

The University of Dundee

# FINANCIAL REGULATIONS

Approved by Finance & Policy Committee on 3 August 2021

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## A. OVERVIEW

### 1. Legal Background

- 1.1 The University of Dundee (the University) is an independent corporation founded by Royal Charter (company number RC000649) on 1<sup>st</sup> August 1967 and the structure of its governance is set down in its Charter and Statutes, Ordinances and General Regulations.
- 1.2 The University must comply with the Financial Memorandum issued by the Scottish Funding Council (SFC), other SFC guidance and any relevant requirements of Her Majesty's Revenue and Customs (HMRC), the Office of the Scottish Charity Regulator and other official agencies.
- 1.3 The University is an exempt charity (charity number SC015096) within the meaning of the Trustee Investment and Charities (Scotland) Act 2005, as such it is a charity within the meaning of Section 506(1) of the Income and Corporation Taxes Act 1988 and it is recognised by HMRC as a charity.

### 2. Status and Scope

- 2.1 The University is obliged to maintain sound systems of financial and management control and the Financial Regulations set out the fundamental principles that underpin all transactions undertaken by or on behalf of the University.
- 2.2 The Financial Regulations form part of the General Regulations governing the University and are binding on all members of the University (staff, students and other associated individuals such as lay members of Court) and to all its subsidiary companies and to all funds, irrespective of their source.
- 2.3 All staff must ensure that they:
  - Are conversant with those Financial Regulations (including any related policies and procedures) relevant to their job and adhere to these at all times.
  - Seek appropriate guidance prior to engaging in financial areas with which they are not familiar.
- 2.4 Any member of staff who fails to comply with them may be subject to disciplinary action under the University's Disciplinary Procedures.
- 2.5 The Financial Regulations are supported, where relevant, by financial policies and procedures which provide operational instruction as to how they should be applied.

- 2.6 In the event of any conflict between the Financial Regulations and a supporting financial policy or procedure then the Regulations shall take precedence.
- 2.7 Where situations arise that are out-with the Regulations or where they are not clear the advice of the Director of Finance must be obtained.

### 3. Financial Responsibilities

- 3.1 The University Court is the governing body of the University and is responsible for the governance and control of the financial affairs of the institution, along with establishing and monitoring effective systems of internal control and accountability throughout the University.
- 3.2 The University Court's primary responsibilities include the approval of the financial strategy; the approval of long-term business plans and annual budgets; and acting to ensure the University's solvency and to safeguard its assets. These responsibilities are set out on the University's website at: [Primary Responsibilities of Court](#)
- 3.3 The University Court is responsible for ensuring the proper use of public funds awarded to the University as well as adherence to the funding requirements of the Scottish Funding Council (as set out in its 'Financial Memorandum with Higher Education Institutions') and other associated guidance, along with any conditions associated with other funding received by the University.
- 3.4 The University Court is responsible for ensuring that the University has arrangements in place for the proper management and assessment of risk within the institution.
- 3.5 The University Court is advised by the Finance and Policy Committee on all matters pertaining to the financial affairs of the University. The Committee also reviews and monitors the Estates Strategy, including providing scrutiny of major capital investments.
- 3.6 The Finance and Policy Committee's terms of reference are on the University website at: [Finance and Policy : Academic and Corporate Governance : University of Dundee](#)
- 3.7 The Principal, appointed by the University Court as the designated officer, is directly accountable to the Chief Executive Officer of the Scottish Funding Council for the institution's proper use of funds. The Principal is responsible for the effectiveness of the University's system of internal control and risk management.
- 3.8 The Principal chairs the University Executive Group whose members advise the Principal on matters of policy. It also advises the University Court and Senate on matters of strategic

policy (academic and resource) and acts on a day-to-day basis to implement the policies of the University Court and Senate.

- 3.9 The membership of the University Executive Group is available on the University website at: [University Executive Group | University of Dundee](#)

## B. CORPORATE GOVERNANCE

### 4. Delegation of Authority

- 4.1 The University employs a hierarchical structure of delegation which governs budgetary authority across the University. The University's authorization hierarchy is approved by the University Court via the 'Schedule of Delegation'.
- 4.2 The University's 'Schedule of Delegation' is available from the University's website at: <https://www.dundee.ac.uk/corporate-information/schedule-delegation-decision-making-powers>
- 4.3 Budget holders are accountable to the Principal for the financial management of the budget units that they control and are required to establish and maintain clear lines of authorisation for all financial matters within their units. This accountability cannot be delegated.
- 4.4 Budget holders may, to ensure the efficient operation of their budgetary units, delegate certain budgetary responsibilities (not exceeding their own specified limits) to other named individuals within their units, however the budget holder remains ultimately accountable for any delegated responsibilities.
- 4.5 Only members of the University who are employees (holding a valid contract of employment with the University) can have purchasing authority within the University's procurement and finance system. Members holding positions as honorary staff are not employees.
- 4.6 All purchases should be made with reference to the approved budgets as confirmed following the University's annual budgeting process.
- 4.7 In addition to budgetary approval, each order will also be subject to purchasing approval to ensure that orders comply with the University's procurement policy, available on the University website at <https://www.dundee.ac.uk/procurement/policy-legislations/>
- 4.8 The delegation of authority hierarchy for purchasing is automated within the University's finance and procurement system.

## 5. Segregation of Duties

- 5.1 It is University policy that the concept of segregation of duties must be applied in all instances where staff are in roles where they could enter into a financial commitment on behalf of the University. In particular: -
- There must be segregation of duties between the requisitioning and ordering/invoice approval functions.
  - All orders raised must be approved by the relevant budget holder.
  - Authorisation limits must be adhered to.
- 5.2 Any exceptions to this policy must be communicated to and approved by the Director of Finance in advance of their being implemented.

## 6. Risk Management

- 6.1 The University acknowledges the risks, including financial risks, inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.
- 6.2 The University's 'Risk Management Policy' is available from the University's website at: <https://www.dundee.ac.uk/corporate-information/risk-management-policy>

## 7. Counter Fraud

- 7.1 Fraud is defined as "The intentional distortion of financial statements or other records by persons internal or external to the University, to conceal the misappropriation of assets, or for some other purpose".
- 7.2 Also within scope are: -
- *Theft* - The dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.
  - *Other Irregularity* - The failure to observe the University's Financial Regulations, policies and procedures, or a breach of the laws of the land.
- 7.3 The University requires staff to act honestly and with integrity at all times, and to safeguard the institutional resources for which they are responsible.
- 7.4 The University is committed to ensuring that opportunities for fraud are reduced to the lowest possible level of risk and has robust mechanisms for prevention and detection.

Consequently, all cases of fraud, or attempted fraud, will be thoroughly and promptly investigated. Where appropriate, legal and/or disciplinary action will be taken.

- 7.5 University staff have a responsibility to report immediately any suspected fraud, theft, or other financial irregularity.
- 7.6 The University's policy statement 'Fraud – Prevention and Investigation' is available from the University's website at [Statement on Fraud](#)



## 8. Anti-Bribery and Corruption

- 8.1 Bribery is defined as “giving or receiving a reward in order to influence the actions of another individual (or individuals). The reward may be financial, academic, or another advantage or favour as a means to influence their actions. Bribery may persuade another to act dishonestly or in breach of the law”.
- 8.2 Corruption is defined as “giving or obtaining advantage through illegal or dishonest behaviour, or through means which are inconsistent with one’s duty or the rights of others”.
- 8.3 All staff must comply with the University’s ‘Anti-Bribery Policy’ at all times, the policy is available from the University’s website at <https://www.dundee.ac.uk/corporate-information/anti-bribery-policy>

## 9. Money Laundering Regulations

- 9.1 Money Laundering is defined as “exchanging money or assets that were obtained criminally for money or other assets that are ‘clean’ (i.e. without any obvious link with criminal activity)”.
- 9.2 All staff must comply with the University’s Anti-Money Laundering Policy which is available from the University’s website.

## 10. Whistleblowing

- 10.1 Whistleblowing in the context of the Public Interest Disclosure Act is a disclosure alleging corruption, malpractice, or wrongdoing on the part of another person within an organization. A ‘whistle-blower’ is a person who exposes this.
- 10.2 The University’s ‘Whistleblowing (Public Interest Disclosure) Policy’ is available from the University’s website at <https://www.dundee.ac.uk/corporate-information/whistleblowing-policy>

## 11. Code of Conduct

- 11.1 The University is fully committed to the highest standards of openness, integrity and accountability and expects that all members of the University will act in accordance with the principles established by the Committee on Standards in Public Life (the ‘Nolan principles’) of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

11.2 Members of the University, particularly those with the responsibility for the administration or management, should never use their authority for personal gain and should always seek to uphold and enhance the standing of the institution.

## 12. Conflicts of Interest

12.1 It is the duty of all employees to disclose any actual or potential conflict of interest.

12.2 Members of University committees must declare any relevant interest, financial or otherwise, in matters under discussion and should, if requested by the Chairperson, withdraw from such discussion.

12.3 On occasions external funders, particularly with regard to externally funded research projects, may impose additional requirements. Members of the University whom are linked to such projects are expected to comply both with the University's own general guidance and the funders' additional specific guidance.

12.4 In addition to the general duty to disclose conflicts of interest members of the University occupying the following positions must submit an annual declaration of external interests:

- Members of Court and supporting officers
- Vice Principals, Deans of schools and Directors of professional services
- Other officers with significant budgetary or procurement responsibilities

12.5 A record of all declarations made is maintained by the University Secretary.

12.6 The University's 'Code of Practice on Conflict of Interest' is available from the University's website at <https://www.dundee.ac.uk/corporate-information/conflicts-interest-policy>

## 13. Gifts and Hospitality

13.1 A gift or an offer of hospitality should be both proportionate and appropriate to the circumstances in which it is offered or received. Staff should at all times avoid the risk of accepting or providing gifts or hospitality which might be perceived as immoderate, excessive or extravagant, whether by members of the University or the public.

13.2 Advice on whether a gift or hospitality can be accepted should be sought in the first instance from the relevant Dean or Director and thereafter from the Director of Legal or the Director of Academic and Corporate Governance.

### 13.3 Definitions:-

- *Gifts* - any items or services given or received for which no payment has been made in return or where the item or service has been accepted or provided at a level clearly below an appropriate market value.
- *Hospitality* - any food, drink, accommodation, or entertainment which has been provided either without charge or at a heavily discounted rate

13.4 All staff and members of the University Court must not accept, solicit or offer any personal benefit as an inducement or reward for taking specific action or for showing favour or disfavour to any other person. This includes the acceptance or solicitation of benefits on behalf of other related parties, such as partners, spouses, other family members or colleagues.

13.5 Moreover, staff must not accept gifts or hospitality or benefits of any kind if it might be perceived that their personal integrity or professionalism has been compromised, or that their decisions may have been influenced, or if they or the University might be seen to be placed under an obligation.

13.6 Personal gifts of money (or monetary instruments) should never be accepted regardless of amount. Gifts of money to the University should be received only if they are clearly charitable donations, co-ordinated through the Principal, the Director of Finance or the Director of External Relations.

13.7 Gifts of greater than low intrinsic value should on the whole be declined or returned. All such gifts, whether declined or accepted, must be declared to the relevant Dean or Director, as appropriate, to be entered into a Register of Gifts & Hospitality.

13.8 Hospitality which falls out-with what is generally acceptable, whether accepted or declined, must be declared to the relevant Dean or Director, as appropriate, to be entered into a Register of Gifts & Hospitality

13.9 Failure to declare gifts or hospitality or failure to include them timeously on the Register of Gifts & Hospitality may constitute misconduct, particularly where acceptance or provision of such gifts or hospitality calls into question the integrity of the individual receiving or offering such gifts or hospitality or where as a result the University is brought into disrepute

13.10 The University's 'Gifts and Hospitality Policy' is available from the University's website at <https://www.dundee.ac.uk/corporate-information/gifts-hospitality>

## 14. Value for Money

14.1 It is a requirement of the Scottish Funding Council's 'Financial Memorandum' that the University must:

- Have a strategy for reviewing systematically management's arrangements for securing value for money; and
- As part of its internal audit arrangements, obtain a comprehensive appraisal of management's arrangements for achieving value for money.

14.2 All staff are responsible for ensuring the University obtains value for money from funds received from all sources. Staff must ensure they use:

- University resources and assets in a prudent way to meet agreed University objectives.
- Resources received or allocated for the purpose for which they are intended.
- Internal audit will also have regard to value for money in its programme of work to enable the Audit and Risk Committee to provide assurances regarding value for money in their annual report to Court.

## C. FINANCIAL MANAGEMENT

### 15. Accounting Periods

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

### 16. Financial Planning and Budgeting

16.1 The Director of Finance is responsible for the production of the University's draft five-year financial plan and the associated annual budgets as part of the annual planning and accountability cycle.

16.2 Each budget holder is responsible for the production of a draft five-year plan and the associated annual budgets for their own area of responsibility. These are subsequently reviewed and subject to appropriate challenge by senior managers in a series of planning and budget meetings.

16.3 The five-year plan and the associated annual budgets are approved annually by the University Court, acting on the recommendation of the Finance and Policy Committee.

16.4 Budget Holders are individually accountable for the delivery of the approved budget within their own areas and for supporting cross-institutional budgetary initiatives.

16.5 Approval from the Director of Finance is required before any variation can be made to an approved budget.

16.6 Budget Holders are required to implement effective operational procedures and processes within their own areas to ensure that, in a timely manner, they are both informed of and are able to take appropriate actions to address budgetary variances.

16.7 All material budgetary variances that arise, even if subsequently successfully mitigated, should be reported to the Director of Finance in a timely manner.

16.8 The Director of Finance is responsible for providing appropriate professional advice on relevant financial matters, including the provision of appropriate and timely management information, throughout the year to key stakeholders in the University so that material budgetary variances and all other significant financial risks or opportunities can be managed as required throughout the year. (Key stakeholders include but are not limited to; Budget Holders, the Principal, the University Executive Group, the Finance and Policy Committee and the University Court).

## 17. Financial Statements

- 17.1 The University's consolidated financial statements are prepared on an annual basis in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments), with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and with applicable Financial Reporting Standards in the United Kingdom. They are also prepared in accordance with the Accounts Direction issued by the Scottish Funding Council
- 17.2 The consolidated financial statements are subject to audit by the University's appointed external auditors.
- 17.3 The consolidated financial statements are approved annually by the University Court, acting on the recommendation of the Audit and Risk Committee and on the advice of the Finance and Policy Committee.

## 18. Treasury Management

- 18.1 The University Court is responsible, acting on the advice of the Finance & Policy Committee, for approving the Treasury Management policy. The areas covered in this policy includes cash management, long term investments and borrowings.
- 18.2 The Director of Finance is responsible for the development and maintenance of the Treasury Management policy and its' operational implementation, ensuring compliance with any relevant covenants contained within the Financial Memorandum as agreed with the Scottish Funding Council.
- 18.3 The Director of Finance will report annually (or more frequently as appropriate) to the Finance and Policy Committee on the treasury management activities being undertaken and on the exercise of the delegated powers.
- 18.4 Only the Director of Finance may initiate opening or closing a bank account for dealing with the University's funds, following the bank's mandate procedures. All bank accounts shall be in the name of the University or one of its subsidiary companies.
- 18.5 University Court is responsible for the appointment of the University's bankers and other professional financial advisors, acting on the recommendation of the Finance and Policy Committee.
- 18.6 All payments and all automated transfers on behalf of the University must be authorized in accordance with the prevailing bank mandate approved by the University Court.

18.7 The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

18.8 The University's 'Treasury Management Policy' is available from the University's website at <https://www.dundee.ac.uk/corporate-information/treasury-management-policy>

## 19. Taxation

19.1 The Director of Finance is responsible for advising on all taxation issues affecting the University, in the light of guidance issued by the appropriate bodies and relevant legislation.

19.2 The Director of Finance will issue instructions on statutory compliance on taxation matters relating to (but not limited to) VAT, Income Tax, National Insurance, Corporation Tax, Import Duty and other relevant legislation.

19.3 The Director of Finance is accountable for maintaining the University's tax records, making tax payments, receiving tax credits and submitting tax returns as appropriate.

19.4 The Director of Human Resources and Organisational Development has delegated responsibility for the collection of Income Tax and National Insurance via the PAYE scheme and the monitoring and submission of related tax returns.

## 20. Accounting Records and Retention

20.1 The Director of Finance and Heads of schools and Directors of professional services are responsible for the safe retention of all prime financial documents which are under their control.

20.2 Accounting records must be kept in a form acceptable to the relevant authorities and in line with legal requirements and be produced on request. External organizations, such as HMRC and grant awarding bodies, may impose serious penalties on the University, including fines, penalties and the repayment of grants, if documents cannot be produced.

20.3 Staff shall ensure that the retention arrangements comply with the University corporate records management policy, which is located <https://www.dundee.ac.uk/corporate-information/records-management-policy>

## 21. Audit Oversight

21.1 The University Court is advised by the Audit and Risk Committee on all matters pertaining to:

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- Proper financial management.
- The effectiveness of internal control and management systems.
- Safeguarding the assets of the University and public funds.
- The economy, efficiency, and effectiveness of the University's activities.
- Corporate governance and conduct of the University's operations.

21.2 The University Court is responsible for the appointment of both the external and internal auditors, acting on the recommendation of the Audit and Risk Committee.

21.3 The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as is necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Scottish Funding Council's 'Financial Memorandum with Higher Education Institutions' and the Auditing Practices Board's statements of auditing standards.

21.4 The primary role of internal audit, applying the principles set out in relevant Internal Audit Standards, is to provide assurance as to the adequacy of the University's internal control system in order that: -

- The University Court and the Audit and Risk Committee, as well as senior management, can judge the extent to which they may place reliance on the internal control system;
- Individual managers can judge how reliable are the systems and controls for which they are responsible

21.5 The senior managers of the University are accountable for ensuring that an adequate system of internal control is in place and that it is working effectively, efficiently, and economically.

21.6 External and internal auditors shall from time to time make audit recommendations. The senior managers of the University are responsible for either the implementation of these recommendations to the agreed timescales or their decision that the recommendations will not be implemented and that the University will bear the resultant business risk.

21.7 The external and internal auditors of the University have authority to:

- Gain access to all University premises.
- Have prompt access to all assets, records, minutes, agreements, contracts, documents and correspondence relating to any financial and other transactions of the University.



- Require and receive true, complete explanations and confirmations in regard to any financial or related matter that is under examination and to require and receive upon request prompt written confirmation of the same.
- Require any member of the University or its subsidiaries to account for cash, stores, or any other University property under their control.
- Gain access, subject to availability, to records belonging to third parties, e.g. contractors and suppliers. University staff must support and assist such requests to third party record holders.

21.8 The internal auditor has direct access to the University Court, the Principal and the Chair of the Audit and Risk Committee.

21.9 Other official auditors, including the SFC, the Research Councils, the Audit Scotland, the European Court of Auditors and HMRC, may have the same rights of access as the internal and external auditors to the areas relevant to their role, subject to relevant conditions.

## D. Income

### 22. Sales Invoicing and Receipts

22.1 The Director of Finance is responsible for the University's sales invoicing, debt management and credit arrangements.

22.2 In exercising these responsibilities, the Director of Finance will ensure that:

- Invoices are raised promptly in respect of all income due to the University (other than for block payments such as Scottish Funding Council grant payments and tuition fee income);
- Invoices are prepared with care, recorded in the University's finance system, show the correct amount due and are credited to the appropriate income account;
- Any credits granted are valid, properly authorized and accurately recorded in the University's finance system;
- VAT is correctly charged and accounted for, where appropriate;
- Monies received are posted to the correct debtors account;
- Swift and effective action is taken in collecting overdue debts;
- Outstanding debts are monitored and pursued, and reports are prepared for management;
- Debt which is more than 12 months overdue, or is deemed irrecoverable before that date, is charged back against the budget area that was originally credited with the income;
- Reports are prepared for management.

22.3 The Director of Finance is responsible for ensuring that new customers are set up appropriately including credit checks and application of standard payment terms.

22.4 When selling goods or services to a third party it is necessary to raise an invoice, other than for incidental cash sales (e.g. library fines, catering, sport recreation service)

22.5 All members of staff have a responsibility to advise Finance of all sums due from transactions initiated by them.

22.6 All monies received by the University must be:

- Recorded within the University's finance system either through direct input or through an appropriate interface from another University approved system platform;
- Paid in and accounted for in full and should not be offset to meet miscellaneous expenses or used as a petty cash float.

## 23. Funding Council Grants

- 23.1 The Director of Strategic Planning is responsible for the allocation of the main recurrent grants. The method of allocation is reviewed annually, and the allocation process is embedded within the annual budgeting process. Finance is responsible for attributing the income subsequently received to Budget Holders based on Strategic Planning's guidelines.
- 23.2 The Scottish Funding Council may also make available additional funding to support the teaching and research infrastructure within the University. The Director of Strategic Planning and the Director of Finance will jointly agree the basis of allocation for such funds.

## 24. Tuition Fees and Education Contracts

- 24.1 The level of tuition fees charged to students is reviewed by the University Executive Group, acting on the recommendations of the Fees and Scholarship Committee, on an annual basis and approved by the Finance & Policy Committee on behalf of the University Court.
- 24.2 The Director of Finance is responsible for ensuring that all tuition fee income is both appropriately accounted for within the finance system and subsequently reported on to relevant Budget Holders.
- 24.3 The procedures for the collecting tuition fees must be approved by the Director of Finance. This information is available on the University website at:  
<https://www.dundee.ac.uk/finance/student-finance/>

## 25. Research Grants and Contracts

- 25.1 All research grants and contracts must be approved in accordance with the Schedule of Delegation.
- 25.2 The University's policy is that that all externally funded research will be costed on a 'full Economic Cost' basis, except for travel grants and equipment grants. Guidelines on how the University operates full economic costing for research are available from the University's Finance website.
- 25.3 The Principal Investigator is responsible for ensuring that: -
- When approaches are made to external bodies for research projects or where contracts are to be undertaken on behalf of such bodies that the financial implications have been fully appraised;

- A set of grant terms and conditions are obtained from each funding body and that any specific conditions of offer are understood within the School / Directorate and are fully complied with;
- A risk assessment is undertaken and evidenced, prior to approval, to identify any actions, events or sets of circumstances that could arise as a result of the grant or contract, that could adversely impact on the University's ability to achieve its objectives;
- University approval is obtained for each project / contract in line with the Partnership Model and Schedule of Delegation.

25.4 Research and Innovation Services is responsible for: -

- Reviewing the terms and conditions of all research grants and contracts and providing advice to the University as required;
- Supporting all contractual requirements relating to research grants and contracts;
- Providing pre-award administration for commercially funded research agreements

25.5 The Research Finance Services team of the Finance Directorate are responsible for: -

- Providing pre-award administration for all research grants and contracts (including costing of commercially funded research agreements).
- Providing post-award financial administration for all research grants and contracts from the point of acceptance to final closure of the project and subsequent audit.

25.6 Research Finance is also responsible for raising all invoices relating to research grants and contracts.

25.7 Each awarded research grant or contract must be set up as an individual project on the University's financial system, with all income received and expenditure incurred on each grant or contract being recorded. Each project must have a named Principal Investigator.

25.8 The Principal Investigator is accountable for the financial management of all project expenditure, both pay and non-pay, and is required to establish and maintain clear lines of authorization for all financial matters within it to ensure that the project is managed correctly; all expenditure is appropriate and remains within budget. This accountability cannot be delegated.

25.9 A Principal Investigator may, to ensure the efficient operation of their project, delegate certain budgetary responsibilities (not exceeding their own specified limits) to other named individuals within their team.

- 25.10 If one or more of the conditions on a project change then the Principal Investigator must notify Research Finance, who will record necessary information, and formally agree the change with the funding body where necessary.
- 25.11 If additional funding is sought for an existing project, then the Principal Investigator must ensure that University approval is obtained for this change in line with the Partnership Model.
- 25.12 A project will be closed when the final claim has been submitted.
- 25.13 Once a project has been closed and a final claim submitted no further amendments can be made by the Principal Investigator
- 25.14 Any loss to the University arising from a failure to meet conditions of funding is the responsibility of the School / Directorate and will be charged to their income and expenditure account.
- 25.15 Any deficit on a research project, arising from an overspend and which cannot be offset against another eligible source of funding will be charged to the relevant School / Directorate income and expenditure account in the year that it is identified.
- 25.16 Any surplus on a research project, that is not required to be returned to a funding body or shared with another institution or the health board, will be accounted for as additional overhead contribution to the project in the year that the project is closed.

## 26. Other Income (Incl. Consultancy)

- 26.1 All other income generating activity that falls out-with tuition fees and education contracts or research grants and contracts, where the University provides a service to an external organization, will be considered to be a 'services rendered' contract. Services rendered contracts include activities such as; conferences, Continued Professional Development courses and consultancy / service work.
- 26.2 All services rendered contracts must be signed on behalf of the University in accordance with the Schedule of Delegation. It is the responsibility of all staff members acting within their delegated authorities to ensure that the University's procurement policy and procedures are being followed when entering into such contracts with an external third party.
- 26.3 All services rendered contracts should be priced so as to generate a surplus over the full economic cost of the activity. There is an underlying presumption that contract pricing that

merely covers the direct and/or marginal costs of the activity to be undertaken is insufficient and such contracts should not be entered into by members of the University.

- 26.4 In situations where there is deemed to be an overriding imperative that would justify entering into a contract that does not generate a surplus over full economic cost then the Budget Holder must provide a full explanation before the contract is signed.
- 26.5 The income and expenditure for services rendered contracts will be accounted for in the relevant School/ Directorate. Surpluses and deficits on such contracts will also be credited/charged accordingly.
- 26.6 All invoices related to all services rendered contracts must be raised in the finance and procurement system and issued by the Finance Directorate.
- 26.7 The University's 'Consultancy and Service Work' policy is available from the University's web site at: [Consultancy & Service Work Policy](#)

## 27. Donations

- 27.1 Responsibility for the acceptance and refusal of gifts rests ultimately with the Court of the University even where decision making has been delegated.
- 27.2 The Director of External Relations is responsible for providing such information to the Court at its meetings about the solicitation and acceptance of gifts as the Court shall determine. As a minimum, the Director of External Relations will provide to the Court a report of all new gift agreements entered into by the University. The report will indicate all "referral gifts", i.e. those for which a formal test of compliance with the donations policy has been undertaken, together with the process by which each such gift came to be accepted.
- 27.3 The Director of Finance is responsible for maintaining financial records in respect of all gifts and donations made to the University and for initiating claims for recovery of tax where appropriate.

The University's 'Donations Policy - Acceptance and Refusal' is available from the University's web site at: <https://www.dundee.ac.uk/corporate-information/donations-policy-acceptance-refusal>

- 27.4 The operation of the policy was approved by Court, on the advice of the Audit and Risk Committee, and is subject to review at least once every three years.

## 28. Endowments

- 28.1 The Endowments Committee, a sub-committee of the Finance and Policy Committee terms of reference are available on the University website at: [Endowments Sub-Committee : Academic and Corporate Governance : University of Dundee](#)
- 28.2 The Director of Finance is responsible for maintaining financial records in respect of all endowments made to the University and for initiating claims for recovery of tax where appropriate.
- 28.3 The Director of Finance shall ensure the proper and safe custody of all endowment funds administered by the University Court and shall make the necessary arrangements for the proper administration of each fund in accordance with the conditions laid down by the trust or other deed.
- 28.4 The Director of Finance is responsible for ensuring that all endowment funds are appropriately accounted for in accordance with the University's accounting policy.

## E. Expenditure

### 29. Authorized Signatories

29.1 Delegated authority in the University is usually expressed through a system of authorised signatories. Members of the University may be nominated to act as authorised signatories. However, budget holders always remain accountable for ensuring that there is full compliance with the Financial Regulations.

29.2 An authorised signatory is a member of staff who has authority to: -

- Forward requests for payment to the Director of Finance subject to the limits set by the budget holder and/or by the Procurement Procedures, or
- Authorise claim forms and other pay documents which are forwarded to the Director of Human Resources and Organisational Development; or
  - Place requisitions or approve purchase orders, via the finance and procurement system or other electronic systems, subject to all orders being wholly for bona fide University purposes;
  - Validate appropriate financial records, transactions, calculations, reconciliations etc. as laid down, from time-to-time by the Director of Finance.

29.3 An individual may hold one or all the authorities outlined above concurrently. However, under no circumstances, shall any authorised signatory sign or authorise electronically: -

- Both a requisition or purchase order and a resulting invoice; nor
- His or her own claim forms; nor
- A requisition, purchase order, invoice, payment request, claim form or other documents where there is any conflict of interest.

29.4 Approvals completed via the finance and procurement system are aligned to the University's schedule of delegation. The Director of Finance is responsible for ensuring this is maintained and operated appropriately.

29.5 The Director of Finance shall maintain a register of authorised signatories. Budget holders must supply the Director of Finance on a timely basis with details, including specimen signatures as requested, of all those authorised to requisition or order goods and services and to certify invoices and expense claims for payment. Any changes must be notified as soon as possible.

29.6 Only those individuals who have been specifically authorised to do so may accept research grants and contracts or commercial contracts on behalf of the University. Special rules also



apply regarding cheques, direct debits and standing orders (see below), treasury management, and loans to and from third parties.

29.7 The Director of Finance shall have the right to limit the number of authorised signatories from any School, Professional Service or other unit. The Director of Finance may also reject any individual nominated as an authorised signatory.

29.8 The use in these Financial Regulations of the term “authorised signatory” shall encompass electronic as well as written signatures.

### 30. Staff Costs

30.1 The Director of Human Resources is responsible for payment of salaries and wages to all staff including any relevant allowances, and must approve the format of all timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers.

30.2 All staff, except honorary staff, must be appointed to the salary scales approved by the University and in accordance with appropriate conditions of service. All letters of appointment and employment contracts must be issued by the Director of Human Resources and Organisational Development or his/her nominee.

30.3 The Director of Human Resources and Organisational Development is responsible for keeping all records relating to payroll including those of a statutory nature.

30.4 All payments must be in accordance with the University’s payroll procedures and comply with all HMRC regulations and other statutory regulations that might be in force.

30.5 The University Court is responsible for undertaking the role as employer in relation to appropriate pension arrangements for employees. The Director of Human Resources and Organizational Development is responsible for the administration of pension and superannuation matters, including the administration of the University’s pension fund and communicating with the various superannuation schemes.

## 31. Staff Travel and Subsistence

- 31.1 All claims for payment of subsistence allowances, travelling and incidental expenses must be completed electronically through the University's online expenses claim process in the finance and procurement system. All claims must comply fully with the detailed rules in the University's travel and subsistence policies, available on the University's website at <https://www.dundee.ac.uk/corporate-information/staff-expenses-travel-working-overseas>
- 31.2 Claims for subsistence and other expenses and allowances must be approved electronically by the appropriate budget holder or an authorized signatory from the budget unit in which the expenditure has been incurred, subject to approval levels per the schedule of delegation. This authorization confirms that travel was authorized, all expenses were properly and necessarily incurred and that all the claimed expenses may be properly charged to University funds.
- 31.3 No member of the University shall make a claim in respect of any expense that was not incurred, or claim a sum in excess of that actually incurred or shall otherwise profit or cause anybody else to profit at the University's expense from such a claim, or make a fresh claim for any expense incurred and previously claimed from the University or another body.

## 32. Other Operating Expenditure

- 32.1 The Director of Finance is responsible for making payment to suppliers of goods and services to the University.
- 32.2 Budget holders are responsible for ordering and authorising payment for purchases of goods and services in accordance with the Schedule of Delegation and as Authorised Signatories.
- 32.3 The Director of Finance must approve all petty cash floats. He or she shall make available to schools such imprest floats as are necessary for the disbursement of petty cash expenses.
- 32.4 The commitment of any expenditure of goods and services must be in accordance with the University's Procurement Policy and other purchasing guidance. All purchase orders must be placed in line with the University's conditions of contract.
- 32.5 The University operates a no-PO-no-pay policy which requires that invoices from suppliers must quote a valid Purchase Order (PO) number to be processed and ultimately paid. If an invoice is received which doesn't quote a valid PO number, then the invoice will be returned to the supplier. The Director of Finance is responsible for any payments which can be considered as an exception to this policy.

- 32.6 The Director of Finance, shall have power to direct that:
- Purchase orders for particular types of goods and services must be placed with certain named suppliers; and
  - Certain named suppliers must not be used without prior approval by the Director of Finance (acting through the Head of Procurement).
- 32.7 These powers shall not be exercised in such a way as to reduce competition unfairly or circumvent the University's Procurement Policy. They are subordinate to the University's obligations under the European Union procurement rules.
- 32.8 All suppliers must be set up on the finance and procurement system following appropriate procedures as approved by the Director of Finance.
- 32.9 Requisitions and purchase orders for goods and services must be completed in the University's finance and procurement system and must be raised in advance of receiving the goods or services and the supplier's invoice.
- 32.10 The University operates a purchase card programme for the purchase of business related goods, services and qualifying business expenses. The Director of Finance is responsible for the procedures in relation to the operation of this programme. Purchase cards must only be used for which the purpose they have been issued and within the authorised purchase limits. Any misuse of a University purchase card shall be grounds for disciplinary action.
- 32.11 The Late Payment of Commercial Debts (Interest) Act 1998 (and subsequent amendments by Scottish Statutory Instruments) was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:
- Small business can charge interest on overdue invoices
  - Interest is chargeable on sales made after 1 November 1998
  - The Act also applies to overseas organisations
  - The institution can be sued for non-payment

In view of the penalties in this Act, the University requires that invoices must be passed for payment as soon as they are received.

- 32.12 The University's Procurement Policy is available from the University's web-site at:- <https://www.dundee.ac.uk/procurement/policy-legislations/>

## F. Assets and Liabilities

### 33. Fixed Assets

- 33.1 The purchase, sale, lease or rent of land or buildings or fixed plant must be only be undertaken through the Director of Estates and Campus Services. Any asset that is to be purchased using exchequer funds, whether in whole or part, must adhere to the Scottish Funding Council's procedures.
- 33.2 The Director of Estates and Campus Services is responsible for maintaining the University's register of land and buildings.
- 33.3 The Director of Finance is responsible for maintaining a central fixed asset register for accounting purposes.
- 33.4 All transactions to acquire or dispose of University fixed assets must be authorised in advance in accordance with the Schedule of Delegation.
- 33.5 The capitalisation threshold for an individual item or a group of related items is £25,000. A transaction to acquire or dispose of a University fixed asset must never be artificially divided in to two or more components when seeking approval.
- 33.6 Heads of schools and Directors of professional services must ensure that any conditions placed on holding assets on loan to or from third parties are met.
- 33.7 Arrangements allowing other organizations or their staff to use any University building or facilities must be approved in advance by the Director of Estates and Campus Services.

### 34. Inventories and Stores

- 34.1 Budget holders are responsible for establishing adequate arrangements for custody and control of stocks and stores within their budget unit, including ensuring that regular inspections and stock checks are carried out and that systems are in accordance with Health and Safety guidelines.
- 34.2 Budget holders with stocks and/or stores that require valuation in the University's finance system and for the purposes of external audit must follow the financial procedures as set out by the Director of Finance.

## 35. Provisions

35.1 The Director of Finance is responsible for determining financial assumptions and other accounting matters with regards to all financial provisions held from time to time on the balance sheet.

## 36. Pension Liabilities

36.1 The Director of Finance is responsible for agreeing finance assumptions with scheme actuaries for accounting and fund valuation purposes.

## G. Other

### 37. Subsidiary Entities

- 37.1 In certain circumstances it may be advantageous to the University to establish a wholly, or partly owned company to undertake services on its behalf. Approval must be obtained in advance from the Principal and the Director of Finance before a University company is established.
- 37.2 The directors of all University companies are appointed by the University Court
- 37.3 The directors of companies where the University is the sole or majority shareholder must submit to the University Court for approval each year, via the Finance and Policy Committee, an annual report and audited financial statements
- 37.4 The directors of companies where the University is the sole or majority shareholder must submit to the Finance and Policy Committee for approval each year an annual budget and all proposed business cases and/or capital investment plans
- 37.5 The University's Financial Regulations apply in full to all University companies, unless a variation has been agreed. All proposed variations must be approved in advance by the Director of Finance, with notification to the Principal.

### 38. Students' Association

- 38.1 The Dundee University Students' Association is a separate organization and the University has no control or significant influence over its policy decisions. The Students' Association is responsible for its own financial and budgetary management.
- 38.2 In accordance with an agreement between the University and the Students' Association, the University's internal auditor shall have access to records, assets and personnel within the Students' Association in the same way as they do within the University.

### 39. Insurance

- 39.1 The Finance and Policy Committee reviews and monitors the University's insurance arrangements, advised by the Director of Finance who acts on a day to day basis to implement and administer agreed policies.
- 39.2 Budget holders' are required to keep an inventory of items of equipment and other assets for each area for which they have budgetary responsibility.

- 39.3 Members of the University must obtain their budget holders' approval before any item of equipment or other asset is removed from the University and budget holders have a responsibility to notify the Director of Finance of all such approvals given.
- 39.4 Budget holders must inform the Director of Finance immediately of any event which may give rise to an insurance claim, for example, fire, flood, lightning, malicious damage or any other major incident and the Director of Finance must notify the University's insurers accordingly.
- 39.5 Budget holders must inform the Director of Finance immediately of all losses arising from theft and/or other criminal offence regardless of whether or not an insurance claim can be made.
- 39.6 Members of the University are not covered by the University's insurance policy for vehicles in the event that they use their own vehicles on University business nor if a vehicle hired by the University is used for personal use.
- 39.7 Members of the University should ensure that they have appropriate travel and personal accident/emergency health insurance cover when they travel outside the UK on university business.

#### 40. University Seal

- 40.1 If a document is a deed it will require the University's seal. The seal can only be applied by the University Secretary.
- 40.2 The University Secretary is responsible for submitting an annual report to Court detailing the use of the University's seal.