



GCU Financial Regulations

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1. GENERAL PROVISIONS

1.1 Background

Glasgow Caledonian University (GCU) was established by Statutory Instrument 1993 No 556 (S75) as amended by the Glasgow Caledonian University Order of Council 2010 (SI No 198), and came into being on 1 April 1993. It is a public body whose objectives are to advance learning and knowledge by teaching and research and to enable students to obtain the advantages of higher education.

The University is accountable through the Court of Glasgow Caledonian University, its governing body, which has ultimate responsibility for the University's management and administration.

The University is a registered Scottish Charity (No. SCO21474) and is compliant with all financial and regulatory requirements of The Office of the Scottish Charity Regulator (OSCR).

The Financial Memorandum sets out the formal relationship between the Scottish Funding Council (SFC) and GCU and the requirements with which GCU must comply as a term and condition of grant from SFC.

1.2 Purpose of Financial Regulations

The Financial Regulations set out the mandatory rules and framework for financial activities which all University staff and Court members must adhere to whilst conducting the financial business of the University. They apply to all UK subsidiary companies consolidated within the University's Financial Statements. The Chief Operating Officer is responsible for ensuring that copies of the Financial Regulations are published on the University's [website](#).

The [Financial Procedures](#), which complement the Financial Regulations, provide the guide to best practice for all staff with responsibilities for financial administration. Within the Regulations, references are made to the Financial Procedures where appropriate.

The Regulations are not intended to meet every possible situation and it is important that appropriate advice is sought in case of doubt. The Regulations do however provide assurance that there is a permanent record of rules and accountability for the income and expenditure of funds and for the achievement of value for money.

1.3 Amendments to Financial Regulations

Every three years, or more frequently if appropriate, the Chief Operating Officer shall arrange for the Financial Regulations to be reviewed. Any proposed changes will be submitted to the Finance & General Purposes Committee for approval. The Chief Operating Officer may at any time submit to the Finance & General Purposes Committee amendments or additions to the Financial Regulations as may be considered appropriate.

1.4 Non-compliance with Financial Regulations

Any breach or non-compliance with these Regulations must be reported immediately to the Chief Operating Officer who will review the matter, make judgement on it and thereafter report the matter to the Principal. Disregard of these Regulations may result in disciplinary action being taken against the person concerned.

1.5 Confidentiality of information

Financial information considered to be sensitive or of a confidential nature, received or obtained by any person in connection with their role within the University, must not be disclosed to any party without prior approval of the Chief Operating Officer. Where there is a legal requirement to disclose this financial information, approval should still be sought from the Chief Operating Officer. Advice should be sought from the Head of Information Compliance in the Department of Governance if there is any uncertainty as to whether the information is required to be disclosed.

1.6 Freedom of information

The Freedom of Information (Scotland) Act 2002 places duties on the University to make certain information publicly available on request. All such Freedom of Information (FOI) requests relating to financial matters will be managed and responded to by the Department of Governance from information provided by Finance.

The University will routinely make certain financial information publicly available. Details of what information is publicly available can be found in the University's [Publication Scheme](#). This will include the Annual Financial Statements and Executive expenses.

2. CORPORATE GOVERNANCE

2.1 Financial responsibilities

The [Financial Memorandum](#) sets out the formal relationship between the SFC and the University and the requirements which the University must comply with as a term and condition of grant from the SFC. The responsibility for ensuring compliance with the Financial Memorandum rests with the governing body, the University Court.

Although the University Court is ultimately responsible for the compliance with the Financial Memorandum of the University, much of the detailed work is delegated to Court's standing committees. The two standing committees with prime responsibility for financial matters are the Finance & General Purposes Committee and the Audit Committee. In discharging its responsibilities, the University Court complies with the principles and provisions set out in the Scottish Code of Good HE Governance 2017.

In addition, the Principal is the designated officer appointed by University Court who is directly accountable to the Chief Executive Officer of the Scottish Funding Council for the institution's proper use of funds. The University Court also appoints a Chief Operating Officer who has management responsibility for the overall financial affairs of the University.

The Principal convenes an Executive Board whose members include Deputy Vice Chancellors, the University Secretary, the Chief Operating Officer and Vice-Principals & Pro Vice-Chancellors. Executive members may delegate responsibility for financial management within their area of responsibility as appropriate, although the overall accountability remains with the Executive Member.

2.2 University Court

In accordance with the Glasgow Caledonian University Order of Council 2010, the Court of Glasgow Caledonian University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Court is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of the Financial Memorandum the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

Court's primary financial responsibilities are to:

- Ensure the solvency of the University and to safeguard its assets.
- Prepare and approve the University's annual accounts and report;
- Ensure the proper use of public funds awarded to the University and to ensure that the terms of the Financial Memorandum with the Funding Council are observed.
- Approve the annual operating plans and budgets and to ensure that these reflect the University's strategic plan and strategic risk assessment.

In causing the financial statements to be prepared, the Court has to ensure that:

- Suitable accounting policies are selected and applied consistently.
- Judgments and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- The financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the University will continue in operation.

2.3 Finance & General Purposes Committee

The Finance & General Purposes Committee recommends to Court the University's annual revenue and capital budgets and monitors performance in relation to approved budgets. The Committee also reviews major investment decisions prior to final approval by Court.

As part of its responsibility for financial oversight of the university, the committee reviews the Annual Financial Statements.

The Terms of Reference for the Committee are available from the Department of Governance.

2.4 Audit Committee

The Financial Memorandum requires the governing body to appoint an Audit Committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. The Audit Committee therefore advises the University on the appointment of the Internal and External Auditor, the auditor's remuneration and assesses the effectiveness of the auditors. The Audit Committee is also required to produce an annual report to the governing body.

As part of its responsibility for financial oversight of the university, the committee reviews the Annual Financial Statements and recommends these to Court for approval.

The Terms of Reference for the Committee are available from the Department of Governance.

2.5 Executive Board

The Executive Board is responsible for the day-to-day running of the University. Led by the Principal it consists of members of the Executive team, who have clearly defined functional roles contributing to Strategic Policy and decision making relating to all areas of the University.

It is the University policy to devolve financial management by transferring budgetary control responsibilities from the Principal to Executive members. Within Academic Departments budgetary controls are then devolved further to the respective Deans, Heads of Departments and other budget holders. Within Professional Support Departments budgetary controls are devolved to Senior Management and other budget holders.

While financial management is devolved overall accountability remains with the Executive.

2.6 Students' Association

The Officers of the Students Association are responsible to Finance & General Purposes Committee for the proper expenditure of funds allocated to the Association. The Finance & General Purposes Committee carry out an oversight role on behalf of the Court for the proper expenditure of funds. The Association shall maintain its own bank account and financial records and prepare its own financial statements. The financial statements shall be externally audited.

The Association shall operate within its own Financial Regulations as approved by the Association.

2.7 Subsidiary companies

Before a new subsidiary company is set up to exploit any activity to which the University has rights, specific approval shall be obtained from the University Court following advice from the Finance & General Purposes Committee.

Activities to be undertaken through a University subsidiary company shall be determined by the Chief Operating Officer.

University Companies shall comply with these Financial Regulations, as appropriate, in addition to financial procedures specific to the Company. GCNYC is the only exception to this and complies with its own set of Financial Procedures thus ensuring the financial governance arrangements comply with US regulations.

2.8 Risk management

Risk is the possibility that unforeseen events, outcomes or actions may adversely affect the University's ability to achieve its objectives. It arises as much from the possibility that opportunities will not be realised as from the possibility that threats will materialise. To support risk management within the organisation, the University has articulated its appetite and tolerance to risk aligned to its strategic themes and associated activities.

The application of the Risk Management Strategy is the responsibility of Court through the Principal. The Principal and the Executive Board are responsible for the implementation of the strategy. This has been delegated to the Chief Operating Officer through the Risk Management Forum, which reports to the Executive Board, and is responsible for overseeing risk management in the University, including the successful implementation of the University's Risk Management Strategy, co-ordination of risk management activity and ensuring that the necessary processes are in place to manage University risk and achieve compliance with governance requirements.

In addition, the Audit Committee has specific responsibility for monitoring and reviewing the effectiveness of the institution's risk management arrangements, providing a formalised reporting and appraisal mechanism.

Schools and departments must submit copies of their risk registers for review by the Risk Management Forum twice per annum and all new research and commercial projects must be supported by a project risk register.

2.9 Fraud, irregularities and financial misconduct

It is the duty and responsibility of each employee to act with integrity and honesty in all aspects of University activity. Each employee must act in accordance with the suite of counter fraud policies in place at the University, including:

- Financial Misconduct Policy (contact Finance)
- Anti-Money Laundering Policy (contact Finance)
- Delegated Authority Policy (contact Finance)

- Criminal Facilitation of Tax Evasion Statement (contact Finance)
- Public Interest Disclosure Policy (contact People Services)
- Anti-Bribery Policy (contact Governance)
- Gifts & Hospitality Policy (contact Governance)

Misuse or misappropriation of the assets and funds of the University is a disciplinary matter which can also lead to criminal proceedings.

2.10 Anti-bribery, gifts and hospitality

The University prohibits the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement:

- to or from any person or company, whether a public official or public body, or a private person or company, wherever situated; or
- by any individual employee, agent or other person or company acting on the University's behalf; or
- in order to gain any commercial, contractual or regulatory advantage for the University in a way which is unethical; or
- in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

Personal gifts, other than items of small intrinsic value (less than £50), shall not be accepted. Gifts should be recorded on the central Gifts Register maintained by the Department of Governance.

Modest hospitality is an accepted courtesy of business relationships. However, the recipients should not allow a position to be reached whereby they might be influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality should not be greater than the University would be likely to provide in return.

When it is not easy to decide between what is acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Department of Governance.

Personal inducements in any form from suppliers of goods and services to employees are forbidden. The University is required to ensure that it is in compliance with the Bribery Act 2010. It is a corporate offence to fail to prevent bribery. Full guidance and information on the procedures that are in place are available from the [Anti-Bribery Policy](#) and the [Gifts and Hospitality Policy](#).

2.11 Criminal Finances Act 2017 and corporate criminal offences (CCO)

The Criminal Finances Act 2017 (CFA 2017) has introduced a Corporate Criminal Offence (CCO) of failure to prevent the facilitation of tax evasion. The CFA 2017 means that if a person 'associated' to the University, anywhere in the world is found to have assisted a third-party in evading tax in the course of their duties, then the University itself could be deemed to have committed a corporate offence.

The University and its UK and overseas operations are committed to preventing the facilitation of tax evasion by associated persons anywhere in the world through developing reasonable prevention procedures, carrying out regular due diligence and risk assessments of our activities and creating awareness and a culture of compliance throughout the University.

Information on the University's commitment to prevent of the facilitation of tax evasion is available from the Top-level commitment and the [Criminal Facilitation of Tax Evasion Statement](#).

2.12 Execution of official documents

The University Court has agreed the following regulation setting out the scheme of delegated signing authority.

Court has delegated financial authority to the Principal, the University Secretary and other members of the Executive. The arrangements for the delegation of authority to sign official documents are aligned with the scheme of delegated financial authority.

- Two signatures, including the signature of a governor will be required in the following circumstances (the term governor encompasses appointed governors and staff governors):
 - Every document to which the Seal is affixed shall be signed by a member of the University Court (except academic awards which will be signed by the Principal) and shall be countersigned by the Principal or the Principal's nominee; or where the Seal is used with the authority of Senate, by the Clerk to Senate. Such documents must have been evaluated and approved by Court or the relevant Committee or Senior Officer prior to presentation for sealing.

- Court shall delegate signing authority in the following circumstances:
 - Any individual contract or document which commits the University to expenditure in excess of the limit of financial delegation stipulated in the Scheme of Delegated Financial Authority approved by the Finance & General Purposes Committee and ratified by Court, may be signed by the principal or the Principal's nominee where the decision to commit to the expenditure has been approved by Court and duly ratified in the Court minutes.
 - All other documents may be signed by the Principal or the Principal's nominee.

2.13 University Seal

The University Seal may only be used with the Authority of Court or that of a Committee or Officer duly authorised by the University Court to use it. The University Court has delegated power to the Chair of the Court and the Chair of the Finance & General Purposes Committee to authorise the use of the seal in University business.

The Principal or University Secretary shall be responsible for the security and use of the University Seal.

3. FINANCIAL MANAGEMENT

3.1 Strategic Plan

The Executive shall formulate the University's objectives, identify priorities and formulate the broad strategy for inclusion in the Strategic Plan. The Finance & General Purposes Committee will contribute to the Strategic Planning Process.

The Executive shall develop and agree the policies required to implement the Strategic Plan.

The Strategic Plan shall be approved by the University Court.

The Strategic Plan shall be underpinned by a Financial Plan which will articulate the financial parameters within which the Strategic Plan will be delivered.

3.2 Financial Plan

The Chief Operating Officer is responsible for the Financial Plan. The Plan ensures the University's financial resources are directed towards strategic priorities, that risks are effectively managed, that value for money is achieved and that the University is fundamentally sound and robust. The Financial Plan provides a framework to enable the setting of a detailed financial budgets, which are updated annually as part of the Strategic and Financial Planning Process.

3.3 Strategic and Financial Planning Process

Annually the University will undertake a Strategic and Financial Planning Process. As part of this the Director of Finance shall prepare a draft annual budget which includes options for consideration of the Executive and the Finance & General Purposes Committee.

In accordance with the Financial Memorandum the approved budget should provide that the University plans and manages its activities to remain sustainable and financially viable. The University is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allows a margin of surplus for investment in its infrastructure while exceptionally recognising that strategic circumstances may result in planned deficits over a short period.

In addition, longer term financial scenarios will be prepared by the Director of Finance which will include capital expenditure commitments resulting from the Infrastructure Plan. The annual budget will also include infrastructure plans as proposed by the Infrastructure Group and approved by the Executive.

3.4 Budgets and resource allocation

As part of the Strategic and Financial Planning Process the Director of Finance shall be responsible for preparing short, medium and long term financial forecasts for submission to the Executive and then to the Finance & General Purposes Committee. In accordance with SFC requirements, the University must plan its affairs in such a way as to ensure that solvency is maintained.

The University Executive, Deans and Heads of Support Departments shall provide the Director of Finance with all financial, statistical and other information required to prepare estimates to a timetable approved by the Executive.

The Executive shall be responsible for evaluation and recommendation of budgets for submission to the Finance & General Purposes Committee. The Director of Finance shall be responsible for ensuring that proper procedures exist for the control of expenditure against approved budgets.

3.5 Budget holders & budgetary control

Budget holders are accountable to the relevant Executive Member for the proper use of funds in accordance with these Regulations and procedural notes issued to budget holders.

Budget holders shall not overspend unless specifically authorised by the Principal or the Principal's nominee (Chief Operating Officer).

The approved cost centre budgets shall form the basis of the University's Budgetary Control System. The system adopted shall incorporate the reporting of, and the investigation into, variances. The Director of Finance shall be responsible for providing budgetary information and advice to enable Budget Holders to carry out their budgetary responsibilities.

The Executive has responsibility for ensuring that budget officers carry out their function within the limits of their budgets and that resources are managed effectively.

Detailed guidelines are included within the [Financial Procedures](#).

3.6 Financial reporting

The Chief Operating Officer shall provide such reports as may be required by the Executive and the Finance & General Purposes Committee to enable the financial performance of the University to be monitored against budget.

4. INCOME

4.1 General

It is the responsibility of all staff to ensure revenues to the University are maximised by efficient application of agreed financial procedures for the identification, collection and banking of income.

It is the responsibility of the Chief Operating Officer to ensure financial procedures and systems are in place to enable the University to receive all income to which it is due. This responsibility includes ensuring that systems are in operation for the timely issue of invoices, prompt collection, recording, security and banking of all income when received.

No member of staff outside of Finance should administer funds on behalf of a third party i.e. acting as agent on behalf of a funding body.

Before embarking on income generation activities, whether through the University or a subsidiary company, the Scheme of Delegated Authority must be considered. This outlines the financial limits that are assigned to individuals within the University regarding their ability to approve new projects, and to commit and approve expenditure. In addition, a business plan/budget or any other appropriate costing should be agreed with the Dean/Head of Department. Where University facilities are to be used, they should be specified in the plan and an appropriate provision made for full recovery of all costs including overheads.

4.2 SFC grants

Annually the SFC publishes the main grant letter outlining the revenue and capital grants payable to the University for the following financial year.

4.3 Tuition fees

Tuition fees are set annually through the tuition fee setting process, led by Finance and in consultation with the Schools, Marketing, Recruitment and Admissions, and the Graduate Centre.

The output of the fee-setting process is presented to the Executive Board for approval.

4.4 Research grants and contracts

The Research Innovation Office (RIO) is responsible for all administration regarding all research grants and contracts up to and including the point of acceptance by the University. Finance is responsible for the financial administration of research grants and contracts once the award has been accepted by the University. University guidelines for Research grants and contracts should be followed in preparing submissions for funding.

All applications for Research Funding shall be routed through the approval process as set out through RIO.

The Chair of the Research Committee or their nominee shall sign the acceptance of a Research Contract on behalf of the University after RIO has confirmed that:

- the financial arrangements are acceptable
- no financially onerous conditions exist in the offer
- all direct costs are recovered
- risk registers have been completed
- there is no continuing financial commitment after the expiry of the grant
- where appropriate, adequate provision has been made for the recovery of all University costs including overheads.

4.5 Commercial contracts/Consultancy agreements

Consultancy and other services offered by the University to external clients should be priced to recover at least full economic cost ([section 5.13](#)). The fees should be set through liaison with the [Finance Business Partner](#) team. The approval process for commercial and consultancy contracts is owned by RIO.

4.6 Philanthropic Donations

The University welcomes philanthropic donations from alumni, individuals and corporate supporters to the Glasgow Caledonian University Foundation (The Foundation). The Foundation supports the University's vision by working to generate funds that will help to transform lives through education, recognising philanthropic donations are a key enabler for change.

All gift donations, cash gifts and benefactions that are made to the University are administered and invested by The Foundation in accordance with the Major Gift Acceptance Policy and the University's policy on Ethical Investment contained within the Treasury and Ethical Investment Policy. In addition, the Code of Fundraising Practice which is industry best practice is adhered to at all times.

4.7 Sales invoices

Finance shall be advised of all income due to the University to ensure suitable arrangements can be made for invoice and collection. Invoices are to be raised promptly on official invoices showing the amount of VAT charged where appropriate. All credits/refunds are approved within the relevant School/ Support Department and then authorised by senior Finance management prior to the refund being processed in the finance system.

4.8 Collection of debts

The Chief Operating Officer is responsible for ensuring:

- Procedures to monitor and recover outstanding debts are in place,
- All debts are monitored with reports prepared on a monthly basis,
- The approval of the annual review of bad debts, including the write off where applicable.

Appointed external debt recovery agents shall also be used to assist in the collection of debts.

4.9 Private consultancy

Private consultancy is when the member of staff acts entirely in a private (personal) capacity, so that the client has no link to the University. The regulations governing exclusivity and private work undertaken by University staff are set out in the conditions of service in the employment contract. The main stipulation is that staff undertaking private work must ensure that it does not impair the performance of, or conflict with, their University duties. Any member of staff in doubt should consult with their Dean/Head of Department. The University also reserves the right following consultation to impose reasonable conditions on the undertaking of external professional activities.

In accepting outside commitments, the staff member shall clearly indicate in writing that he acts in a personal capacity with no legal or financial liability falling on the University as a result of advice or information given, or any other services or goods provided.

The permission of the Dean/ Head of Department is required for private work which involves the use of University resources. In those circumstances an economic charge will be made.

4.10 Intellectual property rights/ patents/ copyrights

Certain activities undertaken within the University including research and consultancy may give rise to ideas, designs and innovations, which may be patentable, capable of protection by design registration or otherwise benefiting from protection under the law of intellectual property.

The intellectual property rights from any idea, design or invention that arises from work undertaken by a member of staff whilst employed by the University, shall as provided by their contract of employment, normally belong to the University. All matters pertaining to the development, protection and exploitation of such intellectual property must be referred to the Research & Innovation Office for legal and commercialisation support and advice.

5. EXPENDITURE

5.1 General

All expenditure must be authorised, in accordance with the Scheme of Delegated Authority, prior to any financial commitment being made. Budget holders are responsible for ensuring that expenditure within their area does not exceed funds available within their budget.

Funds from grants or donations must only be used within the terms of the grant or the specifications of the donation. The accounting treatment should be agreed with the Finance team.

It is the responsibility of the Chief Operating Officer to ensure financial procedures and systems are in place to enable the University to make all payments to suppliers of goods and services to the University.

The [Financial Procedures](#) provide the guide to best practice for all staff with responsibilities and authority for expenditure.

5.2 Procurement

Procurement promotes the achievement of value for money across all of the University's purchases. The University requires all budget holders, irrespective of the source of funds, to obtain goods, services and works at the lowest possible total lifecycle cost, consistent with quality and sustainability factors, and in accordance with sound business practice, ethics and the appropriate regulatory and legal framework.

The Head of Procurement is responsible to the Chief Operating Officer for:

- Ensuring that the Procurement Journey (procedures) is known and is followed by all staff involved in purchasing across the University;
- Providing advice, guidance and support to Schools and Support Departments on matters of procurement;
- Assisting Schools and Support Departments in all procurement exercises in excess of £50K (over a four year period);
- Leading on the development of appropriate University wide contracts, in collaboration with the relevant stakeholders from Schools and/or Support departments;
- Ensuring that the University complies with all applicable World Trade Organisations (WTO), UK and Scottish procurement legislation and applies best practice in all its procurement.

Senior Management and Budget Holders are responsible for ensuring that all purchasing activities within their areas operate in accordance with the University's Procurement Journey (procedures) and therefore compliant with all applicable regulatory requirements.

5.3 Disclosure of Interest

Individuals should disclose in the Register a list of immediate family members and then separately, any

interest, financial or otherwise, which is likely or would, if publicly known, be perceived as being likely to influence the exercise of independent judgement. The Register does not cover all interests, but specifically those relevant or potentially relevant to an individual's role as a Governor of the University or as a senior member of staff. Individuals are in the best position to know whether any particular interest should be disclosed. Interests of Immediate Family Members should be declared where they have entered into transactions with the University Group. If in doubt, on any issue, advice should be sought from the University Court Secretary or the People Services Casework Team (in the case of all senior members of staff).

The Register of Interests is maintained by the University Secretary (in the case of Court Governors and members of the Executive Board) or the People Services Casework Team (in the case of all senior members of staff).

Further guidance is available in the [Register of Interests Policy](#). Guidance is not and cannot be all embracing, and it is for individuals to use their own good sense in applying the spirit of the guidance to circumstances in which they find themselves at any given time, in the interest of maintaining the highest standards of public integrity and accountability.

Further, when a member of staff becomes aware that a conflict of interest may arise in relation to any contract, requisition for purchase, or proposed payment by the University, this shall be reported promptly to the Head of Procurement.

5.4 Scheme of delegated authority

Finance shall maintain a list of specimen signatories of those staff allowed to raise and approve orders and to sign for goods received. Schools and Support Departments must provide Finance with updates to the Scheme of Delegated Authority as additions or deletions are required. For further details on how this is processed refer to the Delegated Authority Policy.

University Financial Procedures must be applied when raising an order (i.e. there must be a segregation of duties between the originator of the order, the requisitioners and the approver or authorisation of the order). This forms part of the business rules built into PECOS at organisational level. Full details are contained within the [Financial Procedures](#).

5.5 Purchase orders

Any commitment to expenditure for regular requirements, other than for petty cash purchases, on behalf of the University should be made through the University's automated order system (PECOS). Authorised staff will raise requisitions in PECOS which follow an approval route based on the Scheme of Delegated Authority and once approved the orders are transmitted electronically to suppliers.

PECOS purchase orders must be raised for all goods and services supplied to the University by external suppliers on a regular basis; the only exceptions are those items which have approval by Finance and as outlined in the [Financial Procedures](#).

When goods are delivered it is important to check that they are in acceptable quality and that the quantity is correct. Any problem should be notified to the supplier immediately. If satisfactory, the purchase order status in PECOS should be updated to record that the goods/ service have been received, to facilitate the payment of the invoice. The 'goods receipt' process must be performed at time of delivery and not after the invoice has been received to avoid any delay in payment of the invoice.

Exceptionally, where a verbal order is placed with a supplier subject to prior written approval under the Scheme of Delegated Authority it shall be immediately confirmed by the issue of an official PECOS

purchase order clearly marked "Confirmation only".

5.6 Authorisation for payment

All invoices must be received, in the first instance, by Finance. Payment will only be made against invoices that can be matched to a receipted purchase order (for PECOS purchase orders) or (for non PECOS orders) to invoices that have been sent to and returned by Schools or Departments for authorisation in line with the Scheme of Delegation.

It is the responsibility of the budget holder to ensure that the following checks are carried out prior to an invoice being authorised for payment. Care should be taken by the individual receipting the purchase order or authorising the invoice to ensure:

- It corresponds with the goods or services received,
- The quality and quantity are correct,
- The full nominal code, including the project code (if applicable) is correctly included in PECOS or recorded on the invoice and is one of the cost centres included in the budget holders areas of responsibility,
- It is covered by the budget of the authoriser.

Payments will not be made to someone other than the supplier unless Finance has received notification that a debt factor is being used by the supplier.

5.7 Method of payment

The Chief Operating Officer is responsible for deciding the most appropriate method of payment for invoices. Payments to UK suppliers will be made by BACS and payment to non-UK suppliers will normally be made by bank transfer.

5.8 Payments to students

Payments made to students on behalf of the sponsoring organisations will be made on the authority of the relevant School/ Department and must be supported by documentation.

5.9 Capital expenditure

The Chief Operating Officer shall be responsible to the Finance & General Purposes Committee for preparing an Estates Strategy for consideration by the University Court.

The Executive has responsibility for all matters relating to the acquisition, disposal and leasing of property within the context of the approved Estates Strategy. The VP Infrastructure shall co-ordinate the proposals for submission to the Executive having considered the following factors:

- Demonstration of clear alignment with corporate objectives and University goals as outlined in the University's Strategic Plan;
- Source of funding;
- Financial evaluation including sensitivity analysis;
- Clear identification of any risks involved.

Where SFC Capital grants are received the Chief Operating Officer must ensure the institution complies with any additional requirements attached to the grant as well as with the Financial Memorandum.

Responsibility for Infrastructure Planning lies with the Infrastructure Group to prioritise and sequence a programme of infrastructure projects across the five year planning horizon that will support the

University's strategic plans. The Schools and key Support areas are invited to submit detailed five year Infrastructure Plans during the Strategic & Financial Planning process.

Budget holders involved in approved capital expenditure must ensure that the expenditure incurred does not exceed their allocation.

5.10 Salaries and pensions

Payment of salaries is made to employees in accordance with employment contracts issued by People Services, and collective pay agreements. Changes to rates of pay, special payments etc. are determined by People Services and notified to Payroll. Payment of all salaries is by BACS monthly. In order for staff to be paid on time, it is important that all payroll related paperwork should arrive in Finance before the published deadlines.

People Services are responsible for informing Payroll of all relevant matters relating to personnel for payroll purposes. This includes:

- Appointments, resignations, dismissals, secondments and transfers,
- Absences resulting in unpaid leave including but not limited to sickness, maternity or other reasons,
- Changes in remuneration, including normal increments and pay awards,
- Information necessary to maintain records of service for pension, income tax and national insurance purposes.

Overtime payments can only be made to staff for whom appropriate contractual terms and conditions apply.

All payments must comply with HMRC regulations.

5.11 Severance payments

Severance payments will only be made in accordance with the relevant HMRC regulations and within the terms of an approved University scheme. All payments will be authorised by the Principal or Executive Board.

The aggregate amount of any compensation for loss of office payable to any staff member earning in excess of £100,000 per annum, or where the costs of all elements of a proposed arrangement amount to more than £100,000 are reviewed on an annual basis by the University's internal auditors.

5.12 Expenses & allowances

The University's purchasing and payment procedures are in place to enable the majority of business related expenditure to be procured through the University's financial system without staff having to incur any personal expense. However, on occasion staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

All claims for payment of travel, subsistence and incidental expenses shall be completed in IExpenses and approved by the employee's line manager. The University will also issue at its discretion a corporate credit card to an employee. The [Climate Conscious Travel & Expenses Policy](#) and the [Credit Card Policy](#) can be found on the Finance area of the website.

5.13 Project costs

As a minimum requirement the University requires that all direct project costs are fully recovered. Costs for all research contracts, commercial activities etc. fall into 3 categories:

- **Direct Payroll Costs** – This includes core staff members partially attached to projects (Directly Allocated) and staff members employed to work on a specific project (Directly Incurred).
- **Other Direct Costs** – Other direct costs cover all directly attributable expenditure such as specific travel, fieldwork, equipment etc.
- **Indirect Costs** – Costs incurred by the University which cannot be directly attributed. This includes Estates costs, IS, Library, Finance, Marketing etc.

Advice on costing and pricing for research and consultancy is available from RIO. For all other activities advice is available from the [Finance Business Partner](#) team.

6. ASSETS

6.1 General

The University needs to maintain measures to protect its assets. This is particularly important because of the charitable status of the University. It is important to ensure that:

- Appropriate assets are purchased at a competitive price,
- The assets are recorded and safeguarded while they belong to the University,
- When assets are no longer of use to the University they are either sold for the best price or responsibly scrapped.

The Principal has a responsibility for the fixed assets within the University. The function is discharged by assigning duties to the Executive and Heads of Department who are responsible for the custody and security of assets under their control. Assets include, but are not limited to, land & buildings, equipment, furniture, plant, stock and cash. Guardians of fixed assets should consult the Security Office in any case where security is thought to be defective or where special security may be needed.

6.2 Fixed assets

All purchases and sales should be authorised in line with the limits given in the Scheme of Delegated Authority. The decision around the capitalisation of fixed assets rests with Finance. Generally, purchase of assets costing in excess of the de-minimis capital sum (currently £20,000 per individual item or group of related items) shall be charged to capital (as per the University's Statement of Accounting Policies).

6.3 Recording of fixed assets

The Chief Operating Officer is responsible for ensuring systems are in place to record all capitalised assets.

Where a tangible asset is disposed of a final adjustment will be required to reflect the disposal in the annual financial statements. This will take into consideration any profit/ (loss), where appropriate.

6.4 Personal use of assets

Whilst incidental personal use of University assets supplied to employees to assist them in their work is acceptable, generally assets owned or leased by the University shall not be available for personal use without proper authorisation.

Care must be taken not to incur a taxable benefit and any cases of doubt should be referred to the Chief Operating Officer. A taxable benefit may result in an additional income tax liability for the employee concerned.

6.5 Stock and stores

All University stock and stores shall be kept in a secure environment. The Dean or Head of Department will establish adequate arrangements for custody and control within their area. This shall include:

- Regular inspections and stock checks being conducted with a full physical stock take as 31st July, the financial year end,
- All obsolete, excess or scrap goods are identified and that appropriate action is taken to dispose of them responsibly,
- The valuation of stocks is prepared at the lower of cost and net realisable value,
- Appropriate health & safety and security checks are carried out for any stock of a hazardous nature.

6.6 Loss of items

Any member of staff discovering or suspecting a loss shall refer the matter immediately to the Chief Operating Officer together with a written explanation of the circumstances. The Chief Operating Officer shall investigate the matter without delay and identify the remedial action required.

Any administrative weakness within the current process should be addressed as soon as possible.

The Chief Operating Officer shall maintain a record of all losses reported, and shall have delegated authority to write off losses where appropriate. Where a loss exceeds £10,000 the matter shall be referred to the Principal and to both the Audit and Finance & General Purposes Committee.

7. TREASURY MANAGEMENT

7.1 Treasury and Ethical Investment Policy

The Finance & General Purposes Committee is responsible for approving the Treasury and Ethical Investment Policy for cash management, investments and borrowings. The day to day operations in relation to treasury management are delegated to Finance. The Chief Operating Officer will report to the Finance & General Purposes Committee on the activities of the treasury management operation.

7.2 Banking arrangements

The Chief Operating Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Only the Finance & General Purposes Committee may authorise the opening or closing of a University bank account. Further no staff member (other than the Chief Operating Officer, or as delegated, operating on the authority of the Finance & General Purposes Committee), may operate bank accounts to deal with funds held by or due to the University. All cheques drawn, and all automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in accordance with the prevailing bank mandate. No direct debits may be set up against any University bank account without prior approval from two authorised signatories on the bank mandate.

7.3 Investments

The Finance & General Purposes Committee is responsible for approving the policy on investments, contained within the Treasury and Ethical Investment Policy.

The cash balances of the University can be invested in term deposits in accordance with the policy approved by the Finance & General Purposes Committee. The Chief Operating Officer is responsible for maintaining records of investments, both capital and income, for ensuring safe custody of all relevant documents, and for reporting investment performance regularly to the Finance & General Purposes Committee. All investment decisions should be considered in line with the University's Ethical Investment Policy which details the environmental, social and governance issues that are required to be considered.

7.4 Capital borrowings

This policy differentiates between "Commercial" and "Government backed" borrowings with the

following definitions;

Commercial – any borrowing arrangement entered into on a commercial basis usually with a bank or similar type of organisation. These arrangements are characterised by the loan provider making a financial return and the loan being governed by a set of complex terms and conditions which place restrictions on the University.

Government Backed – any borrowing arrangement where the source of the funds is ultimately the Scottish or UK Government. These arrangements are characterised by low interest rates and non-onerous terms and conditions.

The key principles in relation to entering into borrowings are outlined in the Treasury and Ethical Investment Policy. The raising of commercial capital borrowing whether committed (defined terms & conditions) or uncommitted (short term funding), secured or unsecured must be approved, in advance, by the University Court.

Commercial loan agreements may only be signed on behalf of the University Court by any two of the following; Chair of University Court, Chair of Finance & General Purposes Committee, the Principal and the Chief Operating Officer.

Commercial loan agreements may involve the action of fixing of interest rates or taking out derivatives after the principle of doing so has been agreed and signed by Court. Government backed loans on the other hand will attract very low or nominal interest rates. In either case, to ensure such action is taken in a timely manner, as required by the nature of these transactions, the Chief Operating Officer will seek the approval of the Chair of the Finance & General Purposes Committee to the proposed transactions.

For government backed loan schemes, offered at nominal interest rates, Executive Board has a £1m per financial year limit and above this requires prior F&GPC approval. F&GPC will be notified of all such loan arrangements, regardless of value at the next available Committee meeting.

Approval for Government backed loan schemes can be signed on behalf of the University Court by any two of the following: the Principal, the Chief Operating Officer and the Director of Finance.

The University must comply with the conditions set out in the Financial Memorandum in respect of borrowing. The University is required to inform the SFC before it undertakes a level of capital finance where the annualised costs of all capital finance (being the sum of the servicing and capital repayment costs of each loan or other arrangements spread evenly over the period of the relevant commercial or government backed loan or arrangement) would exceed 4% of the total income of the University as reported in the latest audited financial statements, or the estimated amount of total income for the current year if lower. The Chief Operating Officer is responsible for informing the SFC of any instances which meet the criteria.

8. FINANCIAL YEAR

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

9. FINANCIAL STATEMENTS

The University prepares a set of consolidated financial statements on an annual basis. The financial statements are in accordance with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019), and applicable Accounting Standards. The financial statements also conform to guidance published in the Accounts Direction by the Scottish Funding Council.

The financial statements of all UK subsidiary companies are prepared in accordance with FRS 102 and the Companies Act 2006. The financial statements of the US subsidiary, GCNYC, Inc. are prepared in accordance with US GAAP.

All financial statements are subject to audit by the University's appointed external auditors. The draft statements are reviewed by Finance & General Purposes Committee and Audit Committee before approval by University Court.

10. TAXATION

The Chief Operating Officer is responsible for all taxation issues within the University, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies. This includes direct, indirect and employment taxes both in the UK and in overseas jurisdictions, as applicable. The Chief Operating Officer is responsible for making all tax payments and submitting tax returns by their due date as appropriate.

The University is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HMRC and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity No. SC021474). It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gain Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University receives no similar exemption in respect of VAT. Irrecoverable VAT is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's UK subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

11. RECORDS AND RETENTION

The University is required by law to retain prime documents for seven complete tax years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Further guidance on records and retention can be obtained from Records Management.

12. AUDIT ARRANGEMENTS

As detailed in Section 2.4, University Court has appointed an Audit Committee whose remit is to oversee the arrangements for the external and internal audit of the University's financial and management systems and of activities and processes related to these systems.

The primary role of the external audit service is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as is necessary to reach an opinion on the statements and to report on the appropriate use of funds. The external auditor's duties will be in accordance with advice set out in the Scottish Funding Council's Financial Memorandum and the Auditing Practices Board's statements of auditing standards. The University may also be subject to independent grant audits to comply, for example, with European Commission rules and regulations.

The primary role of the internal audit service is to provide the Audit Committee and University Court with assurances on the adequacy of the University's internal control system. The internal auditor's duties will be in accordance with advice set out in the Scottish Funding Council's Financial Memorandum.

Both the Internal and External audit services are independent in their planning and operation and have unrestricted access to all records, assets, personnel and premises as required to perform their duties.

13. INSURANCE

13.1 Responsibility for insurance

The Chief Operating Officer shall have responsibility for the Insurance of the University and may appoint specialist advisors. Details of appropriate cover, including statutory policies, are contained within the [Financial Procedures](#).

13.2 Notification of claims

Senior Management shall notify the Finance Business Partner with responsibility for Insurance immediately in writing of any loss, liability or damage or any event likely to lead to a claim. Thereafter, the Finance Business Partner with responsibility for Insurance shall be responsible, where applicable, for advising either the Insurance Company or the appointed Broker. The Finance Business Partner with responsibility for Insurance shall notify the Chief Operating Officer of all claims and potential claims on a monthly basis.

13.3 Review of insurance cover

The Chief Operating Officer shall periodically review all insurances in consultation, where appropriate, with Senior Management.