



Financial Regulations

Rev	Date	Purpose of Issue/Description of Change	Equality Impact Assessment Completed
	November 2019	Full Review	November 2019

Policy Officer	Senior Responsible Officer	Approved by	Date
Deputy Director Finance	Director of Finance	Finance & Resources Committee	22 November 2019

These regulations will be reviewed every year

Financial Regulations

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The Financial Regulations contain the key high-level principles contained within the more detailed procedure or guidance. The reader of the Financial Regulations should gain an understanding of the University's overall approach towards financial management and control. To support the financial regulations there are: <https://www.bangor.ac.uk/finance/pl/default.php.en>

- *Financial Procedures which contain more detailed information of each individual area in order to provide policy or procedural direction.*
- *Financial Guidance which contain guidance and provides best practice advice.*

1. Status of Financial Regulations

- 1.1** These Regulations provide a framework within which all aspects of the financial management of the University must be conducted. They apply to all Services in the University, to self-funding activities and subsidiary companies, irrespective of the source of funding.
- 1.2** These Regulations are determined by the Council and compliment the Financial Management Code between the University and Higher Education Funding Council for Wales (HEFCW). Nothing within these Regulation shall supersede any provision contained within the HEFCW Financial Management Code or the University's Charter and Statutes.
- 1.3** The objective of these Regulations is to provide the University with a sound basis upon which it may conduct it internal financial arrangements, to ensure the prudent management of its activities.
- 1.4** They provide guidance for staff employed by the University who have responsibility for the management of resources or the control of income and expenditure.
- 1.5** Compliance with the Financial Regulations is compulsory for all staff, and failure to comply with any terms of these Financial Regulations may result in action being instigated against the relevant member of staff under the disciplinary policy.
- 1.6** It is the responsibly of every member of staff to familiarise themselves with the Financial Regulations and, where queries are raised about their meaning or interpretation, to seek clarification initially from their line manager as appropriate. Senior members of staff should seek clarification on the meaning and interpretation from the Director of Finance & Research Services.
- 1.7** Everyone involved in the financial management and administration of the University shall conduct themselves in accordance with the Nolan principles governing standards in public life (see paragraph 3.5).
- 1.8** In certain areas the Financial Regulations are supported by detailed policies, procedures or guidance notes which should be read in conjunction with the Financial Regulations, these are referred to in the subsequent section where applicable.
- 1.9** The Director of Finance & Research Services shall publish these Regulations on the University's intranet and will make available a paper copy to any member of staff upon request.
- 1.10** It is the responsibility of senior members of staff to make sure any contractors and/or consultants employed by the University are aware of the Financial Regulations and of the extent to which they apply to any work may be undertaken on behalf of the University.
- 1.11** The Director of Human Resources shall draw the existence of these Regulations, and their availability online or in paper form, to the attention of each new employee of the University. Accordingly, ignorance of their content shall be no defence against disciplinary action for breach of the Regulations.

2. Corporate Governance

- 2.1 The University is incorporated by a Royal charter, first granted in 1885 and subsequently rewritten on several occasions. From 1st September 2007 the University became known as 'Bangor University', following approval of the changes to the Charter by the Privy Council.
- 2.2 Legally, the University is a 'chartered corporation'. It is an independent corporate institution which has charitable status and is registered with the Charity Commission.
- 2.3 The University has always been a charity, but the Charities Act 2006 changed the way exempt charities are regulated. As a result, the University registered with the Charity Commission in April 2011 and all members of the Council are trustees of the charity.
- 2.4 The University Charity Registration number is 1141565.

3. Responsibilities

- 3.1 The Charter provides a broad framework for the legal structure of the University and its system of corporate governance, and much of the detail needed to make the Charter operational is contained in the associated Statutes. These, like the Charter, only have effect when approved by the Privy Council, but the process of their amendment and ratification is less cumbersome. Underpinning the Charter and Statutes are the series of Ordinances and Regulations which are purely internal measures approved by the Council and the Senate respectively.
- 3.2 The Charter, like those of most Universities incorporated under Charter, refers to two bodies each with clearly defined compositions and functions – The Court and Council.

3.3 Corporate structure:

The Court

The Court is a large body including representatives of local authorities, members of parliament and representatives of the professions as well as members of the Council and representatives of the staff, students and graduates of the University. It is thus a means whereby representatives of the wider community of North Wales can be associated with the work of the University. Furthermore, it provides a public forum where members of the Court can raise any matters of concern about the University. The Court generally meets once a year to consider the Annual Report and Accounts of the University and is chaired by the Chancellor.

The Senate

The Charter also makes provision for a Senate which has responsibilities relating to the academic work of the University. Specifically, it deals with matters of academic policy, regulation, and the academic progress of students.

The Senate is chaired by the Vice-Chancellor and its membership is drawn entirely from within the University. It essentially contains academic staff and student representatives.

The Council

The Council is the governing body of the University, responsible for the finance, property, investments and general business of the University and for setting the general strategic direction of the institution.

The Council, like that of all chartered Universities, is constituted so that a majority of members are lay persons who are not staff or students of the University. Its members include lay and academic officers of the University, members appointed by the Court, representatives of the Senate, members appointed by the staff of the University, student representatives, and representatives of public bodies in North Wales as well as a number of co-opted members.

The Council is responsible for the financial health of the institution – ensuring the University's solvency, approving the financial strategy, approving budgets, ensuring that HEFCW funds are used for the purpose specified in the Financial Memorandum, receiving and approving annual accounts.

Members of the governing body must ensure that the property and income of the institution are applied only in support of purposes which are charitable in law.

The Council itself must approve the annual budget, the overall financial strategy, and the annual statement of accounts. It should also ensure the solvency of the University and safeguard its assets.

The Council has established several committees to assist in discharging its responsibilities as a governing body.

Finance and Resources Committee

The Finance and Resources Committee is a standing committee of Council. Its brief ranges across the financial and physical resources areas including the residential estate.

The committee approves the annual accounts for submission to the Council, authorises the creation of new enterprises or companies and decides on any request for borrowing consent to be made to HEFCW.

The committee makes recommendations on financial, estates and budgetary strategy and advises on investments, insurances and the purchase, lease or disposal of land or buildings.

Audit and Risk Committee

The Audit and Risk Committee, which reports to the Council, is required to seek assurances that satisfactory financial and other internal control systems are in operation, that questions of financial irregularity or impropriety are investigated promptly and thoroughly, that accounting procedures are soundly based, that a proper system of internal audit is in operation and that the University is utilising its resources to best effect.

The Committee must follow the HEFCW Audit Code of Practice (part of the Financial Management Code), which specifies the responsibilities and requirements of the audit process.

The Committee appoints, and receives reports at every meeting, from both Internal and External Auditors. The Committee approves the strategic plan for internal audit and reviews the annual accounts after they have been cleared by the External Auditors.

To Committee reviews the adequacy and effectiveness of policies and procedures for risk management and the University's approach to risk management and, if appropriate, recommend changes or improvements to key elements of its processes, policies and procedures. It is responsible for the oversight of the assessment of strategic risks that threaten achievement of the University's objectives, reviewing the University Risk Register and presenting the Register to Council approval.

The Executive

The Executive is the University's senior management group, and is responsible for the overall management and administration of the University.

It comprises the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors, the Deans of College and Directors of Central Services.

In addition, there are a number of Strategy & Task Groups focussing on key managerial areas, and reporting to the Executive.

Responsible officers

The Vice-Chancellor

The Vice-Chancellor is the head of the institution and responsible for executive management of the University on a day-to-day basis. In other words, he/she should be responsible for implementing Council decisions, for consulting staff and students as appropriate and presenting proposals to the Council, and for acting formally as the University's 'Accountable Officer' in ensuring that the terms of HEFCW's Memorandum of Assurance and Accountability are met, and that public funds are used for the purposes for which they have been allocated.

The University Secretary

The Secretary to the Council has a key role in ensuring that procedures are followed. He/she should give independent advice to the Council, and is expected to work closely with the Chair and the Vice-Chancellor in ensuring the efficient management of the Council's business. He/she must alert the Council if they are in danger of exceeding their powers, or acting in contravention of the Charter, Statutes or Ordinances.

It is essential that the University Secretary exercise a measure of independence: he/she will have a separate job description in respect of the 'Secretary' role, which requires a reporting line to HEFCW if circumstances warrant extreme action. He/she will often have other responsibilities as a senior manager.

According to the CUC Governance Code of Practice, it is incumbent upon the Council to safeguard the University Secretary's ability to carry out his/her responsibilities. The Chair, the University Secretary and the Vice-Chancellor meet regularly and work closely together within the legal framework provided by the Charter and Statutes.

The Director of Finance & Research Services

The Director of Finance & Research Services is responsible for:

- Advising the University on financial policy,
- The control and administration of the University's finances,
- Implementing satisfactory systems of financial control and management,
- Preparing annual statements of account for the University,
- Preparing estimates of income and expenditure

The accounts will be prepared in accordance with accounts directions issued by HEFCW and conform to the current Statement of Recommended Accounting Practices for UK Universities.

As soon as practicable after the end of the financial year on the 31 July, final accounts shall be submitted by the Director of Finance & Research Services to the External Auditors, the Audit and Risk

Committee and the Finance & Resources Committee, in order that the Committees may make their recommendations and annual report to the Council before the end of November.

The Director of Property and Campus Services

The Director of Property and Campus Services is, in the context of these Regulations, responsible for maintaining a register of all land and buildings, and other properties, and provide the Director of Finance & Research Services with all relevant information to produce statutory accounts.

3.4 Scheme of Delegation and Decision Making Power

In order to allow effective day-to-day operations within the University, responsibilities and authority for making decisions and entering into commitments on behalf of Bangor University are permitted within the parameters set out in the above titled document. A link is provided below, within which the principles on which such delegations is made are clearly outlined.

<https://www.bangor.ac.uk/governance-and-compliance/governance.php.en>

3.5 Compliance and Risk Assurance

External Audit

The University's accounts, financial records, operations and systems shall be audited in accordance with best audit practice and the requirements of the HEFCW Audit Code of Practice.

The provision of an external audit service shall be subject to review and competitive tender at reasonable intervals.

Council is responsible for the appointment of External Auditors on the recommendation of the Audit and Risk Committee in accordance with the provisions of the HEFCW Code of Audit Practice.

The External Auditors have the right of access to such documents, records, personnel or other information kept by the University as are relevant to the completion of their enquiries.

Internal Audit

In line with HEFCW Audit Code of Practice (found within the Financial Management Code between HEFCW and the University) internal audit will provide independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money.

Internal audit shall cover the whole of the University's activities and systems of control including all operations, resources, staff, services and responsibilities. It should cover all activities in which the University has a financial interest.

The provision of an internal audit service shall be subject to review and competitive tender at reasonable intervals. The Audit and Risk Committee are responsible for appointing an internal audit service and approving the working protocol between the University and the internal audit service.

The working protocol will stimulate the mechanisms, responsibilities and timeframe for the annual audit plan, fieldwork arrangements and reporting.

(<https://www.bangor.ac.uk/finance/sy/documents/InternalAuditCharterandWorkingProtocol-January2016BU.pdf>)

Other Auditors

The University is subject to audit or investigation by external bodies such as HEFCW, Wales Audit Office, EU Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

Risk Assurance

The effective management of risk is a key component of good governance, and the university is required to demonstrate to HEFCW that it has in place effective procedures for managing risk at all levels. The Council is responsible for ensuring that the University has a robust approach to the management of opportunities and risks.

The mechanism in place for the Council, the Audit and Risk Committee and Executive to gain assurance regarding the ability to meet the University's objectives, is set out in the Risk Management Policy and Procedures.

<https://www.bangor.ac.uk/finance/sy/documents/risk-management-policy-approved.pdf>

The Policy documents the main responsibilities of the key parties and identifies the reporting procedures.

3.6 Conflict of interests and personal conduct

Everyone involved in the financial management and administration shall conduct themselves in accordance with the Nolan Committee principles governing standards in public life.

- Selflessness – Office holders should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- Integrity – Office holders should not place themselves under any financial or other obligation to outside individuals or organisation that might influence them in the performance of their duties.
- Objectivity – In carrying business, including making appointments, awarding contracts or recommending individuals for rewards and benefits, office holders should make choices on merit.
- Accountability – Office holders are accountable for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office.
- Openness – All decisions and actions should be as open as possible. Office holders should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- Honesty – Office holders have a duty to declare any private interests relating to their duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- Leadership – Office holders should promote and support these principles by leadership and example.

The University's Policy on Conflict of Interest (<https://www.bangor.ac.uk/governance-and-compliance/ConfIntApp1.php.en>) makes it the duty of all staff to disclose any actual, perceived or potential conflict of interest as defined by the policy.

The University Secretary shall maintain a register of staff (staff declarations will be held on a register within each School/Service) and council members' interests.

3.7 Related Statutory responsibilities

Information Security

Staff processing and managing data, electronic or otherwise, must comply with the University Information Security Policy:

(<https://www.bangor.ac.uk/planning/policy-register/documents/information-security-policy.pdf>)

provides the management framework for ensuring compliance with legislation and policies, including but not limited to the following:

- Data Protection Act 1998 and 2018
- Counter-terrorism and Security Act
- Copyright
- Records Management Policy <https://www.bangor.ac.uk/governance-and-compliance/documents/Records-Management-Retention-Policy-2019.pdf>
- Acceptable use of IT resources regulations (<https://www.bangor.ac.uk/itservices/policies/acceptable-regulations.pdf>)

Freedom of Information

The University is subject to the Freedom of Information Act 2000. Staff must comply with the University's Freedom of Information Policy.

<https://www.bangor.ac.uk/governance-and-compliance/datafreedom.php.en>

All Freedom of Information requests should be directed to the University Compliance Team.

Public Interest Disclosure (Whistleblowing)

The University is subject to the Public Interest disclosure Act and has a policy document to manage disclosures when staff have serious concerns of malpractice.

<https://www.bangor.ac.uk/planning/policy-register/documents/public-interest-disclosure.pdf>

Money Laundering

The University is subject to the Proceeds of Crime Act 2002. Staff must comply with the University Proceeds of Crime (Anti-money laundering) Policy.

<https://www.bangor.ac.uk/finance/pl/pl224.php.en>

Fraud and Bribery

Staff must comply with the University's anti-bribery Policy and the policy for the acceptance of corporate hospitality.

<https://www.bangor.ac.uk/governance-and-compliance/documents/Anti-Bribery-Policy-2019-en.pdf>

<https://www.bangor.ac.uk/governance-and-compliance/documents/Gifts-Hospitality-Policy-2019-en.pdf>

Value for Money

It is a requirement of the Financial Management Code that the Council of the University is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from Welsh Government and Hefcw and other relevant bodies.

Value for money processes are incorporated within the planning and budgetary processes, procurement and general management resources. In addition, internal audits and/or specific external or internal studies may be conducted within specific areas.

<https://www.bangor.ac.uk/finance/pl/documents/VFM-for-Money-Policy-approved-28-June-2019.pdf>

Equality Act 2010 Public Sector Equality Duty

Bangor University aims to provide an environment which respects and values the positive contribution of all its members so enabling them to achieve their full potential and to gain benefit and enjoyment from their involvement in the life of the University.

To achieve this aim, the University acknowledges the following basic rights for all its members and prospective members:

- To be treated with dignity and respect
- To be treated fairly with regard to all procedures, assessments and choices
- To receive encouragement to reach their full potential.

These rights carry with them responsibilities and the University requires all its members to recognise these rights and to act in accordance with them in all their dealings with other members of the University community. Further information can be found on the HR website.

<https://www.bangor.ac.uk/humanresources/equalitydiversity/EqualityPolicyStatement.php.en>

4. Financial Management and Control

4.1 Financial Budgets and Planning

The Director of Finance & Research Services is responsible for preparing annually a five year rolling financial plan that is approved by the University Council following recommendations from the Finance and Resources Committee. Following approval, resources are allocated to Academic and Professional Service Departments by the Director of Finance & Research Services using appropriate resource allocation and budget setting methodologies. Service Directors and Heads of School are delegated to distribute the allocated resources within their resource responsibilities.

Academic Services

The Dean of College is responsible for distribution of the allocated resource from the Director of Finance & Research Services to each academic school.

Each College will be expected to generate its budgeted level of income from its activities and contain its expenditure within the allocated budget.

The budgeted level of income will be that which is appropriate to the activities of the Schools within the College and will be set in relation to the overall University Forecasts.

Professional Services

The Director of Service is responsible for distribution of the allocated resource from the Director of Finance & Research Services to maintain, support and improve the institutional priorities.

Each department will be expected to generate its budgeted level of income from its activities and contain its expenditure within the 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 Forecasts.

Self–Funding Units

The Heads of SFU's are responsible for the preparation of their annual financial plan that demonstrates a level of return that is acceptable by the University.

The level of return should reflect the investment made by the University in terms of Capital invested (this can be in the form of cash, infrastructure, equipment or human).

The financial plan will be scrutinised by the Finance Department.

It is the responsibility of the Director of Finance & Research Services to recommend the financial plan to Finances and Resources Committee.

Subsidiary Companies

The Operational Director is responsible for the preparation of their annual financial plan that demonstrates a level of return that is acceptable by the University.

The level of return should reflect the investment made by the University in terms of Capital invested (this can be in the form of cash, infrastructure, equipment or human).

The financial plan must be approved by the Board of Directors and submitted to the Finance Department.

It is the responsibility of the Director of Finance & Research Services to recommend the financial plan to Finances and Resources Committee.

4.2 Management and Monitoring

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder for each Academic and Professional Service department. This is normally the Dean of College or Director of the Professional Service, but there are exceptions for this to be designated to other senior staff within the Academic Schools and Professional Service Departments.

All delegated authorities should be recorded by each Academic and Professional Service Department and logged with the Finance Department. Any changes within the Academic and Professional Service Departments should be communicated on a regular basis. The designated budget holder must ensure that day-to-day monitoring is undertaken effectively and is responsible for:

- Ensuring the economic, effective and efficient use of resources allocated to them.
- Expending the funds for the purposes for which they were given.

- Ensure that the expenditure remains within the authorised budget.
- Ensure that where control is delegated by Dean of College or Director of the Professional Service to members of staff, such delegation and limits are recorded and communicated to the Finance Department.
- Significant departures from the agreed budget must be reported immediately to the Director of Finance & Research Services by the Dean of College or Service Directors of the Professional Service.

Academic Services and Professional Services

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.

The allocation or setting up of a budget is not an authority in itself to spend monies but is merely an appropriation of funds or anticipation of income to a maximum level for any category.

All expenditure should only be incurred if it is necessary to meet the agreed targets of the budget holder and should be in accordance with the procurement regulations and expenditure approvals level in force at any time.

<https://www.bangor.ac.uk/finance/pu/pu005.php.en>

All expenditure is expected to deliver Value for Money.

Budget holders will be assisted in their duties by financial management information provided by the Director of Finance & Research Services.

Academic and Professional Service departments will assist the Finance Department, on a quarterly basis, to produce a revised forecast outturn for the year, including a commentary on significant variances.

The Director of Finance & Research Services is responsible for supplying quarterly reports to the Finance and Resources Committee and University Council.

Changes to the approved budget must be approved by the Finances and Resources Committee who will ensure that any approval is within the affordability of the financial envelope set for each financial year.

This will include the impact on future budgets and commitments.

The Deans of College and Service Directors shall be responsible to the Director of Finance & Research Services for the financial management and control of the resources that the University makes available to them. They may delegate their responsibility in respect of particular areas, activities or functions to nominated individuals, but remain ultimately responsible for the financial affairs of department.

The Deans of College and Service Directors are required to take all reasonable measures to safeguard University funds and assets under their control against misuse or misappropriation.

Self-Funding Units and subsidiary Companies

The control of income and expenditure within an agreed budget is the responsibility of the Head of the SFU and the Operational Director of the Subsidiary Company.

They must ensure that the business operates to the agreed contribution or profit level that was submitted and approved by the University.

The day-to-day running and use of resources to effectively manage the business within the approved parameters is within the discretion of the Head of the SFU and Operational Director of the Company.

Expenditure should only be incurred if it is necessary to meet the agreed targets of the SFU/SubCo and should be in accordance with the procurement regulations and expenditure approvals level in force at any time. All expenditure is expected to deliver Value for Money.

<https://www.bangor.ac.uk/finance/pu/pu005.php.en>

The Head of the SFU and Operational Director will be assisted in their duties by financial management information provided by the Director of Finance & Research Services. The Head of the SFU and Operational Director will assist the Finance Department, on a quarterly basis, to produce a revised forecast outturn for the year, including a commentary on significant variances.

The Director of Finance & Research Services is responsible for supplying quarterly reports to the Finance and Resources Committee and University Council.

The Head of the SFU and Operational Director is responsible to the Director of Finance & Research Services for the financial management and control of the resources that the University makes available to them.

They may delegate their responsibility in respect of particular areas, activities or functions to nominated individuals, but remain ultimately responsible for the financial affairs.

The Head of the SFU and Operational Director is required to take all reasonable measures to safeguard the funds and assets under their control against misuse or misappropriation.

Virement

For these purposes virement is defined as the movement of funds from one project code to another within the same financial year.

Budget holders are permitted to vire expenditure from one project code to another provided they do not exceed their total net expenditure forecast in the year in question.

Virement is not allowed between pay expenditure and non-pay expenditure, unless prior approval is communicated at the point budgets are issued or is obtained from the Director of Finance & Research Services.

No virement is allowed that places any additional financial commitment on the University in any subsequent years unless funding for that additional commitment can be demonstrated.

Virement affecting grants or contracts awarded by external bodies shall be subject to the conditions laid down by the sponsor/donor.

Internal Trading

Internal trading is the term used for the multitude of internal transactions, which take place throughout the University. Essentially, one area, whether it is an Academic School or a Professional Service Department, charges another area for services performed, goods supplied or work carried out. This can range from major repairs and maintenance charged by Property Services to individual cups of coffee charged by Campus Services.

Internal transactions have no impact on the overall financial position of the University and therefore a coding structure specific to internal transactions has been set up and must be complied with to

ensure all internal transactions are eliminated from the financial accounts. The principles of applying an internal transfer are to ensure:

- Effective where a service is available internally or a service area acts as an intermediary to an external supplier.
- Requires minimal administration.
- Open and trusting environment.
- Professional approach.

4.3 Financial Records and Document Management

Documents and records which facilitate the business carried out by the university and which thereafter are retained for a set period to provide evidence of its transactions and activities. These records may be created, received or maintained in hard copy or electronically.

All financial records should be created, retained and destroyed in line with the University Records Management policy.

<https://www.bangor.ac.uk/governance-and-compliance/documents/Records-Management-Retention-Policy-2019.pdf>

5. Income

5.1 Income and Debtors

The Finance and Resources committee is responsible for approving all procedures for receiving and banking income.

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

Services Directors and Heads of School are responsible for ensuring compliance with the Income and Debtors Procedures of the University.

<https://www.bangor.ac.uk/finance/pl/documents/Agresso-Debtors-Policy-eng.pdf>

<https://www.bangor.ac.uk/finance/pl/pl002.pdf>

5.2 Tuition fees

Determination of the amounts due in respect of tuition fees from students, Local Education Authorities or other sponsors shall be the responsibility of the University Executive.

The Director of Finance & Research Services shall make arrangements for the invoicing and collection of amounts due in respect of tuition fees as advised to him from time to time based on Student Records held by Student Administration.

The Tuition Fee policy provides a framework for the setting, payment and collection of University tuition fees and other tuition-related fees.

5.3 Sales Invoice and Debt Collection

Only the official sales invoices can be issued via the Financial System.

Departments can only request official sales invoices through the Finance System Sales Order process and approval workflow.

The Finance Office is responsible for creating Debtor accounts and monitoring the overall outstanding debt position of the University.

Service Directors and Heads of School will be responsible for the collection of their department's outstanding debts as advised via periodic issue of overdue debt reports.

5.4 Collection of debts and write-off

The Director of Finance & Research Services should ensure that:

- Debtors invoices are raised promptly on official invoices, in respect of all income due to the University;
- Invoices are prepared with care, recorded in the finance system, show the correct amount due and are coded to the appropriate project code;
- Any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- Monies received are posted against the correct debtors account;
- Swift and effective action is undertaken in collecting overdue debts;
- Outstanding debts are monitored and reports prepared for management.

Only the Director of Finance & Research Services can implement credit arrangements and indicate the periods in which different types of invoices must be paid and the arrangement of payment plans.

The Director of Finance & Research Services has the authority to write off any debt incurred in the ordinary course of business, except for those having a material impact on the University's position. All material debts will be referred to the University Debt Collection Agents once all internally chasing has been completed. Only after this avenue has been exhausted will debts be approved in line with Appendix B.

5.5 Research Grants and Contracts

Research can be defined as 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 analyses of materials, components and processes.

The terms 'research grant' is restricted to research projects funded by the UK research councils, charities, medical and healthcare sponsors, higher education funding bodies and European grants.

All other externally financed research projects are classified as 'research contracts'.

Where approaches are made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Dean of College to ensure

that the financial implications have been appraised by the Research, Innovation and Impact Office acting ultimately on behalf of the Director of Finance & Research Services. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring and compliance.

The Research, Innovation and Impact Office is responsible for examining all formal research grant and contract applications and shall ensure that adequate provision of resource is identified to meet all commitments. The Research, Innovation and Impact Office acting ultimately on behalf of the Director of Finance & Research Services shall ensure that the full cost of research activity is established. Any associated contractual agreement must be in line with the University Policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body. Such contractual agreements will also ensure that any and all legal obligations incurred by the University, sponsors and partners are identified.

Research grants and contracts shall be accepted on behalf of the University by the Director of Finance & Research Services and the formally listed nominees.

The Director of Finance & Research Services will be responsible for ensuring that the Research, Innovation and Impact Office maintains all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named Principal Investigator (PI) or grant holder who is formally responsible for the project budget. Financial administration of the grant or contract will be undertaken centrally by the Research, Innovation and Impact Office but it is the PI or grant holder who will be ultimately responsible to their Head of School/Unit and ultimately their College Dean or Service Director for successful budget management.

Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a Principal Investigator or grant holder, but any overspend or under-recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on the College funds. Monitoring reports will be provided periodically to the PI, at least on a quarterly basis.

The costing and pricing of all research proposals must follow the established national methodology - Full Economic Costing (FEC) before any contractual arrangements have been agreed. Central overheads calculated on a FEC basis will be charged to research grant and contract activity whether or not the funding arrangements permit 100% overhead recovery.

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions could mean that the University suffers significant financial penalties. It is the responsibility of the named Principal Investigator or grant holder to ensure that conditions of funding are met.

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against the College funds.

5.6 Intellectual Property Rights and Patents

Certain activities undertaken within the University including research and consultancy may give rise to ideas, designs and inventions, which may be patentable. These are collectively known as intellectual property.

The Executive is responsible for establishing procedures to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their research.

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures as set out in the University Intellectual Property Policy.

https://www.bangor.ac.uk/research-innovation-and-impact/office/2013_01_01%20BU%20IP_Policy.pdf

6. Taxation

6.1 The Director of Finance & Research Services is responsible for the management of the tax affairs of the University.

All other staff must seek and comply with the advice provided by the Director of Finance & Research Services for any activities which potentially or actually result in the University being exposed to matters of taxation. This applies to all activities but particularly anything in the UK or Overseas that includes working with International Partners or Funders.

Any liability arising from the failure of a member of staff to comply with the provisions of this section will be set against the department concerned.

6.2 Value Added Tax (VAT)

VAT is a tax levied on Goods and Services. It applies to both Sales and Purchases and the percentage of tax applicable is subject to detailed rules.

The Director of Finance & Research Services is responsible for correctly registering the University for VAT with the Revenue & Customs (HMRC)

The Director of Finance & Research Services is responsible for keeping the necessary VAT records, compliance with VAT legislation and making all payments and reclaiming all credits from the HMRC.

The Director of Finance & Research Services is responsible for setting procedures and a system of management for day to day compliance and recording of VAT transactions and making quarterly returns or other declarations to HMRC.

6.3 Corporation Tax

Corporation tax is a tax levied on the profits made by companies in the UK. The University is an exempt charity and is generally exempt from corporation tax on those activities that are exclusively charitable purposes. Where the University carries out commercial activities other than for its primary purpose of education, potential tax liabilities may arise.

The Director of Finance & Research Services is responsible for identifying any liabilities and accurately reporting them on a timely basis to the HM Revenue and Customs (HMRC).

7 Expenditure

7.1 The Finance and Resources Committee is responsible for approving all procedures for incurring expenditure. The Director of Finance & Research Services is responsible for the control of all payments made by or on behalf of the University.

All purchasing decisions must comply with current legislation including and relevant EU directives and the policies, procedures and systems of management of the University.

<https://www.bangor.ac.uk/finance/pu/default.php.en>

All procurement and purchasing actions must follow the prescribed procedures as set out in the University's Procurement Procedures.

All Services Directors and Heads of School are reminded of the need to ensure that there must be an appropriate segregation of duties when making financial commitments. Specifically there must be a segregation of duties between the staff responsible for raising purchase orders and the staff responsible for approving those purchase orders.

7.2 Keep it on Campus

The University has adopted a Policy to preferentially procure whenever possible goods and services that can be supplied from within its own trading activities including subsidiary companies eg The Management Centre, Menai Science Park. This includes the provision of catering, accommodation and printing that should be sourced internally at all times, unless it can be evidenced that value for money or other considerations (eg grant conditions, warranty terms, QA requirements etc) may necessitate it being procured externally.

7.3 Business Travel and Associated Expenses

All business travel and associated expenses must follow must follow the financial procedure which the University is prepared to reimburse to members of staff, and to detail the methods by which those expenses should be claimed. All business travel should be necessary for the department and approved by the Dean of College/Service Director or their senior line manager, beforehand. All policy and procedures for the reimbursement of business expenses to staff must comply with Tax law and HM Revenue and Customs (HMRC) regulation.

The Finance and Resources Committee is responsible for approving University policy on the reimbursement of business travel and associated expenses.

<https://www.bangor.ac.uk/finance/pl/index.php.en>

The Director of Finance & Research Services is responsible for setting a procedure and system of management for the reimbursement of business travel and associated expenses.

7.4 Procurement

The University requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible lifecycle cost consistent with quality (the required specification), delivery requirements and sustainability, and in accordance with sound business practice and ethics and legal and regulatory restraints. Factors to consider in determining best value are noted in the Purchasing policy.

<https://www.bangor.ac.uk/finance/pl/index.php.en>

7.5 Building and other capital contracts

All contracts relating to building works or the maintenance and servicing of buildings must be procured by the Director of Property and Campus Services (or their nominee) and will follow the University's standard procurement procedures.

7.6 IT Purchases

Software purchases should be discussed with IT Services in the first instance, so as to adhere with BU policies, various legislation such as the Welsh language act, GDPR, etc and to confirm the purchase is aligned with the digital strategy/roadmap; this will result in a consistent approach to software purchase. IT Services will advise on where there is already a licence in place and approved framework suppliers. Any software which will process personal data must have IT services approval.

Mobile phone and associated contracts are managed by IT Services. They can advise on handset and tariff costs with requests submitted via their helpdesk.

All staff computers however funded, are normally supplied via IT Services. Requests should be submitted via their helpdesk.

Large volume printing requirements should be discussed with the Printing & Binding Manager. The Unit will assess whether the work can be done within the unit or require outsourcing. In the latter case the unit has access to pricing from the relevant public sector frameworks and will obtain the best possible value.

7.7 Purchase Order

Official Purchase Orders must be used for all purchases of goods and services unless an alternative method is allowable within the University Purchasing procedures.

The Deputy Director (Procurement & Payments) is responsible for the Purchasing policy and procedures and systems of management of the University. Purchase Order workflow approval limits can be found in Appendix A.

Service Directors and Heads of School are responsible for ensuring the University policies, procedures and system of management are used for all departmental purchases of goods and services.

7.8 Purchasing Card

The Deputy Director (Procurement & Payments) is responsible for the procedures and system of management of Purchasing by Purchasing Card.

<https://www.bangor.ac.uk/finance/pu/pu011.php.en>

Service Directors and Heads of School are responsible for ensuring nominated cardholders comply with the University Purchasing Card procedures. Purchasing Cards limits can be found in Appendix A.

Nominated Cardholders must sign an employee agreement laying out the terms and conditions of the use of the purchasing card and meet the respective obligations for the timely submission of statements.

7.9 Petty Cash

A cash float held by a nominated member of staff to pay for small items of expenditure and replenished from time to time.

The Director of Finance & Research Services is responsible for maintaining a procedure and system of management for petty cash. Petty Cash limits can be found in Appendix A.

The Director of Finance & Research Services is responsible for setting the cash limits for petty cash purchases and the account limit for an individual petty cash holding.

The nominated petty cash account holder is responsible for the safe keeping of all monies and adhering to the issued procedures and system of management.

A certificate of reconciliation for each petty cash card account as at 31st July and verified by an independent senior member of staff must be submitted to the Director of Finance & Research Services each year.

7.10 Employment

7.10.1 Payroll - Employment of staff and remuneration.

The Council is responsible for the institution's employment policies – including ensuring that pay and conditions are properly determined, and determining the terms and conditions of the Vice-Chancellor and certain other posts. It also has a duty to ensure compliance with relevant legislation.

Detailed work on this matter is carried out by a Human Resources Task Group. This formally reports to the Executive, and it is the Executive's responsibility to bring relevant matters to the attention of the Council. The Council should formally approve the Human Resources Strategy, and specific employment policies.

All appointments and contracts of employment are made on the authority of the Council, but in practice these duties are delegated to senior managers, and to professional HR officers led by the Director of Human Resources.

The Council delegates its responsibility for setting the pay, terms and conditions of senior staff to the Remuneration Committee. This particularly applies to officers whose appointments are governed by Ordinances e.g. the Vice-Chancellor, Deputy Vice-Chancellor, Pro-Vice-Chancellors and Deans of Colleges.

Salary negotiations are undertaken at a UK level on behalf of all Universities by the Universities and Colleges Employers Association (UCEA).

7.10.2 Payments and Deductions

The Director of Finance & Research Services will be responsible for setting the procedures and systems of management necessary to ensure that the payroll accurately reflects authorised payments to all staff and pensioners including the correct deduction and accountability for national insurance, income tax and pensions and completion of all statutory returns and provision of relevant information necessary under legislation for pensions, income tax, national insurance and the like

Time records or other pay documents shall be in a form agreed by the Director of Finance & Research Services and shall be certified by such officers of the University as authorised by the Director of Finance & Research Services.

Deans of Colleges, Service Directors and Heads of Schools shall notify the Director of Finance & Research Services in writing of the names of those persons in their Centres who are authorised to certify salaries and wages documents.

Members of staff are responsible for providing timely information to ensure payment is correct.

7.10.3 Pensions

The Director of Finance & Research Services is responsible for setting the procedures and systems of management necessary to ensure all statutory, pension regulation and scheme rules are adhered to and maintaining contact with the pension schemes to protect the pension interests of current and former university staff.

7.11 Other employment related payments

7.11.1 Research Subject Payments

A small cash payment made to a volunteer participating in tests, trials, consultations or interviews for a specific research project.

Subject payments are paid without deduction of tax or National Insurance according to very specific principles agreed with the HMRC and can only be made via the specified procedures and system of management up to the maximum daily amounts.

The Director of Finance & Research Services is responsible for setting a procedure and system of management for Research Subject Payments.

A nominated member of staff will be responsible for the safe keeping of all monies and adhering to the procedures and system of management either through a normal Petty cash account or a specific Research Subject Payments float.

7.11.2 Ex-gratia payments, legal settlement and tribunals

Ex-gratia payments must be approved by Council and reported to the Numeration Committee in a manner determined by the Committee.

7.11.3 Severance

The Director of Human Resources is responsible for setting policy on redeployment and severance.

The Director of Human Resources is responsible for setting the level of compensation and complying with statutory obligations.

The Director of Human Resources must notify the responsible officer, the Payroll Manager, of any severance payments.

The Payroll Manager, is responsible for making severance payments, with or without deduction of Tax and National Insurance, as the prevailing HMRC legislation requires either via Payroll or Accounts Payable.

7.11.4 Other Employment benefits

The Director of Human Resources is responsible for setting policy on all other employment benefits

The Director of Human Resources is responsible for setting procedures and systems of management for all non-salary reward and benefits and ensuring they comply with the prevailing legislation.

8. Banking, Treasury Investment and Insurance

8.1 Current and Deposit Accounts

The provision of banking services to the University shall be subject to review and competitive tender at reasonable intervals.

The Finance & Resources Committee is responsible for approving the mandate governing the operation of the University's bank accounts.

The Director of Finance & Research Services is responsible for all arrangements with the University's Bankers concerning the opening, operation and closing of all University bank accounts. All such bank accounts shall be in the name of the University or one of its subsidiaries.

The Director of Finance & Research Services is responsible for setting procedures and systems of management to ensure that all bank accounts are subject to regular reconciliation

Under no circumstances will any department or individual of the University open or maintain separate bank accounts for University transactions.

8.2 Card and Online Payments

The Director of Finance & Research Services is responsible for the approval of any payment intermediaries including Card Merchants/Acquirers, Payment Gateway Processors, Online Shops/payment portals and other payment systems who process payments on behalf of the University and the proceeds are ultimately paid into to the University bank account.

8.3 Investments

All investments of surplus cash balances are subject to the strategy statement and Ethical Investment Policy ratified by the Finance and Resources Committee

The Director of Finance & Research Services is responsible for setting the procedures and system of management for the day-to-day investment of funds in line with the Finance and Resources Committee policy.

The Director of Finance & Research Services shall submit regular reports to the Finance and Resources Committee on the performance of these investments.

8.4 Endowment Funds

The Investment Committee is responsible for setting the Strategy and Policy for the investment of endowments funds

The Director of Finance & Research Services is responsible for setting the procedures and system of management for the investment of endowment funds in line with the Investment Committee policy.

The Director of Finance & Research Services shall submit regular reports to the Investments Committee on the performance of these investments

8.5 Borrowing

Long term borrowing agreements (terms in excess of twelve months) require the authorisation of Council on the recommendation of the Finance and Resources Committee.

The Director of Finance & Research Services shall authorise short-term borrowing agreements (for temporary revenue purposes) within the limits determined by the Financial Management Code.

8.6 Cash Floats

A float of notes and coins held to provide an opening till float or change.

Cash floats are subject to the same procedures and system of management as Petty Cash.

A certificate of reconciliation for each cash float account as at 31st July and verified by an independent senior member of staff must be submitted to the Director of Finance & Research Services each year.

8.7 Insurance

The Executive is responsible for establishing risk management strategy. The Director of Finance & Research Services shall effect all insurance cover, in line with the insurance strategy and ensure that value for money is obtained. The Director of Finance & Research Services shall keep a register of all insurances effected by the University and the property and risks covered thereby.

Only the Director of Finance & Research Services or his nominee shall deal with Insurance Brokers, Insurance Companies, Loss Adjusters and Solicitors, in respect of all insurance matters.

Services Directors and Heads of School shall give prompt notification to the Director of Finance & Research Services of the extent and nature of all new risks to be insured, and of any alterations affecting existing insured risks in their Centres. Services Directors and Heads of School shall immediately notify the Director of Finance & Research Services in writing, of any loss, liability or damage which may result in an insurance claim.

The Director of Finance & Research Services shall report periodically to the Finance & Resources Committee on the insurances of the University.

For staff and student travelling abroad the guidance for traveling procedure should be followed to ensure travel insurance is obtained.

<https://www.bangor.ac.uk/finance/pl/index.php.en>

9. Capital Expenditure, Assets and Stocks

9.1 Capital, Infrastructure and Major Projects

The capital programme includes all expenditure on land, buildings, equipment and their associated costs, whether funded from capital grants, external loans and financing, or funded from University's own resources.

The medium term and long-term plans for the University should include details of capital schemes being considered and evaluated.

All capital, infrastructure (including long-term maintenance programmes) and major projects should be submitted and approved by the Capital Programme Board / Estates Strategy Group.

(<https://www.bangor.ac.uk/cpb/index.php.en>)

It is the responsibility of the Capital Programme Board to evaluate each proposal and determine if the investments are aligned to the University strategic priorities and that the envelope of funding is affordable within the period identified. Further detail can be found on the above link to the Project Management Framework.

All projects must be evaluated to determine the classification between expenditure that can be capitalised and expenditure that is deemed revenue.

The Capital Programme Board must approve any capital expenditure over £250k.

All proposals presented for approval should be presented as a Strategic Business Case and include:

- An outline of the project and an explanation demonstrating the consistency with the strategic plans of the University.
- A full costing and budget for the project that includes professional fees and VAT.
- An outline of the funding source, grants, loans or own funds.
- Internal resources required to complete the project.
- A financial evaluation of the plans including the impact on revenues and cost, investment appraisal, cash flow forecast (including VAT).

All capital schemes are subject to the normal University processes for procurement e.g. tendering.

All significant changes to the capital programme must be approved by the Capital Programme Board.

Actual expenditure on capital schemes is monitored by the Capital Programme Board.

In respect of equipment purchases for research or consultancy contracts, these procedures do not need to be followed where the purchase of the equipment is wholly funded by an external research grant.

The exception to this rule is where the purchase of equipment requires significant new build, refurbishment or IT infrastructure development.

The total gross value of the equipment and the associated additional works will determine the project value and therefore the authorisation limit.

All research equipment purchases funded from internal sources, in full or in part, are required to follow these capital procedures.

9.2 Assets

9.2.1 Fixed Asset Register

The Director of Property and Campus Services shall be responsible for maintaining a register of land and buildings, and other properties, for asset security purposes and to assist in the control of accounting for statutory account purposes.

The Director of Property and Campus Services shall ensure that all title deeds are held securely and that assets are revalued as required for statutory accounting purposes.

9.2.2 Inventories (including Stocks and Stores)

The Deans/Directors of relevant Colleges and Services are responsible for ensuring that appropriate inventory records are kept by the University.

All Services must maintain a Portable and Attractive Asset Register detailing what it owns and where they are located, so that the assets can be managed properly and the correct valuation can be recorded for insurance purposes. Services are responsible for identifying departmental assets which should be entered on the inventory and for ensuring that departmental inventory records are maintained and reconciled periodically by physical checks.

Further details can be found in the Portable & Attractive Asset Register Policy.

<https://www.bangor.ac.uk/finance/pl/index.php.en>

9.2.4 Asset Recycling and Disposing

The University is committed to ensuring that all its physical assets are used in the most cost effective and efficient manner. The recycling and disposal of surplus or scrap items should be considered as part of this process. When such resources become surplus to requirements, the University must ensure that the disposal process achieves best value for money and is conducted in an environmentally responsible and effective manner. The process also needs to be transparent and adequately documented and approved.

All assets that are deemed surplus to requirement should follow the Policy and Procedure for Asset Recycling and Disposal.

<https://www.bangor.ac.uk/finance/pl/index.php.en>

APPENDIX A – Financial limits and rates

The University Seal

The council has custody and determines the use of the University Common Seal.

Procurement of Goods and Services

Authorisation of contracts and financial limits (other than contracts for research and services rendered)

The following officers are authorised to sign contracts on the University's behalf

- Vice-Chancellor
- Deputy Vice-Chancellor
- Director of Finance & Research Services
- Director of Property and Campus Services
- University Secretary

Requisition and Purchase Order workflow approval limits

All Purchase Order requisitions require the approval of the budget-holder for the project.

All Purchase Order requisitions require financial approval of the workflow role holder as noted below:

Up to £1000	Nominated member of staff
£1000.01 to £100,000	Department Senior Manager
Over £100,000	Service Directors and Heads of School

All Purchase Order requisitions require the involvement of at least 2 persons. This is enforced by the workflow system.

Purchasing Card limits

The standard single purchase limit is £1000.

The standard monthly total limit per cardholder is £10,000.

The Director of Finance & Research Services may agree higher limits for a cardholder where good cause has been shown and the cardholder has demonstrated exemplary performance in the proscribed system of management of Purchasing Card transactions.

Petty Cash Limits

The maximum single item purchase limit is £50.

APPENDIX B

Writing Off of Bad Debts

Individual debts up to £1,000 (one thousand) must be reported to the Director of Finance & Research Services who will review the request and approve if deemed appropriate. Debts can only be considered for write-off when all possibilities to collect the debt have been exhausted.

Individual debts over £1,000 (one thousand) must be reported to the Director of Finance & Research Services who will review the request and take it to Finance & Resources Committee for approval. Debts can only be considered for write-off when all possibilities to collect the debt have been exhausted.