

FINANCIAL REGULATIONS

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I. BACKGROUND

- 1.1 The College's constitution is founded in its Royal Charter and it governs itself by virtue of its statutes. The Charter and new Statutes granted and amended in October 2007 (<http://www.bbk.ac.uk/committees/governors/charter.pdf>) define the powers and provide for the appointment of the Vice-Chancellor and senior officers.
- 1.2 The College is an Exempt Charity under the Charities Act 2011 and benefits from the same tax advantages as Registered Charities. The members of the Governing Body are the College's trustees for the purposes of charity law. Under the provisions of the Charities Act 2011, the College is subject to regulatory oversight of its compliance with charity law obligations which is provided by Office for Students (OfS) as Principal Regulator on behalf of the Charity Commission. The College is required to demonstrate that it has delivered its charitable purposes for the public benefit according to the criteria in the legislation.
- 1.3 The OfS Regulatory Framework for Higher Education in England sets out the terms and conditions of registration including the terms on which any grant is made. The Governing Body is responsible for ensuring that conditions of registration and funding are met. As part of this process, the College must adhere to the OfS Audit Code of Practice, which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

2. SCOPE

- 2.1 These Financial Regulations set out the working arrangements for the regulation of all financial transactions and relationships in the College. They have been approved by the Finance and General Purposes Committee and the Governing Body.
- 2.2 They define key financial roles and responsibilities and provide the framework for financial budgeting, control and decision making to:
 - ensure compliance with the terms and conditions of the public funding provided through the Office for Students (OfS);
 - meet the terms and conditions of the College's research and other funders;
 - manage financial risk;
 - promote value for money and the efficient and effective use of resources;
 - guard against fraud and misuse of funds.
- 2.3 These Financial Regulations are subordinate to the laws currently in force, the Instrument and Articles of Government, the regulatory framework with the OfS and its audit code of practice.
- 2.4 These Financial Regulations apply to all Staff and Officers of the College and failure to comply with the regulations may result in disciplinary action.
- 2.5 Many staff within the College are involved in financial transactions or processes as part of their work. All have a duty, as part of their contract of employment to be aware of, and comply with, these regulations. External consultants and temporary staff should not

normally be granted any authority to commit the College but in the event that this is exceptionally the case then failure to adhere to these Financial Regulations may result in termination of the contract and further action being taken.

- 2.6 If you do not know that you have been explicitly given authority to commit the College to a contract or agreement then it is likely that you do not have the authority to do so. Before undertaking any transaction on behalf of the College, Staff and Officers should also consider what the response from a media outlet may be as this can provide a pointer as to whether a particular course of action may be inappropriate.
- 2.7 Any member of staff needing clarification on any aspect of the regulations should seek the advice of the Director of Finance or Deputy Director of Finance.
- 2.8 These regulations will be subject to periodic review to ensure that they remain effective and responsive to developments within the College and best practice in the sector.
- 2.9 Where appropriate the Director of Finance may issue Financial Procedures to supplement these Regulations. In the event of any conflict between the Procedures and the Financial Regulations, the Regulations will take precedence. Finance Procedures may be amended from time to time on the authority of the Director of Finance.
- 2.10 This document was approved by the Governing Body on 29 June 2023.

3. GENERAL PRINCIPLES

Principles established by the Committee on Standards in Public Life (Nolan Principles)

- 3.1 Birkbeck College is committed to the highest standards of openness, transparency, probity and accountability. We seek to conduct our affairs in a responsible manner, taking into account our responsibilities as a public body, the requirements of the funding bodies, government legislation and the principles established by the Committee on Standards in Public Life (Nolan Principles):
 - Selflessness: acting solely in terms of the public interest
 - Integrity: avoiding obligations and inappropriate influence; declaring and resolving conflicts of interest
 - Objectivity: taking decisions impartially and based on merit
 - Accountability: public accountability for decision making and engagement with the scrutiny necessary to ensure this
 - Openness: acting and taking decisions in an open and transparent manner; not withholding information unless there are clear and lawful reasons
 - Honesty: being truthful
 - Leadership: exhibiting and promoting these principles in personal behaviour and challenging poor behaviour
- 3.2 The Governing Body expects all staff to uphold these principles at all times and to conduct their business at all times in an honest and open manner. These Financial Regulations have been drafted to reflect the Nolan Principles.

Conflict of interests

- 3.3 Officers and Staff of the College must not allow their private interests to conflict with their official duties and must register any pecuniary or other interests. They may be requested to withdraw or be excluded from certain decision-making processes as a result of such registration.
- 3.4 Limited hospitality is an accepted courtesy of business relationships; however, recipients must not allow themselves to reach a position where they might be influenced or deemed by others to be influenced, in making a business decision as a consequence of such hospitality. The scale and frequency of hospitality accepted must not be significantly greater than the College would expect to provide in return.
- 3.5 The Director of Finance shall maintain a register of gifts/hospitality. Any gift with an estimated value of more than £50 must be reported to the Director of Finance.
- 3.6 If a Staff member or Officer of the College becomes aware of any personal, financial or other beneficial interest arising from a transaction of the College, he/she shall disclose this, giving details of the nature of the interest to the College Secretary or Director of Finance at the earliest opportunity.
- 3.7 The College Secretary or Director of Finance shall ensure that any declared interest is brought to the attention of any College committee when it is considering matters relevant to such interest.
- 3.8 The College Secretary shall maintain a record of declared interests and these shall be reported annually to the Governing Body.

Compliance with relevant legislation

- 3.9 The College will comply at all times with all applicable legislation and regulation. This includes, but is not limited to, charity law, tax law, procurement law, accounting standards and the terms of registration with the OfS.

Data Protection

- 3.10 All Staff members and Officers of the College are subject to the requirements laid down for the use of computers and other records under the General Data Protection Regulations. Any breach of the ([Data Protection Policy](#)) will be considered to be a disciplinary matter.

Best practice

- 3.10 Officers and staff of the College should at all times seek to adhere to best practice in the carrying out of their duties and responsibilities.

Value for money

- 3.11 The College recognises its responsibility to achieve value for money (VFM) from all its activities, however they may be funded.
- 3.12 The College is committed to the pursuit of economy, efficiency and effectiveness as part of its corporate and academic strategy.
- 3.13 The responsibility for VFM lies with all members of staff and is not restricted to those

with resource or financial responsibilities.

- 3.14 Governors are required to satisfy themselves that VFM is being sought and achieved from the use of public funds and have extended this principle to the application of the College's funds as a whole.
- 3.15 The Audit Committee is required, under the OfS Audit Code of Practice, to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Committee is required to relay its view on the arrangements to the Governing Body in its annual report.
- 3.16 The College's senior management has the executive responsibility to put in place arrangements that will ensure VFM is being sought and, in conjunction with the College Secretary, has a responsibility to keep the Governing Body and Audit Committee advised of VFM issues, advice and good practice.

4. ACCOUNTING ARRANGEMENTS

General

- 4.1 The Director of Finance is responsible to the College Secretary for the administration of the Finance Department and to the Vice Chancellor of the College and Chair of the Finance and General Purposes Committee for the financial administration of the College, the maintenance and development of systems of financial control and for the provision of financial information for management and planning purposes.

Financial Accounts

- 4.2 The published annual accounts are produced for the College's financial year from 1 August to 31 July and shall be prepared in accordance with statutory requirements, standard accounting practices and the approved Statement of Recommended Practice in Higher Education Institutions. The Higher Education Statistics Agency (HESA) Finance Return shall be prepared in accordance with HESA and OfS regulations. Both are subject to audit and represent the most reliable and useful statement of the College's finances.
- 4.3 A statement of the principal accounting policies applied by the College is set out within the annual accounts.

Reporting, Monitoring and Control

- 4.4 The Director of Finance shall be responsible for the reporting of income and expenditure through the production of management accounts and other such financial information sufficient to inform Officers, Governors and external stakeholders (where appropriate) of performance and progress against approved budgets.
- 4.5 In addition, the Director of Finance will be responsible for making available to all Budget Managers regular statements of income and expenditure. Budget Managers shall be responsible for checking such reports to ensure that income due has been received and expenditure has been properly incurred and is within their budgetary authority.

Accounting Records

- 4.6 The Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is compliant and acceptable to the applicable authorities. The College is required by law to retain prime documents for six years.
- 4.7 Staff members and Officers should ensure that retention arrangements comply with any specific requirements of applicable funding organisations.

Security

- 4.8 The Chief Information Officer shall be responsible for ensuring that the financial information systems are secure from unauthorised access or damage. Staff access to such systems must follow all relevant College policies, procedures and guidance intended to ensure system security.

5. AUDIT

- 5.1 The Governing Body have appointed an Audit Committee. The Committee follows best practice in higher education corporate governance in accordance with the OfS's Code of Practice on Accountability and Audit and the Committee of University Chairs (CUC) guidance for members of audit committees. The Committee is responsible for assuring the governing body about the adequacy and effectiveness of internal control and management systems, risk management, governance, data management and for the economy, efficiency and effectiveness of the institution's activities.

General

- 5.2 External auditors and internal auditors shall have the authority to:
- access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
 - require and receive such explanations as are necessary concerning any matter under examination;
 - require any employee of the College to account for cash, stores or any other College property under his or her control; and
 - access records belonging to third parties, such as contractors, when required.

External Audit

- 5.4 The appointment of external auditors will take place annually and is the responsibility of the Governing Body, on the recommendation of the Audit Committee. The external auditors shall hold office for a period of up to five years, shall be eligible for reappointment and shall receive such remuneration as may be determined by the Governing Body.
- 5.5 The primary purpose of the external audit is to report on the College's financial statements and to carry out such examinations as are necessary for the auditors to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with International Standards on Auditing (UK), applicable law and, where appropriate, the applicable guidance contained within Annex A of the OfS Memorandum of Assurance and Accountability.
- 5.6 The external auditor has a direct right of access to the Chair of the Audit Committee and

to the Vice Chancellor at any time if it is considered necessary or appropriate.

- 5.7 The Director of Finance is responsible for drawing up a timetable for financial statements purposes and will advise staff and the external auditors accordingly.
- 5.8 Finance and General Purposes Committee will consider the financial statements in relation to the financial wellbeing of the College and will be reviewed by the Audit Committee to ensure completeness and accuracy in line with relevant guidance. On the recommendation of the Audit Committee the financial statements will be submitted to the Governing Body for approval.
- 5.9 The Governing Body may remove an auditor or auditors before the end of their period of office in the event of serious shortcomings or breach of contract. The external auditors may resign by writing addressed to the Governing Body.

Internal Audit

- 5.10 Arrangements for the provision of an internal audit service are approved by the Governing Body on the recommendation of the Audit Committee.
- 5.11 The College's Memorandum of Assurance and Accountability with the OfS requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in OfS's Audit Code of Practice, detailed in Annex A of the OfS Memorandum of Assurance and Accountability. The main responsibility of internal audit is to provide the Governing Body and the Vice Chancellor with assurances on the adequacy of the internal control system. Internal audit is not a substitute for, nor an extension of, management. However, it will assist management by evaluating and reporting to them on the effectiveness of the controls for which they are responsible.
- 5.12 The internal audit service remains independent in its planning and operation but has direct access to the Governing Body, the Vice Chancellor and the Chair of the Audit Committee.

Other Auditors

- 5.13 The College may, from time to time be subject to audit or investigation by external bodies. They have the same rights of access as external and internal auditors.

6. FRAUD, IRREGULARITIES AND CORRUPTION

- 6.1 The College is committed to carrying out its academic and business activities in an honest and ethical manner and to observing the provision of the Bribery Act 2010 in respect of its conduct both at home and overseas. The College takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in College business dealings and relationships wherever it operates, and implementing and enforcing effective systems to counter bribery.
- 6.2 The College operates to the highest legal and ethical standards and will not tolerate acts of criminal facilitation of tax evasion by its associates anywhere in the world. Staff and other associates must abide at all times by College policies. Failure to comply with the obligations detailed in College policies may result in disciplinary action for staff and termination of contract for other associated persons.

- 6.3 Staff members or Officers who suspect financial irregularity or fraud must immediately consult with the Director of Finance and handle the matter in accordance with the College's ([Anti-Bribery and Corruption Policy](#)).
- 6.4 The Director of Finance shall, when an irregularity appears to involve a criminal act or a disciplinary offence, report the matter to the College Secretary. If the irregularity appears to involve the Director of Finance, the College Secretary will act without his/her assistance; if the irregularity appears to involve the College Secretary, the Director of Finance will report directly to the Vice Chancellor; if the irregularity appears to involve the Vice Chancellor, the College Secretary will report directly to the Chair of the Audit Committee.
- 6.5 If a matter requiring report is discovered by external or internal auditors in the normal course of their work and the designated office holder refuses to make a report, then the auditors must report directly to the Vice-Chancellor, Chair of the Audit Committee and the Chair of Governors. This is to ensure that the College has taken appropriate action.

Money Laundering

Money laundering legislation applies to all members of staff. Potentially any member of staff could be committing an offence under money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it.

If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed immediately through the procedure set out in the Anti Bribery and Corruption Policy.

- 6.6 Any issues of fraud identified or suspected will be notified to the external auditors. Matters will also be raised with relevant authorities including the OfS and HMRC.

7. WHISTLEBLOWING (PUBLIC INTEREST DISCLOSURE)

- 7.1 The College is committed to the highest standards of openness, probity and accountability. It seeks to conduct its affairs in a responsible manner, taking into account the responsibilities as a public body, the requirements of the funding bodies, government legislation and the principles established by the Committee on Standards in Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 7.2 The *Public Interest Disclosure Act 1998*, gives legal protection to 'workers' against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns.
- 7.3 Where an individual discovers information which he or she believes shows malpractice or wrongdoing within the organisation, this information should be disclosed without fear of reprisal, and may be made independently of line management by following the procedure set out in the [Whistleblowing Policy](#).

8. PLANNING AND BUDGETING

- 8.1 The College's financial planning and budgeting supports the strategic financial objectives set by the Governing Body.
- 8.2 The OfS conditions of registration, which outline the terms and conditions relating to the College's core government funding, set out criteria for financial sustainability that have to be observed.
- 8.3 In order to meet the College's objectives and the terms and conditions of OfS funding, the Governing Body, through its Finance and General Purposes Committee and as advised by the University Executive Team:
- approves financial strategy as part of the College's corporate plan;
 - undertakes an annual budgeting and five year forecasting exercise, the outcome of which feeds back into the development and amendment of the financial strategy;
 - approves a budget for each financial year; and
 - monitors performance in relation to this budget within the year.
- 8.4 The overall annual budget approved by the Governing Body will be underpinned by detailed operational budgets for each Faculty and for Professional Services. The Director of Finance will propose the methodology for allocating resources, and any internal resource allocation decisions will be overseen by the University Executive Team.
- 8.5 The budget process should be participative, inclusive and transparent albeit that local planning objectives may need to be suspended in favour of ensuring that the College remains financially viable. For financial year 2023/24, Faculty and Service budgets will initially be determined centrally followed by iteration and agreement with Deans and Directors due to the challenging financial position of the College.
- 8.6 In certain circumstances (such as a shortfall in student recruitment or the material impact of external factors) it may be necessary to amend approved budgets during a financial year. If the overall surplus/deficit of the College remains the same after the budget changes then approval should be granted by the University Executive Team following agreement with the budget managers involved. Budget amendments which alter the proposed surplus/deficit for the year must also be formally approved by Governors.
- 8.7 In financial years where a deficit budget is proposed, or material assumptions which underpin the budget are significantly uncertain, a provisional budget will be presented to Governors for approval. A revised budget will then be presented to the autumn meeting of Finance & General Purposes Committee for review and Governors for approval. Budget Managers should expect to make amendments to their budgets in these situations and should refrain from committing the College to all but critical expenditure until a revised budget has been approved.

Budget Managers

- 8.8 Budget Managers are the persons accountable for expenditure from, and income generation to, allocated budgets.

- 8.9 Budget Managers control and manage the budgets allocated to them by reviewing the management reports produced by the Finance Department. In particular they should:
- ensure that all transactions reported against their budget are valid, properly authorised, correctly coded and provide value for money to the College; and
 - report to the Director of Finance as soon as possible any circumstances that would have a material impact on the budgeted income or expenditure.
- 8.10 In the event of a budget being used for purposes other than for which it was designated, being significantly over-spent or other breakdown in financial control, the Budget Manager will be required to make a full report to the Director of Finance. The Director of Finance may notify the Finance and General Purposes Committee and/or the Audit Committee as appropriate. Mismanagement of College budgets is considered a breach of Financial Regulations and may lead to disciplinary action under the College's disciplinary policy.
- 8.11 Directors of Operations and Professional Service areas have the freedom to allocate non-pay budgets and to determine spending as they consider necessary, subject to the constraints of these Financial Regulations, and to any overall College budgetary constraints, direction and control. During periods of financial uncertainty increased restrictions may apply and plans to reallocate non-staff budgets should be discussed with the Finance Department in advance. However, no re-allocation of staff costs will be made without the express authority of the Director of Finance.
- 8.12 Budget Managers may reasonably delegate authority to incur expenditure within their budgets, but they retain overall responsibility for the control of such expenditure.

9. INCOME

- 9.1 The Director of Finance shall ensure that safe and efficient arrangements are in operation to enable the College to receive all income to which it is entitled and minimise the risk of loss of income and fraud.
- 9.2 All forms and electronic collection systems proposed by budget managers must have the prior approval of the Director of Finance or nominee.
- 9.3 The Director of Finance shall be responsible for ensuring:
- prompt collection, security and banking of all income received;
 - all grants notified by the OfS and other bodies are received and appropriately recorded in the College's accounts;
 - all claims for funds, including research grants and contracts, are made by the due date;
 - debtor invoices are raised promptly on official invoices;
 - sales invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account; and
 - VAT is correctly charged and accounted for.

- 9.4 It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the timely notification to the Director of Finance of sums due so that collection can be initiated.
- 9.5 No sales invoices shall be raised outside of the finance system. Any individual found to be issuing invoices through any process other than that prescribed by the Director of Finance may be subject to disciplinary action.
- 9.6 The responsibility for pursuing debts rests with the Director of Finance. Budget Managers are responsible for making available the information required to assist this process.
- 9.7 Sums due to the College shall only be written off after the normal debt collection procedures have been followed. Sums under £100,000 may be written off upon the authority of the Director of Finance. Individual debts written off in excess of £10,000 will be reported to the Finance and General Purposes Committee annually. Sums over £100,000 shall be written off upon the authority of the Finance and General Purposes Committee.
- 9.8 Charges made from one School or Service to another within the College for the supply of goods or services shall not incorporate any element of profit or mark-up.
- 9.9 The College receives income from a variety of sources, primarily:

Grant Funding

The Director of Finance shall ensure that all grant funding received is applied in accordance with the terms of the grant, and that income from such grants is only recognised to the extent that has been earned. Effective monitoring systems shall be in place to ensure that capital grant funded assets are purchased within the terms of the grant.

Tuition Fees

The Governing Body sets the College's tuition fees. No tuition fees other than the tuition fees agreed through this process shall be quoted to any prospective student or sponsoring organisation. The fees determined form part of the annual budget process.

Research Grants and Contracts

Specific arrangements are in place in relation to the authority required for entering into contractual arrangements for research grants and contracts, all of which must be approved by the -- Dean or nominee, the Director of Finance or nominated deputies and the Research Office. A budget must be prepared for all research grants and contracts on a full economic cost basis. Guidance on the VAT and other tax status of research contracts may only be provided by the Finance Department.

Other Income

Faculties and Professional Services are encouraged to identify other opportunities for income generation such as consultancies and other services rendered, off-site collaborative provision, secondments etc.

Costing and pricing of proposed external income generation activities shall be agreed with the Finance Department. Activities should be costed on a full economic cost basis including

overheads and mark-up. Any discount to the calculated price shall be agreed at a level no lower than the Dean or Director of Operation/Service.

Tax advice should be sought from the Director of finance or nominee prior to signing a contract which generates income.

Academic activities shall be agreed through the appropriate approval process by the relevant committee.

- 9.10 Services to be provided to overseas entities can be received in currencies other than Pound Sterling but advice and approval must be sought from the Director of Finance or nominee in advance of signing a contract.

10. DONATIONS, BEQUESTS AND LEGACIES

- 10.1 The College depends on the solicitation and acceptance of philanthropic gifts and grants that enable it to maintain its unique mission. Donations, bequests and legacies are received by the College in the form of cash and other assets to provide income or capital for the maintenance or development of its operations.
- 10.2 Shares and other non-cash donations can be accepted but advice should be sought from the Director of Finance prior to acceptance. The College is currently unable to accept donations of crypto currencies.
- 10.3 To ensure institutional integrity, the acceptance of support must adhere to the principles in the [Philanthropic Gift Acceptance Policy](#).
- 10.4 Donations which are unethical or capable of putting the reputation of the College at unacceptable risk will not be accepted.
- 10.5 Donations, bequests and legacies will not be accepted where the specific conditions attached to it commit the College to expenditure or liabilities which cannot be met or are not in the strategic interests of the College. Equally, they will not be accepted if the terms attached to them would cause a breach of the College's Financial regulations or current legislation.
- 10.6 In cases where donors making a gift above £25,000 wish to remain anonymous, or in the case of potential gifts which may conflict with any or all of the above guidelines, the Development and Alumni office will undertake the necessary due diligence and forward a report, including information on the identity of the donor, to the Vice Chancellor of Birkbeck, the College Secretary and the Chair of the Audit Committee, who will make a decision on acceptance or otherwise.
- 10.7 All decisions relating to the acceptance of gifts must also comply with the College's Anti-Bribery and Corruption Policy [Anti-Bribery and Corruption Policy](#) and these Financial Regulations.
- 10.8 Annually, the Director of Development and Alumni will report formally to Governors regarding philanthropic income received and progress to-date regarding gifts received

and fundraising strategy. This will typically be for the first Governing Body meeting following the end of each financial year.

- 10.9 The Director of Finance is responsible for maintaining financial records in respect of donations, bequests and legacies made to the College and initiating claims for recovery of tax where appropriate.

11. RESEARCH GRANTS & CONTRACTS

- 11.1 Research grants and contracts and other related projects where external funding is sought must be applied for, negotiated, accepted and administered by the College as a corporate body. Preliminary discussion with the prospective sponsors cannot commit the College.
- 11.2 All bids for research grants and contracts must be prepared in accordance with the College's procedures (<https://birkbeckuol.sharepoint.com/sites/ps-cn-research-office/SitePages/how-to-apply.aspx>).
- 11.3 A budget must be prepared for all research grants and contracts on a full economic cost basis. All expenditure in the budget should be prepared in line with these financial regulations and associated procedures.
- 11.4 Applications should be completed using the College's finance system, Business World.
- 11.5 Each application must be seen and approved by the Dean or the Director of Operations, the Research Office and the College Secretary or the Director of Finance.
- 11.6 All contracts with external organisations are made between the College and external organisation and shall be signed on behalf of the College by the College Secretary or, in his/her absence, by the Director of Finance.
- 11.7 The College Secretary or Director of Finance may delegate the signing of acceptance of award forms and similar documentation confirming awards to funding bodies to the Head of the Research Office or authorised deputy.
- 11.8 Commitments may not be made against funds provided under a research grant or contract before the offer has been formally accepted. Expenditure of a research grant or contract in excess of the sum specified is not permitted. Expenditure must be related only to items approved in the research grant or contract budget and must relate to the period of award.
- 11.9 The Research Office shall be responsible for raising all invoices and claims for research projects in accordance with the terms of the contract. The Principal Investigator will provide the Research Office with all necessary information to complete the financial returns as soon as allowable under the terms of the grant agreement or contract;
- 11.10 Control of expenditure will be contained within the grant. The Head of School may delegate day to day control of the account to the Principal Investigator, but any overspend or under recovery of indirect costs is the responsibility of the School with any loss being charged to the School funds.

12. INTELLECTUAL PROPERTY, COPYRIGHT AND THE EXPLOITATION OF INVENTIONS

- 12.1 The College recognises and is supportive of the strategic need to engage the public and society with our research, and is supportive of the principles defined in the [College's Code of Practice on Research Integrity](#).
- 12.2 Members of staff are encouraged to undertake consultancy or research projects which may produce intellectual property rights capable of commercial exploitation. Staff who are developing new ideas or who are contemplating the commercial exploitation of such rights must in the first instance discuss their intentions with the Research Office at an early stage.
- 12.3 Researchers must ensure that any research project design or any research contracts or agreements that they enter into include provisions for the ownership and management of resulting intellectual property (IP).
- 12.4 Intellectual property created by a College employee in the normal course of his or duties of employment will normally belong to the College. The College will also own the intellectual property produced by academic visitors and students in some circumstances.

In respect of teaching materials created by a College employee in the normal course of his or her duties of employment, the College recognises the following:

- 12.4.1 Members of staff creating teaching materials as part of their employment, have non-derogable moral rights in relation to those materials in their capacity as authors of those materials. These rights comprise the following:
- to be identified as the author of the teaching materials;
 - to object to derogatory treatment of the teaching materials.
- 12.4.2 Members of staff also have the non-derogable moral right not to be falsely attributed as the author of any work. This right includes, but is not limited to, teaching materials.
- 12.4.3 Copyright in written course or module materials made available to students, such as module guides and reading lists, belongs to the College subject to a royalty-free licence in favour of the author of those materials to use them for their own academic, teaching and research purposes in connection with any future employment at another higher education or equivalent institution. This licence includes the use at any time of the materials in creating content for any academic textbook authored or co-authored by the member of staff. This licence excludes the use of the materials for other commercial purposes, including the sub-licensing of the materials to any third party to enable such third party to use or supply the teaching materials as part of a commercial enterprise, or their use at another higher education or equivalent institution whilst employed by the College.
- 12.4.4 Copyright in audio, visual and audio-visual content, such as lecture recordings and slides prepared by staff members, belongs to their authors. Where such materials are prepared by staff in the course of their employment, and as a standard condition of employment, the College will automatically receive a royalty-free licence to copy

and make them available to students and staff for their intended academic use. Any additional or further uses are conditional on the consent of the relevant staff member. When staff members leave its employment, the College may continue to use the materials described in this paragraph for their intended academic use under a royalty-free licence for a period of up to three years from the end of the academic year in which the employment relationship terminates in order to ensure that the materials remain available in order to support student learning. Any extension of this period requires the written consent of the former staff member in question.

In the case of recorded lectures, staff have the right to edit or alter them at any time during the period in which the College is licensed, in accordance with 12.4.4, to use them.

13. CONSULTANCY AND OTHER INCOME GENERATING ACTIVITIES

- 13.1 Activities under this section refer to all fee earning activities outside of mainstream research and student teaching, which involve the use of College resources. Consultancy is the provision of expert advice and work that is carried out for an external client. It falls outside mainstream research and teaching, and can deliver a range of financial and non-financial rewards for academic staff and the college.
- 13.2 All staff are encouraged to identify opportunities to generate income for the College. Certain members of staff may be permitted, under the terms of their contracts of employment with the College and the College's [Consultancy Procedure](#), to engage in work outside of their normal duties of employment, including consultancy.
- 13.3 Staff members are expected to not exceed the maximum number of extra-curricular hours stipulated in their contract. If this limit is exceeded the College may seek an adjustment in the staff member's salary.
- 13.4 No member of staff may engage in any outside work where this would conflict or interfere with the proper conduct of their duties with the College, or which would damage the reputation of the College.
- 13.5 The Finance Department shall be notified of all costing, pricing and due diligence of proposed external income generation activities prior to the activity taking place. All activities will be costed on a Full Economic Cost (FEC) basis including overheads and a mark-up. The budget should be agreed with the appropriate specialist School, or with the Director of Operations.
- 13.6 The tax status of each activity, with regard to both VAT and Direct Tax, must be confirmed with the Finance Department prior to the activity taking place.
- 13.7 Consultancy may be carried out in two ways:
- College-Led Consultancy - under the aegis of the College. Staff are encouraged to offer consultancy services on behalf of the College rather than on a private basis as this can lead to the generation of additional funds for the College as well as support being available to the staff member.
 - Independent Private Led Consultancy - where the individual undertakes work in a wholly private capacity without receiving direct support from the College

particularly in relation to taxation advice and insurance cover.

College-Led Consultancy

- 13.8 The individual delivering the work through the College will be covered by the College's professional indemnity.
- 13.9 The College will provide support and advice for the conduct of consultancy undertaken through the College, notably consultancy and custom teaching programmes through the relevant Schools.
- 13.10 All invoices will be raised in the name of the College through the finance system and all payments from clients/customers made to the College. Staff may choose how they receive fees for consultancy and related services: through Payroll, into a special fund account, or a combination. Where a staff member provides consultancy services to external organisations, the College will retain the contribution to overheads and the employer's NI contribution from the gross income.
- 13.11 Where a staff member chooses to receive their fee through Payroll (less employee's tax and NI), the employer's NI contribution must also be taken into account when costing the work, if the fee is to be paid through the payroll. Income earned through Consultancy does not attract superannuation contributions.
- 13.12 Where an Academic chooses to have their fee paid into a fund held in a Faculty/School account (i.e. not personal use) no employee's tax or NI will be deducted. Funds held in a Faculty/School Account cannot later be transferred to the staff member through Payroll for personal use. Unused balances will later be transferred to core funds e.g. if the staff member leaves the College.
- 13.13 Consultancy carried out on behalf of the College involves the use of facilities, services and insurance so a contribution to overheads must be included in the cost.
- 13.14 Consultancy assignments normally attract VAT and prices should therefore always be added or quoted to clients as exclusive of VAT. Where this is not quoted in addition to the consultancy the VAT due will be recovered from the funds received.
- 13.15 The Research Office manages the administration of all College Led Consultancy and should be consulted at an early stage.

Independent Private Led Consultancy

- 13.16 For consultancy carried out by staff on a private basis, it is the responsibility of the member of staff undertaking this work to seek permission from their Dean or Director of Professional Service prior to making any agreement.
- 13.17 All consultancy service contracts brought into the College via the Research Office are contracted through the College.
- 13.18 The individual delivering the work independently and not through the College **will not** be covered by the College's professional indemnity. Staff thinking of undertaking independent consultancy may wish to seek professional advice before commencing any work.

- 13.19 In undertaking work in a private capacity the individual must make it clear to their client/customer that they are acting in a personal capacity and not as a representative of the College. The College does not accept any responsibility (including liability for negligence in respect of the work to be performed). Staff considering independent consultancy may wish to seek professional tax advice before commencing any work.
- 13.20 Staff should not use College stationery, hold meetings in the College, or otherwise give the impression that they are representing the College.
- 13.21 An individual undertaking Independent Private Led Consultancy is responsible for his or her taxation on earnings and for arranging professional indemnity cover. Should the College be found liable as a consequence of a person failing to make clear that they are acting in a private capacity, then that person will reimburse the College for any costs it has incurred. Staff carrying out Independent Private Led Consultancy Work are required to abide by the [Code of Practice for Academic staff engaged in External Consultancy](#).

14. EXPENDITURE - PAYMENT AND AUTHORISATION

- 14.1 The Director of Finance shall be responsible for making payments to suppliers of goods and services to the College.
- 14.2 No expenditure transaction will be processed by the College without proper authorisation.
- 14.3 Self-approval is not permitted in the procure to pay process.
- 14.4 It is the responsibility of all staff to ensure that commitments entered into are legal, reasonable, provide value for money and are in line with the principles established by the Committee on Standards in Public Life (Nolan Principles). If you do not know that you have been explicitly given authority to spend money on behalf of the College then it is likely that you do not have the authority to do so.

Delegation of Financial Authority

- 14.5 The Director of Operations or Professional Service area is responsible for purchases within his or her school or service. Purchasing authority may be delegated to appropriate persons within the school or service area. In exercising this delegated authority, designated budget holders shall observe the [Procurement Procedures](#) issued by the Director of Finance.
- 14.6 The Director of Operations or Professional Service area shall ensure that designated budget holders are familiar with approval regulations, purchasing procedures and allowance limits before committing the College to any financial arrangements.
- 14.7 It is the responsibility of the Director of Operations or Professional Service area and other senior managers to inform the Finance Department of any changes to authorised signatories. The number of authorised signatories should be kept to a minimum. The Finance Department shall exercise discretion over the creation of requisitioners and authorisers and their respective financial limits. The Finance Department shall also exercise discretion over assigning proxies.
- 14.8 The authorisation limits stated in the Delegation of Financial Authority are applicable to

budgeted spend only. Specific approval from the Director of Finance shall be sought for spend which is not covered by any existing budgets.

15. PROCUREMENT

Purchasing of goods and services

- 15.1 All procurement, irrespective of the source of funding, must be carried out in accordance with these Financial Regulations and the latest [Procurement Procedures](#) issued by the Director of Finance. Individuals requesting goods, services or works will be responsible for their correct specification and evaluation in accordance with those procedures.
- 15.2 No Staff member or Officer of the College is permitted to make a commitment on behalf of the College which would cause either capital or revenue budgets approved by the Governing Body to become overspent without prior approval in accordance with these Financial Regulations. Mismanagement of College budgets is considered a breach of Financial Regulations and may lead to disciplinary action under the College's disciplinary policy.
- 15.3 No Staff member or Officer of the College is permitted to commit the College to expenditure beyond the current financial year without express authority of the Director of Finance or nominee. This includes, but is not limited to, operating leases, finance leases or multi-year service contracts, even if discounts to the purchase price are offered for such agreements.
- 15.4 No person shall authorise a College purchase order or commit the College to expenditure where they also have an interest in the activities of the other party or where there is a conflict of interest.
- 15.5 All purchase orders must be placed using the College's finance system, Business World, and, where they exist, using existing contracts negotiated by the Procurement team.
- 15.6 The Director of Finance is responsible for maintaining and developing such systems, including electronic systems, as are necessary for the proper monitoring and control of procurement within the College. Staff shall use the specified systems for all procurement as directed by the Director of Finance.
- 15.7 Most purchases through the College are financed from either publicly provided funds or students' fees. Those with purchasing authority are reminded of the need to purchase responsibly, obtaining value for money and at all times acting within their delegated authority.
- 15.8 The procurement of goods, services or works by the College is subject to UK legislation and failure to comply can result in serious delay, financial penalties, or both. Procurement regulations require purchases above certain thresholds to be competitively tendered with stipulated timescales and other requirements.
- 15.9 The table on the following page sets out the thresholds for obtaining quotations and tenders for goods and services:

Expenditure (Including VAT)	Requirement
Goods and Services	
Between £5,000 and £50,000	Three written quotations
Above £50,000	Tender exercise with guidance from Procurement

- 15.10 Where orders for the supply of goods or services will exceed the UK procurement thresholds in any contract period, the expenditure is subject to a tender process which must be carried out under the guidance and management of the Procurement team.
- 15.11 Any Staff member or Officer anticipating the need to enter into a contract above £50,000 must notify the Procurement Manager.
- 15.12 The approval limits for requisitions, payment of non-pay or contract expenditure invoices and other payment documents (e.g. expense claims) can be found in the Delegation of Financial Authority. These limits are reflected in the workflow of the College's finance system, Business World.
- 15.13 If any staff member believes that adhering to these procurement regulations may not be possible they should immediately contact the Procurement Manager. The Director of Finance must approve alternate approaches which should still demonstrate that value for money has been achieved. Approval must be obtained from the Director of Finance before agreeing a contract with a consultant or supplier. The consultant or supplier should not be asked to commence work prior to issuing a properly authorised purchase order and/or contract.
- 15.14 The following principles set out the College's procurement strategy and must be followed:
- Delivery of optimum Value for Money for all aspects of College expenditure through sourcing, supply and performance monitoring.
 - HE Sector approved framework agreements are encouraged for use as an alternative without undertaking an independent request for quotation (RFQ) or a full tender process. In any event the Procurement team must be consulted for further guidance and to ensure compliance.
 - Embedding of sound ethical, social and environmental procurement practices within the College.
 - Purchases of goods and services can only be made by the issue of a properly authorised purchase order or use of a College Purchasing Card.
 - Electronic purchase orders must be raised and authorised before any commitment is made with the supplier and before they are asked to commence any work on behalf of the College.
 - Under no circumstances should the raising and approval of the purchase order be left until receipt of invoice.
 - No artificial fragmentation of orders is allowed whereby authorisation can be given at a lower level than is appropriate.
 - These Financial Regulations must not be circumnavigated through the use of multiple

purchase orders for a single contract e.g. by the use of monthly or quarterly orders.

- 15.15 The Director of Finance shall ensure that the College's [Standard Terms and Conditions of Trade](#) are kept up to date and are appropriate. Agreements with suppliers are not to be made under any other terms and conditions, such as earlier payment settlement, except with the express approval of the Director of Finance. Alternative or amended terms and conditions may be agreed when considered and evaluated in a tender exercise, subject to approval and review by the relevant School.
- 15.16 Acceptance of inducements of a personal nature will lead to disciplinary action under the College's Disciplinary Policy. All Staff, Contractors and Officers of the College are required to notify any declarations of interest to the Director of Finance and to the Deputy College Secretary (Governance) in respect of any aspect of the procurement process.
- 15.17 Any attempt to deliberately circumvent these procurement regulations may result in disciplinary action being taken.

Contract Management

- 15.18 The College will hold suppliers accountable for the Key Performance Indicators as set out in contract terms and conditions. Directors are responsible for ensuring that adequate contract management procedures are in place in their areas of responsibility and that all contract management meetings with suppliers are documented. The Director of Finance shall be responsible for providing summary reporting to Governors annually.

Government Purchasing Cards

- 15.19 The College's Government Purchasing Card (GPC) scheme is the responsibility of the Director of Finance. The scheme is in place to increase efficiency in the purchasing of large volumes of low value goods and services.
- 15.20 GPCs are issued to staff for College business use only and purchasing using the College procurement cards must comply with these Financial Regulations and procedures. Cardholders are expected to use their GPC in accordance with the detailed conditions of use set out in the [Purchase Cardholder Procedures](#) and these financial regulations.
- 15.21 Cards must not be used for any personal expenditure. No cash withdrawals are permitted against procurement cards. Card misuse could result in the card being withdrawn and disciplinary action being taken. Expenditure incurred other than in compliance with the [Procurement Procedures](#) will be the personal liability of the cardholder.
- 15.22 Governors and external funders expect the Director of Finance to ensure that accurate and timely finance records are kept at all times. Routine and ad hoc audits are common and funding can be at risk if failings are identified. Cardholders must process their purchase card transactions promptly in Business World each month in a timely manner to ensure that financial transactions are recorded in the correct period. Cardholders regularly submitting their returns late and/or failing to provide receipts risk having their card suspended.
- 15.23 Cardholders must check their card transactions regularly during the month and notify Barclaycard of any suspected fraud immediately.

16. MAJOR CAPITAL EXPENDITURE

- 16.1 Major capital projects are projects with a budget of typically over £250,000, or projects affecting common space or the facilities and activities of more than one School. These projects will in the main relate to expenditure on land, new construction, extensions of and alterations to existing buildings, infrastructure and large equipment or software purchases. These will normally be financed over a period in excess of 12 months.
- 16.2 All major capital expenditure decisions are subject to a rigorous process of evaluation and thresholds are applied to ensure an appropriate level of scrutiny is undertaken. The Strategic Estates and Infrastructure Committee (SEIC) will consider and make recommendations to the Finance and General Purposes Committee for any major capital projects.
- 16.3 Such projects will only be authorised by the Finance and General Purposes Committee after proper assessment, including investment appraisal, has been undertaken and the project has been approved by SEIC; and after confirmation that resources are available to finance all revenue consequences.
- 16.4 The [Major Capital Expenditure Procedure](#) is intended to apply to any major and College-level projects.
- 16.5 The Delegation of Financial Authority details the approval thresholds in the event of there being any variations.

17. STAFFING

- 17.1 Expenditure on staff should support business objectives, be within budget and comply with legislative requirements and Birkbeck's policies. Where circumstances require, the Vice-Chancellor shall introduce additional controls.
- 17.2 All appointments shall be subject to the College's terms and conditions of service which have been approved by the Finance & General Purposes Committee.
- 17.3 The Director of Human Resources shall maintain a record of the approved planned staffing for the College for each category of staff. The current staff establishment held in Business World shall only include posts where a budget has been approved for that post.
- 17.4 The Director of Human Resources shall ensure that the recruitment of each member of staff follows the approved College procedures. Vacancies can only be advertised where a budget is held against that post. If expenditure is likely to exceed the planned expenditure then approval from the Director of Finance must be sought.
- 17.5 For the financial years 2023/24 and 2024/25, even where a budget is held against a vacant post, specific authority must be sought from the Deputy Vice Chancellor to recruit an academic post or the College Secretary in the case of an administrative post (or their nominee).

- 17.6 The on-line staff approval process must be used to notify Human Resources that a post should be advertised. Only vacancies with identifiable budgets can be advertised. The on-line approval process can only be commenced once prior approval has been provided in line with 17.5.
- 17.7 The Director of Human Resources shall be responsible for ensuring that all appointed staff receive contracts of employment and letters of appointment.
- 17.8 Budget Managers will promptly notify the Director of Human Resources of any matters relating to the remuneration of their staff and workers.
- 17.9 Where appointments are to be made to research projects or to other activities funded by outside sources, no post shall be filled unless the Research Grants and Contracts Office is satisfied that the funds have actually been received or that the funding agency has entered into a commitment in writing to provide the funds.
- 17.10 Salaries and wages shall be paid according to nationally and locally agreed scales except for senior staff whose salaries shall be agreed by the Remuneration Committee. The Director of Finance shall be responsible for the payment of salaries and wages in accordance with the notification of the appropriate rates of pay provided by the Director of Human Resources.
- 17.11 The payment of wages to all staff, including casual or part-time staff, shall be made through the payroll system. Employees shall be required to receive their salaries by monthly transfer direct to their UK bank account. Salary payments will not be made in other currencies or to overseas bank accounts without the prior authority of the Director of Finance.
- 17.12 Where a staff member chooses to have their allowance paid into a fund held in a Faculty/School account (i.e. not personal use) no employee's tax or NI will be deducted. Allowances held in Faculty/School holding accounts must be spent in accordance with these Financial Regulations. Funds held in a Faculty/Service holding account cannot later be transferred to the staff member through Payroll for personal use. Unused balances will be transferred to core funds e.g. if the staff member leaves the College.
- 17.13 The Director of Finance is responsible for making all payroll deductions required by law, and any voluntary deductions including pensions and for accounting for those deductions to the appropriate authorities and third-party organisations. The Director of Finance, or delegated representative, shall maintain at all times an appropriate scheme of division of duties for operating payroll.
- 17.14 Fees to individuals must **never** be paid and reclaimed as expenses or by using a College procurement card. Any staff member found to have done so could be subject to disciplinary action.
- 17.15 The Director of Finance is responsible for the administration of all pension matters relating to the pension schemes approved by the College.
- 17.16 In all cases, underpayments and overpayments of salaries and wages shall be adjusted. In the case of the adjustment of an overpayment the repayment period is to be determined

according to the circumstances of each case by the Director of Finance.

- 17.17 All overpayments of salary, however they occurred, must always be repaid by the staff member, or ex-staff member. No-one other than the Director of Finance has the authority to write-off overpayments of salary.
- 17.18 An advance of salary may only be made with the approval of the Director of Finance or Deputy Director of Finance. Advances will only be paid in relation to contractually due amounts where the due payment missed the relevant monthly payroll.
- 17.19 With the exception of season ticket loans or advances paid in line with 17.17 the College is unable to provide an advance of salary to staff members under any circumstances.

Temporary or Agency Staff

- 17.20 Temporary or agency staff may be engaged to undertake short term temporary assignments, but should not be used as an alternative to filling a substantive position. All engagements of such staff must be made in accordance with financial procedures laid down by the Director of Finance.
- 17.21 For the financial years 2023/24 and 2024/25 approval to recruit a temporary member of staff must be obtained from the Deputy Vice Chancellor (academic) or College Secretary (administrative) or nominee.

Engagement of Consultants and Self-Employed Individuals

- 17.22 From time to time the College may engage individuals to undertake specific pieces of work on a self-employed basis. Such engagements must be approved in advance by the Director of Human Resources and the Director of Finance, or their delegated representatives, in accordance with the College's recruitment procedures.
- 17.23 Engaging the services of consultants or personal service companies is subject to assessment in line with the College's [Guidance on Engaging Individuals](#). In order to comply with HMRC legislation the employment status of all workers providing such services must be assessed in advance of the engagement taking place, and the outcome be communicated to the individual in writing. Where an individual provides services doing a similar job in a similar manner to an employee, the College will deduct tax and National Insurance (NI) from the payment as required under HMRC IR35 regulations. If the College 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 the procurement procedures.

18. STAFF EXPENSES

- 18.1 The College's purchasing and payments procedures are in place to enable the majority of non-staff supplies to be made without staff having to incur any personal expense. On occasion, staff may incur expenses in fulfilling their duties, most often in relation to travel or other sundry expenses, for which they are entitled to reimbursement.

- 18.2 Staff expenses will normally only be reimbursed if they are incurred wholly, exclusively and necessarily in the performance of a person's duties of employment. Expenses that do not satisfy this test will be paid only with the express approval of the Director of Finance and the individual concerned will be responsible for any tax liability that may arise from such payments and, in submitting the claim, is deemed to give permission for such tax to be deducted directly from their salary by the College as necessary.
- 18.3 Fees to individuals must **never** be paid and reclaimed as expenses.
- 18.4 The amounts reimbursed shall not exceed the rates set by the College set out in the [Staff Expenses Policy](#).
- 18.5 All staff expense claims shall be authorised by another appropriate person and should be supported by official receipts or other valid documentation, providing a clear and accurate description of the purpose of payment.
- 18.6 Travelling within the United Kingdom should normally be by public transport and the most economical route should be used. Reimbursement will only be made for economy class fares and staff are expected to take advantage of any concessionary fares available.
- 18.7 Travelling abroad should normally be invoiced directly to the College and where practicable the College's existing suppliers for travel management should be used for the booking of any overseas travel. Staff shall book travel arrangements where the most favourable terms are obtainable.
- 18.8 No reimbursement of costs for hospitality will be made to staff when no third party is being entertained.
- 18.9 All reimbursement of staff expenses shall be paid directly into the staff member's bank account.
- 18.10 Detailed guidance relating to reimbursement of staff expenses can be found in the College's [Staff Expenses Policy](#).

19. PETTY CASH ACCOUNTS

- 19.1 Payment for small sundry items should be made using a College purchasing card. The Director of Finance may make available to Faculties and Services floats where they are deemed to be absolutely necessary for the disbursement of petty cash expenses.
- 19.2 A member of staff granted a petty cash float is personally responsible for the safe custody of the float. The float should be retained in a locked box and placed in a safe or locked cupboard or cabinet on College premises at night and whenever the office is left unattended. Staff with responsibility for a float are not permitted to take this home if working from home.
- 19.3 Any petty cash payment must be substantiated by an appropriate receipt and it is the responsibility of the Head of School to maintain robust records reconciling to the balance of funds held within the School at any one time.

- 19.4 Petty cash must never be used for the payment of staff or casual workers, providing loans or the settlement of accounts payable.
- 19.5 No single payment out of School petty cash accounts may exceed £50, except by express approval of the Director of Finance.
- 19.6 Imprest (petty cash) accounts must be submitted to the Income Office for checking and reimbursement at least once a term. All vouchers must be forwarded to the Income Office with claims for reimbursement.
- 19.7 As at 31 July each year a certificate of the float should be completed by the member of staff and countersigned by a senior member of the Faculty/Service, before lodging the certificate with the Income Office.
- 19.8 Procedures for holding petty cash must be agreed with the Head of Income. The Head of Income will be review balances and procedures regularly during the year.

20. CASH, BORROWING AND INVESTMENTS

Banking Arrangements

- 20.1 The College's bankers are appointed by the Governing Body on the recommendation of the Finance and General Purposes Committee. All such bank accounts shall be in the name of the College or a subsidiary company.
- 20.2 The Director of Finance shall be responsible for opening and closing all bank accounts and arranging the appropriate banking facilities as required for the College, together with authorised bank signatories. No officer other than the Director of Finance shall open any bank account in the name of the College. Any individual other than the Director of Finance found to be opening or closing bank accounts will be subject to disciplinary action.
- 20.3 No School/Service or individual shall have the authority to operate any separate bank account for College business undertaken from a College address unless authorised to do so by the Director of Finance.
- 20.4 The Director of Finance shall be responsible for ensuring that all bank accounts are subject to regular reconciliation and that any unusual or unreconciled items are investigated as appropriate.
- 20.5 All income attributable to the College must be paid into the Finance Department and be held in authorised College bank accounts.
- 20.6 The Director of Finance is responsible for the banking of all monies received by the College with the minimum of delay, for the ordering and issuing of cheques, for the safekeeping of any unused cheques and for the arrangement of electronic payments.
- 20.7 All payments, by electronic data processing and otherwise, drawn on behalf of the College must be signed in accordance with the bank mandate current at that time.

- 20.8 Non-interest-earning balances on accounts holding College funds shall be maintained at the lowest practicable levels.
- 20.9 Processing of credit card receipts must be carried out in accordance with the Payment Card Industry Data Security Standard (PCI DSS). Opening of new merchant accounts in the name of the College may only be done with the permission of the Finance Department.

Borrowing, Lending and Investments

- 20.10 The College's powers to invest and borrow money are exercised by the Governing Body. The Investment Committee, a sub-committee of the Finance and General Purposes Committee, advises on investment strategy and has oversight of the College's investments and loans and the performance of the investment managers. The Governing Body is responsible for appointing investment managers, for approving powers and restrictions on investments and for approving loans and credit facilities.
- 20.11 The Finance and General Purposes Committee is responsible for the control of investments and loans and for appointing the Investment Committee.
- 20.12 The Audit Committee, through the internal audit programme, is responsible for monitoring the effectiveness of the policies and controls in place for investment management and for assessing risk management in relation to investments and loans.
- 20.13 The Director of Finance is responsible for the implementation of the [Investment Policy](#) and, working with the investment managers, for day to day management of investments and loans.
- 20.14 Schools and Services may not separately hold funds and therefore may not invest such funds.
- 20.15 Arrangements for exercising borrowing powers may only be made upon the authority of the Finance and General Purposes Committee. The Committee must ensure that borrowing is in support of activities that are within the College's objects and should consider whether it is prudent to borrow and/or give security over charitable assets in order to achieve these activities.
- 20.16 Staff and Officers of the College are not permitted make loans to individuals or organisations from the funds within their control.
- 20.17 Staff and Officers of the College are not permitted to borrow College monies other than for the purpose of purchasing season tickets for travelling to and from work, and specific salary advances as detailed in 17.17. Loans for any other purpose are not permitted except with the agreement of the Finance and General Purposes Committee.
- 20.18 Staff and Officers of the College are not permitted to make payments for goods and services in advance, except for annual subscriptions, without the express authority of the Director of Finance or his nominee.

Leases

- 20.19 No leases may be entered into or renewed without the express authority of the Director of Finance.

20.20 No leases (finance and operating including photocopiers) may be entered into or renewed without the permission of the Director of Finance.

20.21 Property leases may only be entered into upon the approval of the Finance and General Purposes Committee.

Spin Out Companies

20.22 Investment by the College in a company set up to exploit intellectual property, including any patent, copyright or invention of the College (a spin-out company), including by way of transfer of the relevant intellectual property, may only be done following the approval of the Governing Body.

21. ASSETS

21.1 Directors of Operation and Professional Service areas are responsible for the care, custody and security of the assets under their control. They will consult with the Director of Finance in any case where security arrangements are thought to be defective.

21.2 The purchase, lease or rent of land, buildings or fixed plant shall only be undertaken with authority from the Governing Body and with reference to the OfS requirements where exchequer-funded assets or exchequer funds are involved.

21.3 The Director of Finance shall maintain the College's register of land, buildings, fixed plant, machinery and equipment. Staff will provide the Director of Finance with information required to maintain the register.

21.4 Directors of Operation and Professional Service area are responsible for maintaining inventories for all fixed assets in their area including any items donated or held in trust.

21.5 Directors of Operation and Professional Service areas shall be required to conduct regular inspections of inventories.

21.6 College property shall not be removed from the premises without authority of the Director of Operation or Service and the Finance Department.

21.7 Directors of Operation and Professional Service areas will immediately notify the Director of Finance of any loss, liability, accident, damage or other event that might lead to a claim being made by or against the College.

Disposal of Assets

21.8 Assets owned by the College must be disposed of in accordance with procedures agreed by the Finance and General Purposes Committee as detailed in the delegation of financial authority.

21.9 Disposal of land and buildings shall only take place with the authorisation of the Governing Body. External funder consent may be required if exchequer funds were involved in the acquisition of the asset.

21.10 Authorisation of disposal of a single item up to the value of £100,000 is delegated to the

Director of Finance or the College Secretary. Disposals in excess of £100,000 will require approval of the Finance and General Purposes Committee.

- 21.11 Budget Managers will advise the Director of Finance of any item to be disposed of, including details of estimated market value, proceeds of sale, and the reason for disposal.
- 21.12 Losses caused by theft, fraud, arson, neglect of duty or gross carelessness, must be notified to the Director of Finance, who will take the appropriate action.
- 21.13 The Director of Finance shall be authorised to take any necessary steps to safeguard the College's interests in bankruptcies and company liquidations.

22. INSURANCE

- 22.1 All insurances of the College shall be under the direction and control of the Finance and General Purposes Committee.
- 22.2 The Director of Finance shall be responsible for the day-to-day administration of the College's insurances and will maintain a register of insurances and schedules of all insurable losses.
- 22.3 The Director of Finance shall be responsible to the Finance and General Purposes Committee for establishing procedures for securing cover against any risk falling within the categories of insurance approved by the Committee and for recovering insured losses promptly.
- 22.4 Budget Managers shall maintain such records for their Schools/Services as are required by the Director of Finance. They will seek to minimise the risk of losses occurring, and will immediately notify the Director of Finance of all new insurable risks falling within their areas of responsibility relating to assets.
- 22.5 The Director of Estates shall keep a register of all engineering plant, lifts, steam pressure vessels and other plant, machinery and equipment which are subject to regular inspection by the insurers under the inspection contracts. The Director of Estates shall be responsible for ensuring that the inspections are carried out at the prescribed times and for ensuring that the action required in the inspection reports is carried out promptly.
- 22.6 Members of the College's staff shall not sign any disclaimer or indemnity documents relating to activities involving outside bodies but should refer these to the Director of Finance.
- 22.7 The College's insurances do not cover loss or damage to personal property and members of staff should satisfy themselves that any possessions they bring to the College are adequately insured. If personal equipment is used for College work the details must be registered with the College Secretary.
- 22.8 The College maintains a travel insurance policy for Staff, Students and Officers travelling on official College business/activities. Individuals are required to notify the Finance Department of any overseas travel plans prior to the travel taking place and at an early stage.

22.9 The College will not reimburse any Staff member, Officer or Student for any insurance purchased which is already covered by the College's policy

23. TAXATION

23.1 The College is an exempt charity and as such exempt from corporation tax in respect of income or capital gains to the extent that such income is applied exclusively for charitable purposes. Other than for student fees, the College receives no similar exemption in respect of VAT, except in the case of medical equipment and advertising.

23.2 The Director of Finance is responsible for ensuring that the College complies with all relevant taxes and that the College's affairs are conducted in a tax efficient manner.

23.3 The Director of Finance shall maintain all records in relation to taxation, making all payments, receiving appropriate credits and ensuring all returns are made to the relevant authorities in a timely manner.

23.4 All staff engaged in financial transactions should consider any tax implications arising from those transactions and, where necessary, seek advice from the Finance Department.

23.5 The College, its subsidiaries, its staff and other associated bodies and persons must not knowingly engage in tax evasion – acting dishonestly to reduce a tax liability – or facilitate tax evasion by a third party. The Criminal Finance Act and other relevant legislation must be complied with by all staff.

23.6 Under the Criminal Finance Act the College would be criminally liable if (i) a third party has undertaken tax evasion, (ii) a College staff member (or other associated person) has aided the third party in that, and (iii) the College has not acted to prevent such facilitation. Such a third party may include (but is not limited to) a supplier, contractor, customer or agent. To clarify, point (ii) above is an offence in itself regardless of the Criminal Finance Act.

24. OVERSEAS OPERATIONS AND PARTNERSHIPS

24.1 From time to time the College may develop overseas operations and partnerships. Express authority of the Director of Finance or College Secretary is required prior to engaging in these activities.

24.2 Approval of the Governing Body is required for any overseas or partnership activity which involves any of the following:

- Setting up a permanent establishment overseas (a permanent establishment is any office or building run by, or on behalf of, the College and from which College business is conducted);
- The creation of a company, partnership, trust, or other legal entity in an overseas jurisdiction;
- The employment of any staff in an overseas territory;
- The opening of a bank account in an overseas territory.

- 24.3 Such approval will only be granted after full consideration of the risks and benefits of the proposed activity. Proposals for overseas activity will be expected to present a full business case, including an analysis of the likely risks and how these will be addressed, for approval by the Director of Finance or College Secretary. The relevant Schools/Services including Finance and HR should be consulted during the preparation of the business case.
- 24.4 Members of Staff and Officers of the College who expect to be undertaking duties outside of the UK for an extended period (more than three months) should seek approval from the Finance department prior to the engagement.
- 24.5 The Director of Finance shall be responsible for opening and closing all bank accounts and arranging the appropriate banking facilities as required, together with authorised bank signatories. No officer other than the Director of Finance shall open any bank account in the name of the College. Any individual other than the Director of Finance found to be opening or closing bank accounts will be subject to disciplinary action.

25. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

- 25.1 This section refers to undertakings that are required under FRS 102 to be consolidated with the results of the College either fully or under the equity method of accounting.
- 25.2 The setting up or investment in any subsidiary or associated undertaking must be approved by the Governing Body on the recommendation of the Finance and General Purposes Committee.
- 25.3 Where Officers or staff of the College are appointed by the College to serve as directors of a subsidiary or associated company, they are forbidden from deriving any personal benefit from that appointment other than appropriate remuneration for services as a director of the company as agreed by the College's Governing body.
- 25.4 Staff and Officers of any company controlled by the College shall be subject to these Financial Regulations.
- 25.5 The Governing Body delegates oversight and decision making in the College's subsidiary companies to their Board of Directors, which report regularly to the Governing Body.

26. STUDENTS' UNION

- 27.1 Birkbeck College Students Union is a separate legal entity. Amongst other matters, it is responsible for maintaining its own bank account and financial records. The Governing Body shall receive Birkbeck College Students Union audited financial statements each year.

Delegation of Financial Authority

1. Introduction

- 1.1. In accordance with the Financial Regulations of Birkbeck, University of London (Birkbeck), the Governing Body must approve all financial authority levels that commits the College to incur cost, whether Capital Expenditure, Revenue expenditure or Contract expenditure regardless of the source of funding. This includes the powers to sign Research contracts, Consultancy agreements and other Commercial contracts.
- 1.2. This document summarises the specific financial delegations applicable to the day-to-day operations of the College. The monetary values in the Delegation of Financial Authority are reviewed by the Finance and General Purposes Committee and any changes recommended to the Governing Body.
- 1.3. The financial limits that apply are to the project/contract as a whole, even though the procurement may be in phases and over a period of time. In other words, splitting of orders or contract commitments to avoid approval at a higher level is strictly prohibited and will be considered a breach of Financial Regulations.
- 1.4. Lines of delegation are either through the line management hierarchy or operate through functional relationships, and through associated roles at different levels within Birkbeck. The Director of Operations or Professional Services remains responsible and accountable for all budgets falling under their area of control,

2. Principles

- 2.1. The following principles underpin the Delegation of Financial Authority and all decisions taken under the delegation of financial authority framework:
 - The decision should be consistent with the College's aims and objectives.
 - The person to whom the authority has been delegated should only make decisions within his/her area of responsibility. That is, one academic or service area should not take a decision that commits another academic or service unit without their consent.
 - Delegated authority should be linked to budget management and all budget holders responsible for a budget should have an approval limit.
 - Self-approval is strictly prohibited.
 - Decisions should not be taken unless relevant documentation has been reviewed in line with Birkbeck policies and procedures (including the Financial Regulations) and, where necessary, external legal advice has been sought.
 - Where a third party has provided funding, decisions should only be taken once any required approval from the third party has been obtained.

- Approved documentation must be produced and a record of the decision made available, in keeping with the College's procedure on the retention of records.
- The decision should demonstrate that value for money considerations have been taken into account.
- Expense claims must be approved in line with Birkbeck's Staff Expenses Policy.
- All Purchasing cardholders must have a delegated approval limit assigned to them.
- All finance leases require the approval of the Director of Finance or College Secretary.
- The approval limit delegated to the Vice Chancellor, College Secretary, Director of Finance covers the need for approval of high value purchase orders and requires joint approval.

Framework of Delegated Financial Authority

3. Non-Pay and Contract Expenditure

- 3.1. Budget Managers responsible for procuring the goods and services they require within their defined budgets may delegate authority to designated budget holders within a Faculty or Service. In exercising this delegated authority, budget holders are required to observe the College's Financial Regulations.
- 3.2. Directors of Operations and Professional Services and their delegated budget holders are only authorised to commit Birkbeck to any expenditure after ensuring that sufficient funds are available to meet the purchase cost of goods and services.
- 3.3. All procurement must be undertaken in accordance with the latest Procurement Procedures issued by the Director of Finance.
- 3.4. For avoidance of doubt, all spending requirements that have a cost of more than £50,000 must be conducted via the Procurement team.
- 3.5. The Finance Department maintains a list of approved designated Budget Holders, Budget Managers should notify the Finance Department of any changes to delegated authority promptly.
- 3.6. The approval limits in the table on the following page are for purchase orders, payment of non-pay or contract expenditure invoices and other payment documents (e.g. expense claims). These limits are reflected in the workflow of the College's Financial Information System (Business World):

Role	Approval threshold (including VAT)
Designated administrative staff	Up to £2,000
Faculty Finance Administrator or equivalent	Up to £5,000
Faculty Finance Manager	Up to £10,000
Head of Operations, Assistant Director, Deputy Director	Up to £25,000
Dean or Director	Up to £50,000
Dean, or Director and College Secretary or Director of Finance	Above £50,000

3.7. Some contracts may require the Vice Chancellor, the College Secretary or the Director of Finance to sign on behalf of Birkbeck.

4. Temporary Changes to Delegated Authority

4.1. From time to time a budget holder may be required to assign a nominee to cover during short periods of absence e.g. annual leave, sickness. Budget holders are permitted to assign a proxy for a period of up to 6 weeks in line with the College's Acting Up Policy.

4.2. The proxy assigned should discharge all aspects of the budget holder's financial responsibility. The chosen proxy should be a member of staff at the relevant grade with the appropriate training and experience to undertake these responsibilities.

5. Purchasing Cards

5.1 The use of Purchasing Cards is preferred for small value expenses as it is a controlled, efficient method of paying expenses with a clear audit trail.

5.2 Purchasing cardholders are required to use the card issued to them in line with the College's Purchasing Card Procedures.

5.3 Maximum limits on the use of Purchasing Cards are determined on each card based on operational requirement. All requests for purchasing cards and changes to existing purchase card limits are approved by the Director of Finance or his nominee.

5.4 All Purchasing cardholders are assigned an approver. This approver should be in line with the non-pay approval limits shown in the table above.

6. Capital Expenditure

- 6.1 The College's Accounting Policy defines Capital expenditure as any expenditure over £10,000 on an item or group of related items which has a life of more than 1 year.
- 6.2 This covers all construction and improvements which increase the value and useful economic life of a building, major equipment purchases, software, and expenditure related to research, consultancy and other areas of knowledge transfer.
- 6.3 The Capital Budget is prepared annually and incorporates all planned spend on land, buildings and equipment. This is formally approved by Birkbeck; Finance and General Purposes Committee before recommendation to the Governing Body.
- 6.4 Responsibility for ensuring spend is in line with the approved Capital Budget is delegated to the Strategic Estates and Infrastructure Committee (SEIC).
- 6.5 In the event of there being any variations or additional expenditure, provisional sums shall be approved as follows:

Up to £10,000 on each item providing it can be met from the contingency sum	Director
Items over £10,000, where they can be met from the contingency sum	College Secretary
Items which cannot be met by the contingency	Chair's Action (Strategic Estates and Infrastructure Committee) with confirmation by Finance and General Purposes Committee

- 6.6 The Governing Body approves in outline each year, the three-year Capital Budget which sets expenditure limits for each area of activity and capital project. Authority to enter into financial commitments in accordance with the Budget and Capital Programme is delegated to the Executive and Officers as set out in this Scheme of Delegation of Financial Authority.

7 Disposal of Fixed Assets

- 7.1 In determining if an asset is appropriate for disposal, due diligence is required. The disposal can only be authorised by any person who is authorised to incur expenditure against the relevant equipment code. This budget holder should consult with the Finance Department prior to the disposal of any assets.
- 7.2 Authorisation of disposal of a single item up to the value of £100,000 is delegated to the Director of Finance or the College Secretary.

- 7.3 The disposal of all assets classified as land and buildings requires approval of the Finance and General Purposes Committee.
- 7.4 Fixed Assets that are no longer required by the College should be recorded as such in the Faculty /Professional Service area fixed asset register.
- 7.5 The proposed purchaser should be invoiced for any proceeds of disposal through the finance system and VAT added if applicable.
- 7.6 In addition to the above, disposal of equipment to a member of staff or student of the College may take place in consultation with the relevant Director of Operations or Professional Service and the written consent of the College Secretary or Director of Finance. Any such requests must state the original date and price of purchase of the equipment concerned.
- 7.7 Lost, stolen and destroyed assets:
- Lost, stolen and destroyed assets must be reported to the Director of Finance, following which the Fixed Asset Register (“FAR”) will be updated.
 - In the case of stolen assets, the budget holder is also responsible for contacting Estates and Facilities and reporting the stolen item to the Police. The Police will provide a file number and/or a police report. When recording the disposal of the stolen asset, you must include the police report number and inform the Finance Department.

8 Bad Debt Write Offs

- 8.1 The Finance and General Purposes Committee has delegated the authority for dealing with student related debt to the Director of Finance.
- 8.2 In consultation with the necessary budget holders the Finance Department shall take action to recover unpaid claims including the issue of standard reminders, and depending on the circumstances, further action such as employing a debt collection agency may be needed.
- 8.3 Sums due to the College shall only be written off after the normal debt collection procedures have been followed.
- 8.4 Sums under £100,000 may be written off upon the authority of the Director of Finance, with a report to the Finance and General Purposes Committee. Sums over £100,000 must be written off upon the authority of the Finance and General Purposes Committee.

9 Bank Mandate

- 9.1 For payments not exceeding £25,000 any one signatory will be required. For payments exceeding £25,000 any two signatories, at least one of whom must be from group B, will be required.

Position	Signing Group
Head of Finance Business Partnering	A
Director of Finance	B
Deputy Director of Finance	B
Deputy College Secretary	B
College Secretary	B
Vice Chancellor	B