



Finance and Commercial.

Financial Regulations Index

Section	Paragraphs	Page Numbers
Introduction	1) Why do we need the Financial Regulations?	2-3
	2) The Role of Council and the University's Accountable Officer	3
	3) Format of the Regulations	3-4
	4) Status of the Financial Regulations	4-5
	5) Financial Management	5-7
	6) Risk Management, Audit and Other Financial Governance Matters	7-10
Income and Banking	7) General	10
	8) Income Received	10-11
	9) Income Based Contractual Commitments	11-12
	10) Identification of Income Streams	13-16
Expenditure	11) Authority for Revenue Expenditure	16-18
	12) Authority to approve Capital Expenditure	18-19
	13) Procurement, Tendering, Ordering and Contracts	19
	14) University Purchasing Card	19-20
	15) Petty Cash	20
	16) Advances of Expenditure	20-21
	17) Salaries, fees, expenses and pensions	21
	18) Benefits in Kind	21
	19) Correction of Coding Errors	21
Other	20) Banking Arrangements, Treasury Management and Other Financial Reserves Issues	22-23
	21) Taxation	23-24
	22) Insurance, Vehicles, Property and Assets	24-25
	23) Computing	25
	24) Intellectual Property (Ownership, Protection and Exploitation)	25
	25) Conflict of Interests	26
	26) The University's Seal	26-27
27) Students Union	27	

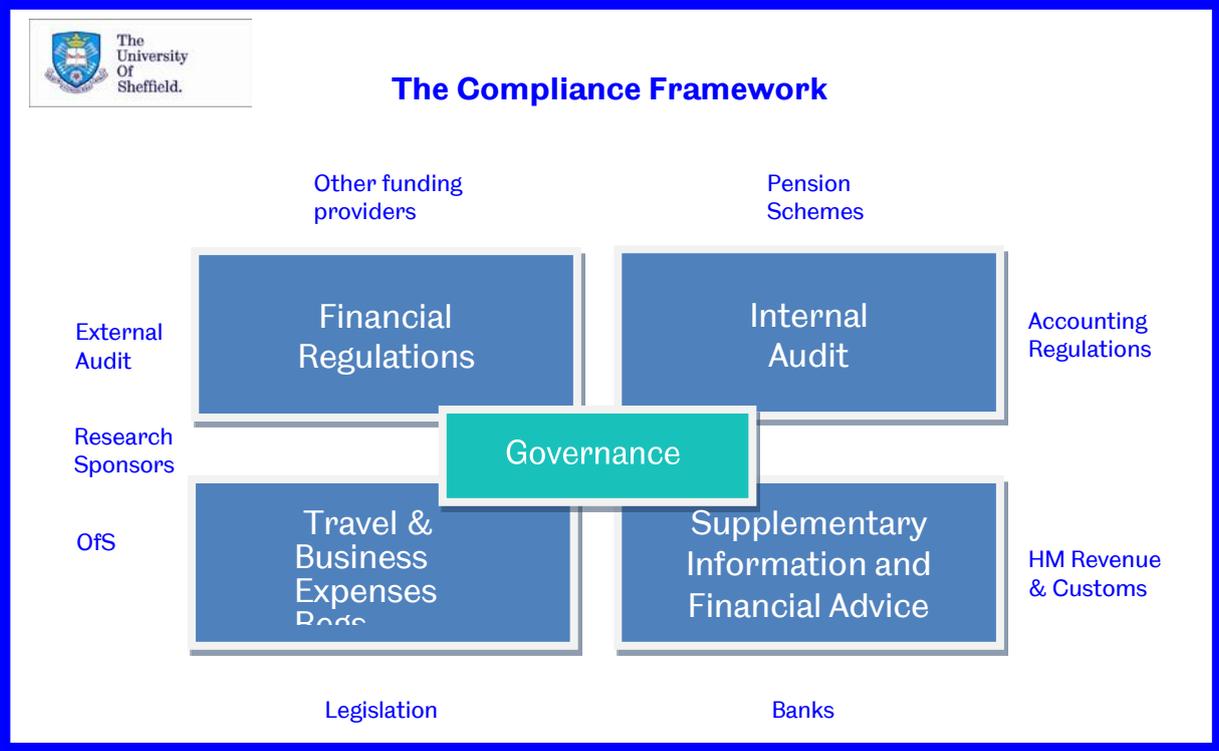
Introduction

1. Why do we need the Financial Regulations?

The University of Sheffield is one of the United Kingdom’s most successful Universities, both in terms of academic success and in the growth of its student body. The University holds an outstanding reputation, both nationally and internationally and this is evidenced in the numerous awards and high grades it has received from the various bodies responsible for assessing the higher education sector.

The University’s activities are supported by substantial public funds and as a publicly funded body, the University is accountable to its stakeholders in ensuring the most efficient and effective use of its resources in support of the University’s approved strategy.

This accountability places governance responsibilities on the University and necessitates that the institution operates within a compliance framework.



The stakeholders illustrated above present opportunities to the University but they also place constraints on the way in which the University operates. Therefore, operating within a compliance framework dictates that the University must develop systems for internal control which include the Financial Regulations. This internal control framework is instrumental in ensuring the following:

- The University’s Governance responsibilities are satisfied

- Financial probity is maintained
- The University is not exposed to unacceptable levels of risk.

2. The Role of Council and the University's Accountable Officer

- 2.1 Council is the executive governing body of the University and is accountable for the overall operations of the University. Council is responsible for the administration and management of the affairs of the University and must ensure that:
- The University's assets are safeguarded
 - The opportunities for theft or fraud are minimised
 - The promotion of best practice and that resources are utilised and managed in the most efficient and effective manner
 - Achievement of the University's objectives is supported
- 2.2 The Statutes of the University vest responsibility for the financial management of the University in the Council. In order for Council to execute this governance role, the University must ensure that clear systems are in place for internal control and for monitoring and reporting activities.
- 2.3 Under the Office for Students' Terms and Conditions of Funding for Higher Education Institutions, the Council as governing body is responsible for the use of funds. To assist and enable it to discharge this responsibility and to provide clear accountability, the governing body will designate a senior officer, normally the head of the institution, as the 'accountable officer': that is, the officer who reports to the OfS on behalf of the institution.
- 2.4 The President and Vice-Chancellor is the University's accountable officer and is required by the Office for Students' Terms and Conditions of Funding for Higher Education Institutions to advise Council on the discharge of all its responsibilities under the Terms and Conditions. In this capacity, the President and Vice-Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the President and Vice-Chancellor to be incompatible with the Terms and Conditions of Funding. If the Council decide nevertheless to proceed, the President and Vice-Chancellor must immediately inform the chief executive of the OfS in writing. The President and Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council and for the management of budgets and resources within the estimates approved by the Council. As the accountable officer, the President and Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons.

3. Format of the Regulations

- 3.1 The paragraphs above provide a brief illustration of the University's compliance framework and the requirement for the Financial Regulations.

However, the Regulations have also been developed with the aim of providing a tool for all University employees to assist in decision making when conducting activities on behalf of the University.

3.2 The Financial Regulations contain the key high-level principles contained within the more detailed guidance. The reader of the Financial Regulations should gain an understanding of the University's overall approach toward financial management and control and the essential matters. To support the Financial Regulations there are:

- [Supplementary Information Appendices \(SIAs\)](#) which contain more detailed information on each individual area in order to provide policy or procedural guidance to the user within the University and act as a tool in decision making when considering activities in greater detail.
- [Financial Advice Notes \(FANs\)](#) contain detailed guidance in the form of "how to?" guidelines and best practice advice for common activity areas.

3.3 Thus, the Financial Regulations, Supplementary Information Appendices and Financial Advice Notes all aim to achieve a balance between ensuring the University's compliance responsibilities are discharged in the most effective manner whilst also supporting all members of staff in their activities and roles by providing detailed guidance and advice on those topics most frequently encountered by most staff.

4. Status of the Financial Regulations

4.1 The Financial Regulations have been approved by Finance Committee. Subsequent amendments to the Financial Regulations will be approved by Finance Committee, however the authority to execute operational changes to the Supplementary Information Appendices and to Financial Advice Notes will be delegated to the Authorised Financial Officer. This will enable the University to reflect the dynamic nature of its environment in the timeliest manner possible.

4.2 Compliance with the Financial Regulations is compulsory for all Officers and members of staff of the University by virtue of the Regulations of Council. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary procedures.

4.3 It is the responsibility of the Heads of Departments (Academic and Professional Service) and Vice Presidents and Heads of Faculty to ensure that their staff understand the content of the Financial Regulations and that access to the Regulations is made available. Where reference is made to a Head of Department in the main Financial Regulations, this includes Heads/Deans of Schools, Heads of Research Institutes or other identifiable Units/Facilities, Directors of Research and Innovation, Directors of Learning and Teaching and any person to whom specific financial responsibility has been delegated.

- 4.4 A version of these Financial Regulations has been created to be more applicable to the circumstances of University Subsidiaries. Compliance with the Financial Regulations for University Subsidiaries is compulsory for all officers and members of staff of a subsidiary company. Questions in relation to the application of the Financial Regulations for University Subsidiaries must be directed to the Authorised Financial Officer.
- 4.5 The Financial Regulations apply to all the University's activities irrespective of the source of funding. Activities will be deemed to be "official University activities" if they are: -
- "Activities arranged by and with the approval of University Departments, Schools, Faculties or University Clubs or Societies, involving teaching, research, or extramural / offsite activities in which participants undertake tasks: -
1. wholly or partly of an educational or research nature,
 2. being the recognised activity of a registered University sports club, excluding social activities,
 3. involving representing the University's interests or reputation,
 4. as a result of an instruction by a University officer, provided they are undertaken in accordance with the Financial Regulations and Health and Safety obligations."
- 4.6 Whilst these Financial Regulations indicate delegated authority for particular types of transaction, there are occasions where we undertake transactions which are not part of the normal day to day operation of the University's activities and could be considered contentious at the time. Approval of these activities may be reserved for Council decision.

5. Financial Management

5.1 University Financial Operating Strategy and Budgeting Process

5.1.1 It is the responsibility of the Council to approve, on the recommendation of Finance Committee, a Financial Operating Strategy for the University. This strategy sets out the financial objectives of the University and the measures which will be used to ensure these objectives are met.

5.1.2 It is the responsibility of the Council to approve annually the University financial forecasts including the Statement of Comprehensive Income and Expenditure, Balance Sheet, Cash Flow Statement and Capital Programme.

5.2 Budgeting and Financial Planning

5.2.1 Resources are allocated annually to Faculties and Professional Services by the President and Vice Chancellor after consulting with the University Executive Board, utilising appropriate resource allocation and budget setting methodologies.

It is the responsibility of Vice Presidents and Heads of Faculty to allocate resources to their constituent academic departments.

It is the responsibility of the President and Vice Chancellor to allocate resources to Professional Service Departments.

- 5.2.2 Each Department will be expected to generate its budgeted level of income from its activities and contain its expenditure within an allocated budget. The budgeted level of income will be that which is appropriate to the activities of the Department and will be set in relation to the overall University financial forecasts.

5.3 Financial Management and Value for Money

- 5.3.1 It is a requirement that each Department manages its expenditure commitments within the allocations detailed above, together with any existing reserves, subject to the University's Policy on the Use of Reserves ([See SIA 6](#)). No recurrent expenditure commitments shall be entered into without the establishment of a permanent or matching income stream.

- 5.3.2 Expenditure from the funds available is within the discretion of the Head of Department, in accordance with the agreed strategic plan. Expenditure must be used for the furtherance of the University's [Strategic Plan](#) and within the terms of the University's Statutes, the Financial Regulations and within the Law.

- 5.3.3 It is the responsibility of the Head of Department to ensure that expenditure does not exceed the level of the annual expenditure budget and permissible expenditure from reserve accounts (in the case of core funds) or the amount awarded for the departmentally incurred costs (in the case of external and project funds).

Heads of Department must ensure that the University achieves Value for Money in all core and supporting activities.

5.4 Reporting, Monitoring and Control

- 5.4.1 Monitoring and Control of expenditure against approved budgets throughout the financial year is co-ordinated by the Vice Presidents and Heads of Faculty (in the case of Academic Departments), or the designated University Executive Board member responsible for the Professional Service Department concerned (in the case of Professional Service Departments), to which all budget holders are accountable. A pro active approach must be taken by those responsible for budget monitoring and control, focusing on out-turn predictions and recovery plans where it is estimated that a Department's out-turn expenditure will be greater than budget.

5.4.2 The Policy Document for Creation, Disposal and Governance of University Companies ([SIA 5](#)) details the financial reporting responsibilities that must be followed with respect to University Companies. “University Company” means any company in which either the University or a member of staff holds shares and the activities of the company is directly or indirectly linked to the activities of the University.

5.4.3 It is the responsibility of the Head of Department to review its income and expenditure position and take appropriate action to ensure that expenditure budgets are not exceeded and that mitigating action is taken to reduce expenditure where the income is lower than budget.

5.5 Earmarked Funding

5.5.1 Other funding may be allocated to Departments from time to time, driven by specific University activities with earmarked funding.

5.5.2 Virement from these earmarked income streams to the Department’s annual budget is not permitted and any unspent earmarked funds will be returned to central sources.

5.5.3 It is the responsibility of the Head of Department to ensure that expenditure from these earmarked funding initiatives does not exceed the allocation.

6. Risk Management, Audit and Other Financial Governance Matters

6.1 Risk Management

6.1.1 Risk is defined as those activities which may impact adversely on the University achieving its objectives.

6.1.2 The Council is responsible for ensuring that the University has a robust approach to the management of opportunities and risks. The University’s [policy on the Management of Opportunities and Risks](#) sets out the key principles underlying the University’s approach. This policy documents the main responsibilities of the key parties and identifies the main reporting procedures.

6.1.3 Heads of Academic Departments are responsible for identifying, managing and monitoring opportunities and risks within their department and reporting these to their Vice President and Head of Faculty.

6.1.4 Heads of Professional Service Departments are responsible for identifying, managing and monitoring opportunities and risks within their department and reporting these to the designated University Executive Board member responsible for the Professional Service Department concerned.

6.1.5 The Corporate Risk register is updated on a quarterly basis and reported to University Executive Board, Audit Committee and Council. The other registers are updated twice a year and reported to either Faculty Executive Boards or Risk Review Group.

6.2 Audit Requirements – Internal Audit

6.2.1 The University has a mandatory obligation under the Office for Students' Terms and Conditions of Funding to have an effective Audit Committee and effective Internal Audit function. The Internal Audit function should be independent of line management. Its prime responsibility is to provide Council, the President and Vice-Chancellor and senior managers of the University with an independent assessment on the adequacy and effectiveness of internal control systems, including risk management and governance; arrangements for promoting efficiency and effectiveness; and the arrangements for the management and quality of data.

6.2.2 The Internal Audit function has unrestricted access to all records, personnel and premises and is authorised to obtain whatever information and explanations it considers necessary.

6.2.3 The Audit Committee is responsible for monitoring the performance of the Internal Audit function and receives a report from the Internal Auditors giving an opinion on the effectiveness of internal controls for the areas reviewed in the previous year.

6.3 Audit Requirements - External Audit

6.3.1 The Council is responsible for the appointment of professional external auditors to examine the University's financial statements and to provide an audit report for each financial year ending 31st July. Any such auditor shall be a member of a Recognised Qualifying Body (RQB). A RQB is a body declared by the UK Professional Oversight Board for accountancy as a body able to grant the audit qualification under the Companies Act 2006.

6.3.2 No person shall be appointed auditor who is, or any one of whose partners is, a member of the Council, a member of any other Committee of the University or of the staff of the University.

6.3.3 The external auditors shall hold office for a period of up to five years, shall be eligible for re appointment and shall receive such remuneration as may be determined by the Council. The Council may remove an auditor or auditors before the end of their period of office in the event of serious shortcomings or breach of contract. The external auditors may make written representations to the Council and shall have the right to be heard at the meeting at which their removal is being considered. The external auditors may resign by writing addressed to the Council.

6.3.4 The external auditor shall have a right of access at all reasonable times to the books, records, accounts and vouchers of the University and shall be entitled to require from the officers of the University such information and explanations as may be necessary for the performance of their duties, including the provision of an audit report on the University's annual financial statements.

6.3.5 Access to records and assets, and relevant information and explanations, shall also be provided to the officers of the Office for Students, of the Comptroller and Auditor General, as Head of the National Audit Office, and of the Department for Education and Skills' audit service, to the extent necessary to enable those officers to carry out their duties.

6.4. Fraud, Theft, Criminal Damage and Financial Irregularities

6.4.1 It is the responsibility of all Officers and members of staff to ensure the correct and honest use of all University resources and to report any circumstances which may indicate the improper use of these resources. If you do suspect any instance of fraud or misappropriation please report this immediately to either your Head of Department or Authorised Financial Officer. The required actions are stated in the University's [Fraud Response Plan](#). See also Supplementary Information in relation to "Inducements, Bribery, Fraud and Corruption".

6.5 Whistleblowing

6.5.1 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. The University's policy is set out in the document [Policy and Procedure on Public Interest Disclosure](#).

6.6 Retention of Documents

6.6.1 Documents relating to financial transactions must be retained in order to assist in the University's administration and audit requirements and to meet certain statutory requirements.

6.6.2 Heads of Departments must ensure that these records and supporting documentation are retained in the Department in an adequate form and in a secure and accessible environment.

6.7 Authorised Financial Officer

6.7.1 An Authorised Financial Officer as referred to in these Financial Regulations is defined as the Chief Financial Officer, Director of Finance, Commercial Director, Head of Financial Management, Head of Financial Services, Group Tax Manager, Head of Financial Accounting and Treasury, Head of Financial Planning and Analysis or an interim authorised designate.

6.7.2 References in the Financial Regulations, their Supplementary Information Appendices and in any Financial Advice Notes to the Director of Finance shall apply equally to the Chief Financial Officer. Where the Chief Financial Officer is unavailable to fulfil any designated responsibilities, in exceptional circumstances these can be delegated to any 2 of the other Authorised

Financial Officers acting together and in agreement.

- 6.7.3 Interim authorised designate status can be granted on the basis of a whole financial year, limited to a specific time period or applied to a specific project/activity. Written confirmation of the granting of this status shall be issued by the Chief Financial Officer or Director of Finance.
- 6.7.4 Paragraph 9.7 covers the signing of contracts and agreements in relation to Income Based Contractual Commitments only. Interim authorised designate status may be applied for a whole financial year to allow Authorised Financial Officer status to apply.
- 6.7.5 Paragraph 11.12 covers the signing of contracts and agreements in relation to Revenue Expenditure only. Interim authorised designate status may be applied for a whole financial year to allow Authorised Financial Officer status to apply.

Income

7. General

- 7.1 The Authorised Financial Officer is responsible for ensuring that procedures and systems are in operation to enable the University to receive all income to which it is due. This responsibility includes ensuring that systems are in operation for the timely issue of invoices, prompt collection, recording, security and banking of all income when received.
- 7.2 The University's "terms of trade" are that invoices are to be paid upon receipt. No variation in these terms may be made without the authorisation of the Authorised Financial Officer.

The responsibility for pursuing debts rests with the Authorised Financial Officer. Heads of Department are required to provide whatever information is needed to assist this process.

- 7.3 Charges made to another department within the University for the supply of goods or services shall not incorporate any element of profit or mark-up.
- 7.4 All cheques accepted in respect of sums due to the University shall be made payable to "The University of Sheffield". Only official University sales invoices may be used and these should be generated using the standard procedure through uBASE. Sales orders and associated sales invoices and credit notes should be raised, without delay, through the facilities available within the uBASE system.

8. Income Received

- 8.1 All monies received by Departments from whatever source must be recorded by the Department on a daily basis together with the form in which they were received.
- 8.2 Monies received in Departments must be remitted to the Finance Department or through direct banking arrangement (as approved by the Authorised

Financial Officer), on a daily basis or at such other interval as may be specified by the Authorised Financial Officer.

- 8.3 Custody of all cash holdings must comply with the requirements of the University's insurers. Official receipts must be issued by Departments for all income received.
- 8.4 No deductions may be made from any cash collected on behalf of the University. Personal or other cheques must not be cashed out of monies received.
- 8.5 Invoices for less than £100.00 should not ordinarily be raised. Income below this amount should be collected upfront by the use of the University's online store.

9. Income Based Contractual Commitments

- 9.1 In order to identify and manage risk, it is important that all activities are covered by appropriate contractual arrangements.
- 9.2 The University could be held liable for an income generating contract or agreement, implicit or implied, even where the person claiming to make the arrangement on behalf of the University did not have the University's express authority to do so.
- 9.3 Any contract requiring the substantial commitment of resources obligations or risks should be reviewed independently of those concerned with the bid, and after taking financial advice from the Finance Department and, where appropriate, legal advice.
- 9.4 No University Company may be set up to exploit any University owned intellectual or other property or right unless this has been approved by the Authorised Financial Officer. Staff must follow the Policy Document for the Creation, Disposal and Governance of University Companies (SIA 5). "University Company" means any company in which either the University or a member of staff holds shares and the activities of the company is directly or indirectly linked to the activities of the University.
- 9.5 The activity should also be reviewed to assess its alignment with the strategic direction of the Department, Faculty and the University. No contract should be entered into that may jeopardise the reputation of the University.
- 9.6 Individuals acting within their own discretion, such as private consultancy activities, shall not purport to be acting on behalf of the University.
- 9.7 Specific arrangements are in place in relation to the authority required for entering into contractual arrangements for Research and Innovation Grants and Contracts and also for Consultancy. See [SIA 8](#).

For all other contracts and agreements covering services to be provided by the University or Collaborative arrangements, the [Authorised Financial Officer](#) (including an interim authorised designate where such status has been granted) [and a number of senior officers within the Finance Department](#) are authorised to sign such documents on behalf of the University. There are three circumstances where the authorisation process as above may be amended:-

- i) Where a contract is material in terms of financial value, its term or the nature of the activity, approval may be sought from Finance Committee and/or Council.
- ii) Where it is required that the contract or agreement is signed by the President and Vice Chancellor or a University Executive Board member. In these cases the Authorised Financial Officer shall formally acknowledge the specific arrangement by countersigning the document after the event.
- iii) Where the agreement or contract has content that must also be formally approved by the relevant Vice President. In these cases the Vice President shall formally acknowledge their acceptance of the agreement by countersigning the document alongside the Authorised Financial Officer.
- iv) Where an agreement or contract involves the introduction of a new payment channel in order to collect income, the Income Office must be notified in advance and [The University of Sheffield PCI DSS Finance Standard](#) and the [Payment Card Industry Data Security Standard](#) (PCI DSS) must be adhered to.

9.8 When entering into a contract of significant value within the context of the Department's financial position the financial standing of the sponsor should be ascertained prior to entering into any commitment and adequate records should be maintained of this process. As a minimum requirement credit checks should be requested on contracts with income of £10,000 and above. A credit check shall be organised through the Finance Department ([Income Office](#)). This is particularly important where the University is likely to incur significant expenditure in advance of income being received. Departments should consider advance payments or staged payments where a contract takes place over a long period of time. A credit check may not be required or relevant for certain sponsors such as Government funded agencies but, wherever possible and in particular for SMEs, this check must be undertaken.

9.9 The University is not wholly exempt from taxation. Income from any source received by the University may attract VAT and may also be liable to Corporation Tax if the activity is classified as commercial trading. The Authorised Financial Officer is responsible for ensuring such liabilities are minimised and the Taxation section in the Finance Department should be consulted prior to entering into contractual obligations where potential taxation implications have not been fully identified.

10. Identification of Income Streams

10.1 General Points

10.1.1 The University generates income from the following sources:

Tuition Fees

Research Grants and Contracts

Accommodation Fees, Catering and Conference Services

Short Courses and Conferences

Services Rendered

Donations, Bequests and Legacies.

10.1.2 The responsibility for raising sales invoices primarily lies with the Finance Department. However, for Short Courses and Conferences and a limited range of Services Rendered accounts, Heads of Department are responsible for ensuring that this is undertaken.

10.1.3 It is important, in terms of the compliance framework in the introduction section, that income received and expenditure incurred is accurately classified within the appropriate type of activity and activities involving any form of contractual commitment should be classified correctly and should not be managed through cost centres. The only income stream to be managed through cost centres would consist of waived personal payment of consultancy fees.

10.2 Composition/Tuition Fees and Tuition Related Fees

10.2.1 Students who do not pay their composition/tuition fees and/or tuition related fees, the latter being

- Late Registration
- Re-exam Fees
- Special Centre Fees
- Continuation Fee
- Submission Fees
- Re-submission Fees
- Writing Up Fees

Cannot be fully registered and, together with those students who have not made an arrangement with the President and Vice Chancellor (or nominated representative) for provisional registration, shall be excluded from lectures, classes and the use of other University facilities.

Any student who has composition/tuition fees and/or tuition related fees outstanding to the University (including those to be paid by a sponsor) shall not have degrees or other awards conferred and will not be allowed to register for the next academic session, until all amounts due to the University are settled.

See [SIA 9](#) on Fees and other charges to students.

- 10.2.2 If the services of an agent are to be utilised during the life cycle of a distance learning programme, the contract must be approved by the Authorised Financial Officer before it is signed.

10.3 Research Grants and Contracts

- 10.3.1 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.
- 10.3.2 Where bids are to be submitted to outside bodies for support for research funding or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of Department to ensure that the financial implications have been fully appraised by [Research & Innovation Services](#) and that the relevant documentation has been fully completed and authorised.
- 10.3.3 The research contract should comply with the University's policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects dependent upon the funding body.
- 10.3.4 No application should be submitted for any external funding that has not been authorised by both departmental and University authorities prior to submission. All applications must be authorised by the Head of Department or their delegated authority.
- 10.3.5 Research grants and contracts shall be accepted on behalf of the University by the relevant officer within [Research & Innovation Services](#). See [SIA 8](#) on Delegated Authority to sign contracts and make contractual commitments.
- 10.3.6 Each grant or contract will have a named Principal Investigator and will be assigned to a specific Department. See further information in the Financial Advice Note on the Post Award Administration of Research and Innovation Grants and Contracts.
- 10.3.7 It is the responsibility of the Finance Department to raise all invoices and claims for research projects in accordance with the terms and conditions of the contract. The Principal Investigator must provide the Finance Department with all necessary information to complete the financial returns on time.
- 10.3.8 Control of expenditure will be contained within the grant. The Head of Department may delegate day to day control of the account to the Principal Investigator, but any overspend or under recovery of indirect costs is the responsibility of the Department with any loss being a charge on Department funds.
- 10.3.9 All accounts will be closed in a timely manner following the end date of the contract.

See [SIA 10](#) on Research and Innovation Grants and Contracts.

10.4 Accommodation Fees, Catering and Conference Services

10.4.1 The University will take steps to recover monies from students who do not pay their accommodation fees this may include eviction from accommodation and instigation of legal action to recover sums owed.

10.4.2 Accommodation and Commercial Services are responsible for invoicing clients for catering and conference services.

10.5 Short Courses and Conferences

10.5.1 In this context an event is classed as a short course if it lasts less than nine months and is non award bearing. A conference is an event where the primary purpose is the exchange of information and the facilitation of networking, as distinct from the payment of experts for the imparting of knowledge (which will constitute a short course).

10.5.2 Any staff wishing to organise and run a short course or conference must have agreement from their Head of Department. The course/conference organiser will be responsible for the day to day management of the course/conference.

10.5.3 Courses or conferences must be costed in accordance with a process agreed by the Authorised Financial Officer before any commitments are made. Provision must be made for charging direct costs and all activities should be self-financing or surplus generating.

10.5.4 It is expected that all accounts will be closed within two months after the end date of the event. Any deficit will be a charge on Departmental funds.

See [SIA 12](#) on Short Courses and Conferences.

10.6 Services Rendered

10.6.1 When a Department or member of staff is considering an application for external non-research funding or entering into an agreement for the provision of a service to an external party, contact shall be made with the appropriate University office, which shall advise and assist in the preparation of the application and in negotiations with the prospective sponsor.

10.6.2 Prior to the involvement of the appropriate office, there must be no serious "informal" discussions with potential sponsors about costs in general and no commitment to a level of costs must be given to a sponsor.

10.6.3 The provision of these services will be recorded and monitored by the establishment of an individual project account. These activities must not be managed through a Department's core cost centres, or research accounts.

10.6.4 Income and expenditure in respect of non-University business, including private consultancies, must not be processed through the University's accounts.

See [SIA 13](#) on Services Rendered, Consultancy, Self Financing Units and Contributions to University Expenses by external; organisations.

10.7 Donations, Bequests and Legacies

- 10.7.1 Donations, bequests and legacies are received by the University in the form of cash and other assets to provide income or capital for the maintenance or development of its operations.
- 10.7.2 Any correspondence relating to potential or received donations, bequests and legacies should be referred in the first instance to the [Development, Alumni Relations and Events Office](#).
- 10.7.3 The donations will be accounted for within the Development Fund or as a specific fund. They may have donor conditions attached to their usage.
- 10.7.4 The funds may be established to provide a permanent source of income (endowment) or to provide income for a specified period of time (donation). Thus, the accounting treatment will be defined by the terms and conditions of the receipt.
- 10.7.5 Donations, bequests and legacies will not be accepted where the specific conditions attached to it commit the University to expenditure or liabilities which cannot be met or are not in the strategic interests of the University. Equally, they will not be accepted if the terms attached to them would cause a breach of the University's regulations or current UK/EU legislation.
- 10.7.6 Once created, responsibility for the financial control of these accounts is assigned to the relevant Department. The Head of Department is accountable for the management of the fund within budget and within any conditions attached to the fund.

See [SIA 14](#) on Donations, Bequests and Legacies.

Expenditure

11. Authority for Revenue Expenditure

- 11.1 The Head of Department is responsible for all expenditure within his or her Department. The authority to commit the Department may be delegated to named individuals (or budget holders) within the Department.
- 11.2 The Head of Department is responsible for purchases within their department and purchasing authority may be delegated by the Head to named individuals within the department. The Head of Department and nominated staff have the authority, subject to the University's Procurement procedures, to place orders for goods and services within the limits of their agreed budgets against their nominated cost centres and projects. Heads of Departments or authorised signatories should not place further orders for goods and services if such expenditure would exceed the available budget, without the prior permission of their Vice President and Head of Faculty (for Academic Departments), or the designated University Executive Board member responsible for the Professional Service Department concerned (for Professional Service Departments).
- 11.3 All purchases shall be evaluated and made in accordance with the most "Economically Advantageous" terms; this evaluation shall include (but not

limited to) price, delivery, quality, whole life costing and terms and conditions. Tendering for Capital building or refurbishment contracts must be handled by the Department of Estates and Facilities Management, in conjunction with the Procurement Team.

- 11.4 Heads of Department are responsible for ensuring compliance with the Off Payroll Working Policy [SIA 26](#) before engaging any workers and throughout the workers engagement at the University.
- 11.5 Authorisation of expenditure will in most instances take place electronically, for example at the time of approval of a purchase requisition or staff expense claim. However, for those instances such as the completion of a paper based claim form where there has been no electronic authorisation of expenditure, an authorities manual will be maintained within the Finance Department, which will contain specimen signatures of all staff authorised to commit the University to expenditure. Any changes to the manual should be communicated immediately to the Authorised Financial Officer or delegated representative.
- 11.6 Heads of Departments or delegated representatives are not authorised to commit the University to expenditure without first ensuring that sufficient funds are available to meet the cost.
- 11.7 Heads of Departments or delegated representatives are not authorised to commit the University to investment or ownership in (or disposal of) any University Company. All staff must follow the Policy Document for the Creation, Disposal and Governance of University Companies. (See [SIA 5](#)) "University Company" means any company in which either the University or a member of staff holds shares and the activities of the company is directly or indirectly linked to the activities of the University.
- 11.8 The Authorised Financial Officer is responsible for making payments to suppliers for goods and services and for approving all payment procedures.
- 11.9 The Director of Human Resources is the only officer of the University authorised to make offers of employment and to appoint persons on behalf of the Council.
- 11.10 Approval to fill new or existing posts should be sought in accordance with the guidance on the Human Resources web pages.
- 11.11 All letters of appointment and contracts of employment must be issued by Human Resources. No salaries shall be paid until a formal letter of appointment has been accepted by the prospective employee.
- 11.12 All contracts with financial implications shall be signed in accordance with procedures approved by the Authorised Financial Officer. All contracts requiring payment via a banker's instruction, (i.e. direct debit or standing order) shall be signed by the Authorised Financial Officer. All contracts issued by suppliers that require a signature shall be forwarded to the

Authorised Financial Officer (including an interim authorised designate where such status has been granted) for their approval and signature. Where a contract is material in terms of financial value, its term or the nature of the activity, approval may be sought from Finance Committee and/or Council.

Material Value Contracts

Revenue contracts which commit the University to expenditure with a supplier shall follow the approval process based on the following contract values. The threshold is determined on total contract value for the period of commitment to the supplier. For avoidance of doubt these thresholds do not apply where there is no commitment to the Supplier for a set volume or value of goods. Eg Framework Contracts. These Contracts and Agreements will be signed off in accordance with Paragraphs 6.7.1-6.7.5.

Contract Value	Authorisation
<£250K	Interim authorised designate
>£250K <£1m	Authorised Financial Officer
>£1m <£5m	Finance Committee and UEB
>£5m	Finance Committee, UEB and Council

11.13 For internal control purposes, no one individual shall be nominated to both authorise expenditure and create purchase orders.

12. Authority to approve Capital Expenditure

12.1 All capital expenditure decisions are subject to a rigorous process of evaluation. Detailed governance procedures are shown in [SIA 22](#). There are thresholds applied to ensure an appropriate level of scrutiny is undertaken. Business cases are prepared and submitted.

Investment value	Authority level
£50k-£250k	Two signatories, Director of Finance and one of Director of Infrastructure or Provost & Deputy Vice-Chancellor
£250k to £1m	UEB Estates and Capital Sub Group (ECSG) or UEB IT Sub Group for IT Capital
£1m to £5m	ECSG, UEB and Finance Committee and Council for information or on request
Above £5m	ECSG, UEB, Finance Committee and Council

12.2 The categories of capital expenditure include new buildings construction, major refurbishments, acquisitions of land and/or buildings and disposals. Separate processes are in place for the use of internal capital budgets assigned to Estates and Facilities Management, Faculties, and

Professional Service departments

- 12.3 Tendering for Capital building or refurbishment contracts must be handled by the Department of Estates and Facilities Management.

All related documentation must be approved by the Director of Infrastructure or his named designate, or the Authorised Financial Officer.

- 12.4 It is the University's Estate policy to minimise the use of leased space. However, when leases are necessary the Estates and Facilities Management Department are responsible for the procurement and the Director of Infrastructure is authorised to approve lease agreements. The process for approval to enter into or terminate leases for land, buildings and related equipment is currently being redefined and this regulation will be updated following Estates and Capital Sub Group agreement.

- 12.5 The Authorised Financial Officer has authority to approve other individual equipment leases.

13. Procurement, Tendering, Ordering and Contracts

- 13.1 The regulations on purchasing and ordering apply whatever the source of funding.

- 13.2 The Head of Procurement is responsible for the identification of suitable suppliers to the University, assessing supplier suitability; negotiating contracts and ensuring that the University's tendering procedures are adhered to.

- 13.3 **Contracted Suppliers** are mandatory and should be used for all orders to be placed within the contracted supplier's scope of contract.

- 13.4 **Non Contracted Suppliers** should only be used when a purchase order cannot be placed with a contracted supplier.

- 13.5 The ordering of goods and services shall be in accordance with the University's [procurement](#) policies.

- 13.6 Official University orders must be prepared for the purchase of all goods or services including purchases from other University departments (internal trade). The only exceptions to the requirement for a purchase order are for purchases made using the University Purchasing card or via petty cash.

See [SIA 16](#) on the Use of Procurement Procedures and Tendering.

See [SIA 17](#) on Requisitions, Ordering, Goods Receipting and Payment.

See [SIA 26](#) on Off Payroll working regulations

- 13.7 All purchasing and ordering of any new service, system, software, hardware or service provider involved in the storage, transfer or processing of card payments at the University must adhere to requirements detailed within [The University of Sheffield PCI DSS Security Policy](#) and [The University of Sheffield](#)

[PCI DSS Finance Standard.](#)

14. University Purchasing Card

- 14.1 University Purchasing Card facilities (including University Purchasing Cards, American Express, Trade Cards, and similar) may be issued to members of staff at the request of, and with approval from, their Head of Department.
- 14.2 University Purchasing Card facilities should only be used for the purchase of goods or services in connection with University business authorised by the Head of Department, and against budgets for which the cardholder has authority to make purchases.
- 14.3 Card holders shall be asked to sign, and abide by, the Terms and Conditions of use under which cards are issued. The use of University Purchasing Card facilities for personal expenditure is prohibited.
- 14.4 The misuse of University Purchasing Card facilities shall be grounds for the card being revoked, recovery of University monies through Payroll deductions, and, potentially, disciplinary action.
- 14.5 The Authorised Financial Officer is responsible for the operation and control of the University Purchasing Cards. Further information, including a copy of the Terms and Condition for use of Purchasing Cards can be found from the Finance Department web pages [here](#).

15. Petty Cash

- 15.1 Wherever possible payment for small sundry items should be made using a University Purchasing Card. However, some single items of low value require cash payment and should be made from petty cash funds made available to the Department.
- 15.2 The Authorised Financial Officer may make available to Departments such imprests as are considered necessary for the disbursement of petty cash expenses.
- 15.3 Any petty cash payment must be supported by an appropriate receipt and it is the responsibility of the Head of Department to maintain robust records reconciling to the balance of funds held within the Department at any one time.
- 15.4 Departments should not pay income received into the petty cash accounts and should not make personal advances or cash personal cheques from these accounts.

See [SIA 18](#) on Petty Cash procedures and [SIA 23](#) for the Cash Handling Policy.

16. Advances of Expenditure

- 16.1 It is acknowledged that in exceptional circumstances it may be necessary to [claim monies in advance](#) of the expenditure being incurred. Such requests should not be seen as an alternative to the normal procurement

process. Wherever possible, arrangements should be made for the University to be invoiced or a University Purchasing Card to be used.

- 16.2 An advance up to the value of £300.00 can be requested. Approval from a departmental authorised signatory and the Income Manager is required. Advances can be requested in most currencies, travellers cheques (£, \$, €) or by BACS directly to a member of staff's bank account as UK sterling equivalent. The preferred method of payment is by BACS.
- 16.3 Staff in receipt of an advance must retain all receipts to support each item of expenditure (credit/debit card receipts cannot be accepted as they do not itemise goods and services purchased).
- 16.4 A Statement of Expenditure (issued by the Travel & Business Expenses team), should be completed in all circumstances, including receipts and supporting evidence of the expenditure made against the advance. All unspent monies must be returned to the Income Office within one week of the intended date of expenditure.

17. Salaries, fees, expenses and pensions

- 17.1 The Authorised Financial Officer is responsible for processing all payments of salaries, fees, expenses and pensions to all staff, workers and pensioners including payments for overtime. All time sheets, expenses claims and other pay documents must be in a form, including electronic and on-line versions prescribed by the Authorised Financial Officer or delegated representative.
- 17.2 The Heads of Department must notify the Payroll Team promptly of any matters relating to the remuneration of their staff and workers including, where appropriate, properly authorised returns, including electronic and on-line versions, of hours worked, overtime and absence due to sickness.
- 17.3 The Authorised Financial Officer is responsible for making all payroll deductions required by law, and any voluntary deductions including pensions and for accounting for those deductions to the appropriate authorities and third party organisations.
- 17.4 Any sums received from external sponsors (e.g. research or consultancy activities), for payment to members of staff or workers shall only be paid through the University's payrolls and will be subject to the statutory deductions.
- 17.5 The Authorised Financial Officer is responsible for the administration of all pension matters relating to the pension schemes approved by the University.

18. Benefits in Kind

- 18.1 The Authorised Financial Officer is responsible for ensuring that the University correctly operates the rules concerning the taxation of benefits in kind provided to members of staff in order to protect individual members of staff and the University from additional income tax and National Insurance

costs. Members of staff shall also follow the procedures contained within [SIA 2](#) - Travel and Business Expenses Financial Regulations.

19. Correction of Expenditure Coding Errors

- 19.1 Where an item of expenditure has been coded to the wrong General Ledger account, cost centre or project in error, a correction will be carried out by arrangement with the Department's nominated Finance Manager.

Other

20. Banking Arrangements, Treasury Management and Other Financial Reserves Issues

- 20.1 The Authorised Financial Officer is responsible for arranging the appropriate banking facilities as required for the University, together with authorised bank signatories.
- 20.2 The Council is responsible for the appointment of the University's bankers following a competitive tendering exercise conducted every 5 years.
- 20.3 The Authorised Financial Officer is responsible for opening and closing all bank accounts. All such bank accounts shall be in the name of the University or one of its subsidiary companies. Departments may not open or maintain separate bank accounts under any circumstances.
- 20.4 The Authorised Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that any unusual or unreconciled items are investigated as appropriate.
- 20.5 The Authorised Financial Officer is responsible for the banking of all monies received by the University with the minimum of delay, for the ordering and issuing of cheques by the University, for the safekeeping of any unused cheques and for the arrangement of electronic payments.
- 20.6 All cheques and payments by electronic data processing drawn on behalf of the University must be signed in accordance with the bank mandate current at that time.
- 20.7 The investment of University funds is the responsibility of the Authorised Financial Officer who shall consult the Investment Group and report on all relevant matters to the Finance Committee in accordance with the Treasury Management Policy Statement ([SIA 3](#)), approved by Finance Committee.
- 20.8 Departments may not separately hold funds and therefore may not invest such funds.
- 20.9 The balances contained within cost centres constitute University funds and the Head of Department is ultimately accountable for the transactions processed through these accounts and ensuring that expenditure does not exceed the budget available.

- 20.10 No income generating activities that involve a formal contractual commitment or otherwise for the University should be managed through cost centres.
- 20.11 It is permitted to use cost centres to pay overtime to support staff and to employ staff on fixed term contracts however any payments of fees to individuals must be processed through the University's payroll systems. Under the terms set out in the Human Resources Academic Staff Information ([Consultancy and External Activity Guidelines](#)), it is unlikely that a payment would be made to an established member of staff from a cost centre.
- 20.12 In general, any remaining balance on the account is not transferable when a member of staff leaves the University's employment. However, on occasion the Head of Department and Vice President and Head of Faculty may deem that transfer is acceptable as a gesture of goodwill. It must be noted that any such transfer of funds can only be made to another institution, not an individual, and should be in support of future teaching and research activities.
- 20.13 Assets purchased from cost centre funds constitute University assets and are not transferable.
- 20.14 Vice Presidents and Head of Faculty and Heads of Departments are able to create reserves for specific purposes in order to assist them in planning the financial management of their Faculty and/or Department over a period of years. See [SIA 15](#) on Departmental Reserves.
- 20.15 The Council of the University retains ultimate responsibility for all reserves and endowment funds by virtue of its obligations relating to the financial affairs of the University.
- See [SIA 6](#) for the Policy on Academic Departmental and Faculty Level Specific Reserves.

21. Taxation

- 21.1 The Authorised Financial Officer is responsible for maintaining all records in relation to taxation, making all payments, receiving appropriate credits and ensuring all returns are made to the relevant authorities in a timely manner, including returns of PAYE, National Insurance, Corporation Tax, Income Tax and VAT.
- 21.2 Matters relating to Corporation Tax and Value Added Tax must be dealt with by the Taxation Section of the Finance Department. Under no circumstances should any other department make direct contact with HM Revenue & Customs without first consulting the [Taxation section](#) of the Finance Department.
- 21.3 The University is an exempt charity and therefore is generally exempt from corporation tax in respect of income or capital gains, to the extent that such income or gains are applied to exclusively charitable purposes. However, HM Revenue & Customs may deem certain activities as trading. The University must be able to trace all income and allocate all associated costs against that income from these activities in order to demonstrate their

application to charitable purposes. It is therefore important that when Departments are considering engaging in new or changed activities that advice is sought from the [Taxation section](#) of the Finance Department.

- 21.4 Where the University carries out commercial activities, meaning activities other than for the University's primary charitable purpose of the advancement of education, corporation tax liabilities may arise where tax exemptions are not available. It is therefore essential that we can trace the income in order to establish the resultant chargeable profits or allowable losses arising from non-charitable activities which must be reported annually to HMRC. There may be opportunities to mitigate the tax liabilities arising and advice should be sought from the [Taxation section](#) of the Finance Department.
- 21.5 The University is registered for Value Added Tax and when considering the relevant VAT status of income and expenditure, Departments should consult the VAT guidance on the Finance Department's web pages.

22. Insurance, Vehicles, Property and Assets

- 22.1 The Authorised Financial Officer is responsible for:

- The assessment of risk arising from the University's activities

- Reviewing annually and arranging insurance

- Negotiating all claims on its behalf

- Maintaining all necessary records.

See [SIA 20](#) on Insurance procedures and cover.

- 22.2 Heads of Departments are responsible for immediately notifying the Authorised Financial Officer of any new risks, or alterations to existing risks, arising from the activities of their department that might increase or extend the University's exposure to legal liability, or of any new liability or asset of the University that appears to require insurance cover.
- 22.3 Heads of Departments shall immediately notify the Authorised Financial Officer in writing of any loss, liability, accident, damage or other event that might lead to a claim being made by or against the University.
- 22.4 All vehicles belonging to the University should be registered in the name of Finance Department, and details of all vehicles leased by, or on short term hire to the University should be notified to the Authorised Financial Officer.
- 22.5 The Authorised Financial Officer is responsible for ensuring the safe custody of registration documents, MOT and insurance certificates, and any associated documentation relating to motor vehicles owned or leased by the University.
- 22.6 It is the responsibility of the Authorised Financial Officer to ensure that the University complies with all necessary formalities relating to the insurance of a vehicle; and Heads of Department shall ensure that the Authorised Financial

Officer is informed of all acquisitions, disposals or internal transfers of any vehicles owned or leased.

- 22.7 The security of the University is the responsibility of the designated University Executive Board member responsible for the Professional Service Department concerned.
- 22.8 Heads of Departments have responsibility for the security of all University property within their departments and for advising the Director of Infrastructure or their delegated representative of any concerns about security, of both University property within their department and the buildings they occupy. See [SIA 19](#) on Property, Leases, Rates and Equipment.
- 22.9 Heads of Departments are responsible for ensuring that members of staff return all items of University property, including equipment, computers, lap-top computers, mobile telephones, other electronic storage devices, uniforms, identity cards and keys, prior to termination of their employment with the University.
- 22.10 The Authorised Financial Officer shall be informed whenever matters of security affect the finances of the University.
- 22.11 Adequate security shall be maintained over all confidential financial records and information. Any actual or suspected loss of security of financial records shall be handled in accordance with the IT Services [Security Incident Policy and Procedure](#).
- 22.12 Staff involved in processing, storing or transmitting cardholder data within the University must be aware of the following documents and adhere to the requirements defined within them; [The University of Sheffield PCI DSS Security Policy](#) and [The University of Sheffield PCI DSS Finance Standard](#).

23. Computing

- 23.1 The Director of IT Services is responsible for the arrangements for the acquisition, development and implementation of the University's management information systems and for advising departments on the procedures to be adopted with regard to the acquisition, development and implementation of local systems.
- 23.2 Heads of Departments should consult the Director of IT Services prior to the purchase of any items of networked computing equipment, software or telephonic equipment, to enable account to be taken of any requirements relating to the compatibility of the equipment and software. Purchases must be made in accordance with the most recent IT Services [guidance on buying Hardware and Software](#).

24. Intellectual Property (Ownership, Protection and Exploitation)

- 24.1 Members of staff considering a consultancy or research project which may produce intellectual property rights capable of commercial exploitation or who are contemplating the commercial exploitation of such rights must in the

first instance discuss their intentions with the [Research Services](#). See [SIA 11](#) on Intellectual Property.

- 24.2 The Commercial Assessment System (CAS) is the University's internal and confidential procedure, whereby the commercial viability of research and research-related activities undertaken at the University is assessed and progressed. Commercialisation may take the form of patenting and licensing activity or the formation of a spin-out company. The initiating mechanism for the CAS process is an [Initial Commercial Enquiry \(ICE\) form](#)

25. Conflict of Interests

- 25.1 All members of staff are required to abide by the terms and conditions of their appointment. This may include the requirement not to undertake any other paid work, unless the permission of the Director of Human Resources to do so on terms and conditions approved for the particular undertaking in question has been obtained.
- 25.2 Any member of staff who, during the course of their work on behalf of the University, becomes involved in a situation where there is, or might reasonably be deemed by others to be, a conflict of interest, shall report the matter immediately to their Head of Department, Director of Human Resources or Authorised Financial Officer as appropriate.
- 25.3 Members of staff are required to follow all of the University's policies, procedures and guidelines relating to conflict of interests (personal relationships, whistle-blowing, etc.). Further information can be found [here](#) on the Department of Human Resources web pages and [here](#) on the Finance Department web pages.
- 25.4 Any member of a Committee of the Council or Senate of the University who believes that an item under discussion or a decision to be made on a financial matter involves an issue where there is, or might reasonably be deemed by others to be, a conflict of interest, shall declare the matter openly at the meeting and shall offer to withdraw from the meeting to ensure that he/she takes no part in the discussion of the item or in the decision made.
- 25.5 Conflict of interests should be minimised by ensuring:
- Full disclosure of all external work and Directorships or other such commitments held with third parties with whom the University wishes to negotiate contracts.
 - Work that is likely to give rise to conflict with the University's wish to exercise its rights to the ownership of Intellectual Property created by its staff in any work related to their professional expertise should be discussed with the Vice President for Research and Innovation.
 - Consultancy appointments should not be undertaken with a third party with whom there exists collaborative or contractual research projects.

- Wherever possible line managers should withdraw from exercising managerial/ supervisory responsibilities where a close relative, partner or friend is involved: in all cases involving line management, close relationships must be declared to their Head of Department, or to the President and Vice-Chancellor as appropriate.

26. The University's Seal

26.1 The following persons have authority to authorise affixing of the University's seal, where any necessary approvals for the execution of the relevant agreement are in place and affixing the seal must be made in the presence of **two** individuals:-

Firstly ;

Any member of Council

Secondly, alongside ;

The President and Vice-Chancellor ;

or The Provost and Deputy Vice Chancellor ;

or a Vice President ;

or an Authorised Financial Officer

Retrospective reporting on the application of the Seal is provided to each meeting of Council. See [SIA27](#) The University Seal.

27. Students Union

27.1 The Students' Union is responsible for maintaining its own bank accounts and financial records and preparing its own financial statements.

27.2 The President of the Students' Union is responsible for ensuring that the Union observes any Office for Students' Terms and Conditions of Funding concerning the relationship between the University and the Students' Union, where such Terms and Conditions are in accordance with Clause 7 of the Constitution and Bye Laws of the Students' Unions (which itself has the approval of the University Council). The Development Officer of the Students' Union, as empowered to act on behalf of the Trustee Board, is responsible for ensuring that the Annual Consolidated Accounts and Annual Budgets are prepared for the activities of the Students' Union, and that the Annual Consolidated Accounts are audited by independent auditors and presented to the Finance Committee of the University for its approval.

27.3 The Internal Auditors of the University has the right of access to the financial records of the Students' Union and shall be entitled to make such enquiries as are necessary concerning the financial operations of the Union.