (i.e. items not covered under the terms and conditions of existing contracts of employment) cannot be made unless they are covered by a separate and additional employment contract or by way of a variation to contract, issued by the Human Resources office with approval by the Director of Human Resources or Head of Human Resources.

All payments must comply with HM Revenue & Customs regulations. In order for staff to be paid on time, it is important that all payroll related paperwork should arrive in the Finance Directorate before the published deadlines. This includes time sheets which will not normally be processed for payment if they are received more than 3 months after the work has been carried out<sup>2</sup>. Please note that payments will only be made to someone other than the employee on receipt of written instructions from the employee.

If there is any doubt about the employment status of an individual the HM Revenue & Customs' on-line Employment Status Indicator Tool (ESI) should be used to establish whether there is an employment relationship for tax purposes.

Requests to create new posts, establish fixed term contracts to increase hours and fill vacant posts, should be submitted to Executive Board via the Finance Directorate. Requests to appoint individuals to a casual contract for service of less than nine months duration can be submitted to

---

<sup>2</sup> Unless the contract of employment states otherwise

the Human Resources office using the Casual Support Appointment Form (please refer to [Vacancies](#) for further details).

## **Expenses**

*Contact: Purchase Ledger Officer ext 6614*

Compliance with the University's travel and expenses policy is required by all employees and other persons who may incur expenses that are being claimed from the University. The [Expenses Policy and Procedures](#), sets out the types of expenses that can be claimed. This policy has been agreed by HM Revenue & Customs as covering items which are incurred wholly, exclusively and necessarily in the performance of duties for the University.

## **Vouchers**

*Contact: Head of Financial Accounting ext 6610*

Schemes to reward all staff through the use of vouchers or other cash equivalent must be approved by the Vice Chancellor and reported to the Board of Governors.

Gift vouchers or book tokens for up to £25 may be given to staff or students for prizes or awards. Awards in excess of this amount require the approval of the Head of Financial Accounting. Details of the amounts, names and signatures of recipients should be forwarded to the Head of Financial Accounting on the Gift voucher form available on the Finance Department website.

## **ASSETS**

The University needs to maintain measures to protect its [assets](#). This is particularly important because of the charitable status of the University. It is important to ensure that:

- appropriate assets are purchased at a competitive price;
- the assets are recorded and safeguarded while they belong to the University;
- when assets are no longer of use to the University they are sold for the best value and the proceeds returned to University funds.

## **Land, Buildings, Fixed Plant and Machinery**

All property sales, leases and purchases to or from the University should be authorised in line with the limits given in Annex 2 (Authorised Signatories).

Only Board of Governors may make decisions on property sales and purchases. Two Governors, as authorised in Board of Governors minutes, must sign estate sale, purchase or mortgage documents.

F&CDC may choose to review all management recommendations relating to estates to ensure compliance with all relevant procedures.

All property transactions are required to meet the provisions of the University's Articles.

## **Inventories/Fixed Asset Registers**

Heads of School and Directors are responsible for maintaining asset registers for all equipment and items of value in their area with a cost in excess of £5,000. In some cases, it may be necessary to use the register for other items for practical reasons. Items of office furniture, photocopiers, media equipment and computer equipment are separately logged in central registers kept by the Print Services Manager, Manager of Media Services and Director of Information Learning Services respectively.

All inventories must include items donated or held on trust.

Inventories must be checked annually and retained in the form described in the University's detailed Asset procedures.

## **Personal Use of Assets**

Whilst limited incidental personal use of University assets supplied to individuals to assist them in their work is acceptable, generally assets owned or leased by the University shall not be available for personal use without proper authorisation in writing from the line manager.

Care must be taken not to incur a taxable benefit and any cases of doubt should be referred to the Chief Operating Officer. A taxable benefit may result in an additional income tax liability for the individual concerned.

## **Stock**

All University stocks shall be kept in a secure environment. Heads of Schools/Directors will establish adequate arrangements for custody and control of stocks within their departments. This will include:

- regular inspections and stock checks. There should be a full physical stock-take on 31<sup>st</sup> July, the financial year end, and a valuation prepared in accordance with advice from the Finance Directorate;
- records maintained by holding areas of stocks of a hazardous nature, with appropriate health and safety and security checks undertaken.

## **Banking and Cash Management**

All University banking will be handled through approved bank accounts in the name of the University or one of its subsidiary companies. The Chief Operating Officer may open or close a bank account or set up a bank mandate. All cheques and other payments drawn on behalf of the University must be signed in accordance with the mandate approved by the Chief Operating Officer and Vice Chancellor.

The Chief Operating Officer has lead responsibility for ensuring that the University does not breach any of the general or financial covenants of the debt facility agreements with Barclays Bank dated 2 September 2019 and NatWest bank dated 2 September 2019.

Long term borrowings are approved by Board of Governors, on the recommendation of Finance and Capital Development Committee.

## **OTHER**

### **Tax**

Compliance with tax legislation is essential. The Finance department will provide proactive advice on the tax implications of existing and proposed transactions.

## **PCI DSS Compliance**

Where any financial transaction involves the use of a credit or debit card, all employees must comply with the University Information Security Policy to ensure that cardholder data is protected at all times.

Managers of teams taking card payments on behalf of the University are also required to uphold the additional responsibilities outlined in the policy document - Additional Responsibilities as a Manager of Staff who Process Card Payments and Handle Card Data.

## **Insurance**

Finance Department places insurance on behalf of the University, liaises with insurance brokers for advice on appropriate cover and value for money, and provides claim forms when necessary. Finance & Capital Development Committee will conduct a periodic review of the University's insurance arrangements.

## **Retention of Documents**

Generally, all documents should be retained for at least the current and previous year, and relevant grant documents must be checked before documents are destroyed. The University is required by law to retain financial and legal documents for the periods set out in the University Retention Schedules.

## **University Status**

The University is a private company limited by guarantee, registered number 4498683. It is an exempt charity. Schools, Directorates, and joint projects such as Higher York are not independent legal entities. They must ensure the University's legal name appears somewhere on any document that seeks to establish a contractual relationship with an outside party.

In legal terms the Students' Union is independent of the University.

## **Annex 1 – Key Financial Roles and Responsibilities**

**Board of Governors** is the principal financial and business authority of the University. It ensures that proper books of account are kept, approves the annual budget, forecasts and financial statements, has overall responsibility for the University's assets and estate and ensures the establishment and monitoring of systems of control and accountability. It is also responsible for external financial supervision of the Student Union, which is in all other respects an independent self-governing charity.

**Finance and Capital Development Committee** reviews the financial strategy; the five year forecasts and annual budgets to confirm sustainability and ensure funding is deployed in line with the University Strategy and recommends them to Board of Governors. It regularly reviews financial and other management information to ensure the financial probity of the University is maintained, adequate progress is being maintained on corporate objectives and best practice is employed.

**Audit Committee** reviews the effectiveness of the University's internal control and risk management systems by considering detailed reports from external and internal auditors and from management, together with recommendations for improvement, management responses and implementation plans. It considers the annual financial statements and recommends them to Board of Governors for approval.

The **Vice Chancellor** as Chief Accounting Officer is responsible for financial administration of the University's affairs. He/She is responsible for the management of activities within the budgets approved by Board of Governors. He/She advises Board of Governors, and in certain cases the Office for Students, of any actions or policies which are contrary to the University's Memorandum of Assurance and Accountability. He/She may be required to justify any of the University's financial matters to the Public Accounts Committee of the House of Commons. He/She has authority to delegate responsibilities to other post holders as he/she decides. The Vice Chancellor receives advice and guidance from the **Executive Board** on University policy and procedures, strategy, plans, performance and risk.

The Chief Operating Officer leads on the strategic aspects of the Finance Strategy and has responsibility for the day to day running of the Finance Department.

The Office for Students is responsible for the external financial supervision of the University, as the principal regulator, including under Charities Act legislation. Internal financial management and governance responsibilities are vested in Board of Governors, and the Vice Chancellor.

**Remuneration Committee** has delegated authority from the Board of Governors to determine the salaries, benefits and annual pay award of senior staff within a framework determined by the Remuneration Committee and approved by the Board of Governors. The Committee is also responsible for determining severance payments to senior staff with particular regard to its responsibility to represent the public interest.



## Annex 2 – Authorised Signatories

This section lists the authority to enter into a contract committing the University to a financial obligation, subsequent to the due process of decision making as per the Financial Regulations. The authority levels listed represent the total commercial value of a transaction over its full-term, including VAT. Most transactions and documents fall into the following categories. However, there are certain items that need to be treated differently. These are set out in the table that follows:

Within OneUni the digital workflow has been configured to emulate the agreed Delegation of Authority as below. Authorised signatories have approved delegates to ensure correct financial control whilst maintaining an efficient procedural flow. The Vice Chancellor has requested a prior approval by the Director of Finance or in his/her absence the Chief Operating Officer where the workflow requires final approval at the level of Vice Chancellor (between £100,001 and £500,000).

The agreed Delegation of Authority is:

- Members of the Executive Board and Directors can approve relevant expenditure up to a value of £25,000. Heads of School can approve School expenditure up to a value of £5,000. Executive Board members, Directors and Heads of School are the prime Budget Holders within the University. As such they can delegate their authority to appropriate members of their team. OneUni maintains an auditable register of all such delegations.
- In the absence of the relevant Budget Holder the member of the Executive Board who is their line manager will sign on their behalf.
- Transactions valued between £25,001 and £100,000 will be signed by the Director of Finance or in his/her absence the Chief Operating Officer. The Chief Operating Officer will also be kept informed of all transactions valued at £25,001 and above. Transactions valued between £100,001 and £500,000 will require final approval by the Vice Chancellor. Any financial transaction (expenditure, liability, credit or refund) that commits the University to expenditure which exceeds the aggregated (Capital and Revenue) budgets approved by the Board of Governors, requires F&CDC/Board of Governors approval within context of 5.4 of the Scheme of Delegation with the exception of payments in excess of £500,000 limited to the North Yorkshire Pension Fund and the Teachers' Pension Fund.

- Certain items currently require signatures from two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors, e.g. land transactions. These transactions and any other items over £500,000 will be reviewed by Governors and signed by the designated signatories – please see the table below.

Please note that during the pandemic, electronic financial approvals are permitted. This will be reviewed prior to each Finance and Capital Development Committee.

Processes falling within the scope of OneUni are all managed by an audited digital workflow.

### Transactions requiring special treatment

Transaction Type	Category	Authorised Signatories
<b>FIXED ASSETS</b>		
<b>Land and Buildings</b>		
Sale or purchase of estate, all property leases <b>granted to or by</b> the University	All transactions	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
Building Contracts	£500,000 and over	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
<b>Investments, other than cash deposits</b>		
Long term investment accounts	All transactions	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
<b>CURRENT ASSETS</b>		
Debt write-off Payroll debt write off	Up to £5,000	Director of Finance
Debt write-off Payroll debt write off	Over £5,000	Chief Operating Officer
Repayment plans for payroll debt	Any Value	Director of Human Resources or Head of Human Resources (for existing staff) or Chief Operating Officer (for past employees)
Advances to employees in cases of hardship due to administrative error or delay, to be repaid at the next pay date.	Up to the estimated amount of the underpayment	Head of Human Resources or Chief Operating Officer
Bank current account transactions	£2,000 and over	Two signatories from mandate approved by the Vice Chancellor (or in their absence a Director as listed on Companies House – ie another Governor) and a witness (any member of YSJU staff). Current signatories: Vice Chancellor, University Secretary, Chief Operating Officer, Director of Finance, Head of Financial Accounting, Head of Financial Strategy and Planning, Head of Financial Systems and Processes and Accountant.
Bank current account transactions	Up to £2,000	One signatory from mandate approved by the Vice Chancellor (or in their absence a Director as listed on Companies House – ie another Governor) and a witness (any member of YSJU staff). Current signatories: Vice Chancellor, University Secretary, Chief Operating Officer, Director of Finance, Head of Financial Accounting, Head of Financial Strategy and Planning, Head of Financial Systems and Processes and Accountant.

Transaction Type	Category	Authorised Signatories
Money market investments and deposit accounts	All transactions	Approval may be given by the Director of Finance for transfers to and from deposit accounts. Transfers from deposit accounts may only be made to the University's current account. The opening of deposit accounts is governed by the University's Treasury Management Policy.
<b>LIABILITIES</b>		
Overdraft or revolving credit facility	All transactions	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
Mortgage or any loan or equivalent	All transactions	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
<b>STAFF RELATED PAYMENTS</b>		
New employment contracts (any value)	Vice Chancellor and Executive Board <sup>3</sup>	Remuneration Committee
New employment contracts (any value)	Directors and Heads of School	Vice Chancellor
New employment contracts (any value)	Other Staff	Executive Board
Changes to existing contracts (including pay increases other than Nationally agreed cost of living increases)	Vice Chancellor and Executive Board	Remuneration Committee
Changes to existing contracts (including pay increases other than Nationally agreed cost of living increases)	Pro Vice Chancellors, Directors and Heads of School	Vice Chancellor
Changes to existing contracts (including pay increases other than Nationally agreed cost of living increases)	Other staff	Executive Board Or, Relevant Executive Board member with the Director of Human Resources
Termination of employment	Vice Chancellor	Board of Governors
Termination of employment	Executive Board	Remuneration Committee and Vice Chancellor
Termination of employment	Other staff	Vice Chancellor
Termination of employment	During Probation period	Prime Budget Holders

<sup>3</sup> The Board of Governors has a specified role in the processes of appointment and removal of the University Secretary.

Transaction Type	Category	Authorised Signatories
Termination of employment	On performance grounds (Disciplinary or Capability)	Member of the Executive Board
Severance Payments	Executive Board	Remuneration Committee
Severance Payments	Pro Vice Chancellors, Directors and Heads of Schools	Vice Chancellor
Severance Payments	Other staff	Member of the Executive Board advised by University Secretary
Overtime payments	All staff	Budget holder
Additional, non-contractual payroll payments	Awards to Vice Chancellor and Executive Board	Remuneration Committee
Additional, non-contractual payroll payments	Pro Vice Chancellors, Directors and Heads of School	Remuneration Committee
Additional, non-contractual payroll payments	Awards to other staff	Chief Operating Officer or University Secretary
Nationally agreed cost of living increases	Staff other than Vice Chancellor	Chief Operating Officer or University Secretary
New payroll deduction schemes	All transactions	Chief Operating Officer or University Secretary
<b>Expenses claimed by</b>		
Staff including SLT/ EB	All staff except the Vice Chancellor	Budget holder or authorised signatory on the Budget
Vice Chancellor		Chair of F&CDC or Chair of Board of Governors
Governors		Vice Chancellor or Chief Operating Officer
<b>OTHER CONTRACTUAL AGREEMENTS</b>		
Shareholding in another legal entity	All transactions	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
Joint Venture contracts	£500,000 and over	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors
PFI / PPP contracts	£500,000 and over	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors

Transaction Type	Category	Authorised Signatories
Related organisation contracts	£500,000 and over	Two Governors being two of the four Governors authorised under a general authority given by a Resolution of a meeting of Board of Governors