University of Birmingham

Manual of Financial Rules



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**Contents**

[Glossary 5](#_Toc135132417)

[1. Introduction 9](#_Toc135132418)

[**1.1 Background** 9](#_Toc135132419)

[**1.2 Scope of Financial Regulations** 9](#_Toc135132420)

[2. Corporate Governance 9](#_Toc135132421)

[**2.1 Accountable Officer** 10](#_Toc135132422)

[**2.2 Code of Conduct** 10](#_Toc135132423)

[**2.3 Declaration of Interest** 10](#_Toc135132424)

[**2.4 Authorised Signatories** 10](#_Toc135132425)

[**2.5 Contract authorisation** 11](#_Toc135132426)

[**2.6 Confidentiality/Non-Disclosure Agreements** 12](#_Toc135132427)

[3. External and Internal Audit General 12](#_Toc135132428)

[**3.1 External audit** 12](#_Toc135132429)

[**3.2 Internal Audit** 12](#_Toc135132430)

[**3.3 Value for Money** 13](#_Toc135132431)

[**3.4 Other auditors** 13](#_Toc135132432)

[4. Risk Management and Irregularities 13](#_Toc135132433)

[**4.1 Risk Management Framework** 13](#_Toc135132434)

[**4.2 Irregularities Whistleblowing** 13](#_Toc135132435)

[**4.3 Bribery and Corruption** 14](#_Toc135132436)

[**4.4 Fraud** 14](#_Toc135132437)

[**4.5 Proceeds of Crime Act** 14](#_Toc135132438)

[**4.6 The Criminal Finances Act 2017** 14](#_Toc135132439)

[5. Financial Management and Control 15](#_Toc135132440)

[**5.1 Accounting arrangements** 15](#_Toc135132441)

[**5.2 Taxation** 15](#_Toc135132442)

[**5.3 Financial Management** 16](#_Toc135132443)

[**5.4 Capital** 16](#_Toc135132444)

[**5.5 Investment in Business Growth Initiatives** 16](#_Toc135132445)

[6. Expenditure 16](#_Toc135132446)

[**6.1 Late Payment Rules** 17](#_Toc135132447)

[7. Procurement 17](#_Toc135132448)

[**7.1 Expenditure incurred on the University Corporate Card or University Purchasing Card** 17](#_Toc135132449)

[**7.2 Capital** 18](#_Toc135132450)

[**7.3 Receipt of Goods and Services** 18](#_Toc135132451)

[**7.4 Advance payments** 18](#_Toc135132452)

[8. Staff Expenditure 18](#_Toc135132453)

[**8.1 Employment** 18](#_Toc135132454)

[**8.2 Payroll and Pensions** 19](#_Toc135132455)

[**8.3 Expenses** 19](#_Toc135132456)

[**8.4 Expenses for members of Council** 19](#_Toc135132457)

[**8.5 Severance and other non-recurring payments** 19](#_Toc135132458)

[**8.6 Avoidance of tax evasion** 19](#_Toc135132459)

[9. Research 20](#_Toc135132460)

[10. Treasury Management 20](#_Toc135132461)

[**10.1 Gifts, benefactions and donations** 21](#_Toc135132462)

[**10.2 Endowments funds** 21](#_Toc135132463)

[**10.3 Voluntary funds** 21](#_Toc135132464)

[11. Income 22](#_Toc135132465)

[**11.1 Accounts Receivable - Student Debt** 22](#_Toc135132466)

[**11.2 Collection of debts** 22](#_Toc135132467)

[12. Other services rendered 22](#_Toc135132468)

[**12.1 Franchising on campus** 22](#_Toc135132469)

[**12.2 Higher education provision with others (collaborative provision)** 23](#_Toc135132470)

[13. Innovation 23](#_Toc135132471)

[**13.1 Intellectual Property Rights and Patents** 23](#_Toc135132472)

[**13.2 Companies and Joint Ventures** 23](#_Toc135132473)

[14. Asset Management 23](#_Toc135132474)

[**14.1 Personal use** 24](#_Toc135132475)

[**14.2 Data Assets** 24](#_Toc135132476)

[**14.3 Insurance** 24](#_Toc135132477)

[15. Guild of Students 24](#_Toc135132478)

[16. Other Charities 25](#_Toc135132479)

[Appendices 26](#_Toc135132480)

[**Appendix 1 Procurement Thresholds** 26](#_Toc135132481)

[**Appendix 2 Scheme of Delegated Powers of Council – Finance Extract** 27](#_Toc135132482)

[**Appendix 3 Patents, Intellectual Property Rights and Establishment of ‘spin out’ companies** 32](#_Toc135132483)

# Glossary

|  |  |
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| **Approved Capital Scheme** | A capital project that has been approved via Capital Sub Group, Digital Steering Group, UEB, SPRC or Council |
| **Assets** | An asset is a resource with economic value that the University owns or controls with the expectation that it will provide a future benefit |
| **BACS** | Bankers’ Automated Clearing Service (BACS) is a method of clearing automated UK payments |
| **BPAS** | University of Birmingham Pension and Assurance Scheme |
| **Budget Centre** | Budget centre shall mean College, Professional Services or Campus Services. The Budget Centre is made up of schools and departments. |
| **Capital expenditure** | Expenditure of £25,000 or greater used by the University to acquire, upgrade or maintain physical assets such as property, plant, buildings, technology, or equipment. This type of financial outlay is intended to increase the scope of the University’s operations or add some future economic benefit to the institution over a period of 12 months or longer |
| **CHAPS** | Clearing House Automated Payment System (CHAPS). CHAPS is a bank-to-bank money transfer system that runs through the SWIFT network. It's typically reserved for one-off, high-value payments that need to be sent and received on the same day |
| **Charter** | Lays down the core tenets of the governance of the University, its establishment and legal status, its objects and powers, its governing and key institutional officers. Amendments must be approved by the Privy Council. |
| **CSG** | Capital Subgroup of UEB - the purpose of which is to advise the University Executive Board (UEB), a committee of Council, on prioritisation of the university's capital expenditure, to recommend capital proposals and businesses cases for approval and to monitor progress thereof. The Capital Subgroup primarily advises on estates and Campus Services projects. |
| **Conflict of interest** | A situation in which a person has a financial or other personal interest which conflicts with, or could be perceived to conflict with, any matter relating to the business of the University |
| **Council** | The University’s governing body, responsible for the approval of the mission and strategic vision of the University |
| **Deputy Pro Chancellor (Finance)** | One of the two lay members of Council who acts as a deputy to the Chancellor and has responsibility for the oversight of strategy and the assurance over the finances of the University |
| **DSG** | Digital Steering Group, the purpose of which is to advise the University Executive Board (UEB), a committee of Council, on prioritisation of the university's capital expenditure, to recommend capital proposals and businesses cases for approval and to monitor progress thereof. The Digital Steering Group advises on digital projects. |
| **Due diligence** | Comprehensive review of a business or person prior to entering into a contractual agreement |
| **Electronic payments** | Payments made using credit, debit cards, BACS or CHAPS |
| **Financial viability/sustainability** | The ability to generate sufficient income or make efficiency savings to meet operating costs. |
| **Fiduciary responsibility** | The legal and moral duty undertaken to ensure adherence to the best interests of the University |
| **Fixed asset** | See capital expenditure |
| **Frascati Manual** | Internationally recognised methodology for collecting and using R&D statistics; it defines research as follows:  "Research and experimental development (R&D) comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications. R&D is the term covering three activities: Basic research, applied research and experimental development.” |
| **Fraud** | Wrongful or criminal deception intended to result in financial or personal gain |
| **Guild** | The Guild of Students, established for the common interests of the students of the University. |
| **HEI** | HEI is a non-profit corporation chartered in 1980 as an independent research organization to provide high-quality, impartial, and relevant science on the health effects of air pollution |
| **HESA** | Higher Education Statistics Agency. HESA are the experts in UK higher education data, and the designated data body for England. They collect, assure, and disseminate data about higher education (HE) in the UK on behalf of their Statutory Customers. HESA is now part of Jisc, the Designated Data Body (DDB) for Higher Education. |
| **HMRC** | Her Majesty’s Revenue and Customs. HMRC refers to the tax authority of the U.K. government. The agency, also known as Her Majesty's Revenue Services, is responsible for collecting taxes, paying child benefits, enforcing tax and customs laws, and enforcing the payment of minimum wage by employers. |
| **Investment Sub-Committee** | A sub-committee of Strategy, Planning and Resources Committee responsible for overseeing treasury management, determining a strategy for endowment and other longer-term investments, and monitoring performance of investment portfolios |
| **Lay member** | A person appointed to the University Council or a University Committee who is not a member of staff or student of the University |
| **Legislation** | Rules or laws that are put in place by a regulatory body such as government. Legislation can have many purposes: to regulate, to authorize, to outlaw, to provide (funds), to sanction, to grant, to declare, or to restrict. It may be contrasted with a non-legislative act by an executive or administrative body under the authority of a legislative act. |
| **OfS** | Office for Students – the principal regulator of Higher Education in England that are exempt charities. |
| **Ordinances** | Provide more detail on the exercise of powers set out in the Statutes. They establish the main elements of the University's organisational structure and distribute the authority of Council to committees and executive officers. |
| **Payment Card Industry Data Security Standards (PCI DSS)** | Requirements in place to protect the information received from card payments to reduce the potential for card fraud. Compliance with the requirements are mandatory and include creating a secure network and system, regular monitoring and implementing strong access controls. |
| **Principal Regulator** | Primary body appointed to oversee compliance within Higher Education |
| **Privy Council** | Mechanism through which interdepartmental agreement is reached on those items of Government business which, for historical or other reasons, fall to Ministers as Privy Counsellors rather than Departmental Ministers. |
| **Regulatory framework** | Series of steps designed to ensure that primary objectives are met |
| **Research** | An original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials components and processes. |
| **Related party transactions** | A transaction that takes place between two parties where a pre-existing connection was in place before the transaction took place. Examples of related party transactions include those between a parent and its subsidiaries, subsidiaries of a common parent, an entity and its principal owners, management, or members of their immediate families and other affiliated entities. A related party transaction may also occur when an individual has a pecuniary, non-pecuniary, family or other personal interest in any matters relating to the business of the University. The Registrar and Secretary maintains a Register of Interests in which any third party pecuniary or non-pecuniary interests (such as Directorships and Trusteeships) may be registered if the individual considers that a conflict of interest could arise, or be perceived to arise |
| **Revenue** | Revenue is the total amount of money made by the University’s operations, measured over a set amount of time. The University’s revenue is its gross income before subtracting any expenses. |
| **Risk Management** | Risk Management is the way in which an organisation may identify, reduce or mitigate potential risks that may affect the achievement of objectives. |
| **Scheme of Delegated Power of Council (‘The Scheme’)** | The purpose of this document is to set out a Scheme of Delegation of Council’s powers to its committees or to senior staff or Lay Officers.  Many of the powers specified in this Scheme of Delegation have been delegated for some time under the University’s Ordinances or Financial Rules and Procedures. In this respect the Scheme codifies existing practice. For completeness, this Scheme should be read in conjunction with the University Legislation which outlines the details of a number of delegated powers, the University Manual of Financial Rules (this document), the Terms of Reference of the Committees of Council and Terms and Conditions of Employment.  The Scheme can be found at:  [Scheme of Delegated Powers of Council](https://intranet.birmingham.ac.uk/finance/documents/staff/FinancialAuthority.pdf) |
| **SPRC** | Strategy, Planning and Resources Committee (SPRC) is responsible for the oversight of the strategic planning of the University. It brings together academic, financial, and physical planning and scrutinises business plans for major activities. The Committee also recommends the annual budget and long-term forecasts to the Council and monitors the performance of the University |
| **Statutes** | Sets out the legal framework for the exercise of the University’s powers. |
| **UEB** | University Executive Board, a committee of Council, meets weekly to steer the implementation of strategy and policies under the Council’s direction and within the Council’s scheme of delegation. It overseas and makes decisions on major issues relating to the University and monitors institutional performance. |
| **University** | University refers to the University of Birmingham |
| **Value for Money (VfM)** | Value for Money – ensuring that items purchased are done so at the lowest possible cost consistent with quality, delivery requirements, environmental sustainability, and sound business practice. |
| **VAT** | Value Added Tax (VAT) is a consumption tax assessed on the value added in each production stage of a good or service. Every business along the value chain receives a tax credit for the VAT already paid. The end consumer does not, making it a tax on final consumption |
| **Whistleblowing** | the act of reporting behaviour within an organisation that may be immoral ,illegal, illicit, unsafe or fraudulent |

# Introduction

The University of Birmingham is a chartered corporation, and the structure of its governance is set out in the Charter, Statutes and Ordinances of the University. The regulations and rules detailed within this document are subordinate to the University’s Charter, Statutes and Ordinances.

This document is approved by Audit Committee on behalf of Council.

## **1.1 Background**

Compliance with the regulatory framework for higher education issued by the Office for Students (OfS), the ‘principal regulator’ of Higher Education Institutions in England, is mandatory.

The University of Birmingham (UoB) is an ‘exempt charity’ under the Charities Act 2011, therefore is not required to register directly with the Charities Commission, and in turn is not subject to its direct supervision. The charitable status is applicable to the University due to its primary purposes of advancing education and research which are deemed to deliver a public benefit. This status also allows Gift Aid to be claimed on donations, and corporation tax does not have to be paid on all non- commercial activities.

The University is obliged to have in place sound systems of financial and management control. This document sets out the University’s Financial Regulations, supported by procedure notes. This document applies to the University and all its subsidiary undertakings unless departure has been specifically agreed with the Chief Financial Officer (CFO).

The purpose of these Financial Regulations is to provide control over the totality of the University’s resources and provide Council and management with assurances that the resources are being properly applied for the achievement of the University’s strategic plan and operational objectives. These are:

* Financial sustainability
* Achieving value for money (VfM)
* Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
* Ensuring that the University complies with all relevant legislation
* Safeguarding the assets of the University
* Mitigating the risk of fraud

## **1.2 Scope of Financial Regulations**

Compliance with these Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with these Financial Regulations or Financial Procedures may be subject to disciplinary action under the [University’s Disciplinary policy.](https://intranet.birmingham.ac.uk/hr/Working-at-UoB/Disciplinary.aspx)

No University activity must be undertaken that is in known to be in breach of the laws and regulations in the UK and in any territories in which it operates. If unsure, advice should be sought from the University’s legal department ([how do I get legal advice](https://intranet.birmingham.ac.uk/executive-support/legal-services/how-can-i-get-legal-advice.aspx))

# Corporate Governance

Council is the governing body of the University. Its powers are set out in the Charter and Statutes of the University. A summary of the primary responsibilities of Council is set out in the [Code of Practice](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf) [on Corporate Governance and Related Matters.](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf)

The University Executive Board (UEB) is the senior management team of the University and a Committee of Council. It normally meets weekly to steer the implementation of strategy and policies under Council’s direction and within the Council’s Scheme of Delegated Powers. It oversees and makes decisions on major issues relating to the University and monitors institutional performance. It also fosters good communication and inter-collegiate activity in the University.

## **2.1 Accountable Officer**

The Vice-Chancellor and Principal is the University's Accountable Officer. In this capacity, the Vice- Chancellor and Principal is:

* responsible for the funding received by the University from the OfS and UK Research and Innovation via Research England.
* responsible for the taxpayer-backed student loans received on behalf of the University’s students to cover their tuition fee payments.
* responsible for ensuring that the governing body understands its regulatory responsibilities and acts on them.
* required to appear before the Public Accounts Committee, if it requests their attendance, alongside the OfS's chief executive in matters relating to the registration and funding of the provider.

## **2.2 Code of Conduct**

The University is committed to the highest standards of openness, integrity, and accountability. It seeks to conduct its affairs in a responsible manner, having regard to principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff are expected to observe. Additional information can be found within the [Code of Practice on](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf) [Corporate Governance and Related Matters.](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf)

## **2.3 Declaration of Interest**

Members of Council, its committees and the University’s wider leadership are required to make an annual declaration return, which includes declarations of interest and disclosure of related party transactions, noting that conflicts of interest are also declared and managed effectively at meetings as they arise.

To capture information on related party transactions, members and officers who attend Council, Strategy, Planning and Resource Committee, Audit Committee, University Executive Board and the Trustees of the University of Birmingham Pension and Assurance Scheme also submit returns on an annual basis.

All members of staff involved in committing the University to significant financial or other contractual obligations are required to disclose any interests in related third parties. Further guidance and protocols on declaration can be found on the following link: [Conflict of Interest](https://intranet.birmingham.ac.uk/hr/Grow-and-Develop/Conflict-of-interest.aspx)

## **2.4 Authorised Signatories**

Any agreement which legally binds the University should not be entered into without the appropriate authority. A summary of the delegated authorities is included within the [Code of Practice of](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf) [Corporate Governance and Related Matters.](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf)

It is a disciplinary offence for staff to commit the University or one of its subsidiary companies, to a transaction if they are not authorised to do so.

Where a deed or document requires the University’s seal, it must be sealed by the Registrar and Secretary or a nominated deputy, in the presence of a member of Council. The Chief Financial Officer or their nominee shall be the nominated deputy for the Registrar and Secretary for the execution of deeds:

* In the absence of the Registrar and Secretary; or
* Where Legal Services confirm in writing that:
  + there is no requirement as a matter of English law that the document be executed as a deed; and
  + the University’s internal governance rules do not require that the document be executed as a deed.

The Registrar and Secretary is responsible for submitting a report to each meeting of Council detailing the use of the University’s seal since the last meeting.

## **2.5 Contract authorisation**

The Scheme of Delegated Powers of Council sets out a scheme of Delegation of Council’s power to its committees or to senior staff or Lay Officers. The document details the individuals who have the power to make and sign contracts on behalf of the University within any approved capital schemes and budgetary limits but does not obviate the need for consultation with other colleagues as appropriate.

* Contracts relating to any interest in land and buildings, including:
  + the approval to buy, sell or exchange freehold land,
  + the approval to grant, take, assign, vary, forfeit, and surrender leasehold interests
  + the approval to grant, vary and release easement, wayleaves, covenants, options, and pre-emption rights in respect of land, and
  + approval of other documents relating to land and buildings, but which do not acquire or dispose or an interest in land including but not limited to licences, tenancies at will, routine side letter, consents and notices, and statutory planning agreements

must be signed in accordance with Section 3 Estates and Infrastructure of the Scheme of Delegated Powers of Council.

* Orders placed by the University for goods and services over the £25,000 (excluding VAT) must be subject to a written contract, authorised and signed by the Chief Financial Officer or authorised deputy.
* The Chief Financial Officer’s authorised deputies shall include, as regards contracts with agents for student acquisition, the Director of External Relations and Deputy Director of External Relations.
* Contracts for the engagement of staff or relating to conditions of employment or termination shall be made by in accordance with Section 4 Human Resources of the Scheme of Delegated Powers of Council

It is the responsibility of the person presenting the contract for signing, to ensure that all interested parties have been consulted and all necessary approvals obtained before the contract is presented for signing.

Within prescribed limits, the following are authorised to act on behalf of the University:

* Transactions with the bank will normally be authorised by the Chief Financial Officer and, where a second signature is required, the Registrar and Secretary, or the duly authorised deputy of the Chief Financial Officer.
* Orders placed by the University for goods and services up to a maximum of £25,000 (excluding VAT) in value can be authorised – and if subject to a written contract signed - by a Head of Budget Centre, or by staff within the Budget Centre, who have delegated authority.
* Requisitions should be authorised by a Head of Budget Centre or authorised deputy.
* Fees and expenses should be authorised by a line manager. Referring to the [Expenses Policy](https://intranet.birmingham.ac.uk/finance/documents/public/Expenses-Policy.pdf) for further guidance is advisable.

## **2.6 Confidentiality/Non-Disclosure Agreements**

The following persons have the power to make and sign confidentiality/non-disclosure agreements (together known in this document as ‘NDAs’) on behalf of the University:

* Any NDA may be signed by the Chief Financial Officer (or nominated Deputy) or relevant Head of College.
* NDAs relating to specific research projects being conducted by the University may be signed by the Head of Research and Knowledge Exchange Contracts.
* NDAs relating to subject matter regarding the University’s Dubai campus may be signed by the Dubai Chief Operating Officer

# External and Internal Audit General

Under the OfS Code of Audit Practice, internal and external auditors must have unrestricted access

to information – including all records, assets, personnel, and premises – and be authorised to obtain whatever information and explanations the Head of Internal Audit or the external auditor considers necessary.

External auditors and internal auditors shall therefore have unrestricted access to:

* University premises and staff with, where possible, reasonable notice provided
* all assets, records, documents, and correspondence relating to any financial and other transactions or activities of the University
* obtain such explanations as are necessary concerning any matter under examination
* require any employee of the University to account for cash, stores or any other University property or assets under his or her control
* records belonging to third parties, such as contractors, when required.

## **3.1 External audit**

The appointment of external auditors will take place annually and is the responsibility of Council. Council will be advised by the Audit Committee.

External audit must provide an opinion to the governing body on whether funds (including public funds) have been applied for the intended purposes and on whether the financial statements provide a true and fair view of the financial results for the year. External audit must also form a view about whether the University is a going concern.

## **3.2 Internal Audit**

The Head of Internal Audit is appointed by Council on the recommendation of the Audit Committee.

In line with the OfS Audit Code of Practice, the University should have in place a suitably resourced internal audit function which complies with the professional standards of the Chartered Institute of Internal Auditors. Its scope encompasses all the University’s activities, its risk management, control and governance, and any aspect of VfM delivery.

The main responsibility of Internal Audit is to provide the Council, Vice Chancellor, and senior management with assurances on the adequacy of the systems of governance, risk management, internal control and VfM.

Internal Audit remains independent in its planning and operation and has direct access to the Pro- Chancellor and Chair of Council, the Vice-Chancellor and the Chair of the Audit Committee. The Terms of Reference of Internal Audit are detailed at: [Internal Audit: Who We Are & What We Do](https://intranet.birmingham.ac.uk/finance/internal-audit/index.aspx)

## **3.3 Value for Money**

The University has a duty of care to ensure that public funds are spent for their intended purposes and that it secures good VfM for taxpayers and citizens who invest in higher education. The OfS’s general duties include the need to promote value for money in the provision of higher education by English higher education providers. This includes VfM from a student perspective.

## **3.4 Other auditors**

The University may, from time to time, be subject to audit or investigation by external bodies such as OfS, Research England, National Audit Office, European Court of Auditors, auditors appointed by the EU, and the HMRC. These auditors have varying rights of access, and, in the case of doubt, advice should be sought from the Chief Financial Officer.

# Risk Management and Irregularities

## **4.1 Risk Management Framework**

The University acknowledges the risks inherent in its operations and is committed through its risk management strategy to managing those risks that pose a significant threat to the achievement of its objectives and financial health. The University recognises that its appetite for risk varies according to the activity undertaken, in this a balanced approach to the management of risk is taken ensuring that the potential benefits are assessed against the risks, and where possible, implement measures to mitigate and manage going forward.

Risks are identified as factors hindering the University from achieving its strategic objectives. All staff are responsible for assessing and managing risk within their sphere of responsibility. Risks should be assessed to understand both their impact and their likelihood. Risks may be managed by accepting them or mitigating them. In either case, the goal is to manage risk down to a level that is acceptable in line with the risk appetite of the University. Where a risk cannot be managed to an acceptable level this should be escalated in line with the risk management policy.

The strategy and procedures implemented must be capable of independent verification.

## **4.2 Irregularities Whistleblowing**

Whistleblowing in the context of the Public Interest Disclosure Act 1998, is the disclosure by an employee (or other party) about malpractice in the workplace. This could concern crime, civil offenses (including negligence, breach of contract, etc.) miscarriage of justice, danger to health and safety or the environment, and the cover up of any of these, whether they occur in the UK or any other country or territory.

Reports must initially be made to line managers except where this is considered inappropriate by the person concerned.

The Council [Code of Practice on Corporate Governance and related Procedural Matters](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf) sets out the full procedure for Whistleblowing.

## **4.3 Bribery and Corruption**

The Bribery Act 2010 makes it an offence to give or receive gifts, hospitality, or money where it is either a reward or an inducement for doing something in relation to a contract. The Act’s four offences are:

* Bribing another person.
* Being bribed.
* Bribing a foreign public official; and
* Failure to prevent Bribery

The University policy on the prevention of Bribery can be found at: [Bribery Policy](http://www.birmingham.ac.uk/Documents/university/legal/bribery-policy.pdf)

The University policy on [Gifts and Hospitality](https://intranet.birmingham.ac.uk/finance/documents/public/forms/GiftsandHospitality.pdf) should be consulted in relation to obtaining approval and recording any gifts or hospitality.

It is imperative that if the University is about to enter a contractual relationship with a third party no gifts or hospitality are received. If unsure consult Legal Services (see [Legal Services](https://intranet.birmingham.ac.uk/executive-support/legal-services/index.aspx)).

## **4.4 Fraud**

Defined as criminal liability for obtaining services dishonestly for personal or financial gain, the Fraud Act 2006 has three classes:

* Fraud by false representation
* Fraud by failing to disclose information
* Fraud by abuse of position

All employees have a responsibility to report in line with the Fraud Policy if they have a suspicion of a fraud, act of bribery or other irregularity. The University’s Fraud Policy is contained within the Code of Practice on Corporate Governance and Related Matters.

## **4.5 Proceeds of Crime Act**

The University has a duty under the Proceeds of Crime Act 2002 to notify the relevant authorities if it suspects that its processes or services are being used to launder money through criminal activity. If any member of staff suspects such activity, they should report their concerns to the Chief Financial Officer who will inform the registered Money Laundering Reporting Officer.

## **4.6 The Criminal Finances Act 2017**

The Criminal Finances Act 2017 introduced a new corporate criminal offence of “failure to prevent the facilitation of tax evasion”. This legislation applies to all business including the University and places the University under an obligation to embed processes which will help eliminate opportunities for its employees or associates to facilitate tax fraud either in the UK or overseas.

As a result, the University and its subsidiaries must conduct their activities with integrity, transparency, and fairness. Through the development of a system of internal controls, it is committed to the prevention of the facilitation of tax evasion. The University recognises the importance of fostering a positive culture of tax compliance and maintaining the confidence of students, staff, partner organisations and other customers as well as tax authorities.

The University does not and will not work with others who do not share their commitment to preventing the facilitation of tax evasion.

# Financial Management and Control

Under the Scheme of Delegated Powers of Council, the Chief Financial Officer has responsibility for preparing the:

* University’s annual accounts and other financial statements and accounts which the University is required to submit to other external bodies
* Annual rolling five-year financial plans for approval by Council, on the recommendation of SPRC as well as financial forecasts for submission to OfS in line with University’s plans and strategies approved by Council
* Annual revenue and capital budgets for review by UEB and SPRC before submitting for approval to Council
* Reporting in-year financial information and forecasts to UEB, SPRC and Council for them to exercise their fiduciary responsibility in managing the financial position of the University
* Providing regular monitoring reports to inform Budget Holders to help manage their budgets.

## **5.1 Accounting arrangements**

The University prepares consolidated financial statements for its financial year which runs from the 1st August until 31st July.

The financial statements are prepared in accordance with the following:

* Historical cost convention modified for the revaluation of certain fixed assets in accordance with Financial and Reporting Standard (FRS) 102
* Statement of Recommended Practice (SORP) 2019: Accounting for Further and Higher Education
* Office for Students (OfS) Accounts Direction published in October 2019.
* Accounting Policies approved by Council

The annual financial statements are reviewed by the Audit Committee and SPRC before they are submitted to Council for approval.

The Chief Financial Officer is responsible for the safekeeping, and retention of all prime financial documentation in a form that is acceptable to the relevant authorities, funders, and funding bodies; this may include an electronic version. The University is required by law to retain prime documents for at least seven years. However, some funders may require documents to be kept beyond this timeframe e.g., the European Commission (EC).

Under the terms of the Charities Act 2011, Council is required to supply any person with a copy of the University’s most recent financial statements within two months of a request. The Act enables Council to levy a reasonable fee, and this will be charged at the discretion of the Chief Financial Officer. The University will also make a copy available on the University’s website - see [Annual Accounts](https://www.birmingham.ac.uk/university/leadership/governance/council/accounts.aspx)

The University complies with the requirements of the Freedom of Information Act and the University Publication Scheme and details of how to apply for information not covered by the scheme are available at [Publication Scheme](http://www.birmingham.ac.uk/university/governance/publication-scheme/index.aspx)

## **5.2 Taxation**

The Chief Financial Officer is responsible for all taxation issues relating to the University and from time to time will issue advice and guidance to budget centres on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty etc.

The Chief Financial Officer is responsible for maintaining the University’s tax records, making all tax payments, receiving tax credits, and submitting tax returns by their due date as appropriate.

The University is obliged to publish a [Tax Strategy](https://intranet.birmingham.ac.uk/finance/documents/public/UoB-Tax-Strategy-2019.pdf)  detailing how the University manages UK and Global tax risk, its attitude to tax planning, the level of risk it is prepared to accept and how the University will work with HMRC.

## **5.3 Financial Management**

Resources are allocated by Council on the recommendation of SPRC, within the Framework of the University’s financial strategy and the model adopted by the University for resource distribution. Heads of Budget Centres are responsible for the economic, effective, and efficient use of resources allocated to them.

Heads of Budget Centres are accountable to the Vice-Chancellor and Principal for the areas and activities for which they are responsible. Where the budget is devolved within the Budget Centre, the Head of Budget Centre is responsible for establishing and maintaining clear lines of responsibility for all financial matters.

Significant departures from the agreed budget positions must be reported to the Head of Budget Centre, to be escalated to the Chief Financial Officer and the Provost and Vice-Principal. Any challenges that arise which may impact on the overall financial position should be disclosed as part of the forecasting process, for discussion with the Chief Financial Officer and escalated through SPRC, and Council where appropriate.

Heads of Budget Centres shall ensure the Chief Financial Officer is provided with information to enable sufficient short- and longer-term financial planning, compilation of the University’s annual accounts and notice regarding compliance activities.

## **5.4 Capital**

The Capital Programme includes all expenditure on land, buildings, IT and infrastructure and associated costs whether or not they are funded from external capital grants or the University’s resources. The capital programme will be considered by UEB and SPRC and recommended for approval by Council.

Approval for capital projects will be submitted to the CSG/DSG, prior to submission to the relevant committee if required.

For material projects, expenditure will be monitored throughout the lifetime of the project, forecast, and discussed at project board level. Variances from the budget, will be reported to CSG/DSG, UEB, SPRC and Council, as appropriate.

## **5.5 Investment in Business Growth Initiatives**

Development of an outline business case as part of the Compact process/5-year plan, which seeks funds or a significant change in activity levels, should provide an overview that considers the financial and non-financial risks and benefits. This should be submitted to the Chief Financial Officer and Provost and Vice-Principal, for approval prior to beginning an activity. Consideration should also be given to the wider strategic objectives. Business cases outside the Compact process/5-year plan, should be approved in accordance with the delegations of Council.

Proposals that are approved will be subject to regular review through the financial monitoring and forecasting processes.

# Expenditure

The Chief Financial Officer is responsible for making payments to suppliers of goods and services to the University. Authority for purchasing goods or services is delegated across University in line with the [Scheme of Delegated Powers of Council](https://www.birmingham.ac.uk/Documents/university/governance/CODE-OF-PRACTICE-ON-CORPORATE-GOVERNANCE.pdf). In exercising this duty, individuals that are part of this process must adhere to the procurement policies and financial procedures.

Individuals authorised to commit expenditure must ensure that the cost, inclusive of VAT, can be met from within the agreed budget and that the best value for money has been obtained, prior to submitting the requisition for goods or services.

## **6.1 Late Payment Rules**

The University is required to comply with the Late Payment of Commercial Debts (Interest) Act 1998. In view of the financial penalties in this Act, Council requires that all goods are receipted promptly to enable invoices to be paid as soon as possible.

# Procurement

The ordering of goods and services shall be in accordance with the University’s Procurement and Purchasing Procedures. See [Procurement Procedures](https://intranet.birmingham.ac.uk/finance/documents/public/Procurement-Procedures.pdf)

The University requires that all expenditure, unless subject to specific arrangements, as determined by the Chief Financial Officer, has a valid requisition, and purchase order (PO). The University operates a no purchase order no pay policy, therefore invoices received without a valid PO will be returned to the supplier.

Routine or standard day-to-day purchases will utilise existing Framework Agreements and approved supplier lists. Where there is no agreement in place or the item is not captured through this format, sufficient information will be required by the Buying team prior to submission. Insufficient information supplied at requisition stage will delay the ordering process. Details are contained within the University’s Procurement and Purchasing Procedures.

Goods or services purchased must be cost effective, within specified limits and quality. They must also demonstrate sound business practice and environmental sustainability. Rules imposed by funding bodies or in contracts established with third parties must also be adhered to in the purchasing process. Thresholds are in place to ensure a competitive, fair process is followed on a day-to-day basis, see Appendix 1.

The University must comply with all legal obligations relating to procurement processes. Failure to comply with such obligations, as set out in the Procurement Procedures, will result in the order not being authorised.

A minimum of two individuals must be involved in the purchasing process, one to requisition and one to approve. As an approver of a requisition, one is expected to pay due attention to the items being ordered, the price charged, the delivery location and the supplier being used in order to mitigate the risk of fraud.

## **7.1 Expenditure incurred on the University Corporate Card or University Purchasing Card**

University Corporate Cards are issued to pay for frequent expenditure on travel, accommodation, and hospitality, both in the UK and overseas. Cards should not be used as a means of purchasing equipment or similar items for the University; the purchasing system should be used in this instance.

University Purchasing Cards are held by the Buying team and a small number of people within Budget centres to enable purchases of small items from suppliers that are not approved suppliers.

All cards holders are required to comply with the [Conditions of Use](https://intranet.birmingham.ac.uk/finance/documents/public/mfr/CCard-manual-003.docx) and [purchasing card procurement procedures](https://intranet.birmingham.ac.uk/finance/procurement/procedures/purchasing-card.aspx) appropriate to each type of card; any breach of this could lead to disciplinary action, up to and including dismissal.

## **7.2 Capital**

All capital projects must undertake tendering exercises prior to work commencing. Guidance should be sought from Procurement and Estates, if required. Procurement procedure rules and the Construction Project and Procurement process should be adhered to. Following completion of the tendering exercise, contracts can only be entered into for Approved Capital schemes where the value falls within the budget of the project.

If the project is to be funded by an external source, any conditions, where applicable, should be followed.

Expenditure incurred on feasibility studies and initial set up costs will only be deemed capital if the capital project is approved. In the eventuality the project is not approved costs will need to be borne by relevant Budget centre.

Expenditure on fixed assets that are not aligned to a capital project may be made by Budget centres in accordance with the relevant Procurement Procedures and thresholds, providing that they have been approved as part of the annual budget cycle.

## **7.3 Receipt of Goods and Services**

Goods should be receipted by the requisitioner, as soon as possible after the receipt occurs, as invoices received will not be paid until this requirement has been satisfied. Invoices that are received that do not match the quantity or price on the system, will be put on hold and questioned with the individual that requisitioned the goods or services, for resolution prior to payment. All requisitioners must abide by the receipting guidelines issued by the Finance Office prior to the financial year end.

## **7.4 Advance payments**

Due diligence should be carried out prior to undertaking advance payments (as part of a staged payment arrangement or otherwise). The expected timeframe and conditions for payment, must be contained within the contract, before payment is instigated. Advice should be sought from the Chief Financial Officer or a Deputy Finance Director before any advance payments are made.

# Staff Expenditure

## **8.1 Employment**

The Director of Human Resources is responsible for ensuring that contracts of employment are in place for all members of university staff, appointed on salaries within a framework approved by Council and in accordance with appropriate conditions of service.

All contracts of service shall be concluded in accordance with the University’s approved personnel practices and procedures, and all offers of employment with the University shall be made in writing by the Director of Human Resources or an approved delegate. Budget holders are responsible for ensuring that the Director of Human Resources and the Chief Financial Officer are provided promptly with all information they may require in connection with the appointment, absences, resignation, or dismissal of employees.

It is the responsibility of the Director of Human Resources to ensure all legal requirements are satisfied prior to issuing contracts of employment.

Salaries and other benefits for staff which exceed limits specified by the Remuneration Committee will, as appropriate, be reported to or approved by the Remuneration Committee.

It is the responsibility of the Budget holder to ensure there is sufficient resource available for the time period required prior to offering a contract of employment.

## **8.2 Payroll and Pensions**

The Chief Financial Officer and the Director of Human Resources have delegated authority to:

* Ensure all payments of salaries and wages, including any additional payments, are made in a timely manner
* Undertake all relevant deductions and maintain all records relating to payroll including those of a statutory nature
* Ensure payments to people working for the University but not on the payroll, and informing the appropriate authorities of such payments
* Undertake the administration of pension matters
* Assess eligibility for pension arrangements and for determining when deductions should begin or cease for staff.

The University makes payments to individuals undertaking activities for the University under a contract for services; a person who works under a contract for services is considered to be self- employed. There is no formal legislative definition of employment status and the factors determining it are complex. However, following the introduction of IR35 by HMRC an assessment of how they engage with the University is required to ensure that appropriate deductions are made.

Guidance on how to determine the employment status can be found within the [Work Engagement Process](https://intranet.birmingham.ac.uk/finance/documents/public/Work-Engagement-Document.pdf)

Council is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

## **8.3 Expenses**

University employees and all others engaged in University activity will be reimbursed for the actual cost of expenses incurred, wholly, exclusively and necessarily in the performance of University activity in accordance with the process and limits set out in the [Expenses Policy](https://intranet.birmingham.ac.uk/finance/documents/public/Expenses-Policy.pdf).

## **8.4 Expenses for members of Council**

Travelling expenses for Council members (except for the Vice-Chancellor and Principal and Provost and Vice-Principal) will be authorised by the Registrar and Secretary, or a nominated delegate, and reimbursed by the University at the standard rates applicable for University staff.

If members expect to incur other costs e.g., conference fees, these should be agreed in advance with the Registrar and Secretary.

## **8.5 Severance and other non-recurring payments**

Payments in connection with termination of contracts shall be made in accordance with relevant legislation and any other conditions that from time-to-time Council may stipulate. Further guidance is available from the Director of Human Resources.

## **8.6 Avoidance of tax evasion**

Members of staff of the University and other associated persons (including honorary and visiting staff, sub-contractors, agents and any other associated persons) are reminded of their obligations to manage their responsibilities in compliance with the [Criminal Finances Act 2017](https://intranet.birmingham.ac.uk/finance/documents/public/mfr/2018-03-05-CFA-Guidance-Doc-1.5-AMD.pdf).

# Research

Income can be classified as research if it meets the criteria for inclusion in the Office for Students annual finance return under ‘Table 5: Research grants and contracts’. The Office for Students annual finance return guidelines state that:

* The overall total in the Office for Students annual finance return should be the same as that recorded as research income in the HEI’s annual financial statement
* The project must conform to the conventions of the Frascati definition
* The scope of the project must have been agreed with the sponsor at the outset in the grant or contract awarded.

Development of funding bids or proposals must be done using the [University’s Research Proposal](https://intranet.birmingham.ac.uk/finance/documents/public/UoB-CostingPolicyGuidance.pdf) [Costing and Pricing policy](https://intranet.birmingham.ac.uk/finance/documents/public/UoB-CostingPolicyGuidance.pdf) to ensure the financial element is complete. All costings should also be done in line with the terms of conditions of funders.

Expressions of interest or submissions of proposals should be done in accordance with the [Code of](https://www.birmingham.ac.uk/Documents/university/legal/research.pdf) [Practice for Research](https://www.birmingham.ac.uk/Documents/university/legal/research.pdf) and in line with the Scheme of Delegated Powers of Council.

All bids developed and approved must be processed through the Worktribe system.

Only those listed under the Scheme of Delegated Powers of Council and in these Financial Regulations, are authorised to sign contracts with external parties. Failure to adhere to this could lead to disciplinary action, up to and including dismissal.

Research Strategy and Services Division shall maintain all financial records relating to the research grants and contracts and shall initiate all claims for reimbursement from funding bodies, in line with the relevant terms and conditions.

It is the responsibility of the Principal Investigator (PI) to ensure compliance with all terms of conditions, including financial and non-financial. The PI is responsible for spending allocated funds in line with the project budget and any loss or elements that are unrecoverable will be a charge to the Budget centre.

Expenditure on a project, including the recruitment of staff, should only be undertaken when either a binding written confirmation of the award from the funder has been received, or an agreed trusted funder arrangement exists. All expenditure must be in line with the grant dates and the amount of funding awarded.

# Treasury Management

Council has provided delegated authority to SPRC for reviewing and annually approving the Treasury Management and Investment Policy Statement, which sets out the strategy and policies for cash management and long-term investments.

SPRC receive recommendations for any policy changes or investment strategy from the Investment Sub-Committee which also has delegated authority to change and appoint professional financial advisers, such as external investment managers and investment consultants.

The Chief Financial Officer is responsible for liaising with the University’s bankers in relation to the University’s bank accounts.

The Chief Financial Officer has delegated authority to:

* Change the University Bankers
* Change the limit required on the number of cheque signatories, or value over which the second signature is required

Only the Chief Financial Officer, or the Registrar and Secretary, and one authorised signatory, may open or close a bank account in the name of the University or one of its subsidiary companies.

Responsibility for regular reconciliations on all bank accounts is with the Chief Financial Officer.

Approval for borrowing or financing rests with either UEB, SPRC or Council, depending on the value, in line with the Scheme of Delegated Powers of Council, however the execution of the agreement is delegated to the Chief Financial Officer and one Authorised Signatory.

Where possible, the University will seek to simplify its transactions regarding foreign currency. The University will arrange hedging for its foreign exchange transactions where certainty of value is required, and it is important that losses are avoided. The Chief Financial Officer may approve hedging arrangements on a case-by-case basis. Further information on procedures for foreign exchange can be found in the Treasury Policy.

## **10.1 Gifts, benefactions and donations**

The Chief Financial Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax, where appropriate. Those receiving gifts, benefactions and donations are responsible for advising the Chief Financial Officer and the Development and Alumni Relations Office (DARO) of such receipts. The Chief Financial Officer shall ensure that legacies, gifts, and endowments made to the University are administered and invested in accordance with the terms laid down by the donor. Further information can be found in the Treasury Policy.

## **10.2 Endowments funds**

The Chief Financial Officer is responsible for maintaining a record of the requirements for each endowment fund and for advising SPRC or Investment Sub-Committee on the control and investment of fund balances.

Investment Sub-Committee is responsible for ensuring that all the University’s endowment funds are operated within any relevant legislation and the specific requirements for each endowment. They will also be responsible for investment of fund balances and for obtaining a satisfactory return within an agreed risk profile.

Endowments to be fixed as an agenda item at College Board meetings each calendar year (to align with budget planning conversations) and the Senior Officers meeting to cover Academic/Professional Services endowments. A senior member of DARO will be invited to attend the meetings. The purpose of the agenda item will be to allow College Board members and senior officers to review the endowment spend for the current financial year and review spending plans for the next financial year, based on forecast endowment income distributions and unspent endowment income to date.

## **10.3 Voluntary funds**

The Chief Financial Officer shall be informed of any fund that is controlled wholly or in part by a member of staff in relation to their function in the University.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Chief Financial Officer shall be entitled to verify that this has been done.

# Income

The Chief Financial Officer is responsible for ensuring that all income due to the University is received and accounted for in a timely manner. This includes income relating to students, research, and commercial activity.

Income can be received as cash, cheque, credit card, bank transfer and online payments.

All monies received must be recorded upon receipt by the Budget centre on the day and banked as soon as practically possible. The procedure for this is set out here [Income Processing](https://intranet.birmingham.ac.uk/finance/Transaction-Services/Income-Processing/index.aspx)

All sums received must be paid in full, and must not be used to meet miscellaneous expenses, or paid into the petty cash float. For guidance on petty cash usage please see the [Petty Cash procedure](https://intranet.birmingham.ac.uk/finance/documents/staff/PettyCash.pdf).

Compliance with insurance guidelines around cash should be strictly adhered to, and will invalidate a claim if not followed For more information see the following link: [Insurance](https://intranet.birmingham.ac.uk/finance/insurance/index.aspx)

Electronic payments can be made through the online shop and must comply with Payment Card Industry Data Security Standards (PCI DSS). Guidance on these is here [Income Processing](https://intranet.birmingham.ac.uk/finance/Transaction-Services/Income-Processing/index.aspx)

## **11.1 Accounts Receivable - Student Debt**

In line with the Cohort Legislation (section 5.3.1 (j)), any student who has outstanding debts to the University relating to academic study, shall not be permitted to graduate or receive the certificate for any degree, diploma or other qualification awarded by the University until these debts have been cleared in full. Such students may be excluded and prevented from using any of the University’s facilities and shall not be permitted to re-register at the University until all debts are paid in full.

## **11.2 Collection of debts**

The University’s Condition of Sale require the contract price for goods to be paid within 30 days, unless the contract agreed states otherwise.

# Other services rendered

There is a wide range of other income-generating activities which Budget Centres engage in including:

* Consultancies
* Short courses
* Other services and use of university equipment and facilities
* Sale of goods
* Franchising

Any staff wishing to engage in these activities must seek permission of their Head of College or delegated authority. Staff in Professional Services undertaking such activities should seek the permission of the Registrar and Secretary or delegated authority.

Guidance in relation to [Academic Consultancy](https://intranet.birmingham.ac.uk/finance/enterprise/academic-consultancy.aspx) should be sought from University of Birmingham Enterprise Ltd prior to engagement.

## **12.1 Franchising on campus**

Before embarking on any franchising arrangements due diligence of the other party is required to establish whether any risk is likely to arise from the association. Detailed business plans for the arrangement will need to be produced and reviewed by the UEB, who may refer a decision to SPRC and/ or Council, depending on the scale of the arrangement.

## **12.2 Higher education provision with others (collaborative provision)**

Any contract or arrangement whereby the University provides education to students where the achievements of the learning outcomes are dependent on provision from another organisation, must be subject to appropriate pre-appraisal procedures in consultation with Registry, Academic Services (see [Collaborative Provision](https://intranet.birmingham.ac.uk/as/registry/policy/collaborative/index.aspx)).

There shall be a contract, signed by the Provost and Vice-Principal, on behalf of the University in place before any provision is made in accordance with Section 1.3 of the Delegated Powers of Council.

# Innovation

## **13.1 Intellectual Property Rights and Patents**

Patents, Intellectual Property Rights (IPR) and establishment of ‘spin out’ companies are managed on behalf of the University by its wholly owned company, University of Birmingham Enterprise Ltd which acts as its exclusive agent.

While University Council formally retains responsibility, it has delegated matters relating to IPR as per the Scheme of Delegated Powers of Council.

The University Code of Ethics also indicates the level of due diligence that should be undertaken when creating intellectual property. Staff from University of Birmingham Enterprise Ltd will support this process and should be consulted at an early stage.

Appendix 3 provides additional guidance on what activity would be required to be undertaken prior to authorisation.

Any intellectual property rights and other rights that may arise from the procurement of external goods and services, when procuring or purchasing development, research and development, and consultancy services must wherever possible, be reserved and retained for the University. This reservation of rights must either retain rights for the University itself, or, where the purchase is being undertaken for the purposes of meeting the University’s obligations under a research or other contract where the rights are reserved by the third party, for the third party concerned.

## **13.2 Companies and Joint Ventures**

In certain circumstances it may be advantageous, to establish a company or a joint venture to undertake services on behalf of the University. Any member of staff considering this should first seek the advice of the Chief Financial Officer or a Deputy Finance Director. Establishment of ‘spin out’ companies are managed on behalf of the University by University of Birmingham Enterprise Ltd, which acts as its exclusive agent.

Authorisation levels for approving the establishment of all companies or joint ventures are summarised in the Scheme of Delegated Powers of Council. The establishment of a company or joint venture must be in line with the University Protocol for Subsidiaries ([Protocol for the Governance of University Wholly Owned Subsidiary Companies and Companies](https://www.birmingham.ac.uk/Documents/university/governance/Protocol-Wholly-Owned-Subsid-Companies-etc-V3-4.pdf))

# Asset Management

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with approval by Council, or the relevant sub-committee or Director with delegated powers.

Items purchased using external funds must acknowledge any terms and conditions stipulated by the funding body.

The care, custody, and security of equipment and other assets under their control, are the responsibility of the individual member of staff. Due care must be always taken to ensure the protection of these items. Any instances where security arrangements are defective must be reported to the Chief Financial Officer.

Assets owned by the University shall, where the cost or acquisition is above £25,000 (including VAT) be identified to the Capital Accountant to enable them to be correctly treated for accounting purposes. The Capital Accountant will advise as to whether they should also be recorded on a fixed asset register and/or marked to identify them as university property.

## **14.1 Personal use**

Personal use of assets either owned or leased by the University is not allowed.

The disposal of equipment and furniture must be in line with the University’s financial procedure on asset disposal. Where items have been purchased using external funding, additional terms or conditions must also be followed. Assets disposed of should be removed from the asset register by informing the Capital Accountant in Finance.

## **14.2 Data Assets**

Every effort should be made to ensure that information generated or held, that could contain personal or sensitive data, is protected and measures are in place to store appropriately in accordance with the relevant legislation.

## **14.3 Insurance**

The Chief Financial Officer is responsible for the University’s insurance arrangements, including the provision of advice on the types of cover, informing the relevant advisers about specific problems, and ensuring that the cover in place addresses any potential risk to the University. The portfolio of insurances will be considered by the Chief Financial Officer and escalated for discussion as required.

A register will be maintained of all insurances affected by the University and the property and risks covered.

The Chief Financial Officer should be consulted on any potential new risks or additional property and equipment to ensure that the arrangements made are appropriate. Advice should be sought prior to entering into any agreements to ensure that adequate insurance is in place.

The University requires all incidences which may give rise for an insurance claim to be communicated to the Insurance Manager within 25 days. Doing this will ensure resolution in a timely manner.

The Director of Estates is responsible for keeping suitable records of plant and equipment which is subject to inspection on a regular basis and by an insurance company.

All staff using their own vehicles on behalf of the University must maintain appropriate insurance cover for business use.

Staff travelling abroad on university business must ensure that insurance cover is in place for themselves and any students travelling with them. [Travelling and Working Abroad](https://intranet.birmingham.ac.uk/finance/insurance/travelling-working-abroad/index.aspx)

# Guild of Students

In line with section 2.4 of the University of Birmingham Ordinances, the Guild of Students is an organised charitable association. The Council has a responsibility for the oversight of the activities of the Guild, however they exist separately and as such, have their own financial accounts and ability to control their internal management and administration.

# Other Charities

In certain circumstances it may be appropriate to establish a charity to undertake activities aligned with the University’s own charitable objects.  Any member of staff considering this should first seek the advice of the Chief Financial Officer or a Deputy Finance Director.  Where it is proposed that a charity will use the University as its registered address or conduct its management and/or principal place of operation from the University, approval is required from the Chief Financial Officer or a Deputy Finance Director.

# Appendices

## **Appendix 1 Procurement Thresholds**

All Procurement should begin with a requisition raised within the Oracle Fusion financial system. Where required, the Buying team will allocate an approved supplier or undertake appropriate procedures to locate a supplier. The requirements for quotes and tenders are provided here for information.

|  |  |
| --- | --- |
| **Estimated Value (Excluding**  **VAT)** | **University Requirements** |
| Up to £500 | Estimated price only; consider using a Purchasing Card for these transactions |
| £501 - £5,000 | One Quotation |
| £5,001 - £10,000 | Three Quotations or Single Source Approval (SSA) approved from relevant requisition approver |
| £10,001 -  £25,000 | Three Quotations or Single Source Approval (SSA) from Procurement |
| £25,001 -  £181,302 | Three Quotations against a formal “Request for Quotation” process, or at least three Tenders against a formal “Invitation to Tender” process or Single Source Approval (SSA) from the Director of Procurement and Insurance with an “Express Contract” signed by the Director of Procurement and Insurance (as delegated by the Chief Financial Officer).  **Please note:** requirements over £25,000 that have been advertised to widen the competition must also be published on the Government [Contracts Finder](https://www.gov.uk/contracts-finder) portal. The University’s tendering portal “In-Tend” uses the “tick box” function for uploading onto Contracts Finder automatically. “Award Notices” are also required for Contracts Finder. |
| Above £181,302 | A compliant Tender process. You must consult with Procurement before any process is initiated or Contract created. **Please note:** the Threshold for Works is currently £5,336,937including VAT. |

## **Appendix 2 Scheme of Delegated Powers of Council – Finance Extract**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Activity** | **Council Approved Delegation** | **Authorised Nominee** |
| 2.1 | Approval of Financial Regulations | Audit Committee | None |
| 2.2 | Monitoring of University financial plans | SPRC | None |
| 2.3 | Ensure that satisfactory financial systems are in place | Chief Financial Officer | None |
| 2.4 | Investment Policies and Decisions | Investment Sub-Committee | None |
| 2.5 | Preparation of University Accounts | Chief Financial Officer | None |
| 2.6 | Preparation of capital and revenue budgets and financials plans | Chief Financial Officer | None |
| 2.7 | Liaison with University Bankers | Chief Financial Officer | None |
| 2.8 | Writing off debts | | |
| > Less than £100,000 | Chief Financial Officer | Head of Income and Payments (Less than £10,000) |
| Head of Transaction Services (£10,000 - £25,000) |
| Deputy Finance Director (£25,000 - £50,000) |
| > More than £100,000 | Deputy Pro-Chancellor (Finance) | None |
| 2.9 | Approval of Loans | | |
| > Less than £2.5m | UEB | None |
| > £2.5m - £5m | SPRC | None |
| > Over £5m | Council | None |
| 2.10 | Financial approval of undertaking of research or provision of other goods and services in return for payment | Chief Financial Officer (or nominee) | Director of Research Strategy and Services Division (RSSD) |
| (\* N.B. including all items under 2.10 not appearing in the Scheme of Delegated Powers of Council but set out below) | Deputy Finance Director |
| 2.10 (i) | Research awards, applications and related contracts or agreements authorised by Research Strategy and Services Division up to £5m |  | Director of Business Engagement & Research Impact |
| Assistant Directors of RSSD (except for documents negotiated by that individual) |
| Non-financial research and related contracts | Head of Research Support (except for documents negotiated by that individual) |
| Research Support Managers (except for documents negotiated by that individual) |
| 2.10 (ii) | EU related agreements up to £5m, declarations of honour and portal submissions |  | Those detailed in 2.10(i) |
| Research Strategy and Development Partner (EU&I) |
| 2.10 (iii) | Award acceptance where standard funder terms and conditions have been pre-approved |  | Those detailed in 2.10(i) and Research Development Officers |
|
| 2.10 (iv) | Clinical trial site agreements and amendments |  | Those nominated in 2.10(i) |
| Director or Deputy Director of Clinical Trials Unit |
| Non-Financial agreements defining clinical trial regulatory responsibilities such as Technical, Safety and Quality Agreements |  | Director or Deputy Director of Operations of Clinical Trials Unit |
| Quality of life questionnaire licenses |
| 2.10 (v) | Human Biomaterial Sample Transfer Agreements, Quality Agreements, and associated amendments on RSSD approved templates |  | Those nominated in 2.10(i) |
| Assistant Director of Operations (Clinical Research Quality) |
| HBRC General Manager |
| 2.10 (vi) | Declaration of Honour statements of good standing |  | Those nominated in 2.10(i) |
| 2.10 (vii) | Specified Confidential Disclosure Agreements in Colleges in line with standard terms approved by RSSD |  | Those nominated in 2.10(i) |
| Head of the relevant College |
| Director of Research in the relevant College |
| 2.10 (viii) | Project related audit engagement letters and representation letters  - Payment requests, i.e., payments to EU partners, reimbursements to funders, etc.  - Conversion forms  - Funder claims |  | Those nominated in 2.10(i) and Head of Post Award |
| 2.10 (ix) | Consultancy contracts for the University, personal consultancy for academics, School cost side letters etc. |  | Deputy Finance Director |
|
| Relevant Head of College or Professional Service |
| 2.10 (x) | Agreements in relation to other (non-research) income generation activities within Colleges and Professional Services with a total income value of up to £25,000 (for example consultancy services, local events, journal reviews etc.) |  | Relevant Head of College or Professional Service |
| Deputy Finance Director |
|
| 2.10 (xi) | Agreements in relation to other (non-research) income generation activities within Colleges and Professional Services with a total income value of up to £10,000 (for example consultancy services, local events, journal reviews etc.) |  | Relevant Head of College or Professional Service |
|
| Deputy Finance Director |
|
| College Finance Business Partners |
|
| College Directors of Operations |
|
| 2.10 (xii) | Deeds of gift and associated agreements relating to donations from benefactors |  | Director of Development & Alumni Relations |
|
| 2.10 (xiii) | Contracts relating to Library Services (Further information can be found: [Collecting Policies](https://www.birmingham.ac.uk/facilities/cadbury/policies/collecting.aspx) |  | Director of Library Services, Director of Special Collections and Assistant Director Collection Management and  Development |
| 2.11 | Financial management of Colleges/ Professional Services within approved budgets | Heads of College / Registrar and Secretary | None |
|
| 2.12 | Authorisation to exploit and manage patents and Intellectual Property rights | Chief Financial Officer (or nominee, usually CEO, University of Birmingham Enterprise Ltd.) | Chief Executive Officer of University of Birmingham Enterprise Ltd |
|
| 2.13 | Authorisation of Licenses (in relation to intellectual property) | Chief Financial Officer (or nominee, usually CEO, University of Birmingham Enterprise Ltd.) | Chief Executive Officer of University of Birmingham Enterprise Ltd |
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| 2.14 | Authorisation for the University to:  form a new spinout company, subsidiary company, or joint venture to commercialise research/intellectual property in which the University takes a shareholding or equivalent interest:  acquire or dispose of its shareholding or equivalent interest in such a spinout company, subsidiary company or joint venture: | | |
| > Less than £100k | Chief Financial Officer (or nominee, CEO, University of Birmingham Enterprise Ltd.) | None |
|
| > Between £100k and up to £500k | Chief Financial Officer (subject to report of the approval of the transaction to the next available meeting of UEB) | None |
| > Between £500k and up to £1m | Jointly Vice-Chancellor (or Provost in absence of the Vice-Chancellor), Pro-Vice-Chancellor (Research) and Chief Financial Officer (subject to report of the approval of the transaction to the next available meeting of UEB) | None |
| > Between £1m and up to £5m | UEB on the recommendation of the Board of University of Birmingham Enterprise Ltd, and where appropriate, the Head of College | None |
| > Between £5m and £10m | SPRC on the recommendation of UEB, and where appropriate, the Head of College | None |
| > Over £10m | Council on the recommendation of SPRC | None |
| 2.15 | Authorisation for the University to form, acquire or dispose of its shareholding or equivalent interest in a separate legal entity other than those set out in 2.14: | | |
| > Less than £100k | Chief Financial Officer (or nominee) | None |
| > Between £100k and up to £500k | Chief Financial Officer (subject to report of the approval of the transaction to the next available meeting of UEB) |
| >Between £500k and up to £1m | Jointly Vice-Chancellor (or Provost in absence of the Vice-Chancellor), and Chief Financial Officer (subject to report of the approval of the transaction to the next available meeting of UEB) |
| > Between £1m and up to £5m | UEB |
| > Between £5m and £10m | SPRC on the recommendation of UEB |
| > Over £10m | Council on the recommendation of SPRC |
| 2.16 | Routine spinout company/subsidiary company/joint venture/separate legal entity transactions which do not affect the material value of the University’s investment | Chief Financial Officer (or nominee) | Chief Executive Officer of University of Birmingham Enterprise Ltd |
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| 2.17 | University agreement to the appointment of Directors of spinout companies, subsidiary companies, joint ventures, or other separate legal entities, in which the University has a shareholding or equivalent interest: | | |
| On establishment of the spinout company, subsidiary company, joint venture, or other separate legal entity | The appointment is made by the body which approves the establishment under Sections 2.14 and 2.15 | None |
| Subsequent appointments following establishment | Registrar and Secretary | None |
| 2.18 | Determination of student fee levels | SPRC | None |
|

## **Appendix 3 Patents, Intellectual Property Rights and Establishment of ‘spin out’ companies**

|  |  |  |
| --- | --- | --- |
| **Activity Decision Step** | **Activity** | **Authorisations** |
| **1. Invention/idea** | Inventor and UoB Enterprise staff interact directly. | CEO University of Birmingham Enterprise (or nominee, usually UoBE Head of IP Services) |
| **2. Disclosure** | Inventor & UoB Enterprise together initiate IP & Licencing Procedure including writing up a Record of Invention (RoI) and advising on timing of any publications. | CEO University of Birmingham Enterprise (or nominee, usually UoBE Head of IP Services) |
| **3. Assessment of the invention and any market opportunity** | UoB Enterprise IP team assess fit to university strategy, gather data and use IP Assessment Tool. | CEO University of Birmingham Enterprise (or nominee, usually UoBE Head of IP Services) |
| **4. Decision to patent yes/no or to assign the IP back to the inventor** | Discussion based on available evidence. | Chief Financial Officer (or nominee, usually CEO University of Birmingham Enterprise Ltd |
| **5. Patent filing** | UoB Enterprise IP teamwork with inventor & external patent attorneys to generate initial filing. | CEO University of Birmingham Enterprise (or nominee, usually UoBE Head of IP Services) |
| **6. Decision on how to best exploit the patented idea: (e.g. whether by Licence or Spin – Out company?)** | UoB Enterprise IP team and the inventor gather additional data and use Commercial Assessment Tool to support decision. | Chief Financial Officer (or nominee, usually CEO University of Birmingham Enterprise Ltd |
| **If Licence** | UoB Enterprise actively seeks buyers for the licence and prepares licence for signature. | Chief Financial Officer (or nominee, usually  CEO University of Birmingham Enterprise Ltd |
| **If Spin Out** | *(If an inventor approaches UoB Enterprise about a spinout and hasn’t already been through the assessment process – refer back to step 2)* |  |
|  | HoC or nominee asked to provide ‘in- principal’ approval for the formation of a spinout prior to significant support being  given. |
| University of Birmingham Enterprise staff will support inventor to locate potential management, investors and the creation of a business case. | Once spinout proposal ready it is first submitted to University of Birmingham Enterprise Ltd Board. They must first approve and recommend that the University forms the spinout. |
|  | Depending upon the monetary value involved, UEB (or nominees) take the final decision in line with the Scheme of Delegated Powers of Council. |
| **If University investment being made from**  **£5m spinout fund** | Investment case prepared and presented to spinout investment panel.  *(See also the document “University of Birmingham spinout investment fund Terms of Reference & Operation”.)* | Spinout investment panel recommends action to UEB (or nominees) who take the final decision in line with the Scheme of Delegated Powers of Council. |
| **If purchase, exchange, sale of shares or similar instruments in a company (including purchase of a shelf company),**  **spinout or JV of the University** | UoB Enterprise negotiates shareholders agreement/articles of association and/or equivalent corporate documents for  signature. | UEB (or nominees) take the final decision on advice of University of Birmingham Enterprise Ltd in line with the Scheme of  Delegated Powers of Council. |