

**UNIVERSITY OF SUSSEX**

**Financial Regulations**

**March 2018**

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**These Financial Regulations are issued at a time when the regulatory framework for higher education is about to change with the abolition of the Higher Education Funding Council for England (HEFCE) and the introduction of the Office for Students (OfS) from 1 April 2018.**

**Therefore within these Regulations:**

**The term 'Regulator' refers to HEFCE, OfS and/or any other successor body to HEFCE with regulatory powers over the higher education sector.**

**The term 'Memorandum of Assurance and Accountability' (MAA) refers to financial and any other regulatory requirements placed on the University by the Regulator as a condition of funding or registration to be able to operate as a higher education institution.**

**The term 'Audit Code of Practice' refers to the requirements for internal and external audit placed on higher education institutions by the Regulator, and the framework in which these auditors operate.**

**The term 'Charity Regulator' refers to the body responsible for regulating Higher Education Institutions as charitable bodies to ensure that they meet the requirements of charity legislation and act for the benefit of the public. Currently this role is undertaken by HEFCE on behalf of the Charity Commission.**

## 1. Introduction

### 1.1. Purpose

This document sets out the Financial Regulations as approved by **Council** of the University of Sussex (the University) on the recommendation of the **Audit and Risk Committee**. They are issued by the **Director of Finance** on the directions of the **Vice-Chancellor** and remain in force until amended or superseded.

These Financial Regulations replace previous statements and regulations concerning the conduct of financial business of the University.

The purpose of the Financial Regulations is to ensure the proper and efficient use of resources within a sound system of internal control that supports the achievement of policies, aims and objectives and that fulfils any legal, financial or fiduciary obligations laid down by the University Charter and Statutes, HM Revenue & Customs, the Regulator, and other authorities.

The **Director of Finance** is authorised to make technical changes that do not alter the terms of these Regulations without seeking the approval of **Audit and Risk Committee** and **Council**, for example to reflect changes to the structure of the institution or new or significantly revised legislation. Any change to the Regulations approved by the Director of Finance will be reported to the following meetings of **Audit and Risk Committee** and **Council**.

### 1.2. Application and hierarchy

The Financial Regulations apply to the University and to all University funds irrespective of their source. The only exception to this is where requirements that are more stringent than the University's Financial Regulations are imposed by a third party, for example by a sponsor of a research grant or project. In this case, the more stringent requirements of the funder should apply.

All wholly or majority owned subsidiary undertakings and joint ventures are expected to adhere to the University Financial Regulations except where **Council** has approved the application of alternative arrangements on the recommendation of the **Audit and Risk Committee**.

The Financial Regulations are supported by policies and procedures which set out the approach of the University in meeting the requirement of these Regulations and describe the means by which the principles of the Regulations should be applied in the day-to-day operations of the University. These policies and procedures are approved by **the Vice Chancellor** and must be adhered to by members of staff and others authorised to act on behalf of the University in the same way as these Regulations, except where it is the decision of the **Director of Finance** that they do not apply to subsidiary undertakings and joint ventures. These policies and procedures include detailed instructions on financial transactions and accounting records.

In the event of an apparent conflict the financial policies and procedures are subordinate to the Financial Regulations.

The Memorandum of assurance and accountability (MAA) between the Regulator and institutions sets out detailed guidelines covering a number of areas referred to in these Financial Regulations. In such cases, the Financial Regulations have been framed to incorporate the requirements of the MAA. In the event of any apparent conflict, the Financial Regulations are subordinate to the University Charter and Statutes and to any mandatory requirements contained within the MAA between the Regulator and institutions, and the Audit Code of Practice within the MAA.

### 1.3. Financial responsibilities within the University

Under the University Charter and Statutes, **Council** is responsible for the management and regulation of the financial affairs of the University.

**Council** is responsible for ensuring that the University complies with the MAA between the Regulator and institutions and related guidance from the Regulator, all relevant laws and the terms of significant contracts that, if breached, would have a significant impact on the University's future ability to operate (for example major debt and loan agreements). This requires that **Council** ensures, *inter alia*, that the University:

- has a robust and comprehensive system of risk management, control and corporate governance. This should include the prevention and detection of corruption, fraud, bribery and irregularities
- has regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- plans and manages its activities to remain sustainable and financially viable
- informs the Regulator of any change in its circumstances which – in the judgement of the **Accountable Officer** and in agreement with **Council** – is a material adverse change, including any significant developments that could impact on the mutual interests of the University and the Regulator
- uses public funds for proper purposes and seeks to achieve value for money from public funds
- complies with the mandatory requirements relating to audit and financial reporting set out in the Audit Code of Practice and in the Regulator's annual Accounts Direction
- sends to the Regulator:
  - the annual accountability returns
  - other information the Regulator may reasonably request to understand the University risk statutory data requested on the Regulator's behalf by the Higher Education Statistics Agency (HESA).
- has effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the Regulator and other funding or regulatory bodies
- has an effective framework, overseen by **Senate**, to manage the quality of learning and teaching and to maintain academic standards
- considers the Regulator's assessment of its risk status, engages with the Regulator during the risk assessment process, and takes action to manage or mitigate the risks agreed upon.

Under the requirements of the Charities Act 2011, Council is responsible to the Charity Regulator for ensuring that the university delivers its charitable purpose for public benefit and for meeting all the requirements of charity legislation, including preventing and reporting serious incidents (as defined by the Charity Regulator).

The **Vice-Chancellor**, as the **Accountable Officer** appointed by **Council**, is the principal academic and administrative officer of the University and is responsible to **Council** for all financial administration.

By virtue of their positions of leadership within the University, **Heads of School** and **Directors of Professional Services** are responsible for the proper application of resources, for financial management and for ensuring there are effective systems, processes and controls to ensure value-for-money is achieved within their area of responsibility. They will provide the **Director of Finance** with such information as may be required to enable compilation of the University's financial statements, implementation of

financial planning, audit and financial reviews, projects and value for money studies.

All **members of staff** of the University and **others connected with the University** have a responsibility for the security of the University's property, for avoiding loss, for being efficient in the use of resources and for ensuring value for money in the University's transactions. They must comply with the approved systems of financial controls stemming from these Financial Regulations and ensure that they have a full understanding of their responsibilities and seek training or guidance where required. Unless otherwise stated, the terms 'members of staff' and 'staff' within these Regulations refer to people who have a paid contract of employment with the University or some other form of contractual relationship including but not limited to visiting and honorary staff, temporary staff, contract staff and contractors' staff acting on behalf of the University. The term 'others connected with the University' refers to members of Council, co-opted members of committees, volunteers and anyone else who is associated with the University but who is not a student or does not have a formal contractual relationship with the institution.

The term 'senior staff' refers to the Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellors, Chief Operating Officer, Director of Finance and the Director of Human Resources.

#### **1.4. Delegation of financial responsibilities**

The **Vice-Chancellor** may delegate financial authority to the **Director of Finance** as set out in the Council Scheme of Delegation.

The **Director of Finance** may delegate his or her authority to another **member of staff**.

**Heads of School** and **Directors of Professional Services** are responsible for overall financial management within their Schools and Divisions. Delegation of some day-to-day financial management responsibilities will be permitted to named individuals within their School or Service in accordance with the Financial Delegations Policy, and with the prior written approval of the **Director of Finance**.

Authority may only be delegated to staff who have a paid contract of employment with the University.

Overall responsibility for the actions of the person to whom authority has been delegated remains with the delegator.

Once approved any such delegation will be subject to annual review to ensure it continues to be appropriate. Delegation may be immediately suspended or withdrawn in the event of any suspicion or evidence of abuse.

The **Director of Finance** has delegated responsibility from Council for approval of the expenses of the Chair of Council. This cannot be delegated further.

A Scheme of Delegated Financial Authorities is maintained by the **Director of Finance**.

#### **1.5. Compliance with the Financial Regulations**

**Heads of School** and **Directors of Professional Services** are responsible for ensuring compliance with the Financial Regulations within their areas of responsibility. This includes ensuring that **members of staff** are made aware of:

- the existence and provisions of these Financial Regulations and the responsibilities the Regulations place upon them
- the implications of non-compliance.

Compliance with the Financial Regulations is compulsory for all **members of staff** and **others connected with the University**.

Individuals are responsible for ensuring that they understand their responsibilities under

these Financial Regulations, and for adhering to them.

Where non-compliance with the Financial Regulations is identified, the **Director of Finance** will investigate the circumstances and, after consultation with relevant colleagues, will decide on an appropriate course of action. Breaches which are considered to be serious in the opinion of the **Director of Finance** will be reported to the **Vice-Chancellor** and to the **Audit and Risk Committee** as appropriate. **Council** will be notified of any such breach through the **Audit and Risk Committee**.

**Failure to comply with these Financial Regulations may lead to disciplinary action against staff, removal of honorary and visiting status, termination of contract or any other appropriate action.**

### **1.6. Publication, interpretation and revision of the Financial Regulations**

The **Director of Finance** is responsible for ensuring that the Financial Regulations are published on the University's website and hard copies distributed to all **Heads of School** and **Directors of Professional Services**.

The **Director of Finance** shall resolve doubts as to the interpretation of these Financial Regulations or refer a matter to **Council** at his or her discretion.

The **Director of Finance** shall issue and update financial policies and procedures that set out directions for the application of the Financial Regulations. The **Audit and Risk Committee** is responsible for maintaining a review of the Financial Regulations and will receive an annual report on compliance from the **Director of Finance**.

Every five years, or more frequently if appropriate, the **Director of Finance** shall arrange for the Financial Regulations to be reviewed and for proposed changes to be submitted to The **Audit and Risk Committee** for onward recommendation to **Council**.

### **Policies, procedures and other documents referred to in this section**

- [Council Scheme of Delegation](#)
- Financial Delegations Policy
- [Audit arrangements](#)
- [Memorandum of Assurance and Accountability](#)
- [University Charter and Statutes](#)
- [Charities Act 2011](#)

## 2. Standards of conduct

This section sets out the University's requirements regarding the good conduct of University business.

### Related sections

Money laundering is considered in Section 4 – Income, commercial activities and banking.

Philanthropic gifts and donations are considered in Section 5 – Income from gifts and donations.

### 2.1. General principles

The University is committed to probity and good conduct in carrying out its business, in accordance with the seven Principles of Public Life. These are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The University will uphold all laws and statutory requirements relevant to its operations and has zero tolerance towards fraud, bribery and any form of dishonesty.

### 2.2. General responsibilities

All **members of staff** and **others connected with the University** should at all times act with awareness of their wider responsibilities, comply with this Code and act in good faith and in the best interests of the University. They are responsible for compliance with the appropriate policies and procedures put in place by the University to enable **members of staff** and **others connected with the University** to understand and discharge their responsibilities to support the University's commitment to probity and good conduct in carrying out University business.

### 2.3. Fraud and financial irregularity

The University defines fraud and financial irregularity as:

**“Any action deliberately designed to cause loss to the University, or to obtain any unauthorised benefit, whether this is received personally or by others.”**

This definition of fraudulent conduct is considered to apply equally to **members of staff**, **others connected with the University**, suppliers, partners, subsidiaries, associates and any other individuals or organizations who have dealings with or who attempt to perpetrate fraud against the University.

All **members of staff**, **others connected with the University** or students suspecting fraud or financial irregularity in the University should report such fraud as soon as possible to the **Director of Finance** or the **Chief Operating Officer**. If any suspected fraud or financial irregularity relates personally to the **Director of Finance**, or the **Director of Finance is unavailable**, then **members of staff**, **others connected with**

**the University** or students should refer the matter to the **Chief Operating Officer**. If the suspected fraud or financial irregularity relates personally to the **Director of Finance** and/or the **Chief Operating Officer**, then **members of staff, others connected with the University** or students should refer the matter to the **Vice-Chancellor** or the **Deputy Vice-Chancellor**. The Counter Fraud Policy sets out the process that will be followed to investigate the suspicion and the circumstances in which notifications will be made to **Audit and Risk Committee** and **Council**, the Internal and External Auditors and to the Regulator.

#### **2.4. Bribery and corruption**

A bribe can be any form of financial or other advantage which is intended to act as an inducement or reward in order for someone else to misuse their position or improperly perform their function.

The University is committed to probity and good conduct in carrying out its business functions and to adhering strictly to the provisions of the Bribery Act 2010, in respect of its conduct both in the UK and internationally.. The associated requirements of the University, including an obligation to report any instances of suspected wrongdoing, are set out in the University's Anti-Bribery Policy which must be adhered to by all **members of staff and others connected to the University**.

#### **2.5. Hospitality and gifts**

The University's requirements with respect to hospitality and gifts (whether given or received) is set out in the University's Anti-Bribery Policy, including rules about when an offer of hospitality or gift (given, received or offered even if declined) must be recorded in the Hospitality Register.

In addition, for any hospitality or gift (given or received) above the value laid out in the Anti-Bribery Policy, written permission must be obtained in advance from a **Head of School** or **Director of Professional Service**. In the case of **Heads of School, Directors of Professional Services, and members of the University Executive Group**, written permission must be obtained from the **Chief Operating Officer**. In the case of the **Chief Operating Officer**, written permission must be obtained from the Vice-Chancellor.

#### **2.6. Facilitation payments**

Facilitation payments are bribes and prohibited by this policy. They are typically small unofficial payments paid to speed up an administrative process or secure a routine government action by an official and are most frequently encountered in overseas jurisdictions with perceived high corruption risks.

The University's policy strictly prohibits any kind of facilitation payments made by employees, agents or third parties acting on its behalf.

#### **2.7. Donations by the University**

Donations by the University must at all times adhere to the principles set out in the Anti-Bribery Policy. The University does not make contributions to political parties. The University supports personal charitable giving and initiatives by **members of staff**. However, it is only open to the University to make charitable donations at an institutional level in limited prescribed circumstances, and any such requests should first be referred to the **Director of Finance**.

## 2.8. Disclosure and registration of interests

A conflict of interest is defined as a situation that may occur, which has the potential to undermine the impartiality of a person, or where there is the possibility of a conflict between the individual's self-interest and their professional or public interest.

The general principle is that all members of staff, Council members and others authorised to make decisions on behalf of the University should not be involved in any decision or transaction where they have or may be perceived to have a conflict of interest. This applies to all decisions made within the University and subsidiary companies. All **members of staff** must disclose any potential or actual conflict of interest which may impinge on their impartiality in any matter relevant to their duties to their **Head of School** or **Director of Professional Service** or other appropriate authority in accordance with the University's Staff Code of Conduct and Policy on Registration and Declaration of Interests.

**Members of Council** are similarly required to disclose any potential or actual conflict of interest in accordance with the University's Council Code of Conduct and Register of Interests.

In all cases personal interests must be declared at any meeting where the matter is to be discussed, whether or not that interest has already been declared and recorded. Such declarations will be recorded in the minutes of any relevant meeting. The individual should not participate in or seek to influence any decision relating to the matter concerned.

It is also a requirement of the University that **Members of Council**, all **senior staff**, **staff with significant financial authority** and **staff with access to privileged information** disclose relevant personal interests in the Register of Personal Interests. This includes:

- all directorships registered under the Companies Act, whether or not they are remunerated
- employment, office, profession or other activity apart from employment by the University
- other relevant interests, for example:
  - clients or business relationships which they know to have a direct connection with the University and its associated companies or which might affect their business
  - any significant shareholdings in organisations which they know to have business with the University or its associated companies
  - unremunerated posts, honorary positions and other connections which may give rise to a conflict of interest or of trust, as set out in the Council Code of Conduct.

It is also a requirement to record relevant interests, where they are both known and material, held by members of their immediate family, that is to say a spouse, partner, parents, children and siblings, in accordance with the relevant Code of Conduct.

No person shall be a signatory to any University contract on behalf of the University where he or she also has a relevant interest in the activities of the other party as described in the Policy on Registration and Declaration of Interests.

## 2.9. Raising concerns

The University has put in place a Public Interest Disclosure Policy designed to allow serious concerns of a public interest nature arising in relation to the University to be raised, investigated and acted upon where appropriate. Concerns may be raised by any **member of staff**, **others connected with the University**, student, or those contracted to provide services to the University.

Concerns that are not of a public interest nature or which fall into an area covered by another procedure will not be considered under this Policy, but may be considered under other procedures of the University.

Other procedures exist to deal with:

- grievances by **members of staff** connected with their employment.
- complaints by students about their courses of study or research and the services the University provides.
- appeals against assessment decisions.
- appeals from disciplinary procedures for **members of staff** and students.
- harassment and bullying.

This Public Interest Disclosure Policy may not be used to re-open or review a matter already decided under other procedures.

#### **Policies, procedures and other documents referred to in this section**

- [Anti-Bribery Policy](#)
- [Bribery Act 2010](#)
- [Council Code of Conduct](#)
- [Counter Fraud Policy](#)
- [Hospitality Register](#)
- [Principles of Public Life](#)
- [Registration and Declaration of Interests](#)
- [Staff Code of Conduct](#)
- [Public Interest Disclosure Policy](#)

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### 3. Financial management and control

This section sets out the requirements regarding budgetary control, financial accounting and reporting, financial records management, access to financial systems and the University audit framework.

#### Related sections

Financial management with regard to incentive budgets is considered in Section 4 – Income, commercial activities and banking.

#### 3.1. Financial structure of the University

The University's financial year runs from 1st August until 31st July of the following year.

The University's organisational structure for financial management, planning and monitoring, and for the Committee structure as laid out by **Council** and maintained by the **Chief Operating Officer**

#### 3.2. Financial planning and reporting to Council

The **Director of Finance** will prepare an overall University revenue budget and capital programme each year for consideration by the **Strategic Performance and Resources Committee** before approval by **Council**.

Budget allocations for the Schools and Professional Services are prepared by the **Director of Finance** in consultation with the **Vice-Chancellor**, the **University Executive Group**, **Heads of School** and **Directors of Professional Services**.

The **Director of Finance** is responsible for supplying budgetary reports on all aspects of the University's finances to the **Strategic Performance and Resources Committee** on a basis determined by that Committee.

#### 3.3. Financial management and monitoring

**Heads of School** and **Directors of Professional Services** are responsible for the financial management of the areas or activities they control and the proper and effective use of University funds in accordance with their approved budget. They will ensure that day-to-day monitoring is undertaken effectively in order to:

- ensure that net income and expenditure remains within their budget and that expenditure within their units does not exceed funds available so that the financial target set for their School or Division is achieved in any given financial year.
- ensure the propriety of transactions.

Significant departures from agreed budgets, incurred or prospective, must be reported immediately to the **Director of Finance** by the **Head of School** or **Director of Professional Service** concerned and, if necessary, corrective action taken. Budgets must be used for the purposes for which they were agreed except within the framework set out by the **Director of Finance**. The **Director of Finance** will advise the **Heads of School** and **Directors of Professional Services** in executing their financial management and monitoring responsibilities and provide them with such financial information as is necessary to enable them to carry out their responsibilities.

### 3.4. Incentive budgets and residue balances

An incentive budget is delegated by a **Head of School** to an individual **member of staff**, to incentivise or reward certain activities. Incentive budgets are managed and regulated in the same way as other delegated budgets within a School. They remain the responsibility of the **Head of School** and expenditure and income recorded in such accounts is part of the overall consolidated budget of the School. Unspent incentive account budgets cannot be carried forward from one financial year to the next. Instead they must be returned to General University reserves at the end of the financial year. Expenditure against incentive budgets must be included in Schools' annual budget plan submissions and are included with Schools' overall annual financial target.

A residue balance is a sum of unspent research funding which, subject to the contract between the University and the sponsor, may be retained unconditionally by the University. In such cases the School will have entitlement to the funds and may choose to delegate responsibility for the funds to the **Principal Investigator**. Expenditure from unspent residue balances carried forward from one financial year to the next cannot be incurred unless expenditure plans have been included in a School's annual budget plan submission. Expenditure should be monitored and controlled by Heads of School and is included within a School's overall annual financial target.

When a **Principal Investigator** retires, resigns or otherwise ceases to be a salaried employee of the University, unspent balances in that **Investigator's** residue account will be returned to the School's budget. Expenditure from incentive budgets and residue accounts must be for goods and services that are for use within the Principal Investigator's role in the University and not for private or personal use outside of their University role, must be made in accordance with the University's Purchasing Policy and must demonstrate value-for-money. **Heads of School** are accountable for the proper use of these funds and are governed by the University's policy on Treatment of Research Residual Project Balances.

### 3.5. Annual financial statements

Entity and consolidated financial statements and accounting policies are prepared for **Council** approval by the **Director of Finance** in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, subject to any specific requirements of the Regulator.

**Heads of School** and **Directors of Professional Services** provide the **Director of Finance** with such information as may be required to enable compilation of the financial statements.

The financial statements are approved by **Council** on the recommendation of **Audit and Risk Committee**. The financial statements will be published on the University website and submitted to the Regulator in accordance with their requirements.

### 3.6. Financial records

The **Director of Finance** will specify the form of the University's financial records and ensure that proper accounting records are maintained.

The **Director of Finance** will ensure the retention of all financial documents according to the University Records Management Policy.

### 3.7. Taxation compliance

The **Director of Finance** will advise budget holders, in light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all issues concerning non-payroll taxes to the University and will issue instructions to **Heads of School** and **Directors of**

**Professional Services** on compliance with statutory requirements including, but not limited to, those concerning VAT, corporation tax and import duty, CIS (Construction Industry Scheme), Gift Aid, the Climate Control Levy, and stamp duty.

The **Director of Human Resources** is responsible for the same duties in relation to payroll taxes, including IR35 requirements, PAYE and national insurance.

The **Director of Finance** and the **Director of Human Resources** will maintain the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate for the taxes for which they are responsible.

### 3.8. Audit framework

The audit framework for the University within which the Internal and External Auditors operate is set out in the Audit Code of Practice, within the MAA between the Regulator and institutions. Both internal and external audits constitute key elements of good corporate governance arrangements within the University.

The Internal and External Auditors are appointed by **Council**.

The External Auditors must provide an opinion to **Council** on whether funds (including public funds) have been applied for the intended purposes and on whether the financial statements provide a true and fair view of the financial results for the year. External Auditors must also form a view about whether the University is a going concern. External Auditors do not have a duty of care to the Regulator.

The main responsibility of the Internal Auditors is to provide **Council, Audit and Risk Committee** and the **Vice-Chancellor** with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money. The Internal Auditors will operate in accordance with the Regulator's Audit Code of Practice. The Internal Auditors remain independent in planning and operation and have direct access to **Council, the Vice-Chancellor and Chair of Audit and Risk Committee**.

The Internal and External Auditors have unrestricted access to information – including all records, assets, personnel and premises – and are authorised to obtain whatever information and explanations they consider necessary.

The University may, from time to time, be subject to audit by the Regulator, the National Audit Office, European Court of Auditors, HM Revenue & Customs and other auditors. They have the same rights of access as External and Internal Auditors.

### 3.9. Non-audit use of the external and internal auditors

The independence and objectivity of the auditors is an important element of the good governance of the University and must be safeguarded at all times. However it is recognised that in some circumstances the External or Internal auditors' detailed understanding of the University's business may make it more appropriate to instruct them to undertake limited non-audit services.

The circumstances in which such an appointment may be made, and the associated oversight by **Audit and Risk Committee**, are set out in the University's Policy on the Use of External Auditors for Non-Audit Services and the Policy on the Use of Internal Auditors for Non-Audit Services.

### 3.10. Financial systems

The **Director of Finance** is responsible for supervising and approving the use of the University's financial systems including the form in which accounts and financial records are kept. The financial systems will enforce and facilitate adherence to the Financial Regulations

wherever possible.

Access to the University's financial systems will be determined in accordance with the University's policy on Access to Financial Systems as set out by the **Director of Finance**.

All individuals with access to the financial systems are responsible for ensuring working practices comply with the rules laid down by the **Director of Information and Technology Services** and with the Data Protection Act 1998 and any successor legislation or regulation. Guidance on compliance with this legislation is maintained by the Chief Operating Officer.

### 3.11. Reporting requirements of the Regulator

Under the MAA between the Regulator and institutions, the University is required to supply the Regulator with specified returns regarding the University's financial performance and sustainability. These returns will be prepared by the **Director of Finance** for approval by **Council**.

The **Vice-Chancellor**, as the University's **Accountable Officer**, must report any material adverse change without delay, such as:

- a significant and immediate threat to the University's financial position;
- significant fraud (>£25,000); or
- impropriety or major accounting breakdown

to all of the following:

- the **Chair of Audit and Risk Committee**
- the **Chair of Council**
- the Head of Internal Audit
- the External Auditor
- the **Regulator's** Chief Executive.

The **Director of Finance** is responsible for advising the **Vice-Chancellor** with regard to any material adverse change to be notified to the Regulator, such as;

- a significant and immediate threat to the University's financial position;
- significant loss of funds;
- significant fraud (>£25,000); or
- impropriety or major accounting breakdown.

### Policies, procedures and other documents referred to in this section

- [Data Protection Act 1998](#)
- [Financial Statements](#)
- Financial Systems Access Policy
- [2014 Audit Code of Practice](#)
- [Guidance on Compliance with the Data Protection Act](#)
- [Information Security Policy](#)
- [Memorandum of Assurance and Accountability](#)
- [Organisation of the University](#)
- [Policy on the Use of External Auditors for Non-Audit Services](#)
- [Policy on the Use of Internal Auditors for Non-Audit Services](#)
- [Records Management Policy](#)
- [Statement of Recommended Practice Accounting for Further and Higher Education](#)
- [Treatment of Research Residual Project Balances](#)

## 4. Income, commercial activities and banking

This section sets out the requirements to enable the University to identify, collect and bank all income to which it is entitled.

### Related sections

Section 5 - Income from gifts and donations.

Section 9 – Tangible assets and significant projects, sets out the requirements concerning the investment in, and disposal of, buildings and other resources, as well as consideration of commercial arrangements with regards to non-University use of University premises or facilities and the granting of leases or licenses.

### 4.1. Tuition fees

**Council** approves the tuition fee framework after consultation with **Senate**. The **Director of Finance** approves individual fees after consultation with the **Director of Student Recruitment, Marketing and International Affairs** and the **Head of School**.

#### 4.1.1. Tuition fee waivers and discounts

The **Director of Finance** approves procedures for the application of fee waivers and discounts.

### 4.2. Student residences Rents

**Council** approves student residence rents on the recommendation of the **Strategic Performance and Resources Committee**, following discussion between the **Director of Estates and Facilities Management** and the **Students' Union**.

### 4.3. Funding body grants

The **Director of Finance** is responsible for ensuring that all grants, with the exception of project funding for research, knowledge exchange and consultancy, notified by the funding body and other bodies are received and appropriately recorded in the University's accounts. The **Director of Research and Enterprise** is responsible for ensuring that project funding for research, knowledge exchange and consultancy are received and recorded in the University's accounts.

### 4.4. Research grants and consultancy

Section 11 – Research, Knowledge Exchange and External Professional Activities including Consultancy sets out the requirements for income from research and other related activities.

### 4.5. Other income from goods and services

Goods and services (including rents and letting, conferences and other supply under University trading activity) should only be supplied where it is advantageous for a University

purpose, consistent with the University Charter and Statutes, and does not jeopardise its charitable status.

In setting levels of charges for all goods and services members of staff must seek to recover the full economic costs (FEC) of providing that good or service. Where this is not possible under the terms of the contract, members of staff should ensure that they seek the maximum allowable and that any decision to charge less than FEC is fully justified and documented.

Property can only be let through leases and licences to occupy. These must be approved by the **Chief Operating Officer** and the **Director of Finance**.

The **Director of Finance** or **Chief Operating Officer** must be consulted in advance of any agreement to supply any other goods and services.

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**.

#### **4.6. Receipt and banking of income**

**Members of Staff** must immediately forward any income to the **Director of Finance** who will ensure prompt and secure banking. **Members of Staff** receiving income (cash, cheques, etc.) must follow the Income Policy and Income Procedures.

#### **4.7. Credit and billing arrangements**

Billing arrangements for invoicing of University income are the responsibility of the **Director of Finance**.

Credit should only be extended to customers after receiving evidence that amounts invoiced will be paid as they become due. Advice and guidance may be sought from The Director of Finance on the standards and nature of evidence required

#### **4.8. E-commerce**

The **Director of Finance** may be able to facilitate receipts, other than tuition and student residences rents, by collecting income through the use of appropriate facilities on the University website.

The **Director of Finance** approves all credit and debit card transaction processing, which must be compliant with the PCI Security Standards Council's data security standards.

#### **4.9. Debt collection**

**Members of Staff** must ensure that all sales transactions are billed through the Finance System at the point of sale or delivery of service or as soon as possible afterwards, or when an appropriate milestone is reached to ensure the timely capture of debts due to the University.

The **Director of Finance** is responsible for ensuring that outstanding debts are monitored and that there is swift and effective action to collect overdue debts from students, former students, sponsors, companies and third parties.

Robust debt management policies and procedures will apply to ensure all debt is collected. Only in exceptional circumstances is debt considered for write-off, in accordance with the Debt Management Policy for Bad Debt.

**Heads of School** and **Directors of Professional Service** are responsible for ensuring that appropriate records are kept, performance requirements met and that no actions are

taken that may prejudice the University's ability to recover debt.

#### **4.10. Specific and earmarked accounts**

Awards of grants and funding for specific purposes or programmes must be accounted for separately and identifiably. The **Director of Finance** will nominate a **Head of School** or **Director of Professional Service** to ensure that funds are spent and the terms and conditions of these grants and awards are met. Failure to meet these conditions may require the University to reimburse the funds and/or incur financial penalty.

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the **Head of School** or **Director of Professional Service**, and charged against the funds of the School or Division.

#### **4.11. Income recognition**

The **Director of Finance** will recommend the accounting policies in respect of income recognition to **Audit and Risk Committee** and **Council**.

#### **4.12. Treasury and investment management**

**Council**, on the recommendation of the **Strategic Performance and Resources Committee**, is responsible for approving the University's Treasury and Investment Management Policy setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the MAA between the Regulator and institutions.

The Treasury and Investment Management Policy includes provisions and rules which define how the University:

- organises its banking arrangements
- raises finance and borrowings
- invests short and long-term cash funds
- invests in long-term non-cash and endowment assets.

#### **4.13. Banking controls**

The **Director of Finance** is responsible for the implementation of the University's banking arrangements including the issue of cheques and other financial instruments (BACS, CHAPS, Faster Payments etc.).

The Treasury and Investment Management Policy defines the responsibilities and delegations which govern the opening of new bank accounts. All bank accounts shall be in the name of the University or one of its subsidiary undertakings and joint ventures.

All cheques drawn and all automated transfers on behalf of the University, such as BACS, must be authorised in accordance with the prevailing bank mandate. The **Director of Finance** is responsible for ensuring that all bank accounts are subject to regular reconciliation, ensuring the appropriate investigation and follow up of large or unusual items.

#### **4.14. Borrowing powers, leases, hire purchase contracts, guarantees and indemnities**

The University's Treasury and Investment Management Policy governs the arrangements for borrowing or entering into leases, hire purchase contracts and guarantees. In respect of long-term borrowing the **Director of Finance** will recommend an appropriate Borrowing

Policy to **Strategic Performance and Resources Committee** for approval by **Council**.

No borrowing can be entered into without the approval of the Director of Finance under the explicit authority of Council. No guarantees or letters of comfort are to be issued except with the written approval of the **Director of Finance**. All leases and hire purchase contracts for equipment or other equivalent assets valued in excess of delegated authority must be referred to the **Director of Finance** for approval.

The **Director of Finance** is responsible for the approval of all indemnities given on behalf of the University and any **member of staff** asked to give an indemnity, for whatever purpose, should refer the matter to the **Director of Finance** before any such indemnity is given. The **member of staff** should also consult with the **Director of Research and Enterprise** if the indemnity relates to research or knowledge transfer.

The **Director of Finance** is responsible for maintaining a register of all indemnities.

#### **4.15. Money laundering**

The **Director of Finance** is responsible for maintaining appropriate arrangements for the prevention of money laundering. These are set out in the University's Anti Money Laundering Policy.

#### **4.16. Sanctions, embargoes and restrictions**

It is not permitted to enter into transactions with any individual or organisation that is the subject of sanctions, embargoes or restrictions imposed by the United Nations Security Council, European Union, UK Government or any other government or organisation with whom the University is required to comply by virtue of a contractual or regulatory obligation.

An individual or organisation may be the subject of sanctions, embargoes or restrictions by express inclusion on a published list or by association with another individual or organisation appearing on a published list. Individuals and organisations may be the subject of sanctions, embargoes or restrictions because they originate from, operate in or have association with a particular industry, regime, and country or otherwise defined geography appearing on a published list.

The Director of Finance may consider and authorise any transaction the detailed arrangements of which are permitted under contractual and statutory rule.

The agreement to terms in a contract that bind the University to apply sanctions imposed by any other authority than the United Nations, European Union or the United Kingdom Government must be authorised by the Director of Finance.

#### **Policies, procedures and other documents referred to in this section**

- Borrowing Policy
- Debt Management Policy for Bad Debt
- [Full Economic Costing Procedure](#)
- Income Policy
- [Income Procedures](#)
- Income Recognition
- Anti-Money Laundering Policy
- Other Income and Services Rendered Policy
- [PCI DSS](#) (payment card industry data security council) Standards
- [Treasury and Investment Management Policy](#)

- [University Charter and statutes](#)

## 5. Income from gifts and donations

This section sets out the University requirements regarding control, financial accounting and investment of philanthropic gifts and donations.

### Related sections

The management and control of income from fees, grants, goods and services is considered in Section 4 – Income, commercial activities and banking.

### 5.1. Management and control

The **Director of Development and Alumni Relations** is responsible for the receipt and control of gifts and donations to the University, all of which belong to the University and not to any individual, and are governed by the University's Donations Policy [and](#) Financial Administration of Gifts and Donations Policy. The **Development and Alumni Relations Office** is the central point for the acceptance of all philanthropic gifts and donations. Gifts and donations must be notified to the **Director of Development and Alumni Relations** who will either accept or decline offers as appropriate and in accordance with the above policies.

The **Director of Development and Alumni Relations** will confirm with the **Director of Finance** a responsible officer, **Head of School** or **Director of Professional Service** who will have devolved responsibility for the management, control and spending of any such gift or donation.

It is important that expenditure is properly managed, and any expenditure in excess of the gift or donation will be charged to the budget of the responsible **Head of School** or **Director of Professional Service**.

The **Director of Finance** must approve transfers of endowment to other institutions.

### 5.2. Accounting for gifts and donations

Gifts and donations may create restricted funds where the purpose to which the gift may be applied is restricted, non-restricted funds where there is no such restriction, and endowment funds which are to be held for the long-term. Gifts in excess of £50,000 to be held for the long-term are set up as endowments. No interest receivable will be allocated to unspent balances on restricted and unrestricted funds. Endowment balances will be augmented by interest at a rate determined by the **Director of Finance**.

### 5.3. Investment of endowment funds

The **Strategic Performance and Resources Committee** is responsible for the approval of the Treasury and Investment Management Policy, which governs the management of endowment investments.

The **Director of Finance** is responsible for maintaining a record of the requirements for each endowment fund and for advising the **Strategic Performance and Resources Committee**, on an annual basis, on the control and management of endowment investments under the University's Treasury and Investment Management Policy.

The **Director of Finance** maintains records of income and expenditure for each endowment fund and is responsible for the proper use of the income with respect to the rules of the specific fund and the scope of the University's general charitable purposes.

The **Director of Finance** is responsible for ensuring that the University's endowment funds are operated subject to Charity Law, and the guidance and specific requirements of the Charity Commission and the Charity Regulator. The **Director of Finance** is responsible for ensuring **Audit and Risk Committee** receive appropriate assurance that this is being undertaken effectively.

**Policies, procedures and other documents referred to in this section**

- [Donations Policy and](#) Financial Administration of Gifts and Donations Policy
- [Treasury and Investment Management Policy](#)

## 6. University subsidiary undertakings and joint ventures

This section sets out the University requirements in relation to University subsidiary undertakings and joint ventures.

### 6.1. Subsidiary undertakings and joint ventures

For legal or commercial reasons, the University may decide to carry out activity or to exploit University-owned intellectual or other property or rights through a subsidiary undertaking or joint venture.

University subsidiary undertakings and joint ventures may only be set up with **Council** approval.

It is the responsibility of **Council** to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.

Where the University is the majority shareholder:

- the **Director of Finance** will report on salient business activity during the preparation of the consolidated accounts of the University
- the University's internal and external auditors shall usually be appointed to such entities
- the entity's financial year shall be co-terminous with that of the University.

All wholly or majority owned subsidiary undertakings and joint ventures are expected to adhere to the University Financial Regulations including the above provisions and the supporting policies and procedures as they apply to the University except where **Council** has approved the application of alternative arrangements on the recommendation of the **Audit and Risk Committee**.

Once authorised, such variations must be documented in writing to the entity by the University Director of Finance.

A register of all University interests in subsidiary undertakings and joint ventures, whether or not they are controlled by the University, shall be maintained by the **Director of Finance**.

### 6.2. Brighton and Sussex Medical School

Brighton and Sussex Medical School (BSMS) is a joint activity which is operated jointly by the University of Brighton and the University of Sussex and is governed by a Memorandum of Agreement between the two universities. BSMS follows the requirements of University of Sussex financial regulations. BSMS may follow the policies of the University of Sussex or the University of Brighton, depending on which university is the designated lead for an area in the Memorandum of Agreement. It follows the financial policies of the University of Sussex.

#### Policies, procedures and other documents referred to in this section

- BSMS Memorandum of Agreement

## 7. Financial commitments and expenditure

This section sets out the University requirements regarding external commitments and expenditure of all University funds, irrespective of source, to ensure compliance with external regulations and the proper use of University funds. This includes all requisitioning, ordering and use of external suppliers to acquire goods or services, the use of University purchasing cards, cash advances and petty cash, contractual commitments and reimbursement of t out of pocket expenses.

### Related sections

Expenditure related to incentive budgets is considered in Section 4 – Income, commercial activities and banking.

Requirements regarding expenditure on staff costs are considered in Section 8 - Pay expenditure.

Requirements regarding the safeguarding of assets acquired using University funds are considered in Section 9 – Tangible assets and significant projects.

### 7.1. Purchasing policy

It is a requirement of the University that the acquisition of supplies, equipment and services should deliver the best value for money to the University with regard to considerations of cost, quality, delivery and sustainability.

The **Director of Finance** is responsible for putting in place an appropriate Purchasing Policy, including direction as to the appropriate routes for the purchasing of different external goods and services, for example, through mechanisms including collaborative purchasing, procurement frameworks and approved suppliers. These procedures will support those engaged in all types of purchasing and other expenditure of University funds in meeting the University value for money requirements and ensure compliance with external regulation.

### 7.2. Segregation of duties

At least two independent individuals are required when incurring external commitments for goods and services and to approve payment for these goods or services on behalf of the University. This includes the use of University purchasing cards. In defined circumstances the **Director of Finance** can authorise exceptions to this principle for operational reasons where in his judgement the risk to the University is very low.

### 7.3. Purchase orders

The **Director of Finance** is responsible for prescribing the form of the purchase order which will set out the University's standard terms of purchase. This purchase order must be completed and approved on the University financial system to ensure that:

- the budget holder is satisfied that the commitment is for an appropriate business expense against an approved budget, and that there are sufficient funds within a budget to accommodate this cost and any future commitments that will be required from the budget.
- other staff, such as the relevant procurement expert, are correctly involved.

Use of the purchase order is compulsory in all but the following circumstances:

- use of approved purchasing card (section 7.7 below)
- use of petty cash (section 7.10 below)
- purchasing from the University's catering provider via the appropriate system
- claims for out of pocket expenses (section 7.8)
- where specific written dispensation has been given by the **Director of Finance** either within published purchasing policies or in another written form.

#### **7.4. Contractual arrangements**

Authority to sign a contract on behalf of the University is set out in the scheme of delegated financial authorities maintained by the **Director of Finance**. Staff who are authorised to sign contracts on behalf of the University must ensure that supplier terms offered are not in conflict with the University's standard terms and conditions. Any agreement to a contract that is not in accordance with the University's terms and conditions must be approved by the **Director of Finance**.

Once a contract is signed, an official University purchase order must be raised and approved through the standard purchase approval route.

#### **7.5. Receipt of goods and services**

All goods should be received at the specified delivery address and checked by a designated individual to ensure they match the description of what was ordered and are of the appropriate quality. It is the responsibility of the person receiving the goods to record the receipt, preferably by obtaining, signing and retaining a delivery note from the supplier. If quality or quantity is unsatisfactory, the supplier shall be immediately notified and action taken.

All services received must be certified as delivered to acceptable quality consistent with the terms of the order or contract under which they are provided. If quality or quantity is unsatisfactory, the supplier shall be immediately notified and action taken.

All receipts of goods and services must be recorded promptly on the University's financial system.

#### **7.6. Payment of invoices**

The **Director of Finance** is responsible for making payments to suppliers of goods and services to the University.

The procedures for the making of all payments shall be in a form specified by the **Director of Finance**.

The **Director of Finance** is responsible for deciding the most appropriate method of payment for categories of invoice.

Invoices will only be paid where they can be matched to orders and confirmation of goods/services received on the financial system. In exceptional circumstances, where an invoice cannot be matched, the **Head of School** or **Director of Professional Service** or authorised delegate will be required to certify the invoice.

It is the University's policy to pay all regular suppliers according to the University's standard terms, or other terms where agreed by the **Director of Finance**.

#### **7.7. University Purchasing Cards**

Where appropriate, the **Director of Finance** may approve University of Sussex purchasing

cards to be issued to certain staff in accordance with the University Purchasing Policy.

Purchasing cards must be used for the payment of valid business expenses only, within the authorised purchase limits. As for all other purchases, cardholders must ensure that there is sufficient budget available to meet the costs and that value-for-money can be demonstrated.

Users will validate their individual purchasing card statements on a monthly basis. Budget holders will review and authorise the monthly statements and records on a timely basis.

### **7.8. Out of Pocket Expenses**

The University shall, reimburse reasonable out of pocket expenditure relating to travelling, accommodation and other incidental expenses wholly, exclusively and necessarily incurred by a **member of staff, others connected with the University**, or other individual in the proper performance of their duties where there are no alternative purchasing routes available. All expense claims must be supported by receipts, invoices or other evidence of expenditure and in the format required by the **Director of Finance**.

Requirements relating to the incurring and re-imburement of out of pocket expenses are contained in the University Purchasing Policy, which must be followed.

The Purchasing Policy provides guidelines on appropriate expense claims and ensures compliance with HM Revenue & Customs income tax requirements.

### **7.9. Cash advances, loans, guarantees and underwriting of liabilities**

Loans and advances are operated exceptionally, under conditions approved by the **Director of Finance**, or the **Director of Human Resources** where the loan or advance relates to pay or salary.

The University will, in no circumstances, offer any guarantee or underwrite any liabilities of a **member of staff** or other person connected with the University.

### **7.10. Purchasing using petty cash**

In limited cases the **Director of Finance** may authorise a petty cash float to be provided at the written request of a **Head of School** or **Director of Professional Service**.

Petty cash must only be used to purchase goods and services required by the area in question where there are no alternative purchasing routes available. It must never be used for personal loans or expenditure, to encash personal cheques or for the payment of fees, wages or salaries.

The **Head of School** or **Director of Professional Service** is responsible for ensuring the security and administration of the cash in accordance with the University Petty Cash Procedure.

### **7.11. Sanctions, embargoes and restrictions**

It is not permitted to enter into transactions with any individual or organisation that is the subject of sanctions, embargoes or restrictions imposed by the United Nations Security Council, European Union, UK Government or any other government or organisation with whom the University is required to comply by virtue of a contractual or regulatory obligation.

An individual or organisation may be the subject of sanctions, embargoes or restrictions by express inclusion on a published list or by association with another individual or organisation appearing on a published list. Individuals and organisations may be the subject of sanctions, embargoes or restrictions because they originate from, operate in or

have association with a particular industry, regime, and country or otherwise defined geography appearing on a published list.

The Director of Finance may consider and authorise any transaction the detailed arrangements of which are permitted under contractual and statutory rule.

**Policies, procedures and other documents referred to in this section**

- [Petty Cash Procedure](#)
- [Purchasing Policy](#)

## 8. Pay expenditure

This section sets out the Financial Regulations regarding the appointment and remuneration of **members of staff**.

### Related sections

Subject to the requirements of paragraph 8.7 below, services of consultants or agency staff who are not deemed under HMRC IR35 regulations to be acting as employees of the University should be acquired through the standard purchasing routes as set out in Section 7 - Financial commitments and expenditure.

#### 8.1. Remuneration of University staff

**Council** determines the principles and strategy for the reward of all **staff employed by the University**, through the **Remuneration Committee**.

The **Director of Human Resources** is responsible for:

- prescribing or approving the form of all timesheets and other pay documents
- payment of salaries, wages and overtime payments to all **staff**, including those working variable hours
- payments to external examiners and casual **staff** via the University payroll
- the statutory reporting of all the relevant payments set out above.

#### 8.2. Creation of posts and appointment of University staff

It is the responsibility of the **Vice-Chancellor** to create new posts and to appoint **members of staff** within the annual budget approved by **Council**.

Recruitment and appointment of academic and professional services **members of staff** should follow University Human Resources procedures following relevant management and financial approval.

All offers of employment with the University shall be made in writing by Human Resources. All University **staff** will normally be appointed in accordance with the University salary structure approved by **Council** and in accordance with the grading, terms and conditions of service for the post.

#### 8.3. Severance payments

**Council** is responsible for approving severance payments to **senior staff** in accordance with the Regulator's guidance on severance payments to **senior staff** in higher education.

**Council** is responsible for the approval of any scheme of payments for early retirement or voluntary severance for all **staff** in a case of organisational change.

The **Vice-Chancellor** and the **Director of Human Resources** may make severance payments to individual **staff** on comparable terms to the approved **Council** scheme for early retirement or voluntary severance or mutually agreed termination where severance is considered to be in the management interest of the University.

#### 8.4. Pension arrangements

**Council** is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The **Director of Human Resources** is responsible for day to day pension matters including paying contributions to various authorised pension

schemes and preparing the annual return to various pension schemes.

The **Director of Human Resources** is responsible for the auto enrolment of relevant **staff**, the eligibility to pension arrangements of all **staff**, and for the initiation or cessation of deductions.

### **8.5. Provision of information**

**Heads of School** and **Directors of Professional Services** are responsible for ensuring that the **Director of Finance** and the **Director of Human Resources** are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of **members of staff**, and on any contractual change.

The **Director of Human Resources** will keep the **Director of Finance** informed of all other matters relating to personnel for budgetary purposes, except with regard to staff planning in the planning round.

### **8.6. Statutory records and compliance**

The **Director of Human Resources** is responsible for keeping all statutory and other records relating to payroll and for compliance with all relevant legislation and statutory requirements.

### **8.7. Consultants, agency staff and persons engaged through Personal Service Companies**

Engaging the services of consultants or personal service companies is subject to prior approval from the **Director of Human Resources** and the **Director of Finance**. In order to comply with HMRC legislation the employment status of all workers providing such services will be assessed. Where an individual provides services doing a similar job in a similar manner to an employee the University will deduct tax and National Insurance from the payment as required under HMRC IR35 regulations. Such workers will be paid through the University's payroll system. If the University can evidence that the payment for an individual's services should not be subject to tax and NI then those services should be acquired through the standard purchasing routes as set out in Section 7 – Financial commitments and expenditure.

Agency staff should be acquired through the standard purchasing routes as set out in Section 7 – Financial commitments and expenditure. Such staff will be paid by the agency but it is still the responsibility of the University to determine the employment status of the worker.

### **Policies, procedures and other documents referred to in this section**

- [Conditions of Service](#)
- the Regulator [Guidance on Severance Payments](#)
- [HR Website](#)
- [Salary Scales](#)

## 9. Tangible assets and significant projects

This section sets the University requirements with regard to the acquisition, safeguarding and disposal of tangible assets and to significant University projects to acquire or develop all types of assets.

### Related sections

Requirements regarding cash assets and investments are considered in Section 4 – Income, commercial activities and banking.

Responsibility for the security of petty cash is set out in Section 7 – Financial commitments and expenditure.

Requirements regarding the purchasing of assets are considered in Section 7 - Financial commitments and expenditure, and Section 3 – Financial management and control.

Insurance requirements are considered in Section 10 - Risk and insurance.

Intellectual property is considered separately in Section 11 – Research, knowledge exchange and external professional activities including consultancy, and Section 4 – Income, commercial activities and banking.

### 9.1. Significant projects

Projects with cash outflow over £10 million (whether incurred directly by the University or University group, or by third parties on behalf of the University) must be approved by **Council** in all cases.

Projects with cash outflow over £5 million must be approved by **Council** where one or more of the following criteria are met:

- project outcomes are not within the University's Strategy
- there is first time use of an implementation route e.g. a delivery method for a capital development not used by the University before
- it is the formal assessment of the **University Executive Group** that the risk profile exceeds the normal University risk appetite.

Significant projects will be reviewed over their lifecycle by an **independent member of Council** appointed by Nominations Committee on the advice of **Strategic Performance and Resources Committee**, who will report on progress to **Strategic Performance and Resources Committee** and **Council**.

Subject to **Council** approval thresholds, **Council** approval is not required for:

- routine tenders for multi-year goods and services such as legal services and energy procurement, except in the case of a novel delivery method or significantly different risk profile
- revenue expenditure already included within the University's budget and 2-year financial forecast returned annually to the Regulator, unless the formal assessment of the **University's Executive Group** is that there is significantly increased risk profile.

Arrangements for the approval of projects and expenditure outside of the relevant **Council** approval criteria are the responsibility of the **Vice-Chancellor**.

## 9.2. Refurbishment, maintenance and related investment in estates

Expenditure on the refurbishment, maintenance and repurposing of the estate, including space moves, is allocated within the **Council** approved annual budget. Spending plans within this allocation are approved by the **Chief Operating Officer** following consultation at the annual meeting of the Annual Plan Programme Board.

## 9.3. Other discretionary works

Discretionary works not included in the annual plan above, but which arise on an 'emergency' basis due to unforeseen circumstances, are approved by the **Vice-Chancellor**.

## 9.4. School and directorate funded property works < £1m

The Policy on Approval of Schools and Professional Directorates Funded Works sets out the requirements and approval process with regard to work related to the University's property portfolio up to the value of £1m, which is funded from the delegated budget of a **Head of School** or **Director of Professional Service**.

## 9.5. Acquisition and disposal of assets

- **Land and buildings**

All freehold and long leasehold (i.e. commitment to a term longer than 20 years) land and building acquisitions or disposals over £10m can only be undertaken with authority from **Council**.

Acquisitions or disposals of freehold and long leasehold land and buildings with a cash impact over £5 million must be approved by **Council** where one or more of the following criteria are met:

- the acquisition or disposal are not within the University's Strategy
- there is a first time use of an implementation route not used by the University before
- it is the formal assessment of the **University Executive Group** that the risk profile exceeds the normal University risk appetite.

In some cases funding conditions attached to the acquisition of the asset may impose constraints on disposal that must be addressed.

- **Other tangible assets**

With the exception of land and buildings, assets will be acquired in accordance with purchasing and financial management requirements as set out Section 7 - Financial Commitments and Expenditures, and Section 3 - Financial Management and Control.

In the case of motor vehicles, the prior written permission of the **Chief Operating Officer** is required before acquisition.

Disposal of assets must be in accordance with procedures defined by the **Director of Finance**.

**Heads of School** and **Directors of Professional Services** must ensure that best value (normally expected to be market value) is obtained for the sale of any goods, including obsolete stock, to external bodies or to **members of staff**. The standard University procedure for accounting for a sale and the receipt of sales proceeds should be followed and

the **Director of Finance** should be consulted for advice regarding VAT and taxation implications.

### **9.6. Care, custody, ownership and security of assets**

All assets acquired either directly or indirectly through the use of University funds must be owned in the name of the University. Funds from research grants and contracts and those held in residue accounts and other devolved codes are University funds, and therefore assets purchased from these funds are owned by the University and will be retained by the University in the event of the departure of the Principal Investigator unless otherwise set out under the terms of the grant or contract.

**Heads of School** and **Directors of Professional Services** are responsible for ensuring the care, custody and security of the assets within their control. This includes buildings (in conjunction with Sussex Estates and Facilities), plant, equipment and furniture, IT equipment, vehicles, stocks and stores. This includes assets purchased from all sources, including research grants and contracts and residue accounts. They are responsible for ensuring that assets owned by the University shall, so far as is practical, be effectively marked to identify them as institution property and recorded in an appropriate Asset Register.

All individuals are responsible for the security of the University's property within their control and for avoiding loss.

Specific requirements also apply dependent on the nature of the asset.

#### **9.6.1. University buildings and facilities**

The **Chief Operating Officer** must authorise the use of University premises or facilities for non-University activities, and for the granting of leases or licences for the use of University space for any purpose.

The **Chief Operating Officer** may authorise the appropriate **Head of School** or **Director of Professional Service** to give written approval for such use. The **Head of School** or **Director of Professional Service** must ensure that a commercial agreement, approved by the **Director of Finance**, is put in place where advised by the **Chief Operating Officer**.

#### **9.6.2. Plant, equipment and furniture**

As a minimum, all University plant, equipment and furniture with a unit cost over £5,000 must be recorded in the appropriate form of asset inventory as prescribed by the **Director of Finance**.

This is the responsibility of **Heads of School** and **Directors of Professional Services** for all such assets under their control. This includes items donated or held on trust.

#### **9.6.3. IT and mobile technology**

Arrangements for the care, custody and security of IT and mobile technology assets are specified by the **Director of Information Technology Services** in the IT Asset Management Policy.

#### **9.6.4. Use of motor vehicles**

University vehicles may only be used by authorised personnel on University business. The **Head of School** or **Director of Professional Service** should maintain a record of

authorised drivers.

University vehicles should not usually be used for travel to and from work and they should usually be left on University premises at night. Where the use of University vehicles is authorised for travel to and from work and they are not left on University premises at night, the **member of staff** is likely to be taxed on the benefit enjoyed. It is the responsibility of Heads of School and Directors of Professional Service to ensure that all University vehicles and persons authorised to drive these vehicles are appropriately insured.

#### **9.6.5. Stocks and stores**

Where a School or Division operates local stocks or stores the **Head of School** or **Director of Professional Service** is responsible for establishing procedures to ensure that stocks and store items are ordered only in appropriate quantities of suitable quality at the best terms available, after appropriate requisition and approval. They are responsible for establishing procedures to ensure that stocks and stores are adequately protected against loss, misuse or obsolescence. Stocks of all items should be maintained at the minimum requirement level and regular inspections and stock checks should be carried out.

**Heads of School** and **Directors of Professional Services** are responsible for ensuring that procedures are in place to account for all stock movements and the correct allocation to the appropriate user.

Certain stocks as defined by the **Director of Finance** require valuation in the University balance sheet. In this case the **Head of School** or **Director of Professional Service** must ensure that there is an annual stock-take and valuation. Procedures must be approved by the **Director of Finance**.

Stocks should be valued at the lower of cost or net realisable value.

#### **9.7. Personal use of University assets**

Whilst limited incidental personal use of University assets supplied to individuals to assist them in their work is acceptable (e.g. laptops, mobile phones), generally assets owned or leased by the University shall not be subject to personal use without proper authorisation in writing by the **Head the School** or **Director of Professional Service**.

Care must be taken not to incur a taxable benefit and any cases of doubt should be referred to the **Director of Finance** or **Director of Human Resources**.

#### **Policies, procedures and other documents referred to in this section**

- Approval of [Schools and Professional Directorates Funded Works](#) Policy
- IT Asset Management Policy
- [Disposal of Assets](#)
- [Major Projects Approval Process](#)
- Income Procedure

## 10. Risk and insurance

This section sets out the University's requirements concerning risk and the management of risk, together with its insurance requirements.

### Related sections

Assets, including motor vehicles, are included in Section 9 – Tangible assets and significant projects.

### 10.1. Risk management

**Council** is responsible for ensuring that the University has a sound system of internal management and control that includes a strategy for the management of risk and a framework through which that is delivered. The framework encompasses all types of risk, be that at an organisational, operational or project level. The **Audit and Risk Committee** oversee the operation of that framework to ensure **Council's** risk management strategy is delivered effectively and reports to **Council** annually with regard to its effectiveness. **Council** reports annually to the Regulator on the University's approach to risk management.

Within the framework, a central Risk Register is maintained by the University. This Register is monitored, updated and reported on to an agreed schedule, proportionate to the potential impact of the identified risks and the risk appetite of the community/activity exposed. Where necessary individual risks are escalated to **Audit and Risk Committee** and/or **Council** in a timely manner for consideration. It is the role of **Audit and Risk Committee** to review and recommend the Risk Register for **Council's** approval.

**Heads of School** and **Directors of Professional Services** are responsible for ensuring that any agreements entered into by their Schools or Divisions with external bodies mitigate commercial risk and cover any legal liabilities to which the University may be exposed.

### 10.2. Insurance

When planning new or reviewing existing activities, or entering into a new contract to provide teaching, research or other services, **members of staff** must consider the risks involved and discuss the need for insurance cover with **Director of Finance**. The **Director of Finance** is responsible for the University's insurance arrangements and must ensure that adequate cover is in place to meet regulatory and legal obligations, safeguard the University's assets, protect its **members of Council** and **members of staff**, and mitigate the University's liabilities. The **Director of Finance** will implement arrangements to provide insurance advice and manage claims. The Corporate Insurance Policy deals with the management of the University's insurance arrangements.

The **Director of Finance** will keep a register of all insurances and the property and risks covered and will report any matters of significance to the **Audit and Risk Committee**.

#### 10.2.1. Research and knowledge exchange project risks

The **Director of Research and Enterprise** is responsible for identifying and obtaining costs for additional insurance cover for activities undertaken under a research or knowledge transfer grant or contract, where the activities are not covered by the University's standard insurance policy or an indemnity from the funder. Where the grant or contract is accepted the **Director of Research and Enterprise** will notify the **Director of Finance** who will arrange the additional insurance cover requirement.

### 10.2.2. New risks and claims

All **members of staff** and others connected with the University, when taking on an activity, must take advice from the **Director of Finance** who will consider whether risks are acceptable or if insurance is necessary and will determine the appropriate insurance. In particular, **Heads of School** and **Directors of Professional Services** must take advice from the **Director of Finance** to ensure that any agreements negotiated within their Schools and Divisions with external bodies contain adequate insurance provisions to cover legal liabilities and indemnities to which the University may be exposed.

**Heads of School** and **Directors of Professional Services** must promptly notify the **Director of Finance** of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. **Heads of School** and **Directors of Professional Services** must advise the **Director of Finance** immediately of any event that may give rise to an insurance claim. The **Director of Finance** will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the **Head of School** or **Director of Professional Service** for submission to the insurers.

**Heads of School** and **Directors of Professional Services** are responsible for ensuring that suitable records are kept of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

### 10.2.3. Travel

**Members of staff** and **others connected with the University** travelling abroad or staying away from home overnight in the UK on University business must arrange cover under the University's Travel Insurance Policy.

All staff and others connected with the University using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use.

### Policies, Procedures and Other Documents referred to in this Section

- [Travel insurance policy](#)
- Central Risk Register
- Register of Insurances
- [Risk Management Strategy](#)
- [Strategic Risk Register](#)

## **11. Research, knowledge exchange and external professional activities including consultancy**

This section sets out the regulations regarding externally-funded research, knowledge exchange and external professional activities (including consultancy). Support for postgraduate research students is included in this section, whilst noting that only those elements funded by eligible third parties such as commercial organisations can be reported as 'research' income.

### **Related sections**

Requirements with regard to income and the commercial exploitation of the University's intellectual assets are set out in Section 4 – Income, commercial activities and banking.

Requirements with regard to the expenditure of University funds are set out in Section 7 - Financial commitments and expenditure.

Requirements with regard to insurance are set out in Section 10 – Risk and insurance.

### **11.1. Standards of conduct**

All research, knowledge exchange and external professional activities should be academically and professionally appropriate, should not bring the University's good name into disrepute, should be consistent with the University Charter and Statutes, and should not jeopardise the University's charitable status. Principles and specific requirements are set out in the University's Code of Practice for Research.

All **members of staff** (and other individuals associated with the University) have a duty of confidentiality to the University, and to its external customers and funders.

### **11.2. Overarching responsibilities with regards to externally funded work**

The **Director of Research and Enterprise** is responsible for prescribing all relevant University policies and procedures and for authorising all applications, negotiating all terms, accepting all awards and entering into related agreements on behalf of the University. It should be noted that agreements in relation to all other external income, including educational activities or services and use of space facilities, are the responsibility of the **Director of Finance**. The **Director of Research and Enterprise** may delegate responsibilities where appropriate and as covered by a relevant scheme of delegation.

Each **Head of School** and **Director of Professional Service** is responsible for ensuring that externally-funded work is appropriately priced with reference to the terms of funding, Full Economic Costing (FEC) principles, and School resources. Where a **Head of School** or **Director of Professional Service** is the **Investigator**, their line manager has these responsibilities.

Each **Investigator** is responsible for ensuring that externally-funded work is performed in compliance with the terms of funding and in accordance with these Financial Regulations and relevant University policy.

All Individuals are responsible for complying with relevant University policy and procedures, notably the Code of Practice for Research, the Research Governance Code of Practice, the Policy on External Professional Activities, and the Policy on Exploitation and Commercialisation of Research.

### 11.3. Research and knowledge exchange grants and contracts

Each School has agreed objectives in relation to its research and knowledge exchange activities, and the generation of income to support those objectives. Within that context, **academic staff** will seek support, on appropriate terms, from external funders and customers for specific research and knowledge exchange programmes and projects, ensuring that these are consistent with the University's academic interests and its strategic plan.

Research (the original investigation undertaken to gain knowledge and understanding) must not be undertaken as consultancy (the provision of expert advice to external clients) or as a service, or vice versa. The University (and the higher education sector) uses the Frascati definition of research which is used by governments and others internationally. This definition underpins that used in the Research Excellence Framework (REF).

Although a funder's support, whether in money or in kind, is usually to enable a named **member of staff** ("the **Investigator**") to undertake a specified project, the formal agreement ("the award"), whether in the form of a grant or contract, is normally between the funder and the University. Such support is therefore subject to these Financial Regulations and to any relevant institutional policies, in addition to any terms the University accepts in the agreement with the funder. The **Director of Research and Enterprise** is responsible for authorising all applications, negotiating all terms, accepting all awards and entering into related agreements on behalf of the University. The **Investigator** is responsible for ensuring that the financial and contractual implications are appraised and approved by Research & Enterprise Services and must involve them at the earliest opportunity. The **Investigator** is also responsible for ensuring that their **Head of School** or **Director of Professional Service** is appraised of the academic, financial and contractual implications.

Research and knowledge exchange projects or activities may occur via a number of routes, for example:

- as a consequence of an individual researcher or group of researchers proposing ideas to a researcher funder
- by a researcher or researchers responding to a call for ideas against a specific topic
- by a researcher or researchers responding to a tender process for a defined piece of work
- via an iterative discussion with a customer about work that will meet their requirements.

Whilst there are various routes for seeking external funding, consideration and authorisation of such funding is managed through a broadly common approval framework in which no **member of staff** may submit applications and tenders, accept awards, or enter into agreements or other commitments on behalf of the University unless they have been given authorisation to do so by the **Director of Finance**.

#### 11.3.1. Costing and pricing of research and knowledge exchange activities

The **Director of Research and Enterprise** is responsible for ensuring that the full economic cost of each research or knowledge exchange project is established, before any application or tender is submitted and prior to any contractual agreement, using the Transparent Approach to Costing (TRAC) methodology and overhead rates issued by the **Director of Finance**. Projects should normally be priced to recover full economic cost as a minimum, except where the prospective funder is a UK Research Council, a UK or overseas Charity, or another public body in the UK or elsewhere with published rules limiting the costs it will meet.

In developing projects, proposals should be subject to suitable internal review as set out in the Policy on Internal Review of Research. Where projects are proposed at less than full cost, the **Investigator**, Research and Enterprise Services and the **Investigator's Head of**

**School** or **Director of Professional Service** should ensure that as far as possible all appropriate allowable costs consistent with the principles of TRAC/FEC and the funder's Terms and Conditions, are charged as direct costs so as to minimise the cost to the University of undertaking work on such terms.

Projects with all other organisations, including industry and government bodies, should normally be priced to at least recover full economic costs. Where the **Investigator** and **Head of School** or **Director of Professional Service** wish to price below full cost, they must provide written justification to the **Director of Research and Enterprise** within the internal approval framework, prior to submission.

### **11.3.2. Research and knowledge exchange activities, award acceptance, and post-award administration**

The **Director of Research and Enterprise** is responsible for accepting awards on behalf of the University. He or she will only accept the award or sign the contract once the terms have been approved by the **Investigator** and the **Head of School** or **Director of Professional Service**. No commitments or expenditure should be incurred until the award has been signed or otherwise accepted.

The **Director of Research and Enterprise** shall maintain all financial records relating to research and knowledge transfer grants and contracts, and shall initiate all cost reports and claims for reimbursement from funding bodies or customer by the due date.

Control of pay and non-pay expenditure will be contained within Schools and Professional Service Divisions. A **Head of School** or **Director of Professional Service** may delegate day-to-day control of the account to a supervisor or grant holder, but any overspend or under-recovery of any project costs is the responsibility of the School or Division with any loss being a charge on that School's or Division's funds.

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the **Investigator**, and will be charged against the School's or Division's funds. It is acknowledged that occasionally circumstances may arise under which a project incurs a loss (or gain) that is outside the direct control of the **Investigator**, for example exchange rate losses on projects awarded in overseas currency, or non-performance of partners working as part of a collaborative project. In such circumstances, losses (or gains) will be the responsibility of the School to which the **Investigator** belongs.

The **Investigator** is responsible for ensuring that externally-funded work is performed in compliance with the terms of funding and in accordance with financial regulations and relevant University policy. Where the **Investigator** is not an employee of the University but has a continuing relationship with the University (for example a **retired member of staff** or a visiting fellow who, with the **Head of School's** or **Director of Professional Service's** approval, is maintaining an active research programme) a current **member of staff** must be nominated as **co-Investigator**, to take on those responsibilities. **Members of Staff** undertaking research activity will maintain records as required by the terms of funding, and where advised by the **Director of Research and Enterprise**, to enable compilation of returns to the funding body, to sector bodies, or to the University.

Most 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 meet these conditions often means that the University may suffer a significant financial or other penalty. It is the responsibility of the **Investigator** to ensure that conditions of funding are met.

### **11.3.3. Approach to contract negotiation and pricing of research and knowledge exchange activities**

The University's policy approach to Contract Negotiation and Pricing of Research and Knowledge Exchange Activities sets out the University's expected contractual position, including on pricing and key non-financial factors.

### **11.3.4. Research and knowledge exchange activities income distribution**

Income from research and knowledge exchange activities shall be distributed in accordance with the University's policy approach to the Distribution of Income from Research and Knowledge Exchange Activities.

## **11.4 External professional activity**

The University encourages **members of staff** to engage in external professional activities, including academic professional activities, public service activities, directorships, consultancy and contracted advisory and professional service activities, which carry forward the University's strategy of directly serving the needs of business and the community locally, regionally and more widely. All such activities, whether conducted on behalf of the University or privately by the individual, must be conducted in accordance with the University's policy on External Professional Activities.

The contractual relationship for some external professional activity, such as academic professional and public service activities or private consultancy, is between the individual **member of staff** and the customer. In these circumstances, the University has no involvement and accepts no responsibility for the performance of work done or advice given by a **member of staff** acting in a private capacity, their results, or any arising liabilities. Activities undertaken in a personal capacity not related to an individual's employment, for example as a local councillor or school parent governor, are a matter for the individual and are excluded from these policies.

The University's Conditions of Service set out the rules governing private work undertaken by University **members of staff**.

### **11.4.1. University consultancy**

The University encourages **members of staff** to undertake consultancy activity on behalf of the University, in furtherance of its mission to share knowledge and enhance its wider impact. Such activity is included in the University's internal and external reporting of its activity, and in the **Investigator's** reported portfolio of external engagement. Moreover, **members of staff** undertaking University consultancy are covered by the University's professional indemnity insurance and, within the defined limits set out in the policy on External Professional Activities, receive appropriate recognition and rewards for undertaking such activity.

Any consultancy that involves the use of the University's name, facilities or intellectual property must be undertaken as a University consultancy, for which the contract is between the University and the client.

A **member of staff** considering carrying out University consultancy work must seek guidance from the **Director of Research and Enterprise**, at the earliest possible stage. The **member of staff's** **Head of School** or **Director of Professional Service** must approve the proposed consultancy activity.

Consultancy should not be undertaken as research (original investigation undertaken to gain knowledge and understanding), or vice versa.

All contracts for the provision of University consultancy services should be undertaken on University standard terms and conditions, which are available from Research & Enterprise Services. Where clients wish to apply different terms and conditions, these must be referred to Research & Enterprise Services at the earliest opportunity for review and negotiation.

The **Director of Research and Enterprise** is responsible for signing all University consultancy contracts. The **Investigator** and the **Head of School** or **Director of Professional Service** must agree the terms before the contract is signed. No commitments or expenditure should be incurred until the award has been signed or otherwise accepted.

Where consultancy is undertaken by an individual working as an employee of the University, income shall be distributed in accordance with the University's policy on External Professional Activities.

Further information for **members of staff**, including an informal quick guide to consultancy, plus FAQs and other helpful related documents are available on the Research and Enterprise website.

#### **11.4.2. Private consultancy**

**Members of staff** must obtain permission from their **Head of School** or **Director of Professional Service** before undertaking private consultancy or directorships, in accordance with the University's policy on External Professional Activities.

**Members of Staff** must not hold themselves out as acting on behalf of the University when undertaking private work: for example, **members of staff** undertaking private consultancy work must not use University-headed stationery or University e-mail accounts. To do so could imply a contractual relationship on behalf of the University. Related guidance on the use of the University's name is available on the Research and Enterprise website.

**Members of staff** may not use University facilities such as laboratories, IT systems and the Library, or University intellectual property for private consultancy or for other private outside interests. This could infringe the University's insurance, health and safety arrangements or third party intellectual property rights and expose customers and the University to serious consequences. In some circumstances it may be possible for the University to provide such facilities providing the full economic cost is paid by the member of staff and with the written authority of the **Director of Finance**.

**Members of staff** undertaking private work are responsible for any disclosures requested by HM Revenue & Customs and any tax liabilities arising therefrom, and for ensuring appropriate insurance is in place, including professional indemnity insurance.

#### **11.5. Commercialisation of intellectual property arising from research & knowledge exchange activities**

Certain activities undertaken within the University including research and knowledge exchange may give rise to ideas, designs, inventions and results. These are collectively known as intellectual property, which may be commercially exploitable.

Subject to certain exemptions, the law grants an employer rights to all intellectual property created by its employees in the course of their normal or specifically assigned duties. The University will consequently normally own intellectual property created by **members of staff** in the course of their employment.

The University aims to exploit its intellectual property to the benefit of itself, society and the inventors by the most appropriate means whilst safeguarding academic dissemination.

The **Director of Research and Enterprise** is responsible for procedures dealing with the protection and exploitation of the University's intellectual property arising from inventions and discoveries made by **members of staff** within the scope of their employment. Inventors are

responsible for bringing new intellectual property promptly to the attention of the **Director of Research and Enterprise**. The **Director of Research and Enterprise** will maintain a record of all registered intellectual property (i.e. patents, design rights, and trademarks). In the event of the University becoming involved in the commercial exploitation of intellectual property, the matter should then proceed in accordance with the policy on Exploitation and Commercialisation of Intellectual Property. All **members of staff** and other individuals associated with the University have a responsibility to ensure the confidentiality and security of any intellectual property or other intangible asset that might have commercial or academic value, and to exercise due care over its use or disclosure.

#### **Policies, procedures and other documents referred to in this section**

- [Code of Practice for Research](#)
- [Conditions of Service](#)
- [Contact Negotiation and Pricing of Research and Knowledge Exchange Activities](#)
- [Distribution of Income from Research and Knowledge Exchange Activities](#)
- [Exploitation and Commercialisation of Intellectual Property Policy](#)
- [External Professional Activities Policy](#)
- [Frascati Definition of Research](#)
- [Internal Review of Research Policy](#)
- [Research and Enterprise Web Site](#)
- [Research Governance Code of Practice](#)
- Scheme of Delegation
- [TRAC / FEC Methodology and Principles](#)
- [University Charter and statutes](#)
- [Use of the University's Name](#)

## 12. Students' Union

This section explains the application of the Financial Regulations to the **Students' Union**, its relationship with the University and its financial responsibilities and accountability to **Council**.

### 12.1. Application of the Financial Regulations

The **Students' Union** is a separate legal entity from the University and, as such, these Financial Regulations do not apply to its operations. There are, however, a number of obligations placed on the **Students' Union** by **Council** by virtue of the University Charter and Statutes, and by section 22 of the Education Act 1994.

### 12.2. Relationship with the University

The relationship between the **Students' Union** and the University is governed by a Memorandum of Understanding which is reviewed by **Strategic Performance and Resources Committee** on an annual basis.

**Strategic Performance and Resources Committee** is responsible for recommending actions arising out of the operation of the Memorandum to **Council**.

### 12.3. Financial accountability to Council

The **Vice-Chancellor** will determine an annual grant to the **Students' Union** within the University's annual budget which is approved by **Council**. The **Students' Union** is accountable to **Council** for the expenditure of the grant.

**Council** requires the **Students' Union**, annually, to present the University with a statement of its current financial situation and outlook, including details of its proposed budget and associated business plan, provided as information to assist in determining the appropriate level of grant.

The **Strategic Performance and Resources Committee** will monitor the financial performance and conduct of the financial affairs of the **Students' Union** in accordance with the Memorandum of Understanding between the University and the **Students' Union**.

### 12.4. Additional responsibilities

The **Students' Union** is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements, which will be audited by an appropriately qualified firm of auditors and will be presented to **Council** for information.

#### Policies, procedures and other documents referred to in this section

- [University Charter and statutes](#)
- [Education Act 1994](#)

### **13. Use of the University of Sussex Seal**

This section sets out requirements with regard to the use of the University Seal.

Where a deed or document requires the University's Seal, it must be sealed by a **member of Council** and the **Secretary of Council (the Chief Operating Officer)** or, in his or her absence, by two members of **Council**.

Use of the Seal is recorded in the University's Register of Seals. This log is available for examination by written request to the **Chief Operating Officer**.

## Appendix 1: Delegated Authorities for principal financial arrangements and transactions

Source delegations are derived from the Financial Regulations or the Council Scheme of Delegation prepared by the Planning, Governance and Compliance Division. Delegations below this level are by the authority of the Vice-Chancellor, Chief Operating Officer or the Director of Finance as allowed for in the Financial Regulations and the Council Scheme of Delegation.

Council may delegate further responsibilities to its Committees. These will be defined in the terms of reference of those Committees as approved by Council.

**Table 1: Council Committees and senior officers**

	Annual Budget	Tuition Fees and Student Residences Rents	Debt Write-offs	Borrowing and leases	University contracts	Income from gifts and donations	Expenses, Purchasing: purchase orders (POs), invoices and contracts	Capital and other significant projects	Research, Knowledge Exchange and consultancy
Fin Regs Ref	s3.2, 3.3, 3.4	s4.1, 4.2	s4.9	s4.14, s9.5		s5	s7	s9	s11
Council	Approves the Annual Budget and forecasts	Approves tuition fee framework and Student Residences Rents		Approves long term borrowing  Approves Borrowing Policy  Approves all long term leases (over 20 years) if criteria in s9.5 of Financial Regulations are met.	Approves regulations concerning signature on contracts			Approves all projects with a cash outflow of £10m or higher  Approves projects with outflow of >£5m if criteria in s9.1 of Financial Regulations are met	

Strategic Performance and Resources Committee	Recommends Annual Budget to Council and reviews in-	Recommends tuition fee framework to Council		Recommends Borrowing Policy to Council.		Receives annual report from DoF on use		Recommends approval of projects with cash outflow of	
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	year financial monitoring reports	Recommends Student Residences Rents to Council		Recommends approval of long term leases to Council  Approves borrowing as delegated by Council in Borrowing Policy		of restricted funds		>£10m or >£5m if criteria in s9.1 of the Fin Regs are met	
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**Table 2: Senior University Officers**

	Annual Budget	Tuition Fees and Student Residences Rents	Debt Write-offs	Borrowing and leases	University contracts	Income from gifts and donations	Purchasing: purchase orders (POs), invoices and contracts	Capital and other significant projects	Research, Knowledge Exchange and consultancy
Fin Regs Ref	s3.2, 3.3, 3.4	s4.1, 4.2	s4.9	s4.14, s9.5		s5	s7	s9	s11
Vice-Chancellor			Approves all write-offs over £10k		Signatory on any contract	UEG approval of all donations over £1m  With Director of Development and Alumni Relations and Director of Finance, approves donations of between £100k and £1m	Second signatory on POs and contracts over £750k and invoices over £1.5m  Approval of staff expenses – any amount	Makes arrangements for the approval of projects that do not require Council approval and approves works required on an ‘emergency’ basis	Second signatory on applications, awards and contracts over £5m
Chief Operating Officer			Approves write-offs of up to £10k		Signatory on contracts relating to building, capital works, Maintenance and		Approves POs up to £50k.  Second signatory on POs and contracts over £750k and invoices over	Approves spending plans for maintenance and refurbishment of Estate within Council-	Second signatory on applications, awards and contracts over £5m

					operational services and business activities		£1.5m Approval of staff expenses – any amount	approved budget Approves expenditure of up to £1m from School or Directorate budgets	
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Director of Finance	Prepares the Annual Budget and in-year monitoring reports	Approves individual tuition fees within framework agreed by Council and the application of fee waivers and discounts	Approves write-offs of up to £10k	<p>Recommends Borrowing Policy to SPRC.</p> <p>Approves leases for equipment and other assets of duration of less than 20 years and hire purchase contracts where either is in excess of delegated powers in Schools/PS Divisions</p>	Signatory on contracts related to business activities	<p>With Vice Chancellor and Director of Development and Alumni Relations, approves donations of between £100k and £1m</p> <p>Maintains financial records</p> <p>Ensures the appropriate investment of funds</p> <p>Ensures that</p>	<p>Approves POs and contracts up to £750k</p> <p>Approves invoices up to £1.5m</p> <p>Signatory on POs and contracts over £750k and invoices over £1.5m</p> <p>Approves delegated authorities within Schools and PS Divisions</p> <p>Approves the issue of purchasing cards</p>		Second signatory on applications, awards and contracts over £5m
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						gifts of >£50k are set up as endowments (where allowable under the terms of the donation)	Approval of staff expenses – any amount		
Deputy Vice-Chancellor							Second signatory on POs and contracts over £750k and invoices over £1.5m  Approval of staff expenses – any amount		Second signatory on applications, awards and contracts over £5m
Director of Human Resources							Approves POs, invoices and contracts to £50k  Second signatory on POs and contracts over £750k and invoices over £1.5m  Approval of staff expenses – any amount		Second signatory on applications, awards and contracts over £5m

**Table 3: Other University officers**

	Annual Budget	Tuition Fees and Student Residences Rents	Debt Write-offs	Borrowing and leases	University contracts	Income from gifts and donations	Purchasing; purchase orders, invoices and contracts	Capital and other significant projects	Research, Knowledge Exchange and consultancy
Fin Regs Ref	s3.2, 3.3, 3.4	s4.1, 4.2	s4.9	s4.14, s9.5		s5	s7	s9	s11
Director of Research and Enterprise (see also Director of PS Division)					Signatory on research contracts up to £5m				Approves funding applications, awards and contracts up to £5m <sup>1</sup>
Director of Development and Alumni Relations (see also Director of PS Division)						Approves receipt of donations of under £100k  With Vice-Chancellor and Director of Finance, approves donations of between £100k and £1m  Provides annual report to Audit and Risk			

						Committee on gifts over £25k, gifts refused, a summary of due diligence undertaken in past year and complaints from donors			
Director of Estate & Facilities Management								Approves projects with a value of up to £25k funded from School or Directorate budgets	
Head of School / Director of Professional Services Division	Responsible for the effective use of funds and for remaining within approved budget			Approves leases for equipment and similar assets and hire purchase agreements with a <b>total value</b> of up to £50k			Approves POs, invoices of up to £50k as a sole approval (above this goes to Director of Finance for approval)  Approves contracts of up to £50k providing University		

							terms and conditions are in place. Approval of staff expenses – any amount		
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Budget holders (with delegated powers) <sup>2</sup>	Responsible to the Head of School/Director or of PS Division for the effective use of funds and for remaining within approved/delegated budget					(if nominated by Director of DARO) responsible for the management, control and spending of gifts or donations	Approves expenditure of up to £10k providing within budget, but cannot sign contracts		
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**Notes**

<sup>1</sup> Over £5m, any 2 signatories from the Vice-Chancellor, the Chief Operating Officer, the Deputy Vice-Chancellor, Director of Finance and Director of Human Resources.

<sup>2</sup> In addition, budget holders may act as substitutes (on a temporary or permanent basis) for Heads of School and Directors of Professional Service Divisions and therefore have the limits normally delegated to these senior managers. This requires the approval of both the relevant Head of School or Director of Professional Service Division and the Director of Finance to ensure the delegation proposed does not open the University to additional risk.

Delegations of authority are documented within the Finance Division and approved by the Director of Finance. They are reviewed on an annual basis.