

OXFORD UNIVERSITY GAZETTE



FINANCIAL REGULATIONS

SUPPLEMENT (1) TO NO. 4760

WEDNESDAY, 15 FEBRUARY 2006

CHANGES IN REGULATIONS

Council has made the following changes in regulation, to replace the existing Financial Regulations (Council Regulations 1 of 2004, *Gazette*, Vol. 134, Supplement (2) to No. 4691, 24 March 2004). The new regulations will come into effect on 3 March.

Financial Regulations

Council Regulations 1 of 2006

FINANCIAL REGULATIONS

Made by Council on 15 February 2006

Introduction

- 1.1. (1) These Regulations are made by the Council of the University in accordance with its statutory responsibility for the proper control of the finances of the University.
(2) The Regulations apply to the conduct of all the financial affairs of the University, irrespective of the source of funding.
- 1.2. (1) The primary objective of the Regulations is to ensure the proper use of finances and resources in a manner which satisfies the University's requirements for accountability, internal control, and the management of financial risk; and also fulfils any legal or financial obligations laid down by HM Revenue & Customs, the Higher Education Funding Council for England, and other government agencies.
(2) The Regulations form part of a management framework which is designed to ensure that resources are being applied properly towards the achievement of the University's Corporate Plan and business objectives.
- 1.3. (1) The Regulations will be maintained on the University website.
(2) Compliance with the Regulations is a requirement for all employees and officers of the University other than those in the employment of the Press, irrespective of whether their appointment is financed by general university funds, research grants and contracts, or trust or other funds; and for all those neither directly employed by nor officers of the University who have responsibility for the administration or management of University funds.
(3) Heads of Unit should ensure that all staff within the Unit are made aware of the consequences of

failure to comply with the Regulations, and that a person found to be in default may be subject to action under the University's disciplinary procedures.

- 1.4. (1) Acting on behalf of the Director of Finance, the Compliance Manager is responsible for ensuring that all Heads of Unit are aware of and know how to access the latest version of the Regulations. All Heads of Unit are responsible for ensuring that members of their Unit and all those responsible to the relevant committee or board are aware of the Regulations, have an appropriate understanding of their operation, and have access to them.
(2) The Director of Finance will arrange for the Regulations to be reviewed periodically. When the Regulations are amended, the Compliance Manager will advise all Heads of Unit and Departmental Administrators of changes by email. Heads of Unit are required to ensure that all relevant members of the Unit are advised of the changes, and to remind them of where the full text may be found on the University's web site.

Definitions and Abbreviations

2.1. The following definitions and abbreviations have been used in the text in order to shorten and simplify the Regulations: further information is available in the referenced Statutes and Regulations:

Audit Committee	the Audit Committee of Council: (Council Regulations 15 of 2002)
Budgetary Unit	each division, department, institution, budget-holding committee and board of or within the University
Development Office	the Development Office in the Central Administration
Director of Estates	the Director of Estates
Director of Finance	the Director of Finance
Finance Committee	the Finance Committee of Council: (Council Regulations 15 of 2002)
Finance Division	the Finance Division of the Central Administration

Financial Memorandum	the Financial Memorandum between HEFCE and the University	2.2. References to the Central Administration are to the Central Administration of the University; and references to a Section are to a section of the Central Administration.
Financial Procedures	such detailed financial operating procedures in conformity with the Regulations as may be promulgated from time to time by the Director of Finance	<i>Application</i>
Head of Unit	the head of a Budgetary Unit: that is, the heads of divisions, departments, and institutions, and the secretaries of committees and boards	3.1. (1) The Regulations and Financial Procedures apply to all bodies included in the University's annual audited financial statements, except subsidiary companies and Societies (as defined in Statute V) and the Press. (2) Subsidiary companies and Societies are expected to develop their own regulations based on this document, appropriately amended to take account of their differing governance arrangements. In the absence of specific Regulations for a subsidiary company or Society, these Regulations shall be presumed to apply. Subsidiary companies and Societies must also supply the University promptly on request with all such information within their control as may be needed by the University in order to fulfil its legal and financial obligations, and prepare its annual budgets and financial statements. (3) The Press has its own financial regulations and procedures.
HEFCE	the Higher Education Funding Council for England (or any successor body)	3.2. The Regulations and Financial Procedures do not apply to the Colleges of the University (as defined in Statute V).
Internal Audit	the University's Internal Audit Service	3.3. Subject to Regulation 3.1 (2) and (3) the Regulations and Financial Procedures apply to all funds received and held by University bodies, from whatever source.
Investment Committee	the Investment Committee of Council: (Council Regulations 15 of 2002)	3.4. (1) Where the Finance Division or any body within the University provides an accounting or other financial service for organisations which are not part of the University, it is acting as a custodian of the funds it is holding and has a duty to exercise the same care as with its own funds. (2) The Regulations and Financial Procedures apply to these funds whilst the University holds them.
Isis	Isis Innovation Limited, the University's wholly-owned technology transfer company	3.5. In the event of any conflict between the Statutes, the Regulations and the Financial Procedures, the order of priority will be Statute, Regulation, Financial Procedure.
LSO	the Legal Services Office in the Central Administration	<i>Financial Responsibility</i>
Parent Body	a Budgetary Unit which allocates funds to other units under delegated authority	4.1. (1) Accountability for financial management is delegated from Council through PRAC to divisional boards, the Central Administration, Academic Services and University Collections, the Department for Continuing Education and other bodies. (2) Council is responsible to HEFCE for ensuring that the University complies with the Financial Memorandum and related guidance from HEFCE.
Personnel Services	the Personnel Services Section	4.2. Within divisions, financial management is further delegated to departments and other Budgetary Units in accordance with rules laid down by each divisional board, but within the overall framework of the Regulations.
PRAC	the Planning and Resource Allocation Committee of Council: (Council Regulations 15 of 2002)	4.3. At each level, the body or individual concerned must ensure that funds received or spent are properly controlled, and their use monitored.
Press	the Oxford University Press: (Statute XVIII and Council Regulations 20 of 2002)	4.4. Responsibility for internal control within a Budgetary Unit rests with the Head of that Unit, who should ensure that appropriate and adequate arrangements exist to safeguard all assets; that university policies, including the Regulations and Financial Procedures, are complied with;
Purchasing Office	the Purchasing Office in the Central Administration	
RAM	the University's Resource Allocation Method	
Regulations	these Financial Regulations	
RS	the Research Services Section	
Statutes	the Statutes and Regulations of the University in force for the time being	
Subsidiary Companies	companies limited by shares or by guarantee which are wholly owned by the University	
VAT	Value Added Tax (or any tax replacing it)	
VFM	Value For Money, as determined by the economy, efficiency and effectiveness of expenditures or resources: (Council Regulations 15 of 2002)	

and that records are maintained in as complete and accurate a form as possible, with electronic data appropriately backed up using a secure mechanism.

4.5. Heads of Units must supply the Finance Division with any information necessary to ensure that the University complies with the Financial Memorandum and related guidance from HEFCE, by the dates stated by the Director of Finance.

4.6. Heads of Units must ensure that adequate arrangements for regular independent checks of financial transactions are in place.

4.7. Internal management systems for the control of any finance-related activity must be designed to allow for adequate segregation of duties, and for restricted access to accounting systems appropriate to each user's role and responsibilities: they should provide clearly defined delegated authorities where necessary, and provide an appropriate balance of controls to prevent and detect errors. Management systems can be subject to external attack, and any electronic means of carrying out finance-related activity should be designed with appropriate security measures in place.

4.8. Guidance on recommended internal control procedures is available from Internal Audit. Guidance on the security of business data in electronic form is available from Business Services and Projects: guidance on the security of academic data in electronic form is available from Computing Services.

Audit

5.1. The University's audit arrangements are required to be in accordance with the HEFCE Audit Code of Practice on Accountability and Audit, which itself confers responsibilities on the Audit Committee, on Internal Audit and on the External Auditors.

5.2. (1) *The Audit Committee* provides independent oversight of audit activities and reports to Council on issues related to internal control, governance, risk management and value for money.

(2) The committee shall review the effectiveness of the financial and other internal control systems of the University, including both the scope and the effectiveness of the work of both Internal and External Audit.

(3) The committee shall produce an annual report for Council, which, after presentation to Council, is sent to the Chief Internal Auditor of HEFCE.

5.3. (1) *Internal Audit* is responsible for carrying out appraisals of the internal control systems of the University's activities, financial and otherwise, and of their conformity with the Regulations.

(2) It provides a service to all levels of management by evaluating and reporting to them on the effectiveness of the controls for which they are responsible; and helping them improve risk management, internal control and governance, and VFM.

(3) It may provide advice concerning controls and other matters in the development of systems; but it does not have direct responsibility for the development, implementation, or operation of systems.

(4) It is responsible for giving assurance to the Audit Committee, Council, the Vice-Chancellor and the Registrar on all financial and other control arrangements.

(5) It shall produce an annual report for Council on its activities in the financial year: the report will include any significant issues to the date of preparing the report which affect its opinion on the adequacy and effectiveness of the University's arrangements for risk management, internal control and governance, and VFM.

(6) Internal Audit may also assess the adequacy of the arrangements for preventing and detecting irregularities, fraud and corruption; albeit the primary responsibility for preventing and detecting fraud, corruption and irregularities rests with management.

(7) Internal Audit has an unrestricted right of access to all vouchers, documents, books of account, and computer data, and to any other information which it considers relevant to its enquiries and which is necessary to fulfil its responsibilities. This includes the right to verify assets, and the right of direct access to any employee or person responsible for the administration or management of University funds with whom it is felt necessary to raise and discuss such matters.

(8) Council shall from time to time, on the recommendation of the Audit Committee, determine arrangements for periodic market-testing and/or rotation of internal auditors, including (but not limited to) a decision whether the internal audit function shall be performed by University employees, or wholly or partially outsourced.

5.4. (1) *External Audit*. Each year, on the recommendation of the Audit Committee, Council shall appoint the University's External Auditors.

(2) The External Auditors audit the annual financial statements of the University, and report to the Vice-Chancellor as to whether or not in their opinion those statements give a true and fair view of the state of the financial affairs of the University and its related bodies and subsidiary companies at the balance sheet date, and of their income and expenditure for the year then ended.

(3) The External Auditors have unrestricted right of access to all vouchers, documents, books of accounts, computer data, and other information.

(4) The External Auditors have the right to verify assets, and the right of direct access to any employee or person responsible for the administration or management of university funds with whom it is felt necessary to raise and discuss such matters.

(5) The External Auditors may visit any Budgetary Unit.

(6) If the External Auditors are asked to provide services beyond the scope of the audit of the financial statements, the Audit Committee will be informed in order that the Committee may satisfy itself that the extent and nature of the other work does not affect the objectivity of the external audit.

5.5. (1) *Other Auditors*. The University may be audited by the HEFCE Internal Audit Service and may be visited by the National Audit Office.

(2) These auditors have the same rights of access as Internal Audit and the External Auditors.

(3) The European Commission and certain other sources of funding for research also reserve rights of inspection and audit.

Fraud

6. Employees and others who have responsibility for the administration or management of University funds are required to follow the University's Policy and Procedures for Dealing with Cases of Fraud and Suspected Fraud.

Whistle blowing

7. The Public Interest Disclosure Act provides employees with legal protection against being dismissed or penalised by their employers as a result of disclosing certain serious concerns. The University's Code of Practice and Procedure on Public Interest Disclosure has been designed to assist University employees who wish to make such disclosures, and to secure their proper investigation.

Ethical Policy

8.1. University employees and others with responsibility for the administration or management of University funds should not use their authority or office for personal gain, and should always seek to uphold and enhance the standing of the University.

8.2. Employees and others who have responsibility for the administration or management of University funds are required to follow the Statement of Policy and Procedure on Conflict of Interest which is referred to in Regulation 43 (2).

8.3. Whenever an individual who has responsibility for the administration or management of University funds has a personal interest in a matter concerning such funds which is to be discussed at any meeting of a University body (other than a meeting to consider salary scales or other University-wide issues which would not be quorate in the absence of University employees with such responsibilities), he or she must:

- (1) declare an interest before the meeting or at the meeting before discussion begins on the matter;
- (2) be absent from the meeting for that item unless expressly invited to remain in order to provide information;
- (3) not be counted in the quorum for that part of the meeting; and
- (4) be absent during the vote and have no vote on the matter.

Risk Management

9. The University acknowledges the risks inherent in its activities and is committed to managing those risks which pose a significant threat to the achievement of its strategic objectives and financial stability. The General Purposes Committee of Council has delegated responsibility from Council for risk management issues.

Budgets

- 10.1. (1) *University Budget.* PRAC is required to report to Council annually on the budget for the ensuing financial year, and seek approval for its adoption.
- (2) All Heads of Units must supply the Finance Division with any information requested for the University's annual budgets, by the dates stated by the Director of Finance.

10.2. *Delegated Budgets.* Each body which receives or spends central University funds is required before the start of each financial year to prepare a budget for that financial year, based on its submission to the University's planning cycle; and before the start of the financial year to which the allocation applies to notify its income and expenditure plans to the body to which it is responsible.

- 10.3. (1) *Surpluses and Deficits.* Budgetary Units are required to keep their expenditure within the budgetary limits approved by PRAC.
- (2) The Head of Unit shall ensure that appropriate procedures are implemented by the Unit to monitor and manage the budgets in this regard.
- (3) A Unit may budget for a deficit for the year only if this is consistent with the strategic plan for the division or other entity of which the Unit forms part, and agreed by PRAC.
- (4) The Financial Procedures explain when the use of funds allocated to specific purposes must be accounted for separately.
- (5) If a Budgetary Unit finds in the course of a year that it will be unable to achieve its budget and is likely to show a worsened outcome at the end of the year, it must submit details of the situation to its Parent Body without delay.
- (6) The Parent Body shall allow the Budgetary Unit to exceed its budget only if it is satisfied that the Unit has plans in place to recover the position: every instance in which a Budgetary Unit is allowed to go over budget must be reported to the next meeting of PRAC by the Parent Body or by the relevant divisional board.
- (7) Further information is available in the Financial Procedures.

Accounting Records and Annual Financial Statements

- 11.1. Advice on accounting matters may be sought from the Head of Financial Reporting in the first instance.
- 11.2. *Accounting Records.* Every Head of Unit shall ensure that all moneys under the Unit's control are kept safely, and are used only for the purposes for which they are approved; and that all transactions are properly recorded in the University's central accounting system. Further information is available in the Financial Procedures.
- 11.3. *Retention of Financial Documents.* Budgetary Units must follow the guidelines which have been published at Annexe A for documents not in electronic form; and keep such documents for the periods which are prescribed there. The Compliance Manager will make appropriate arrangements for the retention of electronic records.
- 11.4. *Central Accounting System.* All members and staff of the University with access to the University's central accounting system must comply with the relevant password and other security controls. Budgetary Units may not use any other accounting system without the prior written approval of the Director of Finance.
- 11.5. (1) *New Budgetary Units.* A new Budgetary Unit may only be established on the authority of the appropriate central body or divisional board.
- (2) No resources from central or divisional funds may be transferred between Budgetary Units without the permission of both the appropriate central

body or divisional board and the Head of Financial Planning and Analysis.

11.6. (1) *Annual Financial Statements*. The Finance Committee shall review audited annual financial statements of the University for each year to 31 July; and report to Council accordingly before the end of Michaelmas Term. It will then be for Council to approve the statements.

(2) Heads of Units shall provide such information as the Finance Committee may require in order that the annual financial statements may be prepared.

(3) Once Council has approved the annual financial statements, the Vice-Chancellor and the Director of Finance shall sign them: if the Vice-Chancellor is not the Chairman of the Finance Committee, then whoever is the Chairman shall also sign.

Banking Arrangements

12.1. (1) All moneys receivable by the University are to be regarded as income of the University.

(2) University income includes all moneys made available to individuals on the basis of their association with the University (other than pursuant to authorised outside appointments: see Regulation 43).

(3) All University income must be paid into a University bank account promptly and be properly accounted for, and all University expenditure must be paid from a University bank account.

(4) No private bank accounts may be used to divert any moneys receivable by the University.

12.2. (1) The setting up of University bank accounts, including the mandate for each account and subsequent changes to the mandate, must be approved by the Head of Treasury and the Director of Finance.

(2) All such bank accounts shall be in the name of the University.

12.3. When a Budgetary Unit anticipates any future receipt or payment of foreign exchange, it should notify the Head of Treasury and arrange to discuss how the foreign exchange risk can be reduced or avoided. Advice is available from the Head of Treasury.

Credit Cards

13.1. All University credit and charge cards shall be used only for the payment of valid business expenses or appropriate University purchases.

13.2. Misuse of any University credit or charge card shall be a ground for disciplinary action.

13.3. The approval of the Head of Accounting Services is needed in advance for the setting up of any University credit or charge card programme. Such cards may be requested by Budgetary Units through the Purchasing Office. It is for the Unit to design the programme and propose the categories of goods and/or services, and the credit and transaction limits. Further guidance is available on the Finance Division website and in the OSIRIS Procedures.

Receipts

14.1. (1) Each Head of a Unit which receives cash or cheques should contact the Chief Cashier and agree a collection rota for such receipts.

(2) The Head of Unit is responsible for the security of cash received until banked.

(3) All income received by cash, cheque or credit card must be recorded before being banked.

(4) All receipts should be banked intact within a week of receipt, or promptly in the event of sums exceeding £250 being received.

(5) Remittances must not be in cash when the sum involved is more than £10,000 for a single sale of goods or provision of services.

14.2. Those making payment to the University should be advised that cheques are to be made payable to 'The University of Oxford'.

14.3. The postal service and University Messenger Service must not be used to send cash.

14.4. Remittance advices must accompany all receipts and be sent to the University of Oxford, P.O. Box 1515, OX1 2XN.

Student Fees

15.1. No person shall be presented for a degree unless he or she has paid all the sums due from him or her to the University.

15.2. Variation in fees and fee waivers may only be granted in accordance with conditions agreed by Council. Further information is available in the Examination Regulations.

Benefactions and Endowments

16.1. (1) The following persons are authorised to give a valid receipt on behalf of the University:

(a) the Registrar and the Director of Finance each have authority to accept gifts without limit; and

(b) each Head of Unit or, if the head so delegates, the administrator of the Unit, has authority to accept gifts for that Unit worth up to £10,000;

except in each case:

(i) gifts and grants in support of research, which must be processed and negotiated through RS;

(ii) any gifts the acceptance of which would involve the establishment of a new trust (where advice must be sought from the LSO);

(iii) any gifts which would bear any restrictive conditions, or entail any potential commitment on University funds (where advice must be sought from the LSO);

(iv) any gifts which might be considered sensitive for political or other reasons (where advice must be sought from the Development Office);

(v) any gifts where the donor is not easily identified (where advice should be sought from the LSO); or

(vi) any other gifts in respect of which those given delegated authority may consider Council's approval necessary.

(2) All acceptances should be notified promptly to the Development Office, with details of the donor and the amount and purpose of the gift. The Pro-

Vice-Chancellor (Development and External Affairs) shall provide Council with a termly report of all gifts of £100,000 or more.

16.2. (1) Benefactions and endowments made to the University may be given on trust.

(2) In order to ensure that the University complies with any conditions attaching to the benefaction or endowment, a University Trust Regulation must be made (unless the terms of a trust for research are established satisfactorily in conditions of grant).

(3) Trust Regulations are prepared by secretaries to divisional boards (or their equivalents in the case of Budgetary Units not in divisions), taking advice where necessary from the LSO.

(4) They will include the purpose of the fund, details of the management arrangements, and provision for subsequent amendment. The General Purposes Committee of Council has authority to approve Trust Regulations under Council Regulations 15 of 2002.

(5) Trusts are accepted by the University on the basis that recourse may be had to the income of the fund and (save in cases of permanent endowment) the capital in order to meet all costs associated with the activity funded; and it will not be open to these responsible for the management of a fund to choose to support only some of such costs.

16.3. Budgetary Units which solicit or are offered benefactions and endowments must have regard to the possibility that funds may emanate from illegal sources. They should exercise particular caution:

(1) where, having been offered large donations from persons unknown to the Unit, they do not receive satisfactory replies to the further enquiries they make;

(2) where donations are conditional on particular individuals or organisations being used to do work for the University;

(3) where offers of donations in cash are made for a certain period of time, during which the University receives the interest, before the capital sum is returned to the donor at the end of the specified period;

(4) where offers of donations in foreign currencies are made for a certain period of time, during which the University receives the interest, before the capital sum is returned to the donor in the form of a sterling cheque at the end of the specified period.

All such cases must be referred promptly to the Registrar, and advice should be sought from the LSO.

Gifts of University Property or Funds

17.1. The Registrar (in the case of grants of no more than £2,000) and PRAC may make grants from revenue in response to appeals from educational or charitable organisations of direct concern to the University, or in places where the University owns land or is patron of a benefice, on condition that Council is consulted on any case of doubt or difficulty, or involving a grant of more than £10,000.

17.2. Specific funds may be held by the Central Administration for restricted use in providing grants to specified

bodies. Apart from this (and the discretion given to the Registrar in Regulation 17.1), the property and funds of the University may not be given away, or used to make donations or grants, without the approval of Council.

Borrowing

18.1. The University has the capacity of a natural person to manage, deal with and dispose of its property as it thinks fit; and this includes the power to invest, the power to borrow (and enter into contracts relating to derivative products ancillary to borrowings) and the power to charge its property as security.

18.2. No borrowing may take place (other than through the operation of an overdraft which is part of regular banking facilities), and no University assets may be offered as security for any borrowing, without the permission of Council. Before sanctioning such activities, Council will obtain and consider proper advice (which for these purposes shall mean, save where expressly authorised by Council to the contrary, advice from a suitably qualified, independent person) as to the necessity for the loan or security, the reasonableness of the terms, and the University's ability to repay.

Investment

19.1. *The Investment Committee* is responsible to Council for the investment of all funds and endowments of the University apart from those held by Societies or the Press.

19.2. No Budgetary Unit or trust fund of the University may invest independently in any securities or other investments.

19.3. In the exercise of its responsibilities, the Investment Committee shall have regard at all times to:

(1) the suitability (both generically and specifically) of particular investments to the University;

(2) the need for diversification of investments; and

(3) the need to obtain and consider proper advice (which for these purposes shall mean, save where expressly authorised by Council to the contrary, advice from a suitably qualified, independent person).

19.4. The Investment Committee may sanction the use of derivative products (and other similar financial instruments) provided that every such transaction is considered (on advice as in Regulation 19.3) to be economically appropriate, and provided that their use is at all times ancillary to the investment process.

19.5. After approval by the Investment Committee, investments shall be made by or under delegation from the Director of Finance, following Regulation 23.3.

Trusts Pool

20.1. The Investment Committee administers the Trusts Pool, established by a Scheme made under Section 2 of the Universities and Colleges (Trusts) Act 1943.

20.2. The Trusts Pool is available to the funds of trusts administered by or for purposes connected with the University (subject, in the case of any trust not administered by the University, to the consent of the trustees).

20.3. The approval of the Investment Committee is required for all new shareholders in the Trusts Pool, and for all increases in shareholdings.

Deposit Pool

- 21.1. (1) The University has a Deposit Pool in which the University and colleges may invest cash balances for a minimum period of one month.
- (2) The pool attracts income through cash deposits, but does not offer investors any capital growth.
- 21.2. Every account which has funds in the Deposit Pool must have either a nil or a positive balance of cash with the Finance Division.
- 21.3. (1) The approval of the Director of Finance is required for each individual application to place funds on deposit in the Deposit Pool.
- (2) No moneys received by Budgetary Units from central university funds may be so invested.
- 21.4. The amount of Deposit Pool interest which it is estimated the University will receive in a financial year will be credited as follows:
- (1) Those holdings which for legal or statutory reasons need to be separately identified and accounted for will have their associated interest credited directly to them.
- (2) The monies remaining will be distributed to the spending sectors in accordance with criteria laid down by PRAC from time to time.

Petty Cash

- 22.1. (1) Where a petty cash float is provided to pay minor expenses, it may not be used for:
- (i) wages or salaries;
 - (ii) payments to regular suppliers;
 - (iii) gifts to members or former members of staff;
 - (iv) gifts, gratuities or donations of any nature to external bodies, except in accordance with Regulation 17;
 - (v) payments for non-business use of goods or services;
 - (vi) personal expenditure;
 - (vii) loans or advances to employees or students;
- or,
- (viii) cashing of personal cheques.
- (2) It may be used to reimburse travel expenses under an amount prescribed from time to time by the Director of Finance, on condition that a travel claim form is used (see Regulations 39 and 40).
- (3) The Budgetary Unit is responsible for the security of the float.
- (4) Claims for reimbursement must be made on the standard form provided by the Finance Division, and be supported by invoices or other supporting documents.
- (5) Cash receipts must not be added to the petty cash float.

Authority to enter into Contracts

- 23.1. Part C of Statute XVI contains the basic rules about who may commit the University in contract. No officer's authority extends to any contract which is illegal, or which does not comply with obligations laid down by HEFCE, HM Revenue & Customs, or other government authorities.

23.2. The Vice-Chancellor and the Registrar each have general authority.

23.3. The Director of Finance has authority in relation to agreements dealing with sales, purchases, investments, borrowings, commercial activities, research contracts, and the formation and operation of subsidiary, associated, and spin-out companies.

23.4. The Director of Research Services has authority in relation to research and research-related contracts.

23.5. The Director of Estates has authority in relation to contracts for the demolition, construction, alteration, repair, and maintenance of buildings.

23.6. The Land Agent has authority in relation to contracts for the sale, purchase, leasing, licensing, and charging of real property.

23.7. Other officers may have delegated authority: the Registrar keeps a register of all such delegations, which may be consulted on application to the Registrar or the LSO.

23.8. Standard forms of employment contract are approved by the Personnel Committee for use in all cases. Advice should be sought from Personnel Services. Authority to employ or dismiss staff may be exercised only under the provisions of Statute XIV. Personal authorisation must be obtained through Personnel Services before individual heads of department, departmental administrators and others may issue contracts of employment to staff in their Units.

23.9. (1) Subject to (2) below and to Regulations 23.8, Heads of Units have authority to effect contracts in the course of the ordinary business of their Unit involving only the funds over which they have delegated control.

(2) They do not have any authority to enter into any contract which falls within the remits of the Director of Finance (apart from sales and purchases in the course of the Unit's ordinary business), the Director of Research Services, the Director of Estates or the Land Agent under Regulations 23.3–23.6.

(3) What is ordinary business will vary, but for academic units can be taken to mean teaching and research and (save as otherwise provided) their support.

(4) Heads of Units may delegate in writing their authority to effect contracts, but no such delegation shall be operative until a copy of the instrument recording the delegation has been delivered to the Registrar.

(5) Heads of Units should obtain the advice of the Director of Finance in the first instance if they are unsure of their authority to effect a particular contract.

23.10. Documents for sealing must be sent to the LSO.

23.11. Regulation 25 records the procedures internal to the University which determine the limits on an individual's authority to commit the University to financial outlay.

Sales

- 24.1. (1) Heads of Units which receive the proceeds of sale of goods or services are responsible for establishing procedures to ensure that all sales are authorised, and are subject only to acceptable credit risks. Fur-

- ther information is available in the Financial Procedures.
- (2) Customers must be made aware of the University's standard conditions of sale and supply, which must be incorporated into all contracts (subject to any variations required on a case-by-case basis, and drafted or endorsed by the LSO), including contracts for sales generated on-line.
- (3) Invoices must be prepared for all goods dispatched or services supplied, and be properly recorded and processed. Invoices must show the University's VAT registration number.
- 24.2. (1) The liability to VAT of all goods and services supplied must be established, and VAT charged and accounted for as appropriate.
- (2) Advice is available from the Head of Accounting Services.
- 24.3. (1) When a new income-generating activity is set up, the Head of Accounting Services must be consulted to consider whether the activity constitutes trading which might be subject to Corporation Tax, and therefore should be conducted through a University company.
- (2) Failure to do so may result in the payment of tax, which would then be charged to the Budgetary Unit in question.
- (3) The University operates an approved undisclosed agency arrangement which will allow many trading activities to be conducted in the name of Budgetary Units. Further information is available in the Financial Procedures.
- 24.4. (1) When determining the prices to be charged for research, residences, catering, conferences, and services to external customers, including consultancy, the University is required by the Financial Memorandum to assess the full economic cost to the University.
- (2) HEFCE expects the full economic cost to be recovered unless it is appropriate to do otherwise having regard to the particular circumstances.
- (3) Heads of Units are responsible for ensuring that charges make due allowance for full economic costs, and that they are aware of the extent, if any, to which they subsidise the cost from their Unit's resources (in which case they must be able to justify the subsidy).
- (4) When research is costed, the University's policy on the application of full economic costs must be followed.
- (5) All non-accredited courses and conferences which are organised by a member or employee of the University under the auspices of the University must be approved by the Head of the member or employee's Unit and be costed in full in accordance with the principles of full economic costing.
- 24.5. Heads of Units must approve sales to employees, members of the University, and other customers which are made without charge, or at a charge below that normally made to external customers.
- 24.6. Heads of Units must ensure that appropriate charges are made for the use of University premises and facilities for non-University purposes.
- 24.7. (1) *Debt Reviews*. The Head of Treasury will ensure that arrangements are in place to monitor all debts properly, and follow up overdue accounts. The Receivables Section will work with Budgetary Units in carrying out these arrangements.
- (2) A debt is created whenever a credit sale is made.
- (3) Heads of Unit are responsible for credit control and debt collection in respect of invoices issued by their Unit to third parties. Debt collection procedures will be managed on their behalf by the Finance Division. Any debt written off as uncollectable may be charged against the Unit's budget.
- (4) Heads of Unit may recommend to the Director of Finance that the Director write-off of a debt once they are certain of its non-recovery.
- (5) The Director of Finance may write off a bad debt in an amount of not more than £100,000 against general revenue or, where he or she considers that the bad debt resulted from unguarded action taken by a Unit, against that Unit's funds. The Finance Committee may write off bad debts in amounts in excess of £100,000.
- (6) The Director of Finance shall provide the Finance Committee with an annual report of the total sum written off each year, giving details of individual sums over £5,000.
- (7) Any VAT included in bad debts which have been written off may be recovered using the procedures prescribed by HM Revenue & Customs.
- Purchases*
- 25.1. (1) Heads of Units are responsible for establishing procedures to ensure that goods and services are ordered only in required quantities of suitable quality at the best terms available (having regard to the 'whole life cost'), after appropriate requisition and approval.
- (2) In many cases the best value will be available through centrally negotiated purchasing arrangements, and the Purchasing Office should therefore be consulted in order to ensure that value for money is obtained.
- 25.2. All procurement of goods and services must be in accordance with the Financial Procedures and the University's Procurement Policy Guidelines.
- 25.3. All contracts for the purchase of goods must incorporate the University's standard conditions of purchase, and all contracts for the procurement of services must be in the form of the University's standard contracts for services, unless (in either case) other terms are negotiated through the Purchasing Office or (for construction contracts) the Estates Directorate.
- 25.4. All contracts for the acquisition of goods and services otherwise than by purchase (for example, leasing arrangements) must be negotiated through the Purchasing Office and notified to the Head of Accounting Services.
- 25.5. Orders may be placed only when funds are available to pay for them.
- 25.6. Duties of staff should be segregated wherever possible, so that more than one member records and processes each transaction. Where only one member of staff is available, procedures for regular independent checks of transactions should be in place.

25.7. Procedures must be in place to ensure that goods and services received are inspected, and that only properly ordered items are accepted, before payment is authorised.

25.8. The following Regulations apply when a Budgetary Unit operates a credit or charge card programme approved under Regulation 13:

(1) All procurement by or for the Unit made through the use of the card must comply with the financial control procedures for the card which are issued from time to time by the Head of Accounting Services.

(2) It is for the Unit to notify the chosen credit and transaction limits to the Head of Accounting Services, and to ensure that the limits are adhered to.

25.9. The following Regulations apply when a Budgetary Unit does not operate an approved card programme, and to transactions not involving the use of a card:

(1) Invoices must be to 'The University of Oxford': they must be verified by reference to purchase orders and, where applicable, delivery notes: VAT must be attributed correctly.

(2) Heads of Unit must supply the Payments Section with a register of authorised signatures for the authorising of documents for payment.

(3) The register shall record the limits on each individual's authority.

(4) Each entry on the register must be signed or initialled by the Head of Unit.

(5) Where the proposed authorised signatory is not a university employee, the approval of the Director of Finance is also required.

(6) The register must be kept up to date.

(7) Payments to suppliers will normally be by way of BACS transfer or computer-generated cheque.

(8) The Head of Accounting Services shall review all payments of £20,000 and above on a regular basis.

(9) Prompt payment for discount must not be made earlier than the date of supply, except in cases where the supplier must itself make cash outlays at an early stage or permission has been obtained from the Finance Division.

(10) Advice is available from the Head of Accounting Services.

25.10. Payments under employment contracts must be made through the university payroll and not by other means.

25.11. The arrangements for payments under contracts for services are prescribed in the Financial Procedures: advice is available from the Payroll Section.

Research Grants and Contracts

26.1. (1) All applications to outside bodies for research funds must be submitted for University approval to RS, before being despatched to the sponsor.

(2) RS is also responsible for negotiating research and related contracts on behalf of the University.

(3) These provisions apply whether the University is undertaking research in its own name or as agent of another research or educational organisation.

(4) Advice on research grants and contracts is available from RS.

Other Projects

27.1. Whenever a project cannot be administered through standard RS procedures, that project must be appraised, implemented, and monitored in accordance with the University's Project Guide. All projects where the anticipated cost exceeds one million pounds, or which call for the use of the University's central funds, must be approved by PRAC.

27.2. Advice on the appraisal process is available from the Project Accountant.

Stock

28.1. Any item acquired for future use is to be regarded as 'stock': further detail can be found in the Financial Procedures.

28.2. (1) Heads of Units are responsible for compliance with the Financial Procedures for the management of stock, and for ensuring that stocks are adequately protected against loss or misuse.

(2) Stocks should be maintained at the minimum level required to support operations.

28.3. Unless perpetual inventory counting is applied, a physical stock count must be conducted at least once a year, preferably at 31 July, and reconciled to the stock records held in the University's central accounting system.

28.4. A Head of Unit may authorise the writing off of stock in his or her Budgetary Unit.

28.5. Advice is available from the Head of Accounting Services.

Equipment and Furniture

29.1. Heads of Units are responsible for establishing procedures to ensure that all items of equipment and furniture are adequately protected against loss, damage and misuse, and that all purchases and disposals of equipment are properly authorised, accounted for, and recorded.

29.2. Equipment bought from research grants and contracts belongs to the University, unless there is explicit provision to the contrary in the relevant contract; and is available for use in the relevant Budgetary Unit on the expiry of the grant, subject to any conditions imposed by the funding body.

29.3. Any proceeds from the sale of equipment will normally be credited to the account of the Budgetary Unit which purchased that equipment.

29.4. Where equipment is loaned, Budgetary Units should have procedures in place to ensure that it is returned in good condition: if the borrower is to have custody and control of the equipment, it must be for the borrower to arrange insurance cover. Advice is available from the Insurance Section. All loans must be notified promptly to the Head of Financial Accounting.

29.5. (1) An inventory of all equipment must be maintained in the form of the asset register prescribed in the Financial Procedures.

(2) Items of equipment will be covered for all-risks insurance if they are included in the Insurance-Valuation Section of the asset register.

(3) The register must be updated regularly, with details of all acquisitions and disposals, and a copy supplied to the Insurance Section annually.

(4) Items purchased between annual submissions are covered automatically: however, the Insurance Section must be notified at the time of acquisition whenever an individual item exceeds £50,000 in value.

29.6. No asset belonging to the University may be removed for personal use without approval in writing from the person's Head of Unit.

Real Property

30.1. *Functional Property.* The authority of Council is needed for any purchase or sale of real property which is to be university-owned or leased (whether formally or informally) and occupied by university bodies, and which is not investment or residential property. No allocation for University purposes of a site the area of which exceeds 1,000 square metres, or of a building the overall floor area of which exceeds 600 square metres, may be made unless approved by resolution of the Congregation of the University.

30.2. *Other Property.* The Property Management Sub-committee of PRAC or the Property Investment Sub-committee of the Investment Committee may authorise the purchase, leasing and sale of all other real property.

30.3. Advice on property matters is available from the Director of Estates in respect of Functional Property, and from the Land Agent in respect of other property.

Buildings

31.1. Under Council Regulations 15 of 2002, *the Buildings and Estates Sub-committee* is responsible to PRAC:

(1) for the management and maintenance of the University's Functional Property (except for matters which are the responsibility of divisions and other bodies), and in particular for formulating and reviewing the University's programme for all capital building projects for teaching, research and administration purposes;

(2) for overseeing the design and construction of all major projects, the repairs and maintenance programmes undertaken by the Director of Estates, and car-parking arrangements;

(3) (subject to Regulation 30.1) for the allocation of land and property for teaching, research and administration purposes.

31.2. All building works, however funded, on Functional Property require the prior permission of the Director of Estates, acting under delegated authority from the Buildings and Estates Sub-committee.

31.3. Advice on building matters is available from the Director of Estates.

University Vehicles

32.1. No University-owned vehicle ('University Vehicle') may be used unless it is insured for the purpose for which it is being used, carries a valid Vehicle Excise disc, and has a valid MOT Test Certificate where required; and unless the driver is qualified to drive the Vehicle.

32.2. (1) University Vehicles may be used only by persons and for purposes authorised in writing by the Head of Unit, and a record of authorised drivers should be maintained: reference should be made to the Insurance Section whenever drivers have six or more points on their licences.

(2) University Vehicles should not normally be used for travel to and from work, and they should be left on university premises at night.

(3) Where the use of University Vehicles is authorised for travel to and from work and they are not left on University premises at night, any employee of the University is likely to be taxed on the benefit enjoyed.

32.3. Where private use is allowed, the terms and conditions of use and reimbursement of costs must be authorised in writing by the Head of Unit: the University's motor insurance cover will operate in respect of private use of vehicles where this authorisation has been obtained: it is possible that the cover will not operate in the event of an incident arising during a period of private use where the appropriate permission has not been sought and obtained.

32.4. University Vehicles must be included in the Unit's asset register: any acquisition must be notified immediately to the Insurance Section.

32.5. Sales of Vehicles should be advertised beyond the Unit making the sale: any disposal must be notified immediately to the Insurance Section.

Insurance

33. Except in cases where express agreement to the contrary has been reached with the Finance Division, all insurances must be arranged only through the Insurance Section, which will provide all necessary advice.

Legal Advice

34.1. Legal advice on staff matters will be obtained and supplied by Personnel Services. All other legal advice must be taken only from or through the LSO. The Registrar has a discretion to call for second or further opinions.

34.2. The taking or defending of any court, tribunal, arbitration, adjudication or (formal) mediation proceedings must be approved by the Registrar, and initiated and managed:

- (1) in the case of staff matters, by Personnel Services;
- (2) in the case of adjudication of construction disputes, by the Director of Estates;
- (3) in all other cases, by the LSO.

Documents relating to or threatening such proceedings must be forwarded immediately on receipt to whichever is appropriate of the Director of Personnel Services, the Director of Estates and the Director of Legal Services.

VAT

35.1. The University is a partially exempt, registered, taxable body, and has a legal obligation to account properly for VAT and to make correct returns to HM Revenue & Customs.

35.2. Each Budgetary Unit is responsible for its own VAT affairs, including ensuring that it is adequately informed about the VAT and related aspects of matters with which it deals.

35.3. All Heads of Units must submit correct and timely returns of VAT and other legally required data to the Finance Division, for inclusion in the University's returns to HM revenue & Customs, as well as providing the information needed on invoices and other documents of costs incurred, to allow the University to operate its VAT partial exemption scheme.

35.4. Further guidance is available in the Financial Procedures. Advice on VAT and related matters is available from the VAT Officer.

Staff

36.1. (1) New academic-related and non-academic posts at the grades of T01, Whitley Council ML01, MTO2, and below, Whitley Council Nurse E and below, Whitley Council Administrative & Clerical 3 and below, and outside-grant-funded academic-related RSIA and RSIB posts, may be set up by Budgetary Units without the prior approval of the grading by Personnel Services (acting on behalf of the Personnel Committee), on condition that, if the post is outside-grant funded, the relevant procedures specified by RS for the acceptance of the outside grant have been completed.

(2) The formal grading of all other new academic-related and non-academic posts, or changes to the grade of existing posts, must be approved by Personnel Services on behalf of the Personnel Committee.

(3) General provisions for matters relating to the employment of staff are set out in Statutes XII and XIV, in Council Regulations 3 of 2004, and in other relevant Council Regulations. Advice is available from Personnel Services.

36.2. A separate panel of the Personnel Committee considers the proposed grading of new posts (or the regrading of existing posts) in grades ALC6 and RSIV.

36.3. In the case of academic units, the setting up of any new academic posts with the exception of chairs, and any changes to existing posts, should also be approved by the divisional board with responsibility for the budget of the Unit, subject both to appropriate consultation with colleges, and to written confirmation that the anticipated commitment will be within the budget set for the board by PRAC (such confirmation to be obtained from the Finance Division). The establishment of any chair requires the approval of PRAC.

36.4. No outside-funded member of staff may be given a contract of employment for a period exceeding that for which funding is available fully to support the post or posts to which he or she is appointed, with the exception of open-ended terminable contracts on which advice must be sought from Personnel Services.

36.5. The only payments which may be made to University employees are those which relate to the operation of approved University salary scales, and such other payments as have been specifically approved by the Personnel Committee.

36.6. All University employees shall be paid through the payroll operated by the Payroll Office.

36.7. (1) Heads of Units which have staff paid through the university payroll must supply the Payroll Office with a register of authorised signatures for the authorising of salary documents.

(2) The register may record limits on an individual's authority.

(3) Each entry on the register must be signed by the Head of Unit.

(4) The register shall be kept up to date.

(5) Where the proposed authorised signatory is not a University employee, the approval of the Director of Finance is also required.

36.8. All documents sent to the Payroll Office authorising the payment of new employees or subsequent changes to their salary or other details must be authorised in accordance with the relevant register of authorised signatures and must comply with Regulation 36.5.

36.9. (1) It is the responsibility of the Head of Unit, or other authorised signatory:

(a) to ensure, by inspection of documentation specified by the Immigration and Nationality Directorate for this purpose, that every prospective employee has the right to work in the UK; or

(b) if the person does not have this right, to obtain through Personnel Services a work permit from the Home Office for the specific employment proposed.

(2) The Work Permit Help Desk within Personnel Services will handle centrally any applications which may be necessary, and will advise on the detail and documentation required. (It should be noted that the authorities normally require, to support a successful application, evidence that the vacancy was advertised in an approved publication available in the EEA.)

(3) The Payroll Office will not add a non-EEA citizen to the payroll unless it is clear that any necessary work permit has been obtained or that the immigration status of the person concerned does not require the University to seek permission for the specific employment proposed.

Relocation Expenses

37. The University will contribute towards removal and travelling expenses incurred by persons taking up certain posts in the University. Details may be obtained from the officer in charge of removal expenses in the Finance Division.

Travel and Subsistence: Claims for Reimbursement

38.1. Travel and subsistence reimbursement claims should be made on University claim forms, or other forms sanctioned by the Head of Accounting Services, where no credit card programme has been approved under Regulation 13.

38.2. (1) The claims must be for the reimbursement of actual expenditure incurred wholly and necessarily on the business of the University, and be in accordance with the rates approved by the Head of Accounting Services.

(2) The lower mileage rate should be used unless the Head of Unit has authorised the use of the higher rate in advance.

38.3. Supporting vouchers must be provided for the cost of accommodation, fares, and other major items of expenditure.

38.4. No round-sum allowances may be paid.

38.5. An owner whose vehicle is being used for travel on University business must ensure that it is adequately insured for that purpose.

38.6. Employees cannot be reimbursed for the cost of travel to and from their normal place of work otherwise

than in exceptional circumstances, when permission from the Director of Finance must be sought.

38.7. (1) No one may authorise reimbursement of his or her own expenses.

(2) Claims should be approved by an employee senior to the claimant: where there is no suitable person within a Budgetary Unit to authorise an expense claim, the Director of Finance must be asked to make alternative arrangements.

(3) Further information is available in the Expenses and Benefits Manual. Advice on claims should be sought from the Head of Accounting Services.

38.8. (1) Those travelling abroad on University business should take out appropriate insurance cover by registration with the University's block travel policy available through the Insurance Section.

(2) This cover includes emergency medical and dental expenses incurred abroad, and costs arising from cancellation or curtailment of the journey.

(3) Further information is available from the Insurance Section.

Travel and Subsistence: Advances

39.1. (1) Advances will normally be made only to employees and registered students of the University for up to one month's costs.

(2) Trips which exceed one month should be funded on an imprest system of topping up the advance against claim forms.

(3) Only in cases where this would be genuinely impossible or impracticable will an exception to the time limit be made, and then only on consideration of a written application in advance to the Head of Accounting Services.

39.2. Advances will be limited to:

(1) 75 per cent of the estimated cost of up to one month's subsistence (according to the daily rates for countries abroad approved by the Head of Accounting Services); and

(2) the full cost of fares.

39.3. Requests for advances should be made on University expense claim forms, giving details of dates and countries to be visited, and a breakdown of the advance required.

39.4. (1) Claimants must submit full documentation within seven days of return, and the process of accounting for the claims against advances must be completed within one month of the return date.

(2) Advances should not be outstanding for more than two months.

39.5. Advice on advances may be obtained from the Head of Accounting Services.

Payments for Entertaining

40.1. (1) Entertaining in the form of meals and hospitality should, wherever possible and appropriate, be carried out either in the University's own facilities in departments or in the colleges.

(2) Courtesy gifts should, wherever possible and appropriate, take the form of books published by the Press or merchandise offered for sale in the University Shop.

40.2. (1) Expenditure on entertainment or courtesy gifts may be an appropriate use of University funds: it will avoid tax liability only if it is incurred wholly, necessarily and exclusively for University purposes.

(2) Details must be included with the claim which specify those entertained or honoured, their companies or institutions, and the purpose of the entertainment or gift.

40.3. (1) All expense claims for entertaining and gifts, which must be supported by vouchers, must be authorised by the Head of Unit (except where the head is the claimant, when alternative arrangements must be made—see Regulation 38.7).

(2) The authorisation and submission of a claim for payment is a declaration that the cost was incurred wholly, necessarily, and exclusively for university purposes.

(3) Only on this basis can the Finance Division pay the claim in full without deduction of tax.

40.4. In authorising such expenditure, Heads of Units are also undertaking that, if in any case tax is subsequently levied, any cost which is not recoverable from the individual beneficiaries will fall on the budget of the Unit.

40.5. Advice on such payments is available from the Head of Accounting Services.

Commercial Activities

41.1. (1) No non-University commercial activities may be carried out on University premises, and no University facilities may be used for such activities, unless an agreement between the University and the persons concerned has been approved in advance by the Director of Finance.

(2) In no circumstances (other than the use of an address in connection with an authorised outside appointment—see Regulation 43—where the use of the address does not imply any relationship between the activity and the University) may departmental or institutional addresses (whether postal or e-mail) be used for non-University commercial activities.

(3) This regulation must be followed strictly even in situations where there is reason to believe that the University may sanction a spin-out company based on the activity in question.

Private Work by Departmental Staff for other Departments

42.1. (1) When a member of staff, with the approval of his or her head of department, undertakes private work for other Budgetary Units involving the use of facilities operated by the Unit by which he or she is normally employed, proper invoices in respect of any charges which may be made for such work must be prepared, and submitted for approval and signature to the Head of the Unit by which the member of staff is ordinarily employed.

(2) Payment will be made through the University payroll unless a Schedule D tax reference for the trade has been obtained in writing from the Inland Revenue.

(3) Advice is available from the Head of Accounting Services.

42.2. (1) Where Heads of Units allow private work to be carried out for other Budgetary Units, written rules

should be drawn up and made readily accessible to all members of staff.

(2) The cost of any materials provided should be recovered, and care taken that safety procedures are observed.

(3) Advice is available from the Finance Division.

Outside Appointments

43.1. All University employees apart from CUF lecturers must obtain approval for the holding of any outside appointment, and for conducting remunerated outside work on a self-employed basis, following the University's Regulations for the Holding of Outside Appointments and the Conduct of Outside Work: (see Council Regulations 5 of 2004). Those Regulations explain the circumstances in which the University's insurances will provide cover for such appointments and work.

43.2. Advice and assistance in the negotiation of consultancies and other outside appointments is available from Oxford University Consulting at Isis.

43.3. All University employees (including CUF lecturers) must follow the guidelines in the University's Statement of Policy and Procedure on Conflict of Interest, and abide by the rules set out in that Statement. Advice is available from the Secretary to the Committee in the LSO.

Gifts and Hospitality

44.1. It is an offence under the Prevention of Corruption Act 1906 for employees to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official

capacity. The guiding principles to be followed by all members of staff must be:

(1) the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;

(2) the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

44.2. Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work which would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

44.3. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Head of Unit or the Director of Finance. The Director of Finance will report to the Finance Committee all approved gifts and hospitality received where the value is in excess of £1,000. The approval of the Head of Unit or (in the case of Heads of Units) the Director of Finance must be obtained in any event for the receipt of any gift worth more than £25 and for the receipt of hospitality worth more than £50.

ANNEXE A

RETENTION OF FINANCIAL DOCUMENTS

The period for retaining documents is a complex issue and it is a decision that must be taken by the management of each organisation. The most favourable retention period will allow for records to be kept only as long as they are really needed for legal and commercial purposes.

A programme should be drawn up to select records that are to be retained or destroyed in order to keep the volume of records under control. The retention policy should be just one of the elements comprised in a much broader programme covering records management.

In determining appropriate retention periods the following aspects need to be considered:

- economy;
- legal and related requirements;
- potential demand within the organisation;
- historical value.

There are few firmly established regulations to follow in deciding how long to keep documents. However, this guideline covers recommended minimum retention periods for accounting records to discharge the University's legal and statutory obligations in respect of the various taxing authorities and audit requirements.

Accounting Documents

1. *Purchase invoices*

All paid invoices are retained by the Finance Division for at least one year, until after the completion of the external audit. They are microfiched one month after receipt, the microfiche records are retained for 14 years. If departments take photocopies of the invoices, these are purely for departmental reference purposes and can be destroyed as felt appropriate.

Supporting requisitions, purchase orders and goods received notes should be kept for three years.

2. *Sales*

Copies of all sales VAT documents, which include sales invoices and daily till roles from shops, must be held for seven years, i.e. six years plus the current year. If a department has particular difficulty in keeping six years worth of till rolls, it is possible to apply to Customs & Excise to request a shorter period of retention.

3. *VAT returns*

Copies of all VAT returns including the Intrastat and EC returns are kept by the Finance Division and therefore there is no requirement for departments to keep copies. However, as only the actual returns are held by the Finance Division, all supporting documentation used to compile the return should be retained by departments for a period of seven years, i.e. six years plus the current year.

4. *Outside grants*

RS (or, in certain cases, the University Archives) hold the originals or electronic versions of grant awards, contracts/agreements, related correspondence and financial documents for at least six years after expiry of the grant or contract. Should a department hold any further relevant original documentation then this should be held for a similar period. Any detailed records supporting charges against the grant, e.g. time sheets, should be retained for a period of three years after the expiry of the grant. Photocopies of any original documents sent to RS can be destroyed at the department's discretion. However, any specific terms within a particular contract relating to the retention of records will take precedence. If in doubt consult RS.

5. *Banking*

The Finance Division keeps copies of all receipt records and as the daily banking sheets are not prime documents supporting individual sales transactions there is no need to keep these sheets beyond three years. Bank paying-in counterfoils should be kept for six years.

6. *Payments to Personnel*

All documents relating to payments to personnel should be kept for at least seven years, i.e. six years plus the current year. Any supporting documentation held in the departments and not copied to the centre should be retained for a similar period.

7. *Equipment Registers*

Equipment registers (i.e. Fixed Asset registers) should be kept indefinitely. Copies of asset disposal notes should be kept for three years.

8. *Accounts Printouts*

Departments should keep **monthly** account printouts for one year plus the current year; these should be evidenced as having been checked by a senior officer from within the department. The Finance Division keeps micro filmed copies of the accounts nominal ledger from 1976 onwards.

9. *Payroll Printouts*

Departments should keep **quarterly** and **monthly** printouts for one year plus the current year; these should be evidenced as having been checked by a senior officer from within the department. The Finance Division retains all the past monthly and quarterly salary printouts.

The above is not meant to be a comprehensive list of all the financial documents held in a department and does not imply that all other documentation can be destroyed. The Finance Division can provide guidance on the legal and related requirements for other accounting documentation if required.