

FINANCIAL REGULATIONS

UNIVERSITY OF GLASGOW



September 2023

SECTION 1: OVERVIEW	2
SECTION 2: CORPORATE GOVERNANCE	5
SECTION 3: FINANCIAL MANAGEMENT	8
SECTION 4: INCOME	10
SECTION 5: EXPENDITURE – STAFF COSTS	13
SECTION 6: EXPENDITURE – OTHER COSTS	14
SECTION 7: ASSETS	18
SECTION 8: LIABILITIES	23
SECTION 9: OTHER	24
APPENDIX A: REGISTER OF RELEVANT POLICIES	25
APPENDIX B : LINKS TO FURTHER GUIDANCE	27

Section 1: Overview

1.01 Purpose of Financial Regulations

This document contains the Financial Regulations as approved by the Executive Director of Finance, acting upon authority delegated by the University of Glasgow's [Scheme of Delegation](#).

The purpose of the Financial Regulations is to ensure the proper and transparent use of finances and resources in a manner which not only satisfies the requirements of internal control expected of a substantial and prominent organisation, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances, Her Majesty's Revenue and Customs ("HMRC"), the Scottish Funding Council ("SFC") and other authorities.

1.02 Financial Responsibilities

University Court

University Court of the University of Glasgow (hereafter referred to as University Court), has ultimate responsibility for the management and regulation of the financial affairs of the University, ensuring compliance with the SFC's [Financial Memorandum with Higher Education Institutions](#) ("the Financial Memorandum") and associated guidance, and any other conditions associated with funding received by the University.

The University is required to ensure:

- It has a reliable system of governance, management and conduct in order to safeguard public funds received and achieve the purposes for which the funds were received;
- Transparency and ability to give a public justification of its decisions in relation to public funds;
- It strives to achieve value for money and is economical, efficient and effective in its use of public funding;
- It plans and manages its activities to remain sustainable and financially viable;
- That it has a sound system of internal management and control, including an audit committee, internal audit function and adequate procedures to prevent fraud and bribery;
- An effective policy of risk management;
- It has regular, timely, accurate and adequate information to monitor performance;
- Continuous improvement of the quality of its activities.

The Principal

The Principal is directly accountable to the Chief Executive Officer of the SFC for the institution's proper use of funds.

He/she is required to report to the SFC without delay of any circumstance which is having or is likely to have a significant adverse effect on the ability of the institution to deliver its education programmes, research and other related activity. The Principal is also required to notify the SFC any serious weakness including: significant and immediate threat to the University's financial position; significant fraud or major accounting breakdown; or any material non-compliance with the requirements of the Financial Memorandum.

Finance Committee

The University Court delegates the policy making associated with financial administration to the [Finance Committee](#). The Finance Committee's formal remit is to:

- To provide oversight on the short and long term financial sustainability of the Institution
- Monitor the income and expenditure of the University
- Consider financial policies and issues and to make recommendations to University Court on,
 - The annual budget;
 - Banking, borrowing and lending;
 - The investment of endowment funds and surplus cash funds
 - The long-term financial position of the University
 - Academic partnerships with significant resource implications
 - Creation of new companies

- Advise Court on the financial implications of policy decisions being considered by Court
- Consider the financial statements of the University and make recommendations to University Court thereon.
- Review long term cash flows and balance sheets
- Review and report to Court on the recommendations of the Investment Advisory Committee
- As reported by the Investment Committee:
 - make recommendations to Court on the budget for infrastructure investment
 - decide on all investment proposals (capital and revenue) involving expenditure of between £3million and £25million and, where appropriate, having been pre-approved by the Estates Committee and/or Information Policy & Strategy Committee
 - make recommendations to Court on all investment proposals (capital and revenue) involving expenditure of £25M or above and, where appropriate, having been pre-approved by Investment Committee
 - approve variances to budget of £0.5million and above on individual project
- As regards governance and risk:
 - Ensure appropriate financial governance is being applied at the University
 - Review and make recommendations to Senior Management Group and Court on key financial and commercial risks
 - review debtor levels and associated sanctions
- Innovation:
 - review progress against strategy
 - review and approve disposals and investments in university spin out companies above £0.25M
- Sub Committee Oversight of the following:
 - Student Finance Committee
 - Investment Advisory Committee
 - Other temporary Committees that may be created at the request of the Finance Committee or Court

In all financial matters, Finance Committee will take into consideration the short and long term financial sustainability of the Institution

It will also establish an Investment Advisory Sub-Committee, the terms of reference of which are outlined in *7.02 Treasury Management*.

Executive Director of Finance

The University Court appoints the Executive Director of Finance who has management responsibility for the overall financial affairs of the University.

Senior Management Group

The Principal convenes a [Senior Management Group](#) (“SMG”) whose members include Heads of College, Vice Principals and other senior administrative officers. The SMG advises the Principal on matters of policy. It also advises Court and Senate on matters of strategic policy (academic and resource), and acts on a day-to-day basis to implement the policies of Court and Senate.

SMG members are responsible for the proper application of funds within their area of responsibility and for ensuring that there are adequate internal control and risk management procedures in place. In exercising their responsibilities, regard must be given to measures to safeguard University funds and other assets under their control against misuse or misappropriation.

Members may delegate responsibility for financial management within their area of responsibility as appropriate, although the overall accountability remains with the SMG member.

1.03 Application

The Financial Regulations apply to all entities consolidated within the University’s Financial Statements and therefore apply to all subsidiary companies. They apply to all activities and business carried out by or on behalf of the University, irrespective of the source of funding. The Financial Regulations apply to all staff members whilst conducting the financial business of the University. These regulations are subordinate to the University’s Statutes and Ordinances.

The Executive Director of Finance is responsible for ensuring that copies of the Financial Regulations are published on the University’s website. The Executive Director of Finance [has authority](#) under the Scheme of Delegation to approve

supplementary financial and commercial policies which are subordinate to these Regulations and which assist with their implementation.

1.04 Revision of Financial Regulations

Every three years, or more frequently if appropriate, the Executive Director of Finance shall arrange for the Financial Regulations to be reviewed and if necessary, updated. Any proposed changes will be submitted to the Senior Management Group and Finance Committee for information purposes. According to the [Scheme of Delegation](#), the Executive Director of Finance has delegated authority to approve the updated Financial Regulations.

1.05 Non-Compliance with the Regulations

It is the responsibility of all SMG members to ensure that all staff members under their jurisdiction are made aware of the existence and provisions of the Financial Regulations and where necessary ensure that staff are trained to carry out their duties. SMG members should ensure that staff members are made aware that non-compliance with the Financial Regulations will lead to disciplinary action being taken.

Where the Executive Director of Finance finds non-compliance with the Financial Regulations, he or she shall consult with the relevant SMG Member to ensure that the matter is addressed with reference to the University's disciplinary procedures, which are available on the [People & Organisational Development \(P&OD\)Dwebsite](#). If agreement cannot be reached or the breach is material to the University, the matter will be reported to the Principal and the Finance Committee.

Section 2: Corporate Governance

2.01 Alleged Irregularities

The University requires staff to act honestly and with integrity at all times, and to safeguard the institutional resources for which they are responsible.

Financial irregularities may include theft, fraud, bribery, money laundering, terrorist financing, breach of sanctions, conflicts of interest, non-compliance with the University's [Procurement Policy](#), or other financial malpractice or impropriety. The University is committed to ensuring that opportunities for any type of financial irregularity are reduced to the lowest possible level of risk, with the implementation of robust mechanisms for prevention and detection.

The University applies the principles, policies and procedures as outlined in this section in order to mitigate the risk of financial irregularity occurring and to detect and properly investigate any that do occur.

2.02 Delegation of Authority

The University employs a hierarchical [Scheme of Delegation](#), approved by the University Court, which includes delegation of financial management across the University. This specifies delegation of authority for the following activities:

- Approval of budgets, projects, and spend in accordance with certain thresholds;
- Approval of financial related matters such as investment of surpluses, banking, borrowing and lending;
- Approval of business cases and strategy; and
- Approval of financial and commercial policies

Authority for financial management may only be delegated to University employees (individuals holding valid contracts of employment with the University or its subsidiaries). Honorary members of staff and affiliates are not employees for financial management purposes.

Where possible, delegation of authority is automated within the University's finance system; for example, purchasing and budgetary authority.

Each level of the hierarchy will be able to delegate budgetary authority up to their specified limit. This will allow Heads of College and Heads of School and Administrative Services to delegate an appropriate level of responsibility to ensure efficient operation of the budgetary unit. It should be noted though that ultimate accountability for budgets cannot be delegated.

These *Financial Regulations* are subordinate to the *Scheme of Delegation*, and in the event of any discrepancies between the two, the *Scheme of Delegation* prevails.

2.03 Segregation of Duties

It is University policy that there must be a segregation of duties in place where staff perform financial management or purchasing functions. Examples include but are not limited to:

- Purchasing and payment processes;
- Banking, cash handling and treasury management;
- Endowment management; and
- Asset disposals.

Segregation of duties will be automated in the University's finance system where appropriate, for example, supplier set up, purchase orders and invoices are processed and approved by different people. It will also be automated within any third party systems used by the University, such as banking systems.

2.04 Risk Management

The University appoints a Risk Manager, who reports to the Executive Director of Finance. The Risk Manager has responsibility for issuing a [Risk Management Policy](#) and updating this on a regular basis.

2.05 Whistleblowing

The Public Interest Disclosure Act 1998 gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. The University has made provision to protect any employees who disclose information which they believe shows malpractice or wrongdoing within the University. These safeguards are documented in the [Code on Public Interest Disclosure \(Whistleblowing\)](#).

2.06 Fraud Risk Management

The Executive Director of Finance is responsible for adopting adequate fraud risk management procedures, sufficient to prevent, identify, report and investigate frauds and other types of financial irregularity.

If a staff member has any suspicion of a financial irregularity, involving either staff members or third parties, they must report their suspicion to allow proper investigation. The reporting and investigation process of all alleged financial irregularities is outlined in the University's *Fraud Risk Management Policy*.

Additionally, the Chief Operating Officer and University Secretary, Executive Director of Finance, University Court or Audit and Risk Committee have the authority to request an investigation into matters involving irregularities or suspected irregularities in the exercise of the activities of the University.

2.07 Anti-Bribery and Corruption

The University has a zero-tolerance approach to bribery and corruption and is committed to preventing bribery and corruption by its staff or by any party acting on its behalf. The Chief Operating Officer is responsible for adopting a *Bribery and Corruption Policy*, and supplementary controls. Online training is available to all staff and is mandatory for all staff, including agents employed by the University, where their duties may place them in a situation where they might be exposed to bribery or corruption (as outlined in the policy).

2.08 Money Laundering / Terrorist Financing

The University is committed to ensuring that it is not used as a conduit for either money laundering or terrorist financing. The Executive Director of Finance is responsible for ensuring the University adopts policies and procedures to address any money laundering or terrorist financing risks that the University faces.

2.09 Code of Conduct and Conflicts of Interest

University employees and others with responsibility for administration or management of University funds must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the University. Any potential or actual conflicts of interest must be declared and addressed in accordance with the [Conflicts of Interest Policy](#) issued by the University Court Office. Additionally, [Code of Conduct Guidance](#) is established by the Executive Director of Finance, through the Procurement Office.

2.10 Gifts and Hospitality

The Executive Director of Finance, through the Procurement Office, has responsibility to and authority to establish a *Gifts and Hospitality Policy*, outlining acceptable levels of gifts and hospitality which staff members may receive from or provide to third parties. The University's gifts and hospitality policy will give due consideration to relevant HMRC and Bribery Act 2010 requirements.

2.11 Value For Money

The University is committed to securing value for money in the performance of all its activities. Adherence to the Financial Regulations is an essential element of the University's strategy to achieve this.

2.12 Sanctions

The University is committed to complying with the relevant sanctions lists. Economic sanctions are commercial and financial penalties applied by one or more countries against a targeted self-governing state, group or individual that may include various forms of trade barriers, tariffs and restrictions on financial transactions. The University is required to comply with the sanctions laws and regulations of the UK, European Union, the United Nations and the United States, as well as any other applicable sanctions laws and regulations within the jurisdictions that our Banking Providers

operate, such as Hong Kong. The University cannot transfer funds into the bank account of a recipient who is either specifically sanctioned or in a sanctioned country. Sanctions can change daily, and we must comply with them both directly and indirectly, i.e. we cannot trade with a company owned or controlled by a sanctioned individual.

Non-compliance with sanctions requirements is a criminal offence and can lead to extensive financial penalties and/or imprisonment.

The Executive Director of Finance is responsible for issuing a *Sanctions Policy* to assist the University comply with these requirements.

2.13 Contracting on Behalf of the University

Where contracts are agreed with external bodies they will almost always expose the University to legal liabilities. The University has a [Legal Team](#), who are responsible for reviewing contracts referred to them. Staff are required to refer potential contracts to the Legal Team as outlined elsewhere in these Regulations, including *Section 4: Income*. Staff must also refer any potential contracts to the Legal Team where these include any amendments to previously agreed or approved terms and conditions. The Legal Team may engage the University's external legal advisor when they consider specific subject matter expertise is required.

Any new or enhanced risks which the University may be exposed to as a result of the agreement, may require approval by SMG.

Contracts can only be signed in accordance with Ordinance No.177 (Execution of Deeds) or otherwise in accordance with the University's formal delegated signing authority.

Section 3: Financial Management

3.01 Accounting Periods

The University's financial year runs from 1st August until 31st July of the following year. The Finance Office prepares monthly management accounts and other management reports throughout the year for use by Senior Management Group, Schools and Administrative Services as appropriate.

3.02 Budgetary Process

Preparation of the budget

The University prepares a rolling five year financial forecast each financial year. The preparation of this financial forecast is overseen by the Senior Vice Principal / Deputy Vice Chancellor (Academic) and the Executive Director of Finance.

- Each College and University Services prepares a strategic planning document and associated financial forecast information.
- The planning documents are reviewed in a series of meetings involving the Principal, Heads of College and other senior College staff members, Secretary of Court, Senior Vice Principal / Deputy Vice Chancellor (Academic), Director of Strategic Planning / Deputy Chief Operating Officer / Vice Principal – Economic Development and Innovation, Assistant Vice-Principal (Strategy & Resources), Executive Director of Finance and other senior Finance Office staff members, and the Head of Planning Services and other members of the Planning, Insight and Analytics Team.
- The final draft of the financial forecast is reviewed by Finance Committee and is approved by University Court.
- The final approved budget is submitted to the SFC for reference.

Monitoring the budget

The approved budget is then delegated to the relevant SMG Member who is accountable for the delivery of the income and expenditure account contained within the approved budget. The SMG Member must ensure that effective day to day monitoring is in place to identify any potential variances from budget in a timely manner and to ensure that appropriate corrective action is taken in a timely manner.

The Executive Director of Finance is responsible for providing appropriate management information to SMG and Finance Committee to allow a cohesive approach to be taken to any financial risks or opportunities which present themselves throughout each financial year.

Project budget holders

SMG members delegate budgetary responsibility for individual projects to budget holders. The budget holder is responsible for ensuring the project is managed within the approved budget.

3.03 Financial Statements

The University prepares a set of consolidated financial statements on an annual basis. The financial statements are prepared in accordance with FRS 102, the *Statement of Recommended Practice (SORP): Accounting for Further and Higher Education* and guidance published by the SFC. The University's principal accounting policies are set out in the notes to the financial statements and are in accordance with these Financial Regulations. As a charity, the University is required by trust law to apply fund accounting. This distinguishes between two primary classes of fund: those that are unrestricted in their use, which can be used for any charitable purposes of the University, and those that are restricted in use, which can only be lawfully used for a specific charitable purpose. Further information about the University's funds is included at 4.06 *Charitable Donations and Endowments Funds* and 7.04 *Endowment Assets*.

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

The University also is required to prepare US GAAP financial statements annually, which must be submitted to the U.S. Department of Education.

In accordance with Companies Act 2006 requirements, separate financial statements are also prepared and filed for the University's subsidiaries. These are prepared in accordance with FRS 102 and approved by the relevant Board of Directors.

3.04 Audit arrangements

University Court has established an Audit & Risk Committee ("ARC") whose remit is to oversee the arrangements for 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 SFC's [Financial Memorandum](#) and the [Financial Reporting Council's \("FRC"\) auditing standards](#).

The primary role of the internal audit service is to provide the ARC 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 SFC's [Financial Memorandum](#), the FRC's auditing standards, and the Chartered Institute for Internal Auditors [Internal Audit Code of Practice](#).

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.

The University may, from time to time, be subject to audit by other external agencies such as the European Court of Auditors and HMRC. They have at least the same rights of access as external and internal auditors.

The ARC is responsible for approving a *Non-Audit Services Policy* which sets out the circumstances in which the University's internal and external auditors may conduct other non-audit services. The internal and external auditors may only be permitted to provide other services to the University in accordance with this policy.

3.05 Taxation

The Executive Director of Finance is responsible for ensuring policies and procedures are in place for maintaining the University's tax records, making all tax payments, and submitting tax returns by their due date as appropriate. He/she is responsible for publishing the University's Tax Strategy annually, as approved by the Finance Committee. Day to day handling of taxation is delegated to the Tax, Treasury and Reporting Manager, Head of Pay and Pensions, and Tax Manager.

3.06 Records and Retention

The University is required by law to retain prime documents for [six years plus the current financial year \(6+1\)](#). 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 the [Data Protection and Freedom of Information Office website](#).

3.07 Accounting Systems

All members of staff with access to the University finance system must comply with the rules laid down by IT Services. These can be accessed at the [IT Services](#) website.

In order to access the University finance system, staff members are required to attend the required training, information about which can be found on the [Finance: Systems](#) website. The Finance Systems team put in place processes for the approval of new users and the removal of leavers.

All financial transactions should be properly recorded within the University's finance system either through direct input or through an appropriate interface from another University approved system platform.

Where an individual's personal data is recorded within the University's financial system or within any other approved University system that deals with financial transactions, all staff members working with that data must ensure that working practices comply with the Data Protection Act 2018. Advice on these matters may be obtained from the University's [Data Protection and Freedom of Information](#) website.

Section 4: Income

4.01 Receipt of Monies

All monies received by the University must be recorded within the University's main financial system either through direct input or through an appropriate interface from another University approved system platform. All income received will be accounted for in the relevant budgetary cost centre to facilitate budgetary control at the School and Administrative Service level.

Income should primarily be received via bank payment or card payment but may also be received via cheque. Cheques intended for any fund within the University must be made payable to the University of Glasgow or associated legal entity. Cash should only be received in limited circumstances, such as for catering or library fees, and should be in accordance with the University's *Cash Handling Policy*.

All sums received must be paid in and accounted for in full and should not be used to meet miscellaneous expenses or used as a petty cash float.

Awareness of the sanctioned countries is imperative in relation to both income and expenditure. Refer to section 2.12 *Sanctions* for further information.

4.02 Tuition Fee Income

The level of tuition fees charged to students is reviewed on an annual basis and approved by Finance Committee on behalf of the University Court. Details of the level of tuition fees and associated policy are available on the Registry website.

Tuition fee income is received from a variety of sources, both in the UK and overseas. All tuition fee income must be accounted for through the relevant University approved IT software package.

The College Heads of Finance are responsible for ensuring that tuition fee income is accounted for in the relevant budgetary cost centre within the University financial system to facilitate budgetary control at the School and Administrative Service level.

4.03 Scottish Funding Council Income and Other Funding Body Grants

General Funding

Each year, the SFC publishes a 'main grant letter' detailing the income that it will pay to the University in the next financial year. The main recurrent grants must then be allocated to School or Administrative Service. Any changes to the method of allocation are agreed by the SMG, and the Head of Management Accounts is responsible for implementation. The allocation process is embedded within the annual budgeting process (see *Section 3.02 Budgetary Process*). Income subsequently received is allocated by the Head of Management Accounts to Schools or Administrative Service based on the agreed allocation method.

The SFC may also make available additional funding to support the teaching and research infrastructure within the University. This funding will be allocated to capital projects that have been approved by University Court (via Finance Committee or Estates Committee as determined by the University capital approval process). The Executive Director of Estates and Buildings will manage this process with approval from the Executive Director of Finance and Vice Principal for Strategy and Resources and will be required to report periodically to the SFC.

Earmarked Grants

From time to time, the University is awarded grants and funding for a specific purpose or programme. Proposals for earmarked grants must be approved, set up, delivered and closed in line with the same principles outlined in *4.04 Research Grants and Contracts*.

Any unspent income on an ear-marked grant will be carried over between financial years as long as this does not conflict with any conditions associated with the grant.

4.04 Research Grants and Contracts

As a research led University, staff are encouraged to seek and obtain grants and other awards from the various research granting bodies. Research is as defined in the Frascati Manual 2002, *Proposed Standard Practice for Surveys and Experimental Development*.

Where approaches are to be made to outside bodies for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the relevant SMG member to ensure that proposals and subsequent awards are risk assessed and financially managed in accordance with the policies and procedures issued by the [Research Support Office](#). Documentation for both applications and awards are held in the University's document management system for research. Contracts and collaboration agreements must also be referred to the University's Legal Team for review in accordance with the policies and procedures issued by the [Research Support Office](#). The receipt of research grants and contracts must also comply with relevant policies issued by the Finance Office, including *Sanctions*.

Collaboration Projects

The Principal Investigator should ensure that collaboration agreements are in place prior to the start date of the project, save where this is not reasonably possible, in which case collaboration agreements should be finalised and executed as soon as reasonably practicable thereafter and in line with the funder's terms and conditions. The agreements must be referred to the University's legal team for review and these projects should also be financially managed in accordance with the policies and procedures issued by the [Research Support Office](#).

4.05 Other Income - Other Services Rendered

Where the University provides a service to an external organisation which does not fall within the definition of a research grant or contract it will be considered to be a 'Services rendered' contract. Services rendered contracts are income generating activities and include the provision of a service (for example, routine testing, analysing samples and consultancies).

All steps which are outlined above in *4.04 Research Grants and Contracts* for proposal stage, grant award/delivery of the project and closure of the project, must be followed in respect of these contracts also. Project documentation, including signed contracts must be held in the University's document management system.

All staff members must comply with the University [policy on consultancy](#) and [policy for externally funded activity](#). These policies are available from the [Research and Innovation](#) website. Employees may choose to sign a personal remuneration waiver, but this must be done in accordance with the [Consultancy Policy](#).

Any surplus on a commercial contract will be credited to the College / University Service income and expenditure account in the year that it arises.

4.06 Charitable Donations and Endowments

As a charitable institution, the University receives donations, which may be in the form of cash, investments, art and heritage assets or other type of asset.

Donations must all be classed as one of the following types of donation, which are identified as separate funds within reserves in the financial statements:

1. Unrestricted donations – donations which can be spent or applied at the discretion of the University for any charitable purpose. These may be designated to a particular use by the University Court but this is not legally binding.
2. Restricted donations/grants: donations or grants which must be used for specified purposes.
3. Endowments
 1. Unrestricted permanent endowments – the donor has not specified a particular objective for the donation, but the capital must be retained indefinitely.
 2. Restricted permanent endowments – the donor has specified that the donation must be used for a particular objective, and the capital must normally be held indefinitely.
 3. Restricted expendable endowments – the donor has given the University Court the power to convert all or part of the donation to income.

The receipt of a donation by a School or Administrative Service must be referred to the Tax, Treasury and Reporting Team within the Finance Office who will ascertain if it meets the requirements for treatment as a donation or endowment and ensure that appropriate accounting treatment is applied.

The Tax, Treasury, and Reporting Team within the Finance Office are responsible for setting up the endowment, and then tracking and reporting of endowments within the finance system. The budget holder is responsible for compliance with the terms of the endowment, including proper expenditure of the endowment and of any income generated therefrom.

Where the endowment is a permanent endowment, it must be treated in accordance with *7.03 Endowment Assets*.

4.07 Sales Invoices

Sales invoices are raised in respect of most income types, except block payments such as SFC grant payments and UK tuition fee income. The Executive Director of Finance is responsible for putting in place policies and procedures for sales invoicing as well as debt management, as outlined in *7.09 Accounts Receivable*.

The Finance Office holds the authority and responsibility for raising invoices. This responsibility can be and is often delegated to Schools and Administrative Services. When Schools and Administrative Services are selling goods or services to a third party, other than for incidental cash sales (e.g. library fines, catering, sport recreation service), they must issue an invoice. The issuing School or Administrative Service must issue invoices either within the University's finance system (Agresso) or using the relevant University of Glasgow invoicing system for that process – for example, sponsor invoices must be raised through MyCampus and Accommodation Services invoices must be raised using Kx. The Head of Finance Operations can provide advice as to the appropriate invoicing system to use for any activity.

In exercising these responsibilities, the Executive Director of Finance will ensure that the University has procedures in place to ensure the completeness and accuracy of sales. Staff are required to:

- For any new activity a College/School or Department undertakes, implement the applicable University invoicing system for that activity, seeking guidance from the Head of Finance Operations where necessary;
- Record all sales within the University's financial system, selecting the correct Sales Product Code which will ensure VAT is charged if required
- Enter the details and amounts with care
- Ensure sales are credited to the appropriate income account within the relevant budget centre; and
- Ensure any discounts, refunds or other credit notes granted are valid, properly authorised and accurately recorded in the University's financial system

Section 5: Expenditure – staff costs

5.01 Salaries and Pensions

All University staff will be appointed to the salary scales approved by University Court and in accordance with appropriate conditions of service. All letters of appointment must be issued by the People & Organisational Development (P&OD) Department. All contracts of service shall be concluded in accordance with the University's approved P&OD practices and procedures and all offers of employment with the University shall be made by the P&OD department.

The Executive Director of Finance is responsible for payment of salaries, wages (including payments for overtime or services rendered) and pensions to all staff. The Executive Director of People & Organizational Development will be responsible for keeping the Executive Director of Finance informed of all matters relating to personnel for payroll purposes. Day to day responsibility is delegated to the Head of Pay and Pensions with oversight and management by the Deputy Director of Finance.

All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, must be [online](#) or in a form prescribed by the Head of Pay and Pensions per the [Pay & Pensions Team](#) website.

The Head of Pay and Pensions' responsibilities include:

- Keeping all records relating to payroll including those of a statutory nature
- Making all payments in accordance with HMRC regulations, calculating and deducting taxes and national insurance contributions as required
- Payments to casual workers and extended workforce employees
- Payments to non-employees who fall within [HMRC's Off-Payroll Working \(IR35\) Legislation](#), who are deemed employed for tax purposes. Refer to the University's [Employment Status Policy](#)
- Paying [staff expenses](#)

He/she is also responsible for day-to-day pension matters, including:

- Paying contributions to various authorised pension schemes;
- Preparing the annual return to various pension schemes and statutory bodies;
- Ensuring compliance with all auto-enrolment and re-enrolment duties;
- Administering the University of Glasgow Pension Scheme.

5.02 Salaries Recovered

A salary recovery is a payment due and payable by an organisation outside the University (e.g. NHS body) towards the cost, full or partial, of the salary (and occasionally other costs) of a member of the University staff. A salary recovery does not apply where an individual is employed by the University in terms of a research grant or contract, a services rendered contract or a consultancy.

Where a staff member is funded either fully or in part through a salary recovery agreement, a staff request must be raised by the relevant School and approved in PeopleXD attaching a copy of the letter that clearly details the commitment to funding. A copy of the funding letter must be sent to Accounts Receivable Team in advance of any invoices being raised. Upon receipt of the request and supporting documentation, the Accounts Receivable Team within the Finance Office are responsible for raising the Salaries Recoverable invoices.

5.03 Staff expenses

The University's purchasing and payment procedures are in place to enable the majority of non-pay supplies to be procured through the University's financial system without staff having to incur any personal expense. However, on occasion staff may incur expenses and are entitled to reimbursement.

All claims for payment of expenses shall be completed on PeopleXD system. Guidance is available on the [Pay & Pensions](#) website. Expenses must be approved by line managers and all claims must be receipted and coded to the correct sub-project and cost centre.

The University may also issue at its discretion a corporate credit card to employees. Guidance and notes can be found on the [Procurement website](#).

Section 6: Expenditure – other costs

All purchases should be made with reference to the approved budgets as confirmed following the University's annual budgeting process (see *Section 3.02 Budgetary Process*).

In addition to budgetary approval, each order will also be subject to purchasing approval to ensure that orders comply with procurement and tendering policy as outlined in this section.

6.01 Procurement and Tendering

As a publicly funded institution, the University must seek to procure all Goods, Services and Works, with high ethical standards by applying principles of sustainable procurement. Sustainable Procurement is a process whereby the University meets its needs for Goods, Services and Works in a way that achieves value for money on a whole life cost basis, generating benefit not only to the University, but also with consideration to Social, Economic and Environmental factors.

The University is also required to be fully compliant with the relevant procurement legislation and regulations in Scotland:

- Public Contract (Scotland) 2015 Regulations;
- Procurement Reform Act 2014,
- Procurement (Scotland) Regulation 2016; and
- Other applicable legislation.

The Executive Director of Finance is responsible for ensuring compliance with these requirements and delegates day to day responsibility for this to the Head of Procurement. The [Procurement Office](#) is the central strategic procurement team, which supports the University in achieving its objectives and strategic vision.

The Procurement Office will have responsibility for the following:

- Issuing a Procurement Strategy
- Issuing a Procurement Policy, which highlights the code of ethics required for all purchases (for example, compliance with the Bribery Act 2010, the Modern Slavery Act 2015)
- Issuing a Contracts & Supplier Relationship Management Policy
- Issuing a Purchasing Card Policy
- Issuing a Travel Booking Policy
- Issuing a Gifts and Hospitality Policy
- Providing professional, qualified procurement expertise, advice and services to stakeholders across the University;
- Providing training to staff members with delegated purchasing authority;
- Issuing guidance to assist individuals procuring non-framework goods and services with a total value less than £25,000 over 48 months. Individuals must ensure no local or collaborative contracts exist prior to initiating a procurement process. [Procurement less than £25k](#)
- Reviewing and approving all Procurement Policy Exception (PPE) Agresso tasks and publishing direct award notice on the Public Contract Scotland (PCS) portal for all PPEs greater than £50k.
- Creating the Procurement Annual Report and sending a copy to the Scottish Ministers.
- Managing all tenders to procure Goods, Services and Works with a value greater than £25,000 over a 48 month period in compliance to the Procurement rules and regulations.
- Reviewing and approving all Agresso requisitions greater than £25k.

Purchase decisions need to be justified and it is therefore important that records are complete and details stored, in line with University retention policy. Any personal or otherwise non-arms length association which a member of staff making or influencing a purchase may have with a supplier should be notified to the Procurement Office before the purchase is made.

SMG members must ensure that all members of staff comply with the Procurement Policy.

Only employees of the University are permitted to have purchasing authority within the University's financial system.

6.02 Suppliers

If there is a contract in place with a supplier for a particular good/service/works, Schools and Administrative Services must purchase their required goods/services/works from that supplier. Details of all contracts are available on the Procurement Office website.

If there are no existing contracted suppliers who can provide the goods or services, the budget holder must refer to the University's procurement policy on the [Procurement Office webpage](#) to conduct a tender or alternative procurement process to identify a supplier.

Once a supplier has been identified for the required purchase, a new supplier must be set up on the University's finance system, Agresso, by submitting a [new supplier request](#). These can only be requested by Purchasing Officers, who must follow the University's [New Supplier Process](#). Exceptions to the need to set up a new supplier include where the value and nature of the transaction allows the payment to be made either using a Purchasing Card (see *6.06 Purchasing Card*) or a Sundry Payment (see *6.07 Sundry Payments*).

Any new suppliers which are set up must be compliant with the Intermediaries Legislation, by following the University's [Employment Status Policy](#) on the [P&OD website](#).

6.03 Requisitions and Purchase Orders

The ordering of goods and services should be in accordance with the Regulations: *2.01 Delegation of Authority*, *2.02 Segregation of Duties*, *6.01 Procurement and Tendering Policy*.

Purchase orders must be raised using the University's financial system for all purchases of goods, services and works before the purchase is made, except in the following cases: 1) a Purchasing Card is used 2) a Corporate Credit card is used 3) travel expenses booked using the University's appointed travel provider and 4) for a small number of other spend categories where pre-arranged contracts exist and it is impractical to raise a purchase order (eg energy contracts).

Purchase Orders fulfil the role of acceptance of a supplier's offer and bind a contract on the University's terms and conditions. The use of purchase orders provides protection for the individual buyers and the University. They can only be raised by users of the University's finance system (Agresso) who have completed requisitioning training.

For any goods ordered from abroad, the Tax, Treasury and Reporting Team within the Finance Office are responsible for managing the VAT and import duty. Departments are not authorised to deal with import agents directly about VAT and import duty.

6.04 Goods Receipt

All goods should be received at designated receipt and distribution points. On receipt they should be checked for quantity and/or weight and inspected for quality and specification. A delivery note should be obtained from the supplier at the time of delivery and signed by the person receiving the goods. In relation to services, individuals must be satisfied the works / services have been completed to the agreed standard.

In most cases, goods received which are of the requisite standard should be confirmed as received in the University's financial system via a Goods Received Note ("GRN") on the day of receipt of goods or service. GRNs should be processed prior to receipt of the invoice from the supplier and receipt of the invoice should not be used as back up for processing a GRN. If the goods are deemed to be unsatisfactory, then the supplier should be immediately notified, preferably in writing, so that they can be collected for return as soon as possible, and no GRN processed, likewise for any services. Where goods are short on delivery, the record should be marked accordingly by processing a GRN for what has been received, providing the goods are satisfactory, and the supplier immediately notified. A GRN should never be completed in Agresso before the goods or services are received. Exceptions to the GRN requirement may be authorised by the Executive Director of Finance, in relation to, for example, certain types of goods below a certain value. Guidance in relation to any such exceptions will be available on the [Finance website](#).

6.05 Payment of Invoices

The University maintains a No Purchase Order, No Pay Policy. Payment of all supplier invoices is made by the central Accounts Payable team via the weekly payment run. Invoices must be received by Accounts Payable directly from the supplier, except in the case of *6.07 Sundry Payments* and the circumstances outlined in *6.03 Requisitions and Purchase Orders*. The University pays its suppliers by BACS electronic transfer. Only in exceptional circumstances should other forms of payment be used, such as other types of electronic transfer, cheque, or cash.

Supplier invoices will be processed after a series of checks, as follows:

- The invoice contains a valid purchase order reference from the University's finance system (with the exception of a small number of spend categories where pre-arranged contracts exist and it is impractical to raise a purchase order);
- The amount invoiced is within the University's tolerance level when compared to the purchase order;
- The quantity invoiced is in line with the purchase order;
- A GRN has been raised on the University's financial system – note it is the responsibility of the Purchase Officer or Project Manager (in relation to works) to ensure the GRN is processed prior to receipt of the invoice.
- The invoice is a valid VAT invoice, and not a proforma invoice.

Any invoice which does not comply with the checks as above will be returned to the supplier and the relevant University requisitioner, who will be expected to resolve the situation.

Late Payment

The Late Payment of Commercial Debts (Interest) Act 1998, as amended by subsequent regulations, applies to the University. The effect of this Act is that:

- Implied late payment terms are added to all contracts;
- All suppliers can charge interest on overdue invoices at a rate of interest is 8% per annum above the official daily rate of the Bank of England;
- Compensation is also payable depending on the value of the debt.

In view of the penalties in this Act, invoices must be passed for payment as soon as they are received. Any charges incurred will be charged back to the College / University Service concerned.

6.06 Purchasing Cards and Corporate Cards

The University allows the use of Purchasing Cards to facilitate the purchase of low value and/or obscure and irregular items such as are ordered online. The use of Corporate Credit Card are intended to support individual expenses whilst travelling on behalf of the University. The Procurement Office are responsible for processing the application and day to day administration of both Purchasing and Corporate cards. All Cardholders must complete all necessary training and read and fully understand the Purchasing Card Policy and the Corporate Card Policy, which is located on the Procurement Office web page. The use of a card does not alter the underlying rationales of purchasing transparency, fairness, competition and value for money - although their use does alter some of the traditional accounting mechanisms, such as separation of signatories. Full details about the use of both Purchasing and Corporate cards are available on the [Procurement Office](#) web site.

6.07 Sundry Payments

A sundry payment is a low value payment made to third parties, without setting them up as suppliers within the University's finance system. Sundry payments cannot be made to employees. Employees must use the staff expenses procedure outlined in *5.03 Staff Expenses*.

They can be made in the following circumstances:

- The total value of the transaction, including VAT is less than £1,000
- The third party is not already set up as a supplier on the University's finance system;
- There will only be one payment made to the third party; and
- The payment does not fit the criteria for using a purchasing card.

Payments to individuals or "personal service companies" must comply with [HMRC's Off-Payroll Working \(IR35\) Legislation](#), and therefore in many cases it may also not be possible to pay individuals by sundry payment.

6.08 Cash payments

Cash may only be used to make payments in exceptional circumstances and for small amounts. Petty cash is permitted in accordance with *7.02 Treasury Management*.

- Petty Cash floats and cash payments must NOT be used for the reimbursement of staff personal expenses (e.g. car parking charges, bus/train tickets, taxis, etc.) which must be claimed via Staff Expenses – see *Section 5.03 Staff Expenses*.
- Salaries, wages, fees or other forms of remuneration must not be paid using petty cash. This includes casual payments to students and other persons.

Section 7: Assets

7.01 Asset Protection

SMG is responsible for the custody and security of the University's assets, both tangible (eg. land, buildings, equipment, stock, fine art) and financial (eg. investments, cash). In instances where security is thought to be in doubt or there is believed to be a requirement for special security arrangements SMG members have an obligation to consult with the University's Security Team.

The University's accounting policies with regard to assets are set out in the *Statement of Principal Accounting Policies* which is contained within the annual financial statements.

7.02 Treasury Management

The Finance Committee is responsible for approving a *Treasury Management Policy* for cash management, long term investments and borrowings. This will require compliance with any relevant covenants contained within the Financial Memorandum as agreed with the SFC. The day to day operations in relation to treasury management are delegated to the Tax, Treasury and Reporting Manager and the Treasury Manager within the Finance Office. The Executive Director of Finance will report to the Finance Committee on the activities of the treasury management operation and on the exercise of the powers delegated to the Finance Office.

Investment Advisory Committee

The Finance Committee has established an investment sub-committee, the Investment Advisory Committee, with the following remit:

1. To advise the Finance Committee, and through it, Court on investment policy.
2. To advise Finance Committee and through it, Court on the impact on current or proposed investments of restrictions and advise alternatives.
3. To appoint and replace Investment Managers to act on the University's behalf to deliver return and growth objectives set by Finance Committee.
4. To monitor the activities and performance of the Investment Managers.
5. To ensure that the Committee's membership includes the skills and experience necessary to address its remit effectively. To this end, the Committee may request the Finance Committee to appoint additional members as required. The Chair of the Committee and Executive Director of Finance will participate in the selection process for a new member.
6. The Committee will from time to time undertake a review of its own performance and effectiveness as part of the overall review of Finance Committee.

It meets twice per year or more frequently, on the request of the Finance Committee.

Approval of banks, investment managers and custodians

University Court has delegated responsibility to the Finance Committee for the appointment of the University's bankers and other professional financial advisors (such as investment managers and brokers). In appointing bankers or other professional advisors, the University tendering processes must be followed – see *6.01 Procurement and Tendering*.

Non-endowment cash balances of the University are invested in accordance with the University's *Treasury Management Policy*, which is approved by the Finance Committee.

Opening and closing of bank accounts

Once the University has approved appointment of a bank, Finance Committee authorisation is required for the opening or closing of a University bank account. Dual signatories are required to open and/or close a bank account.

Bank mandates

All automated transfers on behalf of the University, such as BACS or CHAPS, and cheques drawn, must be authorised in accordance with the prevailing bank mandate approved by Finance Committee.

Standing orders and direct debits may be approved by the Executive Director of Finance on an exception basis.

Bank reconciliations

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

7.03 Petty cash and till floats

The use of physical cash is only permitted in accordance with the University's *Cash Handling Policy* and for the specific purposes outlined therein.

Applications to hold a Petty Cash account or to have it increased should be made to the Tax, Treasury and Reporting Team within the Finance Office who may authorise a School or Administrative Service to hold a Petty Cash float, normally not exceeding £100. The cash should be held in a safe, lock-fast place, and, if possible, be in the custody of one person. If control has to be rotated, at lunch times or holiday times etc, the cash should be checked at each hand-over for the protection of everyone concerned. The custodian should ensure that all receipts are signed by the payee and it is recommended that each receipt be endorsed as 'paid'.

Once the initial petty cash as issued has been almost fully used, a duly authorised application, with receipts and bearing an original signature should be submitted to the Finance Office to have the float reimbursed.

7.04 Endowment assets

Endowment assets are invested via investment managers who are appointed in accordance with *7.02 Treasury Management*. The Executive Director of Finance has the responsibility for determining the appropriate rate of return on the University's endowment assets to meet the stated objectives of the endowment funds. Subject to the wishes of the donors, the Executive Director of Finance will also be permitted to reorganise the various endowment funds received, where appropriate, to meet charitable objectives.

It is the responsibility of the Investment Advisory Committee to advise the Executive Director of Finance on the investment policy of the funds after approval by the University Court. Within the framework of the approved investment strategy, operational investment decisions are made by third party investment managers appointed by University Court.

The Investment Advisory Committee sets a Socially Responsible Investment Policy and will monitor the external investment managers' compliance with the policy.

7.05 Fixed assets

The Tax, Treasury and Reporting Team is responsible for preparing a *Fixed Asset Policy* for approval by the Finance Committee. The University's *Fixed Asset Policy* must include the University's policy on the following:

- Definition of fixed assets
- Acquisition and capitalisation policy
- Depreciation thresholds
- Repairs and maintenance policy
- Requirements to conduct regular asset register checks
- Disposals of fixed assets

Assets owned or leased by the University shall not be used for personal purposes without prior authorisation from the relevant Head of School or Department.

7.06 Land and Buildings

The [Estates Committee](#) has responsibility for the governance and strategy of the University's estate, with day to day implementation being the responsibility of the Estates Directorate. All repairs and renewals of University property should be carried out by, or under the supervision of Estates. All building contracts are therefore the responsibility of Estates.

Maintenance and capital expenditure

Estates manage the estate refurbishment and development expenditure as a series of projects and it is the total value of each project which will determine the approval process that is followed to approve expenditure. Approval must be sought in accordance with the [University's Scheme of Delegation](#) for the relevant value of the project or contract. The approval required depends on whether the project is capital or revenue expenditure

Each project may contain expenditure that is capitalised and / or expenditure which will be expensed in the year incurred. Each project must be capitalised, expensed or a combination of both, in accordance with the Fixed Asset Policy.

Acquisition of land and buildings

The Financial Memorandum between the SFC and the University requires the University to develop and maintain an Estate Strategy encompassing the acquisition of land and buildings. University Court is also required to keep its holding of Exchequer-funded land and buildings under review with the objective of rationalising and disposing of those holdings which, in the light of its Estate Strategy, the University considers to be no longer needed.

The University Court is the only body within the University with the power to purchase property, enter into a property lease or sell University property. The University Court has delegated authority to approve purchases, sales and leases in accordance with the [Scheme of Delegation](#). Approval must therefore be sought from the Executive Director of Finance, Executive Director of Estates, Estates Committee, Investment Committee, Finance Committee or University Court depending on the value of the sale, purchase, or lease.

The details of any purchase, subject to the parameters set by SMG, Finance Committee and/or University Court, will be negotiated by the Estates Directorate with appropriate legal advice being sought. The Estates Directorate is responsible for keeping the Finance Office informed of progress and for obtaining timely input from the tax team on tax planning matters relating to the acquisition and any other requirements included in the Fixed Asset Policy. The acquisition must be recognised on the University's general ledger and fixed asset register in line with the Fixed Asset Policy.

Leases

The Estates Directorate is responsible for negotiating any new leases for buildings, must do so only in line with the Estates Strategy and must seek appropriate approval in line with the [Scheme of Delegation](#). Signed copies of all leases must be deposited with the University's external legal providers to be retained for safe keeping, with a pdf version retained by the Estates and Buildings Office.

The final arrangements will be reported to University Court for ratification; formal documentation must be signed by the Secretary of Court and a member of University Court and must be sealed.

Leases must be accounted for in the University's general ledger in accordance with the Fixed Asset Policy.

Disposal of land and buildings

All disposals of land or buildings must be authorised by the University Court or delegate, in line with the [Scheme of Delegation](#) and in accordance with the [Estates Strategy](#). All proposals for disposal must include the information outlined in the *Fixed Asset Policy*. Negotiations can only be conducted by the Estates Directorate with assistance from the Court and Finance Offices, to ensure the disposal is made on the best possible terms for the University.

The Tax, Treasury and Reporting Team within the Finance Office must be informed prior to approval of any sale to review:

- If the sale must be notified to the University's banks under banking covenants
- The tax implications of the sale and any VAT options
- The correct accounting for the disposal, in line with the Fixed Asset Policy.

Formal documentation relating to the disposal of property must be signed by the Secretary of Court and a member of University Court. Documentation must be retained by the Estates and Buildings Office.

7.07 Plant and equipment

SMG members are responsible for establishing adequate arrangements for the custody and control of other plant and equipment within their areas of responsibility, including annual asset register checks. Requirements for maintenance, monitoring and depreciation are outlined in the *Fixed Asset Policy*.

Plant and equipment must be purchased in accordance with:

- The requirements outlined in *6.01 Procurement and Tendering*
- The approval process for the type of purchase, as outlined in the [Scheme of Delegation](#). This differs depending on the type of purchase:
 - o Information Services
 - o College specific capital investments
 - o Professional services capital investments
- The [purchasing authorities](#) included in the Scheme of Delegation and which are reflected in the University's finance system

Plant and equipment must be capitalised in accordance with the *Fixed Asset Policy*.

Disposals of plant and equipment must only be made in accordance with the *Fixed Asset Policy* and must be reflected in the University's finance system and Fixed Asset Register in line with the *Fixed Asset Policy*.

7.08 Stock

SMG members are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas of responsibility, including ensuring that regular inspections and stock takes are carried out.

Stocks and stores of a hazardous nature must be subject to appropriate security checks and methods of storage must have been approved by the Safety and Environmental Protection Services (SEPS) Office.

The prior approval of the Executive Director of Finance must be obtained as to the appropriateness of the proposed accounting system / process before stock holding commences.

Staff responsible for stock locations must ensure that:

- Stock records are properly maintained at all times;
- Stock is ordered in accordance with the University's procurement policy and with due consideration to obtaining best value;
- Procedures are in place to account for all stock movements, both in and out of store;
- All transfers out for sale are made on an arms-length basis (normally deemed to be market value);
- Stock is adequately protected against loss, misuse or obsolescence;
- The accuracy of stock records is to be regularly reviewed and validated and obsolete items identified;
- Obsolete stock must not be retained on an open-ended basis, but be disposed of in accordance with the principle of best value;
- Stock held in store is to be valued on the basis of the lower of cost or net realisable value.

7.09 Intellectual Property

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

Through its position as employer, University Court is usually the legal owner of intellectual property developed by its members of staff if created in the course of their employment. Any proposal involving the commercial exploitation of intellectual property requires the approval of University Court. University Court has delegated this authority to the Secretary of Court, who is advised on such matters by [Research and Innovation Services](#).

In determining the potential for commercially exploiting intellectual property and the means by which this may be achieved, Research and Innovation Services will have regard to:

- The extent to which the intellectual property may be legally protected, i.e. by patent, copyright, trade mark, design right or registered design.;
- The size of the potential market for such intellectual property, and the potential commercial return from exploitation;

- The ability of the University, and of the members of staff concerned, to support further technical development of the intellectual property;
- The existence or prospect of commercial support for development and exploitation.

The detailed policy is included in the [Policy for Intellectual Property and Rewarding Participation in Commercialisation](#).

7.10 Accounts Receivable

The Executive Director of Finance is responsible for the University's debt management and credit arrangements. In addition to the requirements in *4.07 Sales Invoices*, he/she will ensure that there are policies and procedures in place to collect receivables owed to the University, including but not limited to:

- Regular sales ledger reconciliations
- Monies received posted to the correct debtors account on a timely basis
- Swift and effective action is taken in collecting overdue debts
- Outstanding debts are monitored and pursued, and reports are prepared for management.

To ensure Accounts Receivable are accurately valued, debt is reviewed in accordance with the University's bad debt provision process and any which is deemed irrecoverable, is accounted for as such.

Section 8: Liabilities

8.01 Borrowing

University Court approval is required before any borrowing of funds from banks and other external source(s) of funds are undertaken and all borrowing must be in the name of the University.

All borrowing shall conform to any relevant funding body requirements, including those set out in the *Scottish Further and Higher Education Funding Council's Financial Memorandum*.

The Executive Director of Finance is responsible, before any agreement is entered into to borrow funds, for advising the University Court on the effect such borrowing, payment of interest thereon, and the impact repayments will have on the cash flow, income and expenditure account and balance sheet of the University.

The Executive Director of Finance is responsible for the design and maintenance of appropriate financial records for all borrowed funds, paying particular regard to ongoing compliance with the terms of all bank covenants and reporting thereon on a regular basis to the Finance Committee.

Where borrowing is for capital finance purposes, 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 loan or arrangement) would exceed 4% of the total income of the University as reported in the latest audited financial statements; or of the estimated amount of total income for the current year if that is lower. The Executive Director of Finance is responsible for informing the SFC of any instances which meet these criteria.

8.02 Hire Purchases and Finance Leases

The approval of the Executive Director of Finance is required prior to entering into any contract or similar arrangement for any finance lease or hire purchase agreement. All finance leases or hire purchase agreements entered into must be in the name of the University.

Section 9: Other

9.01 University entities

University subsidiaries or other related entities may only be set up with the approval of the University Secretary and in accordance with the [Scheme of Delegation](#).

All University entities, which include all subsidiaries and the University of Glasgow Trust, must adhere to these Financial Regulations.

9.02 Student associations

Student associations, such as the unions, sports clubs and Student Representative Council, are not owned or controlled by the University, and as such they are out of scope of these Financial Regulations in their day to day activities. They are however prohibited from:

- Opening a bank account or other account with a financial institution in the name of the University; and
- Contracting with any third parties in the name of the University.

9.03 Insurance

The Executive Director of Finance is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. Day to day responsibility is delegated to the Head of Tax, Treasury and Reporting and the Financial Controls, Compliance and Insurance Manager.

As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to assets. This portfolio of insurances will be considered and approved by the Finance Committee on an annual basis.

The University's Financial Controls, Compliance and Insurance Manager is responsible for:

- Effecting insurance cover as determined by the Finance Committee;
- Obtaining quotes, negotiating claims and maintaining the necessary records;
- Keeping a register of all insurances effected by the University and the property and risks covered;
- Dealing with the University's insurers and advisers about specific insurance problems; and
- Providing staff members with appropriate information about the University's insurance policies via the [Insurance Team's website](#)
- Establishing processes for notification to the insurers via the Insurance team of any relevant matters.
- Notifying the University's insurers of potential claims and, where necessary, handling claims in conjunction with the Head of School or Administrative Service.

All staff members are responsible for:

- Giving prompt notification to the Insurance Team of any potential new risks or activity or of any alterations to existing risks;
- Notification of additional property and equipment that may require insurance;
- Immediately notifying the Insurance Team of any events which may give rise to an insurance claim (either by or against the University) arising under its insurance policies (except travel claims, which can be notified directly to the University's insurer following the process available on the Insurance website)
- Per *Section 4: Income* Ensuring that each time a contractual agreement to provide goods, services or research to or with an external body is being considered, a risk assessment is completed. The risk assessment should identify any actions, events or sets of circumstances that could arise as a result of the contract, which could adversely impact on the University's ability to achieve its objectives. The risk assessment should also identify how the risks can be i) avoided, ii) reduced to an acceptable level, or iii) managed and contained.
- Referring potential contracts to the Legal Team in accordance with *2.13 Contracting on behalf of the University*, who will review with input from the Financial Controls, Compliance and Insurance Manager where appropriate.

Appendix A: Register of relevant policies

	Policy name	Owner	Classification	Link
1	Scheme of Delegation	University Court	All University	https://www.gla.ac.uk/myglasgow/governance/delegation/
2	Risk Management Policy	Risk	All University	https://www.gla.ac.uk/media/Media_851535_smxx.pdf
3	Public Interest Disclosure (Whistleblowing)	P&OD	All University	https://www.gla.ac.uk/myglasgow/humanresources/mgrs-admin/employee/whistleblowing/
4	Fraud Risk Management Policy	Finance	All University	Media_985587_smxx.pdf (gla.ac.uk)
5	Bribery and Corruption Policy	Court Office	All University	https://www.gla.ac.uk/myglasgow/humanresources/a-z/briberyandcorruption/
6	Gifts and hospitality Policy	Procurement	All University	https://www.gla.ac.uk/myglasgow/procurementoffice/
7	Code of Conduct Guidance	Procurement	All University	https://www.gla.ac.uk/myglasgow/procurementoffice/
8	Conflicts of Interest Policy	Court Office	All University	https://www.gla.ac.uk/research/strategy/ourpolicies/conflictsofinterest/
9	Employment Status Policy	P&OD	All University	https://www.gla.ac.uk/myglasgow/humanresources/a-z/self-employedstatus/
10	Consultancy policy	P&OD / Research and Innovation Services	All University	https://www.gla.ac.uk/media/Media_543962_smxx.pdf
11	Full Economic Costing	Finance	All University	https://www.gla.ac.uk/myglasgow/fulleconomiccosting/
12	Employee Disciplinary Procedures	P&OD	All University	https://www.gla.ac.uk/myglasgow/humanresources/mgrs-admin/employee/disciplinary/
13	Policy for Intellectual Property and Commercialisation	Research and Innovation Services	All University	https://www.gla.ac.uk/media/Media_185772_smxx.pdf
14	General Policy for Externally-Funded Activities	Research and Innovation Services	All University	https://www.gla.ac.uk/media/Media_502695_smxx.pdf
15	Fixed Asset Policy	Finance – Tax, Treasury and Reporting	All University	Fixed asset policy (gla.ac.uk)
16	Non-Audit Services Policy	Finance – Tax, Treasury and Reporting	All University	https://www.gla.ac.uk/media/Media_908743_smxx.pdf
17	Treasury Management Policy	Finance – Tax, Treasury and Reporting	Finance Only	Available from the Tax, Treasury and Reporting Team
18	Cash Handling Policy	Finance – Tax, Treasury and Reporting	All University	https://www.gla.ac.uk/myglasgow/finance/generalinformation/cashhandling/
19	Procurement Policy	Procurement	All University	https://www.gla.ac.uk/media/Media_771396_smxx.pdf

20	Purchasing Card Policy	Procurement	All University	https://www.gla.ac.uk/media/Media_921813_smxx.pdf
21	Corporate Card Policy	Pay and Pensions	All University	https://www.gla.ac.uk/media/Media_928513_smxx.pdf
22	Travel Booking Policy	Procurement	All University	https://www.gla.ac.uk/media/Media_855017_smxx.pdf
23	Contract & Supplier Relationship Management	Procurement	All University	https://www.gla.ac.uk/media/Media_771541_smxx.pdf

Appendix B : Links to Further Guidance

General information

- [Finance Homepage](#)
- [Finance Office Contact Details](#)
- [Finance forms](#)
- [Annual Financial Statements](#)

Finance Team Webpages

- [Finance Operations](#)
- [Tax, treasury and reporting](#)
- [Management Accounting](#)
- [Accounts Payable](#)
- [Collections / Credit control](#)
- [Insurance](#)
- [Pay & Pensions](#)
- [Research & Other Services](#)
- [Systems Support and Development](#)
- [Procurement Office](#)

Other relevant department webpages

- [Research and Innovation Services](#)
- [Registry](#)
- [Estates](#)
- [Data protection and freedom of information office](#)

Other guidance

[Project Approval Guidance](#)

[Student finance](#)

[Guidance on Cash Handling Procedures](#)

External links:

[Financial Memorandum with Higher Education Institutions](#)